

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE  
OF INFORMATION FOR TAX PURPOSES

**Peer Review Report**  
**Phase 2**  
**Implementation of the Standard**  
**in Practice**

**QATAR**





# **Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews: Qatar 2013**

PHASE 2:  
IMPLEMENTATION OF THE STANDARD IN PRACTICE

November 2013  
(reflecting the legal and regulatory framework  
as at May 2013)

This work is published on the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the OECD or of the governments of its member countries or those of the Global Forum on Transparency and Exchange of Information for Tax Purposes.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

**Please cite this publication as:**

OECD (2013), *Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews: Qatar 2013: Phase 2: Implementation of the Standard in Practice*, OECD Publishing, <http://dx.doi.org/10.1787/9789264202757-en>

ISBN 978-92-64-20274-0 (print)

ISBN 978-92-64-20275-7 (PDF)

Series: Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews

ISSN 2219-4681 (print)

ISSN 2219-469X (online)

Corrigenda to OECD publications may be found on line at: [www.oecd.org/publishing/corrigenda](http://www.oecd.org/publishing/corrigenda).

© OECD 2013

---

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).

---

## *Table of Contents*

<b>About the Global Forum</b> .....	5
<b>Executive Summary</b> .....	7
<b>Introduction</b> .....	11
Information and methodology used for the peer review of Qatar .....	11
Overview of Qatar .....	13
Recent developments .....	16
<b>Compliance with the Standards</b> .....	17
<b>A. Availability of Information</b> .....	17
A.1. Ownership and identity information .....	20
A.2. Accounting records .....	42
A.3. Banking information .....	47
<b>B. Access to Information</b> .....	49
Overview .....	49
B.1. Competent Authority’s ability to obtain and provide information .....	50
B.2. Notification requirements and rights and safeguards. ....	59
<b>C. Exchanging Information</b> .....	61
Overview .....	61
C.1. Exchange-of-information mechanisms .....	62
C.2. Exchange-of-information mechanisms with all relevant partners .....	66
C.3. Confidentiality .....	67
C.4. Rights and safeguards of taxpayers and third parties. ....	71
C.5. Timeliness of responses to requests for information .....	71
<b>Summary of Determinations and Factors Underlying Recommendations</b> . . . .	77

<b>Annex 1: Jurisdiction’s Response to the Review Report</b> . . . . .	81
<b>Annex 2: List of All Exchange-Of-Information Mechanisms</b> . . . . .	85
<b>Annex 3: List of all Laws, Regulations and Other Material Received</b> . . . . .	88
<b>Annex 4: People Interviewed During Onsite Visit</b> . . . . .	90

## About the Global Forum

The Global Forum on Transparency and Exchange of Information for Tax Purposes is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 120 jurisdictions, which participate in the Global Forum on an equal footing.

The Global Forum is charged with in-depth monitoring and peer review of the implementation of the international standards of transparency and exchange of information for tax purposes. These standards are primarily reflected in the 2002 OECD *Model Agreement on Exchange of Information on Tax Matters* and its commentary, and in Article 26 of the OECD *Model Tax Convention on Income and on Capital* and its commentary as updated in 2004. The standards have also been incorporated into the UN *Model Tax Convention*.

The standards provide for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. Fishing expeditions are not authorised but all foreseeably relevant information must be provided, including bank information and information held by fiduciaries, regardless of the existence of a domestic tax interest or the application of a dual criminality standard.

All members of the Global Forum, as well as jurisdictions identified by the Global Forum as relevant to its work, are being reviewed. This process is undertaken in two phases. Phase 1 reviews assess the quality of a jurisdiction's legal and regulatory framework for the exchange of information, while Phase 2 reviews look at the practical implementation of that framework. Some Global Forum members are undergoing combined – Phase 1 and Phase 2 – reviews. The Global Forum has also put in place a process for supplementary reports to follow-up on recommendations, as well as for the ongoing monitoring of jurisdictions following the conclusion of a review. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

All review reports are published once approved by the Global Forum and they thus represent agreed Global Forum reports.

For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and for copies of the published review reports, please refer to [www.oecd.org/tax/transparency](http://www.oecd.org/tax/transparency) and [www.eoi-tax.org](http://www.eoi-tax.org).





## Executive Summary

1. This report summarises the legal and regulatory framework for transparency and exchange of information in Qatar as well as the practical implementation of that framework.
2. Qatar is one of the wealthiest nations in the world, with the highest GDP per capita of more than USD 98 000 in 2011 on the strength of oil and natural gas exports. In 2005, Qatar established the Qatar Financial Centre to attract international financial services and multinational corporations to grow and develop the market for financial services in the region. The QFC currently provides access to over USD 137 billion of prospective infrastructure investment in Qatar as well as to over USD 1.2 trillion planned investment across the Gulf Cooperation Council states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates).
3. Invited to join the Global Forum as a “relevant jurisdiction” in 2008, Qatar joined the new Global Forum in December 2009 and committed to implementing international standards of transparency and exchange of information.
4. Qatar’s legal and regulatory framework for the availability of information is in place. Qatari commercial and tax laws ensure that much of the relevant ownership information is available in the hands of the Qatari authorities. The *Commercial Law* requires the maintenance of adequate accounting information and records by Qatari entities. The availability of bank information is ensured by anti-money laundering (AML) legislation in Qatar.
5. In the QFC, the obligations ensuring the availability of ownership information are mainly set out in the corporate legislation. QFC corporate and tax legislation sets out obligations for the maintenance of accounting records and underlying documentation by QFC entities. The QFC AML regime ensures the availability of bank information in the QFC. The QFC authorities adequately exercise their monitoring and enforcement powers to ensure the availability of accounting and bank information. The QFC Company Register Office has only recently commenced exercising its enforcement powers in relation to filing requirements, which are relevant to ensuring the availability

of ownership information, after the review of procedures, re-organisation of the structure of the oversight authorities and widening of scope of penalties in the QFC.

6. Qatar has a wide network of double taxation conventions with 61 jurisdictions, including many OECD and G20 countries as well as important regional partners. Most of its DTCs include the old wording of article 26 of the OECD Model Tax Convention. Qatar's DTCs with 25 jurisdictions contain the current version of article 26. Qatar has also entered into one TIEA which allows for exchange of information to the international standard. These agreements apply equally to Qatar generally as well as to the QFC. Qatar is currently negotiating both DTCs and TIEAs with a number of partners.

7. The authority for Qatar's tax authorities to access information is based in Qatar's domestic laws, its agreements for the exchange of information and its Constitution. The Executive Regulations to the *Income Tax Law*, introduced with effect from 2 July 2011, clarify that Qatar's tax authorities can use their access powers under the *Income Tax Law* to obtain any information for exchange purposes. Where information is required from a QFC entity, Qatar's tax authorities can obtain such information through the QFC tax authorities, which have their own broad powers to access information that are unhindered by any bank secrecy or domestic tax interest requirements. To facilitate accessing information in practice, Qatar's tax authorities have entered into agreements with other Qatari authorities, such as the Qatar Central Bank and the QFC Tax Authority, who can assist in the obtaining of bank information and QFC related information, respectively. Therefore, Qatar can provide effective exchange of information through its treaty network.

8. In practice, EOI requests received by Qatar would be handled by the EOI unit within the Public Revenues and Tax Department under the Ministry of Economy and Finance. Although recently established (in 2012), the EOI unit has put in place detailed procedural guidelines for the handling of EOI requests. It is considered that the current level of resources committed to, and the procedures implemented by, Qatar should allow it to effectively exchange information.

9. Qatar has very limited experience in exchanging information for tax purposes. It did not process any EOI requests during the three-year period under review of 1 July 2009 to 30 June 2012. It only received one EOI request prior to 2009, i.e. prior to the implementation of the current EOI procedures, and it has since received a few more EOI requests following the three-year review period, which have all been responded to.

10. Qatar has been assigned a rating<sup>1</sup> for each of the 10 essential elements as well as an overall rating. The ratings for the essential elements are based on the analysis in the text of the report, taking into account the Phase 1 determinations and any recommendations made in respect of Qatar’s legal and regulatory framework and the effectiveness of its exchange of information in practice. On this basis, Qatar has been assigned the following ratings: Compliant for elements A.2, A.3, B.1, B.2, C.1, C.2, C.3 and C.4, and Largely Compliant for elements A.1 and C.5. In view of the ratings for each of the essential elements taken in their entirety, the overall rating for Qatar is Largely Compliant.

11. A follow up report on the steps undertaken by Qatar to answer the recommendations made in this report should be provided to the PRG within twelve months after the adoption of this report.

---

1. This report reflects the legal and regulatory framework as at the date indicated on page 1 of this publication. Any material changes to the circumstances affecting the ratings may be included in Annex 1 to this report.



## Introduction

### Information and methodology used for the peer review of Qatar

12. The peer review process of Qatar has been undertaken across three reports; the 2010 Phase 1 Report, a supplementary Phase 1 report and the Phase 2 assessment. The assessments of the legal and regulatory framework of Qatar and the practical implementation and effectiveness of this framework were carried out in accordance with the international standards for transparency and exchange of information as described in the Global Forum's *Terms of Reference*, and were prepared using the Global Forum's *Methodology for Peer reviews and Non-Member Reviews*.

13. The 2010 Phase 1 Report of Qatar which was adopted and published by the Global Forum in September 2010 was based on the laws, regulations, and exchange-of-information mechanisms as at May 2010, other materials supplied by Qatar, and information supplied by partner jurisdictions.

14. The supplementary Phase 1 report, which followed the 2010 Phase 1 Report of Qatar, was prepared pursuant to paragraph 58 of the Global Forum's Methodology and was adopted by the Global Forum in March 2012. The supplementary report was based on information available to the assessment team including the laws, regulations, and exchange of information arrangements in force or effect as at January 2012, and information supplied by Qatar.

15. The Phase 2 assessment was based on the laws, regulations and exchange of information mechanisms in force or effect as at May 2013, Qatar's responses to the Phase 2 questionnaire, supplementary questions and other materials supplied by Qatar, information supplied by exchange of information partners and explanations provided by Qatar during the on-site visit that took place on 19-21 November 2012 in Doha, Qatar. During the on-site visit, the assessment team met with representatives of the Ministry of Economy and Finance, the Ministry of Business and Trade, the Ministry of Justice, the Ministry of Social Affairs, the Ministry of Labour, the Ministry of Endowment and Islamic Affairs, Qatar Central Bank, Qatar Financial Centre (QFC) Regulatory Authorities, the QFC Commercial Register Officer (CRO), the QFC Tax Authorities and the National Anti-money Laundering

and Terrorism Financing Committee (NAMLC). A list of all those interviewed during the on-site visit is attached to this report at Annex 4.

16. The following analysis reflects the integrated 2010 Phase 1, supplementary Phase 1 and Phase 2 assessments of the legal and regulatory framework of Qatar as in effect as at May 2013 and the practical implementation and effectiveness of this framework in the three-year review period of 1 July 2009 to 30 June 2012.

17. The Terms of Reference break down the standards of transparency and exchange of information into 10 essential elements and 31 enumerated aspects under three broad categories: (A) availability of information; (B) access to information; and (C) exchanging information. This review assesses Qatar's legal and regulatory framework and the implementation and effectiveness of this framework against these elements and each of the enumerated aspects. In respect of each essential element a determination is made regarding Qatar's legal and regulatory framework that either: (i) the element is in place, (ii) the element is in place but certain aspects of the legal implementation of the element need improvement, or (iii) the element is not in place. These determinations are accompanied by recommendations for improvement where relevant. In addition, to reflect the Phase 2 component, recommendations are made concerning Qatar's practical application of each of the essential elements and a rating of either: (i) compliant, (ii) largely compliant, (iii) partially compliant, or (iv) non-compliant is assigned to each element. An overall rating is also assigned to reflect Qatar's overall level of compliance with the standards.

18. The assessment presented in the 2010 Phase 1 Report was conducted by an assessment team consisting of one representative of the Global Forum Secretariat and two expert assessors: Rowena Bethel, Legal Advisor, The Bahamas Ministry of Finance; Fabio Seragusa, Guardia di Finanza, Public Finance Office, International Co-operation; and Andrew Auerbach from the Global Forum Secretariat. In the supplementary review, Rowena Bethel was replaced by Bernadette Butler, Legal Advisor, The Bahamas Ministry of Finance as expert assessor.

19. The Phase 2 assessment was conducted by an assessment team which consisted of two expert assessors and two representatives of the Global Forum Secretariat: Bernadette Butler, Legal Advisor, The Bahamas Ministry of Finance; Fabio Seragusa, Guardia di Finanza, Public Finance Office, International Co-operation, Italy; and Doris King and Mikkel Thunnissen from the Global Forum Secretariat. The assessment teams assessed the legal and regulatory framework for transparency and exchange of information, the implementation and effectiveness of this framework and relevant exchange-of-information mechanisms in Qatar.

20. The ratings assigned in this report were adopted by the Global Forum in November 2013 as part of a comparative exercise designed to ensure the consistency of the results. An expert team of assessors was selected to propose ratings for a representative subset of 50 jurisdictions. Consequently, the assessment teams that carried out the Phase 1 and Phase 2 reviews were not involved in the assignment of ratings. These ratings have been compared with the ratings assigned to other jurisdictions for each of the essential elements to ensure a consistent and comprehensive approach. The assignment of ratings was also conducted at a different time from those reviews, and the circumstances may have changed in the meantime. Readers should consult Annex 1 for information on changes that have occurred.

## Overview of Qatar

21. Qatar is a peninsula state in the Middle East located on the north-easterly coast of the Arabian Peninsula. It shares a sole land border with Saudi Arabia to the south. Its other neighbouring states are Bahrain, to the north-west, and the United Arab Emirates, to the east. Qatar covers a total area of approximately 11 500 square kilometres and has a population of around 1.84 million as at December 2012. The currency is the Qatari Riyal (QAR; on 8 January 2013 QAR 1 equals EUR 0.21).

22. Qatar has been ruled by the al-Thani family since the mid-1800s and has transformed itself from a poor British protectorate noted mainly for pearling into an independent state with significant oil and natural gas revenues. Qatar's economic growth registered at over 18% and its nominal GDP amounted to USD 173.8 billion in 2011. Economic policy is focused on developing Qatar's natural gas reserves and increasing private and foreign investment in non-energy sectors, but oil and gas still account for more than 50% of GDP, roughly 85% of export earnings, and 70% of government revenues. Oil and gas have made Qatar the world's highest per-capita income country and the country with the lowest unemployment. Proved oil reserves in excess of 25 billion barrels should enable continued output at current levels for 57 years. Qatar's proved reserves of natural gas exceed 25 trillion cubic meters, more than 13% of the world total and third largest in the world. The financial services sector of Qatar accounted for 11.5% of Qatar's GDP in 2011. The value of the total assets held by all Qatari banks (including QFC banks) was USD 233 billion in 2012.

23. Qatar became a member of the Global Forum on Transparency and Exchange of Information for Tax Purposes in December 2009.

### ***Legal System***

24. Qatar has a civil law based legal system. The hierarchy of laws is as follows:

- Constitution,
- laws (and decree-laws),
- decrees, and
- Ministerial resolutions.

25. Under the Constitution international agreements have the same status as laws (*Qatar Constitution*, art. 68). Moreover, Qatar’s constitution explicitly provides that Qatar “shall respect international pacts and execute all international agreements, pacts and treaties to which it is a party” (*Qatar Constitution*, art. 6). Consequently, although the Constitution gives treaties the status of laws, the Constitutional requirement that they be respected and executed means that in the case of a conflict between a treaty and the domestic law, the treaty will prevail. Qatar is not a federation and so there is no relevant sub-national legislation. However, the Qatar Financial Centre applies its own legal regime (see below under “*The Qatar Financial Centre*”). Qatar’s income tax law is generally a territorial system and applies only to income from business activities (see below under *Tax System*).

26. There is a *Commercial Companies Law*, which governs the formation and operation of corporate entities and partnerships. In addition, there is a *Commercial Law*, which imposes obligations on traders including the maintenance of accounts. Associations and private foundations as well as private foundations of public interest are also governed by specific statutes.

### ***Tax System***

27. Qatar imposes tax at a rate of 10% on income derived from a Qatari source, except in relation to income from petroleum operations to which a tax rate of at least 35% applies. Salaries and wages as well as inheritance income are outside of the scope of Qatari income tax. Furthermore, tax exemptions apply such as to the income of Qatari natural persons resident in the State, income of entities resident in Qatar that are wholly owned by Qatari nationals and bank interest and return derived by natural persons other than those carrying on a taxable activity.

28. For income tax purposes, individuals are treated as resident in Qatar if they have (i) a permanent home in Qatar; (ii) been in Qatar for more than 183 days during any 12-month period; or (iii) their centre of vital interests is in Qatar. An entity is considered tax resident in Qatar if it (i) is incorporated



under Qatari laws; *(ii)* has its head office situated in Qatar; or *(iii)* has its place of effective management in Qatar.

29. Withholding tax applies to royalties and technical fees (at 5%) and to interest, commissions, brokerage fees and other payments for services (at 7%) paid to non-resident individuals and companies with respect to activities not connected with a permanent establishment in Qatar.

30. The Public Revenues and Taxes Department (PRTD), under the Ministry of Economy and Finance, is responsible for the assessment and collection of taxes. Every legal or natural person that carries on an activity must register with the Qatari tax authorities. All taxpayers resident in Qatar and all non-resident taxpayers with a permanent establishment in Qatar are required to obtain a tax card containing a tax identification number (TIN). A valid tax card is required to be presented for registration with the immigration department and the Ministry of Labour (for the purposes of employment). It should also be noted that in relation to contractual obligations, a Qatari taxpayer may not make the final contractual payment to a person or entity that does not possess a valid tax card.

### ***International exchange of information for tax purposes***

31. Qatar concluded its first double taxation convention (DTC) in 1990. Its exchange of information (EOI) network, comprised of mainly DTCs and one TIEA, allows it to exchange information with 61 EOI partners.

32. Although 33 of these EOI agreements have been in force since the 2010 Phase 1 Report, Qatar did not process EOI requests during the three-year period under review (1 July 2009 – 30 June 2012). It only received one EOI request prior to 2009.

### ***The Qatar Financial Centre***

33. The Qatar Financial Centre (QFC) is a financial and business centre established by the government of Qatar in 2005 to attract international financial services and multinational corporations to grow and develop the market for financial services in the region. The QFC Authority estimates that it will provide access to over USD 137 billion of prospective infrastructure investment in Qatar through to 2022 as well as to over USD 1.2 trillion planned investment across the GCC. Within the QFC it is also possible to provide services in respect of Islamic financial instruments. There has been some activity in this regard, but this does not represent a significant aspect of the business within the QFC.

34. The QFC consists of a commercial arm, the QFC Authority and an independent financial regulator, the QFC Regulatory Authority. It also has an independent judiciary which comprises a civil and commercial court and a

regulatory tribunal. The QFC Authority is responsible for the organisation's commercial strategy and for developing relationships with the global financial community and other key institutions both within and outside Qatar. The QFC Regulatory Authority is an independent statutory body and authorises and supervises businesses that conduct financial services activities in, or from, the QFC. It has powers to authorise, supervise and, where necessary, discipline regulated firms and individuals.<sup>2</sup>

35. The QFC has its own legal regime, based on common law. QFC Regulations have been enacted under the QFC Law covering a wide variety of subjects, including: financial services, companies, anti-money laundering, contracts, insolvency, data protection, partnerships, arbitration, employment, trusts and taxation.

### **Recent developments**

36. Qatar signed six additional DTCs with Barbados, Guernsey, Ireland, the Isle of Man, Jersey and Mexico and one TIEA with the Cayman Islands since January 2012.

---

2 [www.qfcra.com/who/about\\_index.php](http://www.qfcra.com/who/about_index.php)

## Compliance with the Standards

### A. Availability of Information

#### *Overview*

37. Effective exchange of information requires the availability of reliable information. In particular, it requires information on the identity of owners and other stakeholders as well as information on the transactions carried out by entities and other organisational structures. Such information may be kept for tax, regulatory, commercial or other reasons. If such information is not kept or the information is not maintained for a reasonable period of time, a jurisdiction's competent authority may not be able to obtain and provide it when requested. This section of the report assesses the adequacy of Qatar's legal and regulatory framework on availability of information. It also assesses the implementation and effectiveness of this framework.

38. Companies formed under Qatar's *Commercial Companies Law (CCL)* must generally be registered and maintain an up-to-date shareholders or members register. Identity information on shareholders and partners (as applicable) must also be filed with the Ministry of Business and Trade upon initial registration and on subsequent changes. The equities partnership company is not required to maintain a shareholders register, however, it must register and file ownership information with the Commercial Register. Companies that carry on activities, or derive a taxable income, in Qatar are required to register as taxpayers through which ownership and identity information is provided to Qatar's tax authorities. Under Qatar's *Anti-money Laundering Law (the Qatar AML Law)* there are requirements on many service providers to maintain ownership information (both legal and beneficial) in respect of

their clients as well as a system whereby the competent commercial register system maintains this information for entities incorporated or established in Qatar. Therefore, up-to-date identity information on shareholders of shareholding companies, equities partnership companies and LLCs is held by the Qatari authorities through a number of channels, including by the Ministry of Business and Trade as well as Qatar's tax authorities.

39. Particular Partnership Companies are not subject to registration requirements and are not obligated to maintain ownership information. However, the particular partnership company does not have separate corporate personality and may best be described as a type of joint venture. It does not appear that the particular partnership company is able to carry out acts in its own name, for example, maintain a bank account or own property. As the owners of the particular partnership company would have to transact in their own name, the lack of information on such companies *per se* should not be relevant to the determination of whether Qatar's legal and regulatory framework allow for effective exchange of information.

40. In the QFC all companies must be registered and maintain up-to-date shareholder information.

41. In respect of partnerships, both the joint company and the limited partnership company, which are formed under the *Commercial Companies Law* but possess the characteristics of partnerships, are required to maintain information regarding the identity of the partners with the Commercial Registry as well as supply such information to the Qatari tax authorities for tax registration purposes. QFC Law allows for the creation of general partnerships, limited partnerships and limited liability partnerships (which are in fact bodies corporate). Limited partnerships and limited liability partnerships must be registered and provide information on the identity of their partners to the Companies Registration Office (CRO). General partnerships are not subject to a registration requirement but must register for tax purposes, although the information provided in the registration form does not include ownership information. Foreign partnerships carrying on activities in the QFC must register and provide the names of each partner, however, there does not appear to be a requirement that this information be kept up-to-date.

42. Trusts are not provided for under Qatari law, however, trust service providers are subject to the *Qatar AML law* and must conduct customer due diligence and in particular identify the settlor and major beneficiaries of a trust. In the QFC trusts are not subject to specific registration or record-keeping obligations under the *QFC Trust Regulations*, however, the QFC anti-money laundering regime requires service providers, including trustees, to maintain records regarding the identity of settlors and beneficiaries. It is also necessary for persons providing professional trust services as well as other service providers such as accountants and financial institutions, to

identify the settlor and beneficiary of a trust and maintain these records. Therefore, information is maintained regarding the identity of the beneficiaries and settlors of a trust, including with respect to trust protectors, administrators and other persons having control of trust assets of trusts formed in the QFC and those created under foreign law but operating in the QFC. A trust with a licence to operate in the QFC is classified as a QFC entity and is treated as a QFC taxpayer.

43. Foundations must maintain records identifying their founders. There is no systematic requirement under the Foundations law that information on their beneficiaries or members of the foundation council are maintained, but in practice, the foundations maintain a networked database containing information on their beneficiaries. Foundations are not subject to tax registration requirements as they are not subject to tax under the *Income Tax Law*. Under the *Qatar AML Law* there are requirements on many service providers to maintain ownership information (both legal and beneficial) in respect of their clients as well as a system whereby the competent commercial register system maintains this information for entities incorporated or established in Qatar.

44. There are no specific enforcement provisions relating to the maintenance of shareholder information under the *CCL*, however, there is a general penalty that applies in respect of the failure of a person to comply with any obligation under the act other than those for which a penalty is otherwise provided for. The penalty is a prison sentence of not more than 2 years and/or a fine of between QAR 10 000 and QAR 100 000 (EUR 2 100 to 21 000). In addition, Qatar's anti-money laundering law provides for penalties for failure to maintain information as required by that law.

45. In practice, the registration system with the Ministry of Business and Trade and Qatar's tax authorities adequately support obligations that ensure the availability of ownership information on *CCL* entities. Changes in ownership in LLCs are not valid unless registered with the Ministry of Business and Trade. Furthermore, Qatar's tax authorities also internally verify ownership information on *CCL* entities which they collect through taxpayer registration by cross-checking such information against the ownership information collected by the Ministry of Business and Trade for commercial registration purposes.

46. In the QFC, AML obligations are actively enforced by the QFC Regulatory Authority. The QFC Companies Registration Office (CRO) has not actively enforced the filing obligations of QFC entities until recently. Following a review of policy, restructuring of the oversight authorities and widening of scope of penalties in the QFC, the CRO started to actively use its enforcement measures from April 2012 onwards. The QFC authorities indicate that this has led to increased compliance. Nevertheless, the QFC is encouraged to continue to adequately exercise appropriate monitoring and

enforcement powers to effectively support obligations which ensure the availability of identity and ownership information on QFC entities.

47. Bank information must be maintained for all account-holders under AML and banking law. Accounting information must be maintained to international standards for all entities pursuant to commercial law and tax law. These obligations are sufficiently monitored and enforced in practice to ensure the availability of bank and accounting information.

48. Qatar did not process any EOI requests during the three-year period under review (1 July 2009 – 30 June 2012). It received one EOI request prior to this period in relation to individuals.

### A.1. Ownership and identity information

Jurisdictions should ensure that ownership and identity information for all relevant entities and arrangements is available to their competent authorities.

#### *Companies (ToR<sup>3</sup> A.1.1)*

##### *Qatari Law*

49. Qatar's *Commercial Companies Law* (Law No. (5) of 2002) (*CCL*) provides rules for the incorporation of a variety of different companies and partnerships. Under the *CCL* a registrar is mandated to maintain a Commercial Registry. Further provisions are set out in the *Commercial Registration Law* (Law No. (25) of 2005) (*CRL*) in relation to registering *CCL* entities and branches of foreign companies. The Commercial Registry can designate the form to be completed, and information to be provided, in an application for registration (*CRL*, art (4) and *Executive Regulations* to the *CRL*, art (3)). The name, nationality, ID number and percentage holding of shareholders and partners must be provided in the application form for company registration. Changes to this registered information must be reported within 30 days of such change (*CRL*, art (9)). The approval of the Qatari tax authorities must also be obtained prior to the registration of any change of ownership in the Commercial Register (see *Tax Rules* below).

50. Furthermore, a *CCL* entity that carries on an activity or derives a taxable income in Qatar is required to register with Qatar's tax authorities. An activity is defined as "any profession, vocation, service, trade, industry, speculation, contractual work or any business carried on to derive a profit or an income including the exploitation of a movable or immovable property"

3. *Terms of Reference to Monitor and Review Progress Towards Transparency and Exchange of Information.*

(*Income Tax Law*, art. 1). Ownership information is required to be provided to Qatar's tax authorities as part of tax registration by a CCL entity (see *Tax Rules* below).

### ***CCL Entities***

51. Six specific types of companies are possible (*CCL*, art. 4). These are:

- Joint Company: There are currently 163 joint companies registered in Qatar.
- Limited Partnership Company: There are currently 30 limited partnership companies registered in Qatar.
- Particular Partnership Company: There are currently 26 particular partnership companies operating in Qatar.
- Shareholding Company: There are currently 126 public shareholding companies and 136 private shareholding companies registered in Qatar.
- Equities Partnership Company: There are currently no equities partnership companies registered in Qatar.
- Limited Liability Company: There are currently 24 419 limited liability companies registered in Qatar.

52. The *CCL* also applies to any foreign companies that practice activities in Qatar (*CCL*, art. (17)). There are currently 785 branches of foreign companies registered in Qatar.

53. The information provided upon incorporation differs among the various companies and partnerships governed by the *CCL*. Joint companies and limited partnership companies have separate legal personality from their owners, but the owners are each jointly and severally liable for the debts of the company. As these entities have both corporate and partnership characteristics it was unclear how they should be characterised, and they have been treated as partnerships and are dealt with below.

54. The particular partnership company is a concealed company whose existence can be substantiated by any means including presumption (*CCL*, art. (52)). A particular partnership company has both corporate and partnership characteristics and it is not clear under what heading it should be considered. It does not have a separate legal personality, but neither are its owners jointly and severally liable for its debts. It might best be described as a type of joint venture. There are no requirements for particular partnership companies to maintain ownership information, nor is there any requirement that a particular partnership company register with the Commercial Registry.

However, it does not appear that the particular partnership company is able to carry out acts in its own name, for example, maintain a bank account or own property. As the owners of the particular partnership company would have to transact in their own name, the lack of information on such companies *per se* should not be relevant to the determination of whether Qatar’s legal and regulatory framework allow for effective exchange of information.

55. A shareholding company must be established by 5 or more founder shareholders (*CCL*, art. (66)) who must be Qatari nationals (*CCL*, art. (67)). Once the shareholding company is established the public must underwrite further shares, as the founders should only hold a maximum of 45 per cent of the shares in the capital of the company (*CCL*, art. (76)). The founders must inform the Ministry of Economy and Commerce (now known as the Ministry of Business and Trade) of the shares underwritten and the name of each shareholder (*CCL*, art. (87)). The shareholding company is also required to maintain a shareholders register holding the names, nationalities and countries of the shareholders as well as the portion of the shares held (*CCL*, art. (159)). Ownership of shares is transferred upon registration in the shareholders register (*CCL*, art. (160)). Information from the shareholders register, including any changes, must be sent to “the concerned department” at least two weeks before the date fixed for the issue of profits to the shareholders (*CCL*, art. (159)). In practice, “the concerned department” for the purpose of this provision is the Company Control Department in the Ministry of Business and Trade. In addition, as mentioned above, the *CRL* provides that any changes to information registered with the Commercial Registry must be notified within 30 days of the change, including changes to shareholder information.

56. A private shareholding company must have a minimum share capital of 2 million Riyals and its shares shall not be floated for public underwriting. The rules above regarding the maintenance of a shareholders register apply also to private shareholding companies (*CCL*, art. (204)).

57. An equities partnership divides ownership between at least one partner who is liable for the debts of the company “in all their assets” (the joint partner(s)) and at least four shareholding partners who are responsible for the debts of the company only to the extent of their shares in the capital (*CCL*, art. (206)). The public may underwrite shares in an equities partnership in accordance with the rules that apply to shareholding companies (*CCL*, art. (211)), which includes the requirement for the founders to inform the Ministry of Business and Trade of the names of the shareholders that have underwritten the share issue (*CCL*, art. (87)). The company statute shall mention the names, residence and nationalities of the joint partners (*CCL*, art. (212)). The rules regarding company incorporation that apply to shareholding companies also apply to an equities partnership (*CCL*, art. (223)). Accordingly,



information on the founding partners must be maintained with the Ministry of Business and Trade and the Commercial Register. Furthermore, the CRL (as mentioned above) provides that identity information on joint partners and shareholding partners must be provided to the Commercial Register through the registration application form, and subsequent changes to the registered details must be reported (*Executive Regulations to the CRL*, art. (3) and *CRL*, art. (9)) In addition, the *Qatar AML Law* imposes additional requirements on the Registrar to maintain ownership information for all companies incorporated in Qatar (see para. 87). Accordingly, identity information on the original and subsequent joint partners and shareholding partners is available to the Qatari authorities.

58. In practice, two departments under the Ministry of Business and Trade are involved in the execution of the functions which ensure the availability of ownership information on shareholding companies and equities partnerships. The Commercial Register within the Ministry of Business and Trade is responsible for the registration of these entities and collects ownership information as part of the initial registration process. These entities are then supervised by Company Control, also within the same Ministry, to which subsequent ownership changes are reported. A record of these changes is kept in the file of the entity by the Company Control Department. Accordingly, up-to-date ownership and identity information on shareholding companies and equities partnership companies is held by the Ministry of Business and Trade.

59. A limited liability company (LLC) must have at least two and no more than 50 partners (*CCL*, art. (225)). An LLC may not undertake the business of banking, insurance or investment (*CCL*, art. (227)). The contract of the LLC must contain the name nationality, residence and address of the partners (*CCL*, art. (229)). The contract of an LLC must be authenticated by the Ministry of Justice and then filed with the Commercial Register (*CCL*, art. (6)). In addition, the LLC must keep a special ledger containing details of the partners' identity and their shares in the company (*CCL*, art. (234)). Any transfer of shares must be registered in the ledger as well as in the commercial register (*CCL*, art. (235)). A transfer is not valid against the company or other persons until it is registered with the Commercial Register (*CCL*, art. (235)).

60. The provisions of the *CCL* also apply to foreign companies that practice activities in Qatar, excluding the provisions pursuant to the articles of association (*CCL*, art. 17). In practice, foreign companies wishing to conduct business in Qatar must first obtain authorisation from the Minister of Business and Trade. The term “practice activities” is interpreted broadly: both foreign companies planning to carry out activities on a short-term contract and foreign companies wishing to establish a branch in Qatar must obtain authorisation. Through this process identity information on the

authorised signatories, but not full ownership information, will be provided. In practice, the requirement to maintain a shareholder register is not enforced against foreign companies registered to operate in Qatar.

61. It is noted that under the *Qatar AML Law* there are requirements on many service providers to maintain ownership information (both legal and beneficial) in respect of their clients as well as a system whereby the competent commercial register system maintains this information for entities incorporated or established in Qatar. In addition, in cases where the branch of a foreign company constitutes a permanent establishment for income tax purposes, which will be in all cases according to the Qatari tax authorities, registration for tax purposes requires ownership information to be provided to the tax authorities, as described under *Tax Rules* below.

62. In practice, information collected by the Commercial Register (including updated records on shareholders and/or partners) is maintained on an electronic database. Qatar's tax authorities can access the information on this database at any time. As mentioned, Qatar's tax authorities also collect ownership information as part of the tax registration requirements (as further discussed under *Tax Rules* below). Accordingly, Qatar's tax authorities are able to cross-check the registration information they hold against that collected by the Commercial Register in the Ministry of Business and Trade.

### *Qatar Financial Centre rules*

63. The *QFC Companies Regulations 2005* provide for the creation of limited liability companies (LLC). There are currently 90 LLCs registered in the QFC, of which 70 are active (i.e. the entities are not dormant, in liquidation or in the process of de-registration). Upon incorporation of an LLC, the full name and address of each of the incorporators and the number of shares subscribed by each of them as well as the name, address, date of birth, nationality and occupation of each of the first directors of the LLC must be provided to the Companies Registration Office (CRO) (*QFC Companies Regulations*, art. 17). The original incorporators are deemed to become members of the LLC and are entered into the LLC's register of members (*QFC Companies Regulations*, art. 19). Other persons wishing to become members of the LLC must have their name entered in the LLC register of members. The LLC register of members also includes information about the number of shares held by each member, the date the person was registered as a member and the date on which a person ceased to be a member (*QFC Companies Regulations*, art. 19). In order to transfer shares of an LLC, the transferee must provide a written instrument of transfer duly executed by the transferor (*QFC Companies Regulations*, art. 24).

64. The LLC must at all times have a registered office that is situated in the QFC and must carry on its principal business activity from the registered office unless otherwise permitted by the QFC Authority (*QFC Companies Regulations*, art. 42). Article 44 provides that every LLC must maintain the following internal registers at its registered office:

- a register of Members as provided for in Article 19(6);
- a register of directors and the secretary, including Name, Address, nationality, date of birth and business occupation;
- a register of transfers of Shares, including Name and Address of transferor and transferee, date of transfer and number and class of Shares transferred; and
- a register of allotments of Shares, including Name of applicant, date of application and allotment and number and class of Shares.

65. Articles 47 and 48 provide that every LLC must deliver to the Company Registration Office an annual return containing the following information:

- In respect of each class of members, the Name and Address of each Member of the LLC holding more than 1% in nominal value of all the issued shares of that class;
- the Name, Address, nationality, date of birth and Business occupation of each of the directors and the secretary of the LLC;
- the registered office of the LLC;
- the authorised and issued share capital of the LLC;
- the principal Business activities of the LLC in the year in question;
- the Name and Address of the auditor of the LLC; and
- any other information as may be prescribed by the CRO.

66. Protected Cell Companies (PCCs) are specialised entities used to segregate assets for liability purposes. The use of PCCs is restricted to insurance and Collective Investment Funds (*QFC Companies Regulations*, art. 101). In order for a person to register a company as a PCC the person must make an application for the incorporation of the PCC in accordance with the regulations dealing with LLCs. Therefore, the provisions described above in respect of LLCs apply also to PCCs (*QFC Companies Regulations*, art. 93(4)). There are currently no PCCs operating in the QFC.

67. The *QFC Companies Regulations 2005* also make provision for non-QFC entities. A non-QFC company cannot engage in or carry or purport to carry on any trade or business in or from the QFC unless it is registered as

a branch with the CRO (*QFC Companies Regulations*, art. 117). There are currently 71 branches of non-QFC entities registered in the QFC, of which 60 are active. The company establishing the branch must provide the name, address, date of birth, nationality and occupation of each director of the company, but does not require any information regarding the shareholders of the company (*QFC Companies Regulations*, art. 118). The CRO, however, may in their absolute discretion require any other documents or information although this power has not been exercised by the CRO to date. Under its access powers, the QFC Tax Department will be able to obtain such information either by opening an enquiry into a return (*QFC Tax Regulations, Part 18*) or by using the more general information powers (see below under *Access to Information*). The QFC Tax Department has exercised its powers to open an enquiry pursuant to art. 109 of the *QFC Tax Regulations* in 60 cases since the establishment of the regime in January 2010. In a few cases, ownership related information with respect to a QFC entity was requested as part of an enquiry and the relevant information was readily provided to the QFC Tax Department.

68. Under the *QFC Limited Liability Partnerships Regulations* a limited liability partnership (an LLP) may be formed (*QFC LLP Regulations*, art. 6). There are currently four LLPs registered in the QFC, of which two are active. An LLP is a body corporate having a separate legal capacity from its members (*QFC LLP Regulations*, art. 7) and so is considered under the companies heading rather than in the context of partnerships. The application for incorporation of an LLP must include the full name, address, date of birth, nationality and business occupation of all of the persons who are to be members of the LLP on incorporation (*QFC LLP Regulations*, art. 9). An LLP must notify the Companies Registration Office within 28 days of any changes to its membership, including a change of name or address of any member (*QFC LLP Regulations*, art. 16). An LLP must have a registered office situated in the QFC (*QFC LLP Regulations*, art. 25).

69. In addition to the information provided in the incorporation document of an LLP, every LLP must deliver to the CRO an annual return (QFC Form 15). The annual return must contain the name, address, nationality, date of birth, and business occupation of each of the members (*QFC LLP Regulations*, art. 31).

### ***Bearer shares (ToR A.1.2)***

70. The *QFC Companies Regulations 2005* expressly prohibit an LLC from issuing bearer shares (*QFC Companies Regulations*, art. 27(4)). Schedule 1 to the regulations provides a USD 5 000 fine for the violation of this article. Under the *CCL* ownership of shares can only be completed when the transfer is registered in the shareholders register (*CCL*, art. (160)).

### *Nominees*

71. There are no specific provisions in the *CCL* dealing with nominee shareholding. However, under *Qatar AML Law* there are requirements on many service providers to maintain ownership information (both legal and beneficial) in respect of their clients. In particular, company service providers or other companies that act as a nominee shareholder on a commercial basis fall under the scope of the *Qatar AML Law* (art. (1)(4)(e)).

72. The *QFCRA Rules 2010* provide that persons subject to the rules establish and verify the identity of both the customer and any other person on whose behalf the customer is acting or appears to be acting.

73. The persons, who are subject to the *QFCRA Rules 2010*, include company service providers who act, or arrange for another person to act, as a nominee shareholder on a commercial basis (rule 1.3.3(1)(d)(v)). Accordingly, as part of customer due diligence requirements, such nominees would maintain identity information on the clients for whom they hold the shares.

74. Both the Qatari tax authorities and the QFC tax authorities indicated that they have not experienced any instance to date where nominee shareholding has been used to subvert or avoid domestic laws or regulations.

### ***Partnerships (ToR A.1.3)***

75. Under the *Commercial Companies Law* two of the companies that may be created are best described as partnerships. These are the joint company and the limited partnership company. These have separate legal personality from their members and are treated as taxable entities. Joint companies must provide the registrar with a contract for the joint company setting out the name, occupation, title, designation, nationality, date of birth and native place of every partner (*CCL*, art. (22)). All the partners in a joint company must be individuals (*CCL*, art. (21)). Non-Qatari nationals can only hold up to a 49% stake in a joint partnership unless an exception is granted by the Minister of Business and Trade. The articles of association and any subsequent amendments must be entered in the Commercial Registry and a summary of these should be published in a local newspaper (*CCL*, art. (24)). This includes amendments to reflect changes to the partners of a joint company. Accordingly, up-to-date identity information on partners is maintained by the Commercial Register. In practice, there are currently 163 registered joint companies in Qatar.

76. The limited partnership company consists of joint partners responsible for the management of the company and silent partners who share in the capital of the company and are limited in liability to their contribution to the company (*CCL*, art. (44)). Joint partners must be individuals (*CCL*,

art.45). As with joint companies, non-Qatari nationals can only hold up to a 49% stake in a limited partnership company unless an exception has been granted. The articles of association must specify the name of the joint and silent partners (*CCL*, art. (46)). The rules applicable to joint companies regarding maintaining the currency of their articles of association and providing updates to the Commercial Registry also apply to limited partnership companies (*CCL*, art. 51). In practice, there are currently 30 limited partnership companies registered in Qatar.

77. As with foreign companies, the provisions of the *CCL* also apply to foreign partnerships that practice activities in Qatar, excluding the provisions pursuant to the articles of association (*CCL*, art. 17). Although the availability of ownership information on such foreign partnerships may not be available under commercial legislation, the application of AML obligations on the service providers of such entities acts to fill any gaps in the commercial legislation (see *Qatar AML Rules* below). In addition, in cases where the branch of a foreign partnership constitutes a permanent establishment for income tax purposes, which will be in all cases according to the Qatari tax authorities, registration for tax purposes requires ownership information to be provided to the tax authorities, as described under *Tax Rules* below.

78. In the QFC partnerships are governed by the *QFC Partnership Regulations* (Regulation No. 13 of 2007) and the *QFC Limited Liability Partnership Regulations* (Regulation No. 7 of 2005). The *QFC Partnership Regulations* provide for both general and limited partnerships. The *QFC Limited Liability Partnership Regulations* apply to limited liability partnerships, however, as an LLP is treated as a body corporate having distinct legal personality, these are dealt with above in the discussion of companies.

79. The *QFC Partnership Regulations*, which govern general partnerships and limited partnerships, require that any person dealing with a partnership is entitled on request to the partnership or a partner to be informed of the name and address for service of each partner (*QFC Partnership Regulations*, art. 29). However, this rule does not apply to limited partnerships that are collective investment funds. Limited partnerships are required to register with the CRO (*QFC Partnership Regulations*, art.37(5)), which requires filing an incorporation document and a limited partnership agreement. The incorporation document must contain the full name, address, date of birth, nationality and business occupation of all of the persons who are to be general or limited partners of the limited partnership (*QFC Partnership Regulations*, art. 46). A limited partnership must notify the Companies Registration Office within 28 days of any changes to the membership of the limited partnership, including a change of name or address of a general or limited partner (art. 48). Limited partnerships must have a registered office situated in the QFC (art. 50). In addition to the information provided in the incorporation document of a

limited partnership, every limited partnership must deliver to the CRO an annual return. The annual return must contain the name, address, nationality, date of birth, and business occupation of each of the partners (*QFC Partnership Regulations*, art. 61). There is currently one limited partnership registered to operate in the QFC.

80. General partnerships are not required to register under the *QFC Partnership Regulations*, but must register for tax purposes. This registration is done in the partnerships' name, but does not include information concerning the identity of the partners. Tax is calculated at the partnership level and chargeable to the partnership. However, if the tax remains unpaid after six months then it may be collected from the partners according to their share of the partnership income. Consequently, the identity of the partners may be relevant to the collection of tax. Furthermore, every partnership tax return must contain a statement of the allocation of taxable profits between the partners (*QFC Tax Law*, s. 98(2)) and so the QFC tax authorities will generally have information on those partners that have a share in the profit of a partnership. In addition, Qatar's authorities report that the QFC Tax Department would expect partnership accounts submitted in support of a QFC tax return to clearly identify all the members of the partnership (including those not in receipt of a profit share), and if they do not the QFC Tax Department would be likely to open an enquiry into the return (*QFC Tax Regulations, Part 18*), and use their enquiry information powers (Article 113), to obtain membership information, including the identity of any members not in receipt of a profit share. There have not been any general partnerships operating in the QFC to date. Accordingly, this procedure has not yet been used by the QFC Tax Department to obtain identity information with regard to general partnerships in practice.

81. Under the *QFC Partnership Regulations* a non-QFC partnership is not entitled to engage in or carry on or purport to carry on any trade or business activity in or from the QFC unless it is registered as a branch with the CRO (*QFC Partnership Regulations*, art. 75). The registration requirements include the obligation to provide a list of the full name, address, date of birth, nationality and business occupation of each partner of the non-QFC partnership (*QFC Partnership Regulations*, art. 76). There is no provision that requires changes to the identity information regarding the partners of such partnerships to be notified to the CRO or maintained by the partnership, however such partnerships would be subject to the tax rules described above in respect of QFC partnerships generally.

### ***Trusts (ToR A.1.4)***

82. The *QFC Trust Regulations* (Regulation No. 12 of 2007) govern the creation of trusts, the duties and powers of a trustee, relations among trustees and the rights and interests of beneficiaries (*QFC Trust Regulations*, art. 6). These regulations are supplemented by the common law of trusts and principles of equity applicable in England and Wales (*QFC Trust Regulations*, art. 8). The *QFC Trust Regulations* do not provide for the registration of QFC trusts or the maintenance by QFC trusts of records relating to the identity of settlors or beneficiaries of trusts. Accordingly, the availability of information regarding trusts formed in the QFC depends on the application of tax registration and filing requirements as well as the application of AML rules. Trusts that hold a licence to operate in the QFC are treated as QFC taxpayers by virtue of being a QFC entity (QFC Tax Regulations, art. 9 and 140). There are currently no QFC trusts licensed to operate in the QFC.

83. In the case of QFC AML rules, it is necessary for persons within the scope of the rules, which include persons providing professional trust services as well as other service providers such as accountants and financial institutions, to identify the trustees, settlors and beneficiaries of a trust. Specifically, the service provider must identify the natural person(s) who directly or indirectly is beneficiary to 10% or more of the property of a trust. The QFC Regulatory Authority indicated that there is one QFC entity that has acted as a professional trustee for trusts established under foreign laws. The monitoring and enforcement of these QFC entities are further discussed in A.1.6.

### ***Foundations (ToR A.1.5)***

84. The creation of a Private Institute of Public Benefit is possible pursuant to the *Private Institutions of Public Benefit Law* No. (21) of 2006. All such institutions are registered with the Administration of Real Estate Registration and Authentication. There are currently 34 Private Institutes of Public Benefit registered in Qatar.

85. Private foundations are governed by the *Associations and Private Foundations Law* No. (12) of 2004. There are currently 25 private foundations registered in Qatar: 11 for charitable purposes, 6 for professional purposes; 3 for scientific purposes and 5 for cultural purposes. Private foundations must register with the Ministry of Social Affairs and provide information concerning founders (name, age, address and nationality). Private foundations may only be founded by non-Qatari nationals with the approval of the Cabinet. The following documents must be submitted in support of the registration application: 3 copies of the contract of establishment of the foundation and its statutes approved and signed by the founders, the agreed minutes of the



founders' meeting and a determination of a temporary committee to run the foundation until a board is elected. There does not appear to be a requirement that information on the identity of beneficiaries or members of the foundation council must be maintained systematically.

86. In practice, the Ministry of Social Affairs maintains identity information on members of the foundation council and authorised signatories, but not on the beneficiaries, of private foundations. Qatari authorities indicated that, in practice, the private foundations themselves maintain a centralised database of all their beneficiaries and donors. This centralised system is maintained to ensure that the foundations do not unintentionally duplicate the provision of funds or aid to the same beneficiaries. Both the Ministry of Social Affairs and the PRTD can access the data.

87. Furthermore, private foundations may only make payments to beneficiaries located outside of Qatar which are legal entities, and only with the prior approval of the Minister of Social Affairs (*Associations and Private Foundations Law*, art. 31), which in practice checks the legitimacy of the payment in consultation with the relevant local Qatari embassy. Details of the payments, including receipts and vouchers, must be reported by the private foundation to the Minister of Social Affairs (*Circular 2 of 2013* of the Ministry of Social Affairs). Accordingly, the Minister of Social Affairs will hold information identifying such beneficiaries through reporting by the private foundation.

### *Anti-money laundering legislation*

88. For the most part, identity information on the entities discussed above is maintained pursuant to relevant commercial laws. There are some exceptions in the case of foreign companies, foreign partnerships and nominees, and in the case of trusts in the QFC. In these cases, the application of AML obligations on entities and their service providers appear to fill any gaps in the commercial legislation.

### *Qatar AML Rules*

89. Qatar issued anti-money laundering laws that came into force in April 2010 (Law No. 4 of 2010) (*Qatar AML Law*) and article 22 provides for the following:

Adequate, accurate and current information on the beneficial owner, ownership and organisational structure of legal persons incorporated or otherwise established in the State shall be maintained by the competent commercial register systems.

90. In addition, financial institutions, non-profit organisations and non financial businesses and professions shall identify their customers whether permanent or occasional, and whether natural or legal persons or legal arrangements, verify their identities using reliable, independent source documents, data or information, when establishing business relationships, during a domestic or international transfer of funds; when doubts exist about the veracity or adequacy of previously obtained customer identification documents, data or information; when there is a suspicion of money laundering or terrorism financing; when carrying out occasional transactions, with a value equal to or above 55 000 Rials, or an equivalent amount in a foreign currency, or a lesser amount as set out by the supervisory authorities, whether conducted as a single transaction or several transactions that appear to be linked (*Qatar AML Law*, art.23). Designated non financial businesses and professions are:

- real estate brokers when they carry on selling and/or buying real estate transactions on behalf of clients;
- merchants of precious metals when they are involved with their clients in transactions of at least QAR 55 000;
- lawyers, notaries and other persons carrying on independent legal professions and accountants, whether they carry on their activity independently or as partners or specialised employees in specialised companies, when they prepare, perform or carry on transactions for their clients concerning any of the following activities:
  - buying and selling real estate;
  - management of client's money, securities or other assets;
  - management of banking, saving or securities accounts;
  - organisation of participations in incorporation, operation or management of companies and other entities;
  - incorporation, operation and management of legal persons and arrangements;
  - buying or selling commercial entities.
- Companies and trusts service providers, when they prepare or carry on transactions for the client on a commercial basis. These services include:
  - Acting as a founder's agent for legal persons;

- Acting as a director, a company’s trustee, a partner in a partnership or a similar position in other legal entities, or arranging for another person to act in any of these capacities.
- Providing a registered office, a place of business, a mailing or administrative address to a company, a partnership or any other legal entity or arrangement;
- Acting as a direct trustee or arranging for another person to act in this capacity;
- Acting as a shareholder’s agent or arranging for another person to act in this capacity
- Any other business or activity determined and organised by a decision of the Council of Ministers, upon a proposal from the Committee.

91. The ambit of these rules are quite broad, particularly given that they cover lawyers, notaries, and accountants as well as company and trust services providers. It is noted, however, that such service providers must conduct specific, identified services in order to be brought within the scope of the rule. For example, it does not appear that an accountant that provides only accounting services would be subject to the customer due diligence requirements. This gap is likely to represent only a small portion of service providers. Persons that enter into a “business relationship” with service providers covered by these rules will be required to provide “adequate, accurate and current” information concerning not just their legal but also beneficial ownership. Failure to maintain such information is subject to a punishment of 3 years in jail and/or a fine of 500 000 Riyals (*Qatar AML Law*, art. 3, 72).

92. Furthermore, on its surface, it appears that article 22 requires that, regardless of the incorporation requirements imposed by the applicable company law or other provisions, the competent commercial registration system must maintain legal and beneficial ownership information for all entities that are incorporated or established in Qatar. However, the scope of the term “competent commercial register system” is not defined under the law, nor is the term “established”. Furthermore, there is no procedure or mechanism specified to ensure that this is accomplished. While there are penalties that apply where a person has failed to maintain information as required by the law, in this instance the requirement appears to be imposed upon the registrar and so it is unclear how this obligation is enforced in respect of third parties. It should be noted that most legal entities in Qatar must provide legal ownership information to the registrar or at least maintain such information internally and ensure that it is up-to-date under applicable commercial law. However, there are exceptions (e.g. foreign companies that must register in

Qatar). Consequently, the *Qatar AML Law* provides a framework within which information in these cases would be maintained.

93. In practice, the Commercial Register in the Ministry of Business and Trade is designated as the “competent commercial register system” referred to above. In conducting its role under Article 22 of the *Qatar AML Law*, the Commercial Register requires all corporate shareholders of *CCL* entities to submit to it a copy of their Qatari, or home jurisdiction, commercial registration (where different). The Qatari authorities indicate that this facilitates the tracing of beneficial ownership of *CCL* entities by identifying the respective commercial register(s) through which further information regarding the *CCL* entity’s beneficial ownership chain may be located. This information is also collected with respect to foreign companies registered to conduct activities in Qatar.

### *QFC AML Rules*

94. The AML regime applicable in the QFC is based on the Anti-Money Laundering and Combating Terrorist Financing Rules 2010 (*QFCRA Rules 2010*) which were adopted to implement the terms of the *Qatar AML Law* in the QFC. The QFC anti-money laundering rules impose wide-ranging obligations on service providers to maintain client identity information. Under the *QFCRA Rules 2010*, rule 4.1.2:

- (1) As a general rule, a firm must not establish a business relationship with a customer unless –
  - (a) all the relevant parties (including any beneficial owner) have been identified and verified; and
  - (b) the purpose and intended nature of the business expected to be conducted with the customer has been clarified.
- (2) Once an ongoing relationship has been established, any regular business undertaken with the customer must be assessed at regular intervals against the expected pattern of activity of the customer. Any unexpected activity can then be examined to decide whether there is a suspicion of money laundering or terrorism financing.
- (3) If the firm does not obtain satisfactory evidence of identity for all the relevant parties, the firm must not establish the business relationship or carry out a transaction for or with them and must consider making a suspicious transaction report to the FIU.

95. For these purposes a “firm” is either a financial institution or a designated non-financial business or profession (as defined in paragraph 87 above, *QFCRA Rules 2010*, rule 1.3.1).

96. Records relating to customer identification must be maintained for six years from the end of the relationship (*QFCRA Rules 2010*, rule 7.1.2(2)).

97. In the case of trusts, the *QFCRA Rules 2010* specify (rule 4.6.11) that the following must be established in respect of a client that is a trust:

- (a) the trust’s full name;
- (b) the nature and purpose of the trust;
- (c) Examples of the nature of trusts
- (d) discretionary, testamentary, bare
- (e) the jurisdiction where the trust was established;
- (f) the identity of the settlor;
- (g) the identity of each trustee;
- (h) the identity of any protector;

if the beneficiaries and their distributions have already been decided – the identity of each beneficiary who is to receive at least 25% of the funds of the trust (by value);

if the beneficiaries or their distributions have not already been decided – the class of persons in whose main interest the trust is established or operated as beneficial owner.

98. The monitoring and enforcement of these obligations by the QFC Regulatory Authority, as AML supervisory body in the QFC, are further discussed in A.1.6.

### *Tax Rules*

99. All entities operating in the QFC are required by the *QFC Tax Regulations* (Regulation No. 14 of 2007) to register for tax purposes and file an annual tax return. The QFC tax registration form does not require disclosure of ownership and identity information. Similarly, the QFC income tax return does not ask for details of ownership and identity information.

100. Qatar’s tax law requires that every taxpayer who carries on an activity or derives a taxable income shall register with the tax authorities and must notify the authorities of any change that may affect his tax obligations within thirty days from the date of occurrence of the change (*Income Tax*

*Law*, Law No. 21 of 2009, art. 12). Every taxpayer carrying on an activity in Qatar shall submit an application to the tax authorities for a tax card within thirty days from the commencement of the activity. An activity is defined as “any profession, vocation, service, trade, industry, speculation, contractual work or any business carried on to derive a profit or an income including the exploitation of a movable or immovable property” (*Income Tax Law*, art. 1). The registration requirement covers all persons and entities within the scope of the tax whether required to pay the tax or exempt from tax. This obligation does not concern entities that are outside the scope of the tax such as QFC entities, associations, charities and foundations (*Income Tax Law*, art. 2). The information that must be provided upon registration includes the names of all partners and shareholders (Executive Regulations to the *Income Tax Law*, art. 25; Form No. 1 Registration).

101. CCL entities (with the exception of particular partnership companies) that carry on any activity or derive any taxable income must therefore both register with the Commercial Register in the Ministry of Business and Trade and with the Qatari tax authorities as a taxpayer. The registration and reporting requirements to the Commercial Register are discussed in A.1.1 and A.1.3 above. In relation to tax registration, changes in ownership of taxpayer entities must be reported to Qatar’s tax authorities within 30 days of such change (*Income Tax Law*, art. 12(2); Executive Regulations to the *Income Tax Law*, art. 26). Such information is held by Qatar’s tax authorities on the file of each taxpayer entity.

102. The Qatari authorities also advised that the Commercial Register would not register a transfer of ownership unless prior approval to the change has been granted by Qatar’s tax authorities. Such approval would only be granted when the tax due from the sale of the shares has been paid to the Qatari tax authorities and the approval is recorded in the tax file of the company. It is a criminal offence to falsely claim such approval. The Qatari authorities confirmed that there has never been a case of a taxpayer falsely claiming such approval. As noted in A.1.1 above, with respect to LLCs, a transfer of ownership is not valid unless it is registered with the Commercial Register.

103. In practice, a tax card and tax identification number (TIN) are required for a number of acts that are relevant to conduct commercial activities, such as registration with the Department of Immigration and the Ministry of Labour (for employment purposes), and receipt of final contractual payments from other Qatari taxpayers.

104. The scope of the *Income Tax Law* is limited however, as it does not cover QFC entities and excludes the following entities and sources of income (*Income Tax Law*, art. 2):

- private associations and foundations and private foundations of public interest constituted in accordance with the provisions the laws governing each of them.
- private bodies registered in the State or registered in another State and authorised to operate in the State, provided that they do not aim to achieve profits.
- Salaries, wages, allowances and the like.
- Gross income from legacies and inheritances.

105. However, Qatari authorities indicated that private foundations and private foundations of public interest which conduct business activities in breach of the terms of their constitutional documents would become subject to income tax in Qatar. Accordingly, such entities would be required to register for tax purposes, obtain a tax card and file annual tax returns.

***Enforcement provisions to ensure availability of information***  
(ToR A.I.6)

*Monitoring and enforcement in Qatar*

106. Chapters XI and XII of the *CCL* provide for monitoring of companies and punishments for certain violations of the law. There are no specific enforcement provisions relating to the maintenance of shareholder information under the *CCL*, however, there is a general penalty that applies in respect of the failure of a person to comply with any obligation under the act other than those specifically enumerated. The penalty is a prison sentence of not more than 2 years and/or a fine of between QAR 10 000 and QAR 100 000 (EUR 2 100 to EUR 21 000).

107. *CCL* entities are also required to submit ownership information to the Commercial Register (in the case of LLCs, joint companies and limited partnership companies) and to both the Commercial Register and the Company Control Department (in the case of shareholding companies and equities partnerships) within the Ministry of Business and Trade. In the case of LLCs, the most common type of company in Qatar, changes in ownership do not take legal effect unless they are registered in the Commercial Register. Such registration can only occur with the prior approval of the Qatari tax authorities.

108. The Company Control Department is responsible for the supervision of all *CCL* entities. It is staffed by 25 employees of which 14 are authorised to conduct inspections. Between 2009 and 2012, 95 inspections were conducted on *CCL* entities. The Qatari authorities report that the reporting requirements are strictly followed in practice, and it has therefore not been necessary to apply a penalty on a company for failing to keep shareholder information.

Updated ownership information on all *CCL* entities is stored on the electronic database of the Ministry of Business and Trade to which Qatar's tax authorities have direct secure access. As further described below, this allows the Qatari authorities to internally verify the accuracy of the ownership details which they have collected through taxpayer registration.

109. Furthermore, it is noted that in the case of LLCs, changes in ownership do not take legal effect unless they are registered with the Commercial Register in the Ministry of Business and Trade, with the prior approval of the Qatari tax authorities.

110. In relation to private foundations, the Ministry of Social Affairs employs a team of 11 inspectors for the monitoring of these entities. Private foundations are subjected to on-site inspections twice a year. Inspectors of the Ministry of Social Affairs also attend general assembly meetings of such entities for monitoring purposes. On-site inspections are also carried out, on a quarterly basis, to projects conducted or supported by these foundations outside of Qatar during which the use of funds and beneficiaries of such funding are scrutinised. Private foundations have generally been found to be compliant with their record-keeping obligations during such on-site inspections. Where deficiencies were discovered, these were rectified after a notice of compliance was issued by the Ministry of Social Affairs.

111. Furthermore, private foundations are required to submit monthly bank statements to the Ministry of Social Affairs which would identify the sources of income into, and destination of payments made by, the private foundation.

### ***Monitoring and enforcement under the Qatar AML regime***

112. Failure to maintain information as required by the *Qatar AML Law* is subject to a punishment of 3 years in jail and/or a fine of QAR 500 000 (EUR 105 000) (*Qatar AML Law*, art. 3, 72). The Ministry of Business and Trade, as AML supervisor for designated non-financial businesses and professionals in Qatar, engages 14 employees from the Company Control Department, the Company Registry Department and 5 specialist AML trainers in the implementation of the AML regime.

### ***Monitoring and enforcement under the Income Tax Law***

113. Under the *Income Tax Law*, failure to file a return as required is subject to a financial penalty of QAR 100 (approximately EUR 21) per day to a maximum of QAR 36 000 (approximately EUR 7 560) (*Income Tax Law*, art. 40). In addition, failure to pay the tax due carries a penalty of 1.5 percent per month of the amount due (*Income Tax Law*, art. 40). Every person who



fails to register with the tax authorities is subject to a fine of QAR 5 000 (approximately EUR 1 050) (*Income Tax Law*, art.41). While registering with the tax authorities, taxpayers will obtain a tax card and a tax identification number (TIN), which must be renewed on a yearly basis. Such renewal will only be granted if the relevant person or entity is in compliance with all of its tax obligations, including the filing of tax returns. A number of significant functions, such as registration with the Department of Immigration and the Ministry of Labour, and receipt of final contractual payments from other Qatari taxpayers, cannot be carried out without a TIN (PRTD Circular, No. 2/2011). The PRTD has not detected any cases of the making of a final contractual payment by a Qatari taxpayer to a person without a valid TIN. In fact, it reported that the converse situation of the unauthorised withholding of final payments to persons who do possess a valid TIN has been encountered in a number of cases.

114. In terms of tax registration, Qatar's tax authorities indicated that non-compliance with such obligations would be detected through different channels. As noted above, Qatari taxpayers are required to obtain and record the TIN of a person to whom they make a payment. An entity cannot obtain a TIN without registering for tax purposes. Where a Qatari taxpayer makes a payment to an entity without recording the TIN of such entity, Qatari authorities indicated that this would become apparent through the tax auditing process. During the three-year period under review, the Tax Assessment Section requested underlying documentation (in which information on payments made by an entity would be documented) in relation to approximately 35% of the tax returns filed.

115. As described under A.1.1 above, changes in ownership in *CCL* entities must be approved by Qatar's tax authorities and registered with the Commercial Register. This two-step procedure ensures that changes in ownership information are notified to both authorities. Furthermore, Qatar's tax authorities also internally verify the ownership information which they collect through taxpayer registration by cross-checking this information against ownership information held by the Ministry of Business and Trade on *CCL* entities. Verification takes place at any registration and change of ownership, as approval from the tax authorities is needed before registration in the Commercial Register (see above). Also, further checks take place in all cases where a company is audited for tax purposes. Any discrepancies between the information held by the two authorities are investigated as part of the regular activities of the PRTD.

### ***Monitoring and enforcement in the QFC***

116. Annual returns are filed by QFC entities (such as LLCs, LLPs and LPs) with the CRO through which identity and ownership information is made available. The *QFC Companies Regulations* provide for a fine

of USD 2 000 for a failure to maintain internal registers, failure to lodge annual returns, or a non-compliant transfer of shares. Article 130 of the *QFC Companies Regulations* grants the CRO the power to direct any person to correct the failure to do anything required by the regulations. The failure to comply with such a direction of the CRO carries a fine of USD 15 000. Providing false or misleading information to the CRO carries a fine of USD 50 000. The CRO has similar powers to impose financial penalties for the failure to lodge annual returns and to direct any person to correct a failure with respect to LLPs and LPs under the *QFC Limited Liability Partnerships Regulations* and the *QFC Partnership Regulations*.

117. Although the CRO has possessed the above powers for a number of years, the CRO did not exercise these powers prior to April 2012 when the office of the CRO was transferred from the QFC Regulatory Authority to the QFC Authority, which is responsible for commercial affairs. The transfer was conducted as part of a broader comprehensive review of policy and widening of scope of penalties in the QFC. Since the transfer the CRO has actively exercised its enforcement powers on a number of occasions, including imposing penalties where necessary. The CRO indicated that the active use of enforcement measures, even within this short period, has already led to increased compliance. The CRO is encouraged to continue with its recent efforts in the exercise of its monitoring and enforcement powers to effectively support the obligations which ensure the availability of identity and ownership information on QFC entities.

118. The monitoring and enforcement of AML obligations are conducted by the QFC Regulatory Authority as the AML supervisory body in the QFC. It employs a risk based strategy to the monitoring and supervision of the 87 entities which are subject to AML obligations within the QFC. The frequency of on-site visits is determined by an entity's risk profile: those classified as high risk are visited yearly; medium risk entities are visited every 18 months and low risk entities are visited on a three-year cycle. Additional on-site visits may be carried out due to the occurrence of trigger events, such as indications of potential non-compliance and increase in risk level as ascertained through self-assessment questionnaires. The specialist AML on-site team consists of two members who predominantly conduct the high risk on-sites. Additional staff from the 23 member prudential team also conducts AML on-sites for medium and low risk entities. Between 1 September 2010 and 30 September 2012, 140 on-site visits were carried out. Inspectors conduct sample checks of customer files during on-site visits to assess whether the entities have conducted sufficient customer due diligence and on-going monitoring. Entities are also assessed on the measures they have taken to identify and verify beneficial owners of their clients. During the three-year review period, three QFC firms were found to be in breach of AML obligations (including obligations in relation to the client identification documentation. One of these firms was

fined USD 200 000 for the breach and had its authorisation removed by the QFC Regulatory Authority. The other two firms were required to undertake remedial action to address the deficiencies.

### ***Conclusion***

119. There are sufficient monitoring and enforcement measures to support the tax and commercial law obligations which ensure the availability of ownership and identity information on *CCL* entities in Qatar. The Qatari tax authorities cross-check ownership information held as part of tax registration against ownership information held by the Ministry of Business and Trade. Furthermore it is noted that in the case of LLCs, which form the most common form of entities used in Qatar, changes in ownership are not valid unless they are registered with the Commercial Register.

120. In relation to QFC entities, it is noted that the CRO has only recently commenced the exercise of its monitoring and enforcement powers to ensure the filing of ownership information by QFC entities. Accordingly, it is recommended that the QFC continues to adequately exercise its monitoring and enforcement powers in this regard. The QFC Regulatory Authorities have actively exercised their monitoring and enforcement powers in relation to AML obligations which ensure the availability of identity information in relation to trusts in the QFC.

### **Determination and factors underlying recommendations**

<b>Phase 1 determination</b>	
<b>The element is in place.</b>	
<b>Phase 2 rating</b>	
<b>Largely Compliant.</b>	
<b>Factor underlying recommendation</b>	<b>Recommendation</b>
Although the CRO has possessed enforcement powers under the QFC legal framework for a number of years, generally these have not been utilised in the past. However, the CRO has recently commenced utilising its enforcement powers, including the imposition of penalties, to ensure that QFC entities meet their filing obligations.	The QFC should continue its efforts in the exercise of appropriate monitoring and enforcement powers in practice to effectively enforce the obligations to make available identity and ownership information on QFC entities.

## A.2. Accounting records

Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements.

### *General requirements (ToR A.2.1)*

#### *Qatari Law*

121. The *Commercial Law* provides that all traders must maintain accounting records. The term “trader” means a legally capable individual who carries on commercial acts in his own name as a profession. In addition, all commercial companies are considered traders (*Commercial Law*, art. 12). All traders are required to hold such account books as are necessary to reflect their financial standing precisely according to the nature and importance of their business (*Commercial Law*, art.21). At a minimum, traders are required to have a general journal, a general ledger and an inventory book (*Commercial Law*, art. 22). Article 26 of the *Commercial Law* stipulates that account books must be submitted to the Commercial Register within two months of the end of the fiscal year, although this requirement is not enforced in practice. Traders must also keep duly certified copies of all correspondence, telegrams and any other type of communication used for the business, as well as all correspondence, telegrams and invoices received and all other documents related to the business (*Commercial Law*, art. 27). The account books must be maintained for 10 years, and the underlying documentation must be maintained for 5 years (*Commercial Law*, art. 28). Failure to keep account books or comply with the requirements relating to their maintenance is punishable by a fine of QAR 1 000 to QAR 10 000 (EUR 210 to EUR 2 100; *Commercial Law*, art. 34).

122. In practice, shareholding companies, equities partnerships companies and LLCs are required to, and do, submit copies of their audited annual accounts to the Company Control Department (*CCL*, art. 120, 215, 223 and 249).

123. Representatives of the Company Control Department attend annual general meetings of shareholding companies for monitoring purposes, including to check that adequate accounting records are maintained in accordance with the provisions of the *Commercial Law*. No such routine checks are carried out for other *CCL* entities, but investigations would be carried out upon petition by a shareholder or other relevant party. Such investigations have been carried out in 15 cases.

124. Foundations are subject to the rules for traders contained in the *Commercial Law*, and so must keep accounting records for 10 years and underlying documentation for 5 years (art. 28). Private foundations are required to maintain audited accounts which must be submitted to the Ministry of Social Affairs for approval. Furthermore, as mentioned in A.1.6,

representatives of the Ministry of Social Affairs attend the annual general assembly meetings of private foundations for monitoring purposes, including to ensure that accounting records are adequately maintained.

125. The *Income Tax Law* requires taxpayers carrying on an activity in Qatar to keep accounting books, registers and documents in accordance with international accounting standards (art. 18) and these must be maintained in the place where the activity is carried on for 10 years (art. 19). Failure to comply with articles 18 or 19 of the *Income Tax Law* is punishable by a financial penalty of QAR 15 000 (EUR 3150; *Income Tax Law*, art. 41(3)).

126. Taxpayers that: (i) carry on an activity exempt from tax; (ii) have capital or annual income exceeding QAR 100 000 (EUR 21 000); or (iii) have a head office situated outside of Qatar are required to submit audited financial statements with their annual tax return. The vast majority of taxpayers in Qatar meet one or more of these conditions, and therefore submit audited financial statements. All tax returns and supporting documentation are checked by the Tax Assessment Section, which has a team of 25 auditors. During the three-year review period, further accounting documentation and underlying documentation were requested in relation to approximately 35% of the tax returns filed.

### *QFC Entities*

127. Article 79 of the *QFC Companies Regulations* provides:

Every LLC shall keep proper accounting Records with respect to all sums of money received and expended by the LLC and all sales and purchases of goods and services and other transactions by the LLC and the assets and Liabilities of the LLC. Such accounting Records, shall be sufficient to show and explain all transactions by the LLC and must be such as to:

- (1) disclose with reasonable accuracy the financial position of the LLC at any time; and
- (2) enable the directors to ensure that any accounts prepared by the LLC comply with the requirements of these Regulations.

128. These records must be maintained at the LLC's registered office and preserved for at least 6 years from the date to which they relate.

129. Every LLC must also prepare accounts and financial statements in accordance with IFRS, UK GAAP, US GAAP or such other accounting principles and standards as may be prescribed in rules made by the QFC Authority. The accounts shall show a true and fair view of the profit or loss of

the LLC for the financial year in question and of the state of the LLC's affairs at the end of such financial year. (art. 82).

130. Under the *QFC Partnership Regulations* limited partnerships are required to maintain accounting records with respect to all sums of money received and expended by the Limited Partnership and all sales and purchase of goods and services and other transactions of the Limited Partnership and the assets and liabilities of the Limited Partnership (art. 62). These records must:

- disclose with reasonable accuracy the financial position of the Limited Partnership at any time; and
- enable the Partners to ensure that any accounts prepared by the Limited Partnership comply with the requirements of these Regulations.

131. Each limited partnership must prepare accounts that include relevant financial Statements set out in accordance with IFRS, UK GAAP, US GAAP or such other accounting principles and standards as may be prescribed in rules made by the QFC Authority. The accounts shall show a true and fair view of the profit or loss of the Limited Partnership for the financial year in question and of the state of the Limited Partnership's affairs at the end of such financial year. (art. 64). The same requirement applies to non-QFC partnerships with a branch in the QFC (art. 81).

132. The same obligations to maintain accounts apply to LLPs under the *QFC Limited Liability Partnership Regulations* (art. 32, 34).

133. All QFC LLCs, LLPs and LPs are required to have their annual accounts audited and approved by their members or partners, as applicable (*QFC Limited Liability Partnership Regulations*, art. 34; *QFC Partnership Regulations*, art. 64; *QFC Companies Regulations*, art. 82). A copy of the accounts and the auditor's report must be submitted to the CRO within 21 days of such approval. As discussed in A.1.6, since April 2012 the CRO has been actively exercising its enforcement powers in relation to late filings.

134. Under the *QFC Trust Regulations* a trustee shall keep accurate accounts and records of his trusteeship (art. 43(4)).

135. Under the *QFC Tax Rules* (art. 6) all QFC entities must maintain records of:

- all sums of money received or expended by the QFC Entity and all sales and purchases of goods and services and other transactions of the QFC Entity and the assets and liabilities of the QFC Entity. Such records shall be sufficient to show and explain all transactions by the QFC Entity and must be such as to disclose with reasonable accuracy the financial position of the QFC Entity at any time.

- supporting documents relating to the items mentioned including but not limited to accounts, books, deeds, contracts, vouchers and receipts.

136. More generally, all QFC entities, except those wholly owned by the Government, are required to submit financial statements along with their annual tax return to the QFC tax authority. These must be the audited accounts as also required by the *QFC Limited Liability Partnership Regulations*, the *QFC Partnership Regulations* and the *QFC Companies Regulations*, and full branch accounts, including a balance sheet, for entities carrying on a business through a permanent establishment. Since the commencement of the QFC tax regime in January 2010, the QFC Tax Authority has imposed a flat rate penalty of QAR 1 500 (EUR 315) for late filings (*QFC Tax Regulations*, art. 107). Compliance with QFC tax filing requirements is high, with only 6 out of 91 returns filed after the due date in respect of accounting periods ending in 2010; 9 late filings in respect of accounting periods ending in 2011; and one late filing made as at April 2013 with respect to accounting periods ending in 2012. Penalties were levied in all but one of these late filings cases.

### ***Underlying documentation (ToR A.2.2)***

137. All QFC entities must maintain underlying documentation (*QFC Tax Rules*, art. 6). In practice, the QFC tax authorities have requested the production of underlying documentation (such as loan agreements, customer contracts and intra-group service agreements) as part of their enquiries in one third of the cases opened since the commencement of the QFC tax regime in January 2010. So far, this documentation has been provided in every case it was requested. No penalties have been imposed to date for the failure of QFC entities to maintain underlying documentation.

138. The *Commercial Law* requires that underlying duly certified copies of all correspondence, telegrams and any other type of communication used for the business, as well as all correspondence, telegrams and invoices received and all other documents related to the business must be maintained (*Commercial Law*, art. 27).

139. In practice, in relation to *CCL* entities, some forms of underlying documentation are already available in the hands of the Qatari authorities. Qatari taxpayers are required to file with Qatar's tax authorities copies of all contracts concluded with non-resident entities that do not have a permanent establishment in Qatar, as well as all domestic contracts of services valued at over QAR 200 000 (EUR 42 000); or domestic contracts for supply (with or without the provision of services) valued at over QAR 500 000 (EUR 105 000) (*Income Tax Law*, art. 21 and Executive Regulations to the *Income Tax Law*, art. 38(1)).

140. As mentioned above, the Tax Assessment Section requested further accounting and underlying documentation in relation to approximately 35% of the tax returns filed, and in almost all cases such documentation was readily available.

**5-year record retention standard (ToR A.2.3)**

141. All QFC entities must maintain accounting records until the later of 6 years from the end of the accounting period or the completion of any enquiries into the return for the accounting period. Partnerships must maintain accounting records for 6 years: LPs – *QFC Partnership Regulations*, art. 62; branches of non-QFC partnerships registered in the QFC – *QFC Partnership Regulations*, art. 81; LLPs – *QFC Limited Liability Partnership Regulations*, art. 34). The *Commercial Law* requires traders (including companies) to maintain accounting records for 10 years and underlying documentation for 5 years. Any documentation obtained by the tax authorities, such as copies of contracts, is retained for at least the statute of limitation period, which is 5 years if a tax return is filed and 10 years where no tax return is filed.

**Conclusion**

142. Accounting information must be maintained for all entities pursuant to commercial law and tax law requirements. Furthermore, the exercise of monitoring and enforcement powers by Qatar’s authorities in practice, in particular by Qatar’s tax authorities and the QFC Tax Authority, sufficiently supports the obligations to ensure the availability of accounting information and underlying documentation.

**Determination and factors underlying recommendations**

<b>Phase 1 determination</b>
<b>The element is in place.</b>
<b>Phase 2 rating</b>
<b>Compliant.</b>



### A.3. Banking information

Banking information should be available for all account-holders.

#### *Record-keeping requirements (ToR A.3.1)*

143. Each financial institution in Qatar must maintain all records and documents relating to its activities (*QCB Law* issued by Law No. 13 of 2012, art. 137). The Qatar Central Bank (QCB) has specified that financial institutions must retain such records for 15 years.

144. In addition, all QFC Banks and other financial institutions are required, under the QFC Financial Services Regulations, to maintain all the records specified.

145. In accordance with *Qatar AML Law* (art. 23) all financial institutions must determine the identity of their clients, on the basis of documents, data and information from independent reliable sources. This should be done when establishing business relationships, during a domestic or international transfer of funds; where there is a suspicion that money laundering or terrorism financing occurred; or where occasional transactions consisting of one or more financial transactions, which seem to be connected with each other, the value of which equals or exceeds QAR 55 000 (EUR 11 550) or its equivalent in foreign currency or is below such limit if decided by supervisory authorities, are carried out. Financial institutions and specified non financial businesses and professions shall also determine the purpose of the commercial relation, its nature and all the information related thereto.

146. All financial institutions in Qatar are required to maintain records of documents which verify the identity of their clients, and information which enable the tracing of transactions attempted or executed by customers, for a minimum period of five years (*Qatar AML Law*, art. 34).

147. Under the *QFCRA Rules 2010*, firms (including banks and other financial institutions) must be able to provide documentary evidence of its compliance with the requirements of the *Qatar AML Law*, including the requirement to maintain transaction records as mentioned above (rule 1.2.6). Such documentary evidence must be kept for a minimum of six years (rule 7.1.2). Accordingly, the legal and regulatory framework in Qatar (including the QFC) is sufficient to ensure the availability of banking information.

148. In practice, the QCB is responsible for the licensing and supervision of banks and other financial institutions in Qatar, including for AML purposes. QFC banks are excluded from this scope and are instead under the supervision of the QFC Regulatory Authority. There are currently 18 banks and 20 exchange houses under the supervision of the QCB. There are 24 banks, of which 17 are branches, licensed to operate in the QFC.

149. The QCB has an on-site inspection team of 20 members who conduct routine visits and an additional 5 inspectors for special supervision. During on-site inspections, a team of up to four inspectors would visit the premises of the entity, on occasion for an extended duration, to carry out audits and inspections such as sample testing transactions executed by the bank and checking customer files for compliance. Banks are requested to rectify any deficiencies detected during on-site visits, and may be fined. On-site visits were conducted on 11 banks between November 2010 and November 2011; and on 4 banks between November 2011 and November 2012. In the two-year period commencing November 2010, fines were imposed on one bank (and on five exchange houses) for non-compliance.

150. Monitoring and enforcement by the QFC Regulatory Authority are as described under A.1 – *QFC AML Rules* above. In particular in relation to QFC banks, 64 on-site visits have been carried out in the period 1 September 2010 – 30 September 2012. Two QFC banks were found to be in breach of AML (including CDD) obligations. As a result, one of the banks was subjected to financial penalties of USD 200 000 and had its authorisation to operate removed; the other was required to undertake remedial action.

### ***Conclusion***

151. The legal and regulatory framework in Qatar (including the QFC) sufficiently ensures the availability of banking information. Both the QCB and the QFC Regulatory Authority sufficiently exercise their monitoring and enforcement powers in practice to support the relevant bank record-keeping obligations.

#### **Determination and factors underlying recommendations**

<b>Phase 1 determination</b>
<b>The element is in place.</b>
<b>Phase 2 rating</b>
<b>Compliant.</b>

## B. Access to Information

### Overview

152. A variety of information may be needed in a tax enquiry and jurisdictions should have the authority to obtain all such information. This includes information held by banks and other financial institutions as well as information concerning the ownership of companies or the identity of interest holders in other persons or entities, such as partnerships and trusts, as well as accounting information in respect of all such entities. This section of the report examines whether Qatar’s legal and regulatory framework gives to the authorities access powers that cover the right types of persons and information and whether rights and safeguards would be compatible with effective exchange of information. It also assesses the effectiveness of this framework in practice.

153. Qatar’s legal and regulatory framework for access to information is in place. The ability of Qatar’s tax authorities to obtain information for exchange of information purposes is derived from its general access powers under the *Income Tax Law* (sections 21 and 22) coupled with the authority provided by the relevant international agreements. Article 38 of the Executive Regulations to the *Income Tax Law*, as amended with effect from 2 July 2011, clarifies that the power to obtain information from third parties (contained in section 21 of the *Income Tax Law*) may be used to obtain any information requested under an effective tax treaty.

154. Article 38 of the Executive Regulations eliminates previous uncertainties regarding the ability of Qatar’s tax authorities to exercise their general powers under the *Income Tax Law* to access information for exchange purposes, in circumstances where the information is not relevant to the assessment of tax under the *Income Tax Law*. The provision also removes previous concerns as to whether the QFC trust law would prevent effective exchange of information and whether a court order would be required to access bank information for exchange purposes.

155. To date, Qatar’s tax authorities have not needed to exercise its powers for EOI purposes as envisaged under this provision. However, procedural guidelines have been put in place by Qatar’s tax authorities, in agreement

with other relevant authorities (such as the QCB and the QFC Tax Authority), in order to clarify the practical steps which would be taken should the need to access information for EOI purposes arise. Under these guidelines, Qatar's tax authorities would enlist the assistance of other authorities to obtain requested information, such as the QCB (in relation to Qatari bank information) and the QFC Tax Authority (in relation to information in the QFC). These guidelines also set out clear timeframes within which the requested information is to be obtained which, if adhered to, would assist Qatar to effectively exchange information in a timely manner.

156. In the domestic context, Qatar's tax authorities have exercised its powers to access information on a regular basis. Furthermore the other authorities that may be involved in the EOI process by using their own access powers to obtain requested information, such as the QCB and the QFC Tax Authority, have regularly exercised their information access powers for domestic purposes. Such practical experience and expertise further facilitates Qatar's practical ability to access information for EOI purposes.

157. There are no rights or safeguards under Qatar's laws or practice that would prevent or delay effective exchange of information.

## B.1. Competent Authority's ability to obtain and provide information

Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information).

### *General*

158. Qatar's Constitution provides that an international agreement has the force of law in Qatar and imposes on all relevant authorities the obligation to provide assistance in giving effect to the terms of the agreement. Moreover, Qatar's Constitution provides specifically that Qatar shall execute all international agreements to which it is a party.

159. Overall, the access to information powers in Qatar must be evaluated under four distinct scenarios: where the information is relevant to the assessment of Qatari tax; pursuant to a request for information that relates to income that is exempt from tax under the *Income Tax Law* (e.g. bank interest); a request that relates to information that is not subject to the *Income Tax Law* (e.g. salaries and inheritances); and information regarding entities or persons that are not subject to the *Income Tax Law* (e.g. QFC entities). The first situation is not problematic. The fourth situation appears to be resolved by the fact that income tax treaties have the same status as laws and thus operate in respect of all governmental authorities in Qatar, including the QFC Authority.

Therefore, Qatar’s tax authorities may require the QFC Authority to provide information pursuant to a request under a tax treaty, in which event the QFC Authority would use its own information gathering powers to obtain the information (discussed below).

160. The Qatari *Income Tax Law* provides (art. 22) that, “for the purposes of assessing tax”, tax authorities have the right to require:

- the presence of the taxpayer or a proxy thereof to provide clarification or information concerning the return.
- the presentation of any data, information or documents required for the assessment of the tax.
- the presentation of the books, registers, accounts or statements relating to the activity for examination within the period specified by the Department to the taxpayer or the proxy.
- The Department may make copies of those books, registers, accounts or statements where necessary.

161. The above provision only applies to information sought from the taxpayer. Third parties in possession of information related to the assessment of tax can be required to provide such information to the tax authorities under article 21 of the *Income Tax Law*:

#### Article 21

Ministries and other governmental bodies, public authorities and institutions and companies shall notify the Department of the contracts, agreements and dealings they entered into if their amount exceeds the limits provided for in the executive regulations of this law.

Subject to the provisions of the sixth paragraph of Article 38 of this law, public authorities and institutions, companies, associations, individual enterprises and any other entity specified in the executive regulations of this law shall notify the Department, upon its request, of any information related to the assessment of the tax due by the taxpayer with whom such companies, associations, authorities, institutions, enterprises or entities entered into transactions.

The notification mentioned in the previous two paragraphs shall be made within thirty days of the date of the Department’s request or the date of commencement of the contract, agreement or dealing, as the case may be.

162. For these purposes a “taxpayer” means “a natural or legal person subject to tax under the provisions of this law” (*Income Tax Law*, art. 1). The term

“subject to tax” covers all taxpayers who may be subject to the tax rules, even though they may not have earned gross income or taxable income (for example, if they have only earned exempt income). This includes all companies and partnerships established under the *Commercial Companies Law*. Certain activities are exempt from taxation under the *Income Tax Law*, however taxpayers carrying on such activities are nonetheless required to file returns along with a balance sheet and audited accounts (*Income Tax Law*, art. 15). However, private associations and foundations and not for profit organisations, in addition to QFC entities are not subject to the tax law, and wages, salaries and inheritances are also excluded from its application (*Income Tax Law*, art. 2).

163. With respect to requesting information other than directly from a taxpayer (i.e. in the second and third situations), article 38 of the Executive Regulations of the Income Tax Law (which came into effect on 2 July 2011) provides specifically that the Public Revenues and Taxes Department has the power to obtain any information requested under an effective tax treaty, whether or not the information holder is subject to tax. Paragraph 3 of Article 38 of the Executive Regulations reads as follows:

The Department may approach any body or entity that entered into transactions with the taxpayer to obtain information relating to tax assessment thereof. The Department also has the right to obtain any information requested under an international tax agreement.

164. The authority to obtain information is based in Qatar’s domestic laws, its agreements for the exchange of information and its Constitution. The regulation clarifies the scope of the Qatari tax authorities’ powers to obtain information, and specifies that their access powers can be used for exchange purposes. The regulation explains how the power to obtain information can be implemented. Consequently, it is clear that Qatari tax authorities have the power to obtain information regardless of whether it is necessary for Qatari tax purposes.

165. Qatari tax authorities are also able to access information held or obtainable by other governmental authorities for exchange of information purposes. For example, the Ministry of Labour maintains details of employment contracts under the *Labour Law* including salary information for private sector employees. Ministry of Labour officials indicated that they would in all instances seek to use their own information access powers (including powers of inspection) to facilitate the obtaining of information requested by the Qatari tax authorities for EOI purposes.

### ***Practice***

166. Qatari tax authorities have not needed to exercise its powers for EOI purposes as envisaged under article 38 of the Executive Regulations to the *Income Tax Law* in the three-year review period. For domestic purposes,

the tax authorities require information from the taxpayer and/or third parties in approximately 35% of the cases between 2009 and 2012. The Qatari authorities report that this information was obtained in almost all cases.

167. Qatar’s tax authorities have adopted procedural guidelines for the accessing of information for EOI purposes. In relation to information in Qatar (rather than the QFC), EOI unit staff are instructed by the Operational Procedures Manual (see C.5) to provide a 21-day timeframe when requesting information from taxpayers directly, from other persons and from government institutions for EOI purposes. Where banking information cannot be obtained directly from the taxpayer, the EOI unit staff are directed to request the information from the QCB (see B.1.5 – *Bank Information* below for further discussion).

### ***Accessing information in the QFC***

168. Where a request for information relates to a QFC entity, the legal framework is relatively straightforward. The information powers granted to the QFC tax authorities are set out in articles 125 and 126 of the *QFC Tax Regulations*:

#### *Article 125 – Policy Statement on Information Powers*

The Tax Department has wide powers in relation to obtaining information, including the examination and retention of documents, and examination of individuals. The powers will generally only be used to tackle serious cases of evasion or noncompliance; they will not be used routinely.

#### *Article 126 – Notice to Obtain Information*

- (1) Subject to Article 126(2), the Tax Department may, by service of a notice in writing, require a person, whether or not liable for tax under these Regulations:
  1. to produce, including by way of creation of a document, within the time specified in the notice, any information that is described with reasonable certainty in the notice;
  2. to attend at the time and place designated in the notice for the purposes of being examined by the Head of Tax, or by an officer of the Tax Department authorised in writing by the Head of Tax, concerning the tax affairs of the person or any other person; or
  3. to produce at an examination of the person under (b) and for the purposes of that examination any document in the possession or power of the person that is described with reasonable certainty in the notice.

(2) This Article shall apply only to QFC Entities, and the Representatives, partners, employees and trustees of QFC Entities.

169. Notwithstanding the policy statement contained in article 125, the QFC tax authorities appear to have wide power to obtain information held by QFC entities whether or not the information is relevant to a tax liability under the QFC rules. As noted above, the QFC authorities are subject to the terms of a tax treaty just as Qatari authorities generally, and so must exercise these powers in response to a request for information. In addition, the QFC tax authorities have a specific power to enquire into a tax return and to obtain documents and information in relation to such an enquiry (*QFC Tax Regulations*, art. 109 and 113). However, this power is generally subject to a 12 month time limit from the date the return is filed and can therefore not be used to gather information relating to tax years for which the return was filed more than 12 months ago (in these cases the powers of article 126 of the *QFC Tax Regulations* can be used).

### *Practice*

170. Qatar's tax authorities and the QFC Tax Authority have concluded a Memorandum of Understanding (MoU) to facilitate access to information relating to, or held by, QFC entities for EOI purposes. The MoU clearly sets out the contact persons, procedure and timeframes for accessing QFC-related information for EOI purposes. The MoU provides that the QFC tax authorities will endeavour to provide the requested information to Qatari tax authorities within 30 days of request. A reminder will be issued by Qatar's tax authorities to the QFC tax authorities where the request is not met within the 30-day period, and a further 15-day extension will be granted. However, the QFC tax authorities are required to provide Qatar's tax authorities with information on the actions that have been taken to obtain the requested information and the reasons for failure to obtain the information within the stipulated timeframe.

171. Where a QFC entity does not provide the requested information to the QFC tax authorities to enable them to assist Qatar's tax authorities for EOI purposes within 15 days of request, the MoU stipulates that the QFC tax authorities will issue a notice under section 126 of the *QFC Tax Regulations* to arrange a meeting at the QFC entity's business premises to obtain the information. Qatar's tax authorities may be invited to attend this meeting, if no valid objection is raised by the relevant QFC entity.

172. Qatar's tax authorities indicated that if they were to receive an EOI request relating to information held in the QFC or by QFC entities, they would first approach the QFC tax authorities for assistance in the manner described in the MoU, given the greater expertise of the QFC tax authorities in dealing with such entities. The timeframes set out in the MoU for accessing information through this procedure allow the Qatari authorities to obtain



and exchange information located in the QFC in a timely manner, and is therefore compatible with effective EOI in practice.

173. Furthermore, the above channel does not affect the ability of Qatar’s tax authorities to exercise their own powers under article 38 of the Executive Regulations to the *Income Tax Law* to directly obtain the relevant information from QFC entities. In addition, where Qatar’s tax authorities wish to obtain information held by the QFC Regulatory Authority, such as information collected in relation to AML obligations, they would also exercise their powers under article 38 of the Executive Regulations to the *Income Tax Law* rather than utilise the above channel set out under the MoU.

### ***Ownership and identity information (ToR B.1.1)***

174. Under Qatar’s (and the QFC’s) commercial and tax laws a great deal of information is held by governmental authorities. In other cases, the access powers described above would be relied upon to obtain ownership and identity information for exchange purposes.

### ***Accounting records (ToR B.1.2)***

175. Under the *Commercial Law* accounting records must be provided to the registrar. Some forms of underlying documentation are maintained by Qatari government authorities due to authentication and filing requirements, such as copies of domestic contracts for services valued at more than QAR 200 000 (EUR 42 000), domestic contracts for supply (with or without the provision of services) valued at more than QAR 500 000 (EUR 105 000) and contracts concluded with a non-resident that does not have a permanent establishment in Qatar (see A.2.2). There is no limit on QFC authorities’ ability to access accounting records for exchange purposes.

### ***Use of information gathering measures absent domestic tax interest (ToR B.1.3)***

176. See above under “general considerations”.

### ***Compulsory powers (ToR B.1.4)***

177. There are no specific compulsory powers in place to ensure that information will be obtained where the person in possession of the information does not cooperate with the authorities. The *Income Tax Law* provides powers of search and seizure, however, these are limited to cases where the assessment decision of tax and financial penalties has become final and the tax and financial penalties have not been paid on the prescribed date (*Income*

*Tax Law*, art.38). The tax authorities may, however, refuse to issue a tax clearance certificate to a taxpayer if the taxpayer has not responded to the tax authorities' requests for information. The Qatari authorities have indicated that in practice compliance by taxpayers in Qatar with requests from the tax authorities is very high, and the actual refusal of a tax clearance certificate is only necessary in rare instances.

178. The QFC Tax Authority may use its information gathering powers (which are limited to QFC entities) in relation to an exchange of information request (routed via the competent authority), see under *Assessing information in the QFC – Practice* above. QFC tax authorities indicated that generally, in practice, an enquiry into a tax return would be opened under article 109 of the *QFC Tax Regulations* and information is requested informally. In case there is a delay in providing the information, a notice under article 113 of the *QFC Tax Regulations* is issued to obtain the information. Only in case of continuing non-compliance or where no domestic tax interest is present, a formal notice under article 126 of the *QFC Tax Regulations* would be issued. In the domestic context, the QFC tax authorities have opened 60 enquiries since the establishment of the QFC tax regime in January 2010.

179. A failure to comply with a notice under article 113 of the *QFC Tax Regulations* can result in a fine of up to QAR 1 000 (EUR 210) may be imposed and an additional penalty of up to QAR 1 000 (EUR 210) per day may be imposed for each day of continued default (*QFC Tax Regulations*, art. 13.8). In the event of failing to comply with a request under article 126 of the *QFC Tax Regulations* a financial sanction of up to QAR 50 000 (approximately EUR 10 500) may be imposed (*QFC Tax Rules*, art. 13.1). In a domestic context, neither of these penalties have been imposed so far, as all initial notices under article 113 of the *QFC Tax Regulations* have been complied with.

### ***Secrecy provisions (ToR B.1.5)***

#### *Trust Provisions*

180. The *QFC Trust Regulations* provide (art. 49(2)) that a trustee shall not be required to disclose to any person any document which:

- discloses his deliberations as to the manner in which he has exercised a power or discretion or performed a duty conferred upon him;
- discloses the reason for any particular exercise of such power or discretion or performance of duty or the material upon which such reason shall or might have been based; or
- relates to the exercise or proposed exercise of such power or discretion or the performance or proposed performance of such duty.

181. The interpretation of the above provision is clarified by a legal opinion of the Group Chief Legal Officer and Board Secretary of the QFC Authority dated 19 May 2011. The opinion analyses the extent to which a QFC law can have effect in the face of a treaty obligation. The opinion states that article 49(2) should be interpreted narrowly and that as a general matter the Qatari Constitution provides that treaties have the force of law and must be given effect. The opinion concludes that “if a request is made under a typical DTA from competent authorities of Contracting States to the Qatari competent authorities concerning trust disclosure information then such information would be ordinarily disclosable by the Trustees of a QFC trust”.

182. The Qatari authorities confirm that “ordinarily” in this context relates to the fact that there may be extraordinary circumstances where information may not be disclosable, for example where such disclosure would be a violation of *ordre public*.

183. Moreover, the clarification introduced in article 38 of the Executive Regulations regarding the Qatari authorities’ ability to obtain information absent a domestic tax interest (discussed above) further clarifies the Qatari authorities’ ability to obtain information in these circumstances. The regulation is a clear statement that the power to obtain information for exchange purposes is part of Qatari law, and will have priority over confidentiality provisions contained in QFC law, particularly given the constitutional obligation to give effect to international agreements.

184. As noted in A.1.4, there are currently no QFC trusts registered or operating in the QFC.

### *Bank Information*

185. The *CQB Law* provides that board members, directors, consultants, supervisors, agents, correspondents, experts and other employees of banks may not disclose any information relating to a client or their accounts unless as provided in the law and in accordance with the conditions and limits set by the Central Bank (art. 146). Qatar’s officials take the view that this rule is overridden where the information is requested under an effective DTC, as Article 146 does not apply where there is a provision in the law to this effect, which will be the case since a treaty has the force of law. In the absence of a tax treaty, the tax authorities require a court decision to obtain the information.

186. In addition, it is noted that article 38 of the Executive Regulations of the Income Tax Law clarifies that the Qatari tax authorities have the power to (i) approach any person and (ii) obtain any information requested under an international tax agreement. There is no indication that a court procedure is required for bank information or any other kind of information.

187. The Qatar Central Bank (QCB) issued a circular in September 2012 to banks under its supervision, setting out a protocol for accessing bank information for EOI purposes. The circular facilitates satisfaction of the agreement between the Ministry of Economy and Finance and the QCB that information requested by the Ministry for EOI purposes will be provided by the QCB within 21 days of the request. Under the QCB circular, banks are required to provide the QCB with banking information requested by the Ministry under international tax agreements within 15 days of request. The QCB can impose a daily fine of up to QAR 10 million (EUR 2.1 million) pursuant to *CQB Law*, art.216.

188. Qatar's tax authorities are of the view that the involvement of the QCB would be advantageous to the process due to its expertise and availability of specialist personnel (such as auditors) which can be utilised, where necessary, to locate the requested information. In the domestic context, Qatar's tax authorities requested the QCB to assist in obtaining bank information on one occasion. The QCB was able to provide the requested information within ten days.

189. The QCB circular as well as the agreement between the tax authorities and the QCB do not make a distinction between requests for assistance pursuant to an agreement containing wording equivalent to Article 26(5) of the OECD Model Tax Convention and agreements without such wording. The Qatari authorities confirmed that in both cases the QCB would be able to request the information from the bank.

190. It is noted that, as an alternative, Qatar's tax authorities also have power to directly obtain the requested information from the banks. Even where the assistance of the QCB is enlisted, the PRTD is instructed by the EOI Unit Operational Procedures Manual to issue a notification to the bank for an on-site visit to collect the requested information if the bank fails to provide the requested information within the 15-day period (see C.5).

191. In the QFC there are no laws dealing with banking secrecy and no laws that banks or other financial institutions could use to deny the provision of customer or account information required under an exchange of information request pursuant to a tax treaty.

192. Information obtained by the QFC Tax Authority is treated as secret but may be disclosed to the competent authority of the government of another country with which Qatar has entered into an international agreement, to the extent permitted under that agreement (*QFC Tax Rules*, art. 3.2).

## **Conclusion**

193. Qatar’s legal and regulatory framework provides the Qatari tax authorities with adequate powers to access information for EOI purposes. In practice, Qatar’s tax authorities have not yet experienced the need to exercise these information gathering powers for EOI purposes during the three-year period under review. However, practical guidelines have been adopted by the Qatari tax authorities, in conjunction with other relevant authorities, with respect to accessing information from different sources and entities. It is considered that these guidelines, in particular through the assignment of responsibilities and the setting of clear timeframes, would assist in the execution of these procedures should the need arise in practice. Even though the practical guidelines have only been established in 2012, Qatar’s tax authorities and the other relevant authorities that would be involved in the process for accessing information, as envisaged under the procedures set out in the MoU with the QFC Tax Authority and the QCB Circular, have practical experience of accessing information for domestic purposes that would facilitate Qatar’s practical ability in this regard for EOI purposes.

### **Determination and factors underlying recommendations**

<b>Phase 1 determination</b>
<b>The element is in place.</b>
<b>Phase 2 rating</b>
<b>Compliant.</b>

## **B.2. Notification requirements and rights and safeguards**

The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

### ***Not unduly prevent or delay exchange of information (ToR B.2.1)***

194. Qatar’s tax authorities are not obligated to inform the person concerned of the existence of an information request and there are no rights or safeguards under Qatar’s laws that would prevent or delay exchange of information.

195. No practical concerns are raised, in relation to rights and safeguards, by the procedural guidance adopted by the Qatari authorities for accessing information. Under the terms of the MoU with the QFC tax authorities, the Qatari tax authorities may disclose particulars to assist the QFC tax authorities to comply with the request, including, amongst other things: (i) a

description of the specific information requested; (ii) the purpose for which the information is sought; (iii) reasons why this information would be of assistance; (iv) description of the legal provisions concerning the subject matter of the request; as well as (v) any information held by the requesting party that would assist the requested party to assist with the information request. However, this information would not be disclosed to the QFC entity from which they request the information or the relevant taxpayer (if different) where a desire for confidentiality is indicated by the Qatari tax authorities.

196. The QCB circular issued to banks supervised by the QCB (i.e. excluding QFC banks) states that “[a]ll banks are required to provide Qatar Central Bank with banking information requested by the Ministry of Economy and Finance from time to time under international tax agreements”. However, Qatari authorities confirmed that no indication will be provided to banks in each instance that banking information is requested by the QCB, or the PRTD, for EOI purposes.

#### **Determination and factors underlying recommendations**

<b>Phase 1 determination</b>
<b>The element is in place.</b>
<b>Phase 2 rating</b>
<b>Compliant.</b>

## C. Exchanging Information

### Overview

197. Jurisdictions generally cannot exchange information for tax purposes unless they have a legal basis or mechanism for doing so. A jurisdiction's practical capacity to effectively exchange information relies both on having adequate mechanisms in place as well as an adequate institutional framework. The legal authority to exchange information may be derived from bilateral or multilateral mechanisms (e.g. double tax conventions, tax information exchange agreements, the Joint Council of Europe/OECD Convention on Mutual Administrative Assistance in Tax Matters) or arise from domestic law. Within particular regional groupings information exchange may take place pursuant to exchange instruments applicable to that grouping (e.g. within the EU, the directives and regulations on mutual assistance). This section of the report assesses Qatar's network of exchange of information agreements against the standards and the adequacy of its institutional framework to achieve effective exchange of information in practice.

198. Qatar has 59 agreements in place that provide for exchange of information in tax matters to the international standards. The majority of these are DTCs, although Qatar has also entered into one TIEA with the Cayman Islands. Negotiations are also scheduled with a number of other jurisdictions with a view to entering into a TIEA.

199. Qatar's domestic law provides adequate powers for its tax authorities to access information for exchange purposes under these agreements. Qatar's bank law prohibits disclosure of any customer account information without a court order unless required by law. As a treaty has the force of law in Qatar, then the requirement to exchange bank information under the treaty should satisfy the bank law requirement. This should be the case regardless of whether the treaty contains the equivalent of paragraph 5 of article 26 of the OECD Model Tax Convention. This position is supported by the clarification provided to the *Income Tax Law* through the Executive Regulations which

confirms that Qatar's tax authorities have the power to obtain any type of information requested for exchange purposes.

200. All of Qatar's information exchange agreements contain confidentiality provisions that meet the international standard, and its domestic legislation also contains relevant confidentiality provisions. These provisions apply equally to all information in the requests received as well as to responses received from counterparts.

201. Qatar did not process any EOI requests in the three year period under review (1 July 2009-30 June 2012). An incoming EOI request received during this period was misplaced before the establishment of the dedicated EOI unit, although this request has been subsequently found and is being processed by the EOI unit under the current EOI procedures. Qatar received one EOI request prior to 2009. It has also received three requests following the three-year review period all of which have been answered. In terms of resources and organisational process, Qatar established an EOI unit in 2012, located within the PRTD, for the purpose of handling EOI requests. Furthermore, Qatar has put in place procedural guidance on the handling of incoming EOI requests which explains key issues (such as confidentiality and legal basis for EOI) as well as includes practical instructions for dealing with each step of the EOI procedure. It is considered that the resources committed and procedures now implemented should allow Qatar to effectively exchange information in a timely manner, in the absence of a significant increase in the number of incoming EOI requests. However, Qatar is encouraged to monitor the volume of EOI requests received and to ensure that both the processes and level of resources committed to EOI purposes remains adequate for effective engagement in EOI in practice.

### C.1. Exchange-of-information mechanisms

Exchange of information mechanisms should allow for effective exchange of information.

202. The responsibility for negotiating international agreements within Qatar lies with the International Tax Agreement section of the PRTD, Ministry of Economy and Finance. The treaty negotiation team takes on board feedback from governmental agencies, departments as well as representatives in industry in determining its international agreements policy. The EOI agreements entered into by Qatar to date have been mainly DTCs; it has entered into one TIEA with the Cayman Islands (signed in 2012).

203. Qatar engages in exchange of information on request. Qatar did not process any EOI requests in the three year period under review, although one request was received but misplaced (see C.5). Qatar received one EOI request prior to 2009 and a few EOI requests following the three-year review period.



Accordingly, except in relation to C.1.8 below, the practical implementation of Qatar’s exchange of information network could not be assessed under this element.

***Foreseeably relevant standard (ToR C.1.1)***

204. The vast majority of Qatar’s treaties provide for the exchange of information that is “necessary” to the administration and enforcement of the domestic laws of the contracting states. The term “necessary” is interpreted as providing the same scope for exchange of information as “foreseeably relevant”, consistent with the commentary to article 26 of the OECD Model Tax Convention (see paragraph 5 of the commentary). The agreement with Slovenia uses the formulation “relevant”. The remaining treaties expressly provide for exchange of information that is foreseeably relevant to the administration and enforcement of the domestic tax laws of the contracting states.

205. The DTCs with Austria and Panama include some additional provisions regarding the information that must be provided by the requesting jurisdiction when sending a request. These provisions are generally based on article 5(5) of the OECD Model Tax Information Exchange Agreement (OECD TIEA Model), but are more specific in that they require that the name and address of any person believed to be in possession of the requested information must be provided by the applicant jurisdiction. The DTC with Panama additionally requires the name and address of the person(s) under examination or investigation and – if available – personal data such as date of birth, marital status and tax identification number. These restrictions do not conform to the standard<sup>4</sup>. Qatar should ensure that all the mechanisms concluded with its partners will provide for effective exchange of information in accordance with the standard.

***In respect of all persons (ToR C.1.2)***

206. Exchange of information under Qatar’s treaties is not limited to residents of one or the other contracting states or otherwise excludes any class of persons.

---

4. The Qatar-Panama DTC was signed prior to the adoption of the Qatar and Panama reports in September 2010 and before the issue of name and address was first identified by the Global Forum in May 2011. In addition, Qatar and Panama are currently discussing how to resolve the issue (i.e. by protocol or exchange of letters).

***Exchange information held by financial institutions, nominees, agents and ownership and identity information (ToR C.1.3)***

207. Qatar’s information exchange mechanisms provide for the exchange of “information” necessary to or foreseeably relevant to the administration of the domestic laws of the requesting state. There are no limitations relevant to a specific type of information. Qatar’s TIEA with the Cayman Islands explicitly forbids the requested jurisdiction from declining to supply the information requested solely because it is held by a financial institution, nominee or person acting in an agency or a fiduciary capacity, or because it relates to ownership interests in a person, in conformity with Article 5(4) of the Model TIEA.

208. 24 of Qatar’s DTCs include the equivalent of paragraph 5 of the OECD Model Tax Convention, specifying that the requested party cannot decline to provide information solely because it is held by a financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person. The commentary on paragraph 5 of Article 26 of the OECD Model Tax Convention indicates that whilst paragraph 5 represents a change in the structure of the Article, it should not be interpreted as suggesting that the previous version of the Article did not authorise the exchange of such information. Qatar’s tax authorities confirmed that they adhere to the commentary on the OECD Model Tax Convention and would obtain and exchange banking information to assist an incoming EOI request regardless of whether the relevant treaty contains wording equivalent to Article 26(5) of the OECD Model Tax Convention.

209. As described under Part B.1, Article 38 of the Executive Regulations of the *Income Tax Law* clarifies that a court procedure is not required for access to bank or any other kind of information in Qatar.

***Absence of domestic tax interest (ToR C.1.4)***

210. The majority of Qatar’s DTCs entered into prior to May 2010 do not contain the equivalent of paragraph 4 of the OECD Model Tax Convention. All EOI agreements entered into by Qatar since May 2010 contain the equivalent of paragraph 4 of the OECD Model Tax Convention.

211. The TIEA with the Cayman Islands explicitly states that information must be exchanged notwithstanding that it may not be required for a domestic tax purpose, in conformity with Article 5(2) of the Model TIEA.

212. As discussed under Part B.1, Article 38 of the Executive Regulations of the *Income Tax Law* clarifies the ability of Qatar’s authorities to obtain information absent any domestic tax interest.

***Absence of dual criminality principles (ToR C.I.5)***

213. There are no dual criminality provisions in Qatar’s information exchange agreements.

***Exchange information in both civil and criminal tax matters (ToR C.I.6)***

214. All of Qatar’s information exchange mechanisms provide for exchange of information in all tax matters.

***Provide information in specific form requested (ToR C.I.7)***

215. The provision of information in specific form is not expressly set out in Qatar’s information exchange mechanisms, however, there are no impediments in Qatar’s laws that would prevent the provision of information in specific form to the extent that such form is recognised or permitted under its law or administrative practice.

***In force (ToR C.I.8)***

216. Qatar has 49 agreements in force that provide for the exchange of information in tax matters that meet the international standards. Those not in force include 11 DTCs: with Albania (signed in 2011), Barbados (signed in 2012), Belgium (signed in 2007), Bosnia and Herzegovina (signed in 2010), Chad (signed in 1999), Guernsey (signed in 2013), Ireland (signed in 2012), Mauritania (signed in 2003), Mexico (signed in 2012), the Philippines (signed in 2008) and Portugal (signed in 2011). In addition, the TIEA with the Cayman Islands (signed in 2012) and the protocol to the existing DTC with Malaysia (signed in 2011) are also not yet in force. Qatar is in the process of ratifying the DTCs with Ireland, Mexico and Portugal. Qatar has taken all steps necessary to bring the remaining eight agreements into force and is awaiting notification of ratification from its partners. As a number of these agreements are quite old, Qatar is encouraged to follow up with these partners to see if the ratification process can be accelerated.

217. In practice, upon conclusion of treaty negotiations, the treaty text will be translated into Arabic. This process takes on average one to two weeks. The treaty text must then be approved by the Ministry of Justice and also sent to the Cabinet of Ministers for approval prior to signing by the treaty parties.

218. The Ministry of Foreign Affairs is responsible for coordinating the ratification process. The instrument of ratification must be prepared, and then signed by the Emir of Qatar. This process can take up to a few months. Following this, a note will be provided to the treaty partner to inform it

that Qatar has completed its internal procedures for ratification. Upon the exchange of notes by both treaty parties, the Emir of Qatar issues an Emiri Decree in relation to the relevant treaty upon which the treaty is brought into Qatari domestic law as a decree-law.

***Be given effect through domestic law (ToR C.1.9)***

219. There are no issues concerning the ability of Qatar’s tax authorities to use their information gathering measures in order to respond to a request for information.

**Determination and factors underlying recommendations**

Phase 1 determination
The element is in place.
Phase 2 rating
Compliant.

**C.2. Exchange-of-information mechanisms with all relevant partners**

The jurisdictions’ network of information exchange mechanisms should cover all relevant partners.

220. Qatar has in place a wide network of agreements that provide for the exchange of information in tax matters. Qatar signed six new DTCs (Barbados, Guernsey, Ireland, Isle of Man, Jersey and Mexico) and one TIEA with the Cayman Islands since January 2012. To date, Qatar has agreements for the exchange of information with 61 jurisdictions and continues to negotiate additional agreements.

221. Qatar is currently negotiating both DTCs and TIEAs with a number of partners. Although Qatar’s policy is generally to negotiate DTCs rather than TIEAs, Qatari authorities have affirmed that they are willing to negotiate TIEAs without any accompanying conditions. As noted above, Qatar entered into a TIEA with the Cayman Islands in October 2012. Two jurisdictions have provided input into this review confirming that Qatar expressed its preference for a DTC over a TIEA. However, following dialogue between Qatar and these jurisdictions, negotiations with a view to enter into a TIEA are now completed.

222. Ultimately, the essential element C.2 requires that jurisdictions exchange information with all relevant partners, meaning those partners who are interested in entering into an information exchange arrangement.

Agreements cannot be concluded only with counterparties without economic significance. If it appears that a jurisdiction is refusing to enter into agreements or negotiations with partners, in particular ones that have a reasonable expectation of requiring information from that jurisdiction in order to properly administer and enforce its tax laws, this should be drawn to the attention of the Peer Review Group, as it may indicate a lack of commitment to implement the standards. Two jurisdictions have commented on Qatar’s preference to negotiate DTCs rather than TIEAs, although ultimately agreement was reached on starting negotiations with a view to enter into a TIEA. Qatar should continue to monitor that its negotiation policy does not hinder its entry into arrangements for exchange of information (regardless of their form) with all relevant partners.

223. The agreements that Qatar has in place are with a wide variety of important European, Asian and North African countries, as well as important regional partners such as Jordan, Lebanon, Syria and Yemen.

**Determination and factors underlying recommendations**

Phase 1 determination	
The element is in place.	
Factors underlying recommendations	Recommendations
	Qatar should continue to develop its EOI network to the standard with all relevant partners.
Phase 2 rating	
Compliant.	

**C.3. Confidentiality**

The jurisdictions’ mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received.

***Information received: disclosure, use, and safeguards (ToR C.3.1)***

224. The information exchange provisions of Qatar’s DTCs contain standard clauses on the confidentiality of information received that are consistent with the international standards: *Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic law of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with*

*the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.*

225. Qatar’s TIEA with the Cayman Islands contains a similar confidentiality provision which is in conformity with Article 8 of the Model TIEA.

### ***All other information exchanged (ToR C.3.2)***

226. In addition to information directly provided by the requested to the requesting jurisdiction, jurisdictions should treat as confidential in the same manner as information referred to in C.3.1 all requests for such information, background documents to such requests, and any other document reflecting such information, including communications between the requesting and requested jurisdictions and communications within the tax authorities of either jurisdiction. The obligation to maintain secrecy described above applies to documents and information that come to the knowledge of employees of the tax authorities or to their possession in the course, or by reason, of fulfilling their duties. Therefore, the same considerations apply in this case as with C.3.1.

### ***Domestic legislation***

227. Article 27 of the Income Tax Law provides that all employees of PRTD must “preserve the secrecy of the documents and information that come to their knowledge or to their possession in the course, or by reason, of fulfilling their duties.” Exceptions are provided to this secrecy obligation “where the information is disclosed to the concerned taxpayer or the proxy thereof, to a judicial body, to another governmental body (subject to the taxpayer’s approval), or within the framework of an exchange of information procedure under an applicable tax agreement concluded by the Government.” (Income Tax Law, art. 27(2)).

228. As discussed in Part B, Qatar’s Constitution provides that an international agreement has the force of law in Qatar and prevails over domestic legislation. As a result, no information can be disclosed by the competent authority of Qatar to any person where this is not permitted under the international agreement. This means, for example, that the exception of Article 27(2) of the Income Tax Law that information may be disclosed to another governmental body (subject to the taxpayer’s approval) cannot be used where this is not provided for by the international agreement. This includes situations where Qatar receives an EOI request for which the competent authority needs to request the information sought from another government authority,

although in such cases the minimum information necessary for the other government authority to locate the information may be disclosed (see below under the heading *Ensuring confidentiality in practice* for an explanation of the information that is generally disclosed to the perceived holder of the information). It is noted that in these situations the taxpayer's approval is also not required.

229. The secrecy obligation under Article 27 of the Income Tax Law complements and further supports the obligation in the international agreements to keep information confidential. Breach of the confidentiality provision under Article 27 of the *Income Tax Law* is punishable by a fine of up to QAR 30 000 (EUR 6 300) and/or imprisonment of up to six months (Income Tax Law, art. 45).

### ***Ensuring confidentiality in practice***

230. The EOI Unit Operational Procedures Manual issued in July 2012 (see C.5) sets out practical guidance on confidentiality in the context of exchange of information. Employees are reminded that the general secrecy obligation under the Income Tax Act extends to information received under an EOI request. The Operational Procedures Manual further states that “information received through EOI may only be used for the purposes provided for in the relevant treaty... It is, therefore, of utmost importance that PRTD employees dealing with information received from treaty partners adhere strictly to their duty of confidentiality imposed by the Income Tax Law as well as by the treaty under which the exchange of information request is made.” (Operational Procedures Manual, section 9).

231. In practice, incoming EOI requests would be scanned, registered and given a bar code upon receipt by the PRTD as part of the regular incoming mail process of the Ministry of Economy and Finance. Two persons working within the Follow-up Section of the Ministry of Economy and Finance have access to the incoming mail registered on this system. As noted above, all PRTD employees are subject to the secrecy obligation under Article 27 of the Income Tax Law. Responses to EOI requests would be sent through registered post.

232. Incoming EOI requests would also be entered into an EOI request register within the EOI unit where the date, sender, subject and status of the request would be recorded. Only the EOI unit would have access to this register. EOI request files, like all files regarding issues related to treaties (such as mutual agreement procedures, etc.), are kept in paper form in a locked filing system to which only the Head of the International Agreement Section (the EOI unit falls under his responsibility) holds the key. The office within which

the filing system is located is also locked when unattended and the EOI unit operates a clean desk policy.

233. The EOI Unit Operational Procedures Manual does not require any specific information to be disclosed to the person in Qatar that must be asked for information following an EOI request other than that he/she has to be informed that (i) he/she has a legal obligation to comply, (ii) non-compliance constitutes an offence under the Income Tax Law, and (iii) legal actions may be taken for persistent non-compliance. No confidentiality concerns arise from these requirements.

234. As mentioned under section B.2 of this report, under the terms of the MoU with the QFC tax authorities, the Qatari tax authorities may disclose particulars to assist the QFC tax authorities to comply with the request, including, amongst other things: (i) a description of the specific information requested; (ii) the purpose for which the information is sought; (iii) reasons why this information would be of assistance; (iv) description of the legal provisions concerning the subject matter of the request; as well as (v) any information held by the requesting party that would assist the requested party to assist with the information request. However, this information would not be disclosed to the QFC entity from which they request the information or the relevant taxpayer (if different) where a desire for confidentiality is indicated by the Qatari tax authorities. In the latter case, only the minimum information necessary for the QFC entity to locate the requested information would be disclosed to this entity.

235. It is noted that Qatar has not made any outgoing EOI requests to date. It did not process any EOI requests in the three-year period under review and received only one EOI request prior to the review period.

#### **Determination and factors underlying recommendations**

<b>Phase 1 determination</b>
<b>The element is in place.</b>
<b>Phase 2 rating</b>
<b>Compliant.</b>



## C.4. Rights and safeguards of taxpayers and third parties

The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties.

### *Exceptions to requirement to provide information (ToR C.4.1.)*

236. Consistent with the OECD Model Tax Convention, all of Qatar's information exchange agreements provide exceptions to the disclosure of information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).

237. The Qatari competent authority has so far never relied upon the above mentioned provisions in its EOI agreements to decline the provision of assistance to an EOI request.

### **Determination and factors underlying recommendations**

Phase 1 determination
<b>The element is in place.</b>
Phase 2 rating
<b>Compliant.</b>

## C.5. Timeliness of responses to requests for information

The jurisdiction should provide information under its network of agreements in a timely manner.

### *Responses within 90 days (ToR C.5.1)*

238. In order for exchange of information to be effective it needs to be provided in a timeframe which allows tax authorities to apply the information to the relevant cases. If a response is provided but only after a significant lapse of time the information may no longer be of use to the requesting authorities. This is particularly important in the context of international cooperation as cases in this area must be of sufficient importance to warrant making a request.

239. There are no specific legal or regulatory requirements in place which would prevent Qatar responding to a request for information by providing the information requested or providing a status update within 90 days of receipt of the request. Moreover, the EOI Unit Operational Procedures Manual

instructs EOI personnel to give a deadline of 21-days to a person to respond to a request for information.

240. During the three-year period under review, no EOI requests have been processed by Qatar. Two peers indicated that they had each sent an EOI request to Qatar during the review period. One request was sent to the wrong PO Box number, and therefore never reached the competent authority in Qatar. It was re-sent recently and has now been received by Qatar. The other request was addressed correctly, but was misplaced in the offices of the PRTD, as there was no dedicated EOI unit at that time. The request was located by the EOI unit after a search following the peer input. Qatar has now responded to one of the requests and is in the process of collecting the information in response to the other request. Qatar has notified its counterparts of the progress.

241. Qatar previously processed one EOI request which was received before the review period and prior to the implementation of the current organisational processes. This request required further clarification from the requesting jurisdiction. Once this clarification was received, the request was responded to within six months. Three EOI requests have been received recently by Qatar after the review period. All of these requests have been answered by Qatar.

### ***Organisational process and resources (ToR C.5.2)***

242. Under Qatar's exchange of information mechanisms, the Minister of Economy and Finance or his representative is stated as the competent authority, a role which is carried out by the Director of the PRTD in practice. The contact details of the Director of PRTD as Qatar's competent authority are provided to EOI partners during the treaty negotiation process. These contact details are now also made available to counterpart competent authorities through the Global Forum Competent Authorities database. The EOI unit was formed in 2012 under the International Tax Agreement Section of the PRTD and the supervision of the Director of PRTD. It is responsible for the day-to-day handling of EOI cases.

### ***Resources***

243. In practice, the EOI unit has responsibility for validating incoming EOI requests, notifying and communicating with counterpart competent authorities (including seeking further clarification in relation to EOI requests, where necessary), making requests to other governmental departments, taxpayers and third parties for the purposes of obtaining the requested information, as well as administrative tasks related to EOI. In all cases, responses to a requesting jurisdiction are signed by the Director of PRTD as competent authority.

244. The EOI unit is currently staffed by the Head of the International Agreement Section and a part-time expert consultant, who are assisted by an administrative researcher where necessary. The PRTD is in the process of recruiting a full-time head of EOI unit, since the former head left in November 2012. The new head of unit will be provided with on-the-job training by the expert consultant. At present, the responsibilities of the head of unit are conducted by the expert consultant. Additional assistance to process EOI requests can be obtained from the Minister's office advisers and PRTD staff in the auditing department, for the purposes of obtaining requested information, as necessary. It is envisaged that in the long term, the EOI unit will be comprised of two full-time members and one part-time member.

245. The current number of personnel in the EOI unit has been sufficient to handle the limited number of EOI requests received by Qatar to date. Although the volume has been low, it is noted that Qatar has had 33 EOI agreements in force to allow for exchange of information for tax purposes since the 2010 Report. Qatar is continuing to expand its EOI network which could lead to an increase in the number of EOI requests received by Qatar. Accordingly, Qatar is encouraged to monitor on an on-going basis any significant changes to the number of EOI requests received to ensure that an adequate level of resources continues to be committed to EOI. In this regard, Qatar's authorities have indicated that Qatar is willing to commit additional financial and other resources as necessary to ensure effective EOI in practice.

246. In terms of training, the expert consultant has been involved in EOI matters since 2005; he attended the Global Forum assessors training in 2009 and has an academic background in taxation. The expert consultant provided on-the-job training to other members of the EOI unit and will be responsible for the training of the new head of EOI unit once recruited. In addition, training sessions for the auditing team of the PRTD have been held to familiarise them with the EOI process, for example on the aspects of confidentiality and when to send requests.

247. In terms of written material, an EOI Unit Operational Procedures Manual was produced in July 2012 to familiarise newcomers with EOI procedures. The Manual contains information on the legal basis for EOI procedures and practices, guidance on communication with treaty partners, guidance on confidentiality, as well as setting out the procedures for obtaining requested information through different channels. The PRTD intends to make this Manual available electronically for future employees of the EOI unit as well as those that conduct EOI-related work.

248. Qatar's authorities indicated that a new IT system for the PRTD is under development and will be introduced in 2014. The new IT system will be equipped with case management tools which will allow for automatic progress tracking of EOI requests and the issuance of reminders for key action

dates such as deadlines for providing acknowledgement of receipt, for the provision of requested information by relevant third parties and for providing the 90-day status update.

### *Organisational process*

249. The procedure followed by the EOI unit for handling incoming EOI requests is set out in the EOI Unit Operational Procedures Manual. According to the Manual, incoming EOI requests should be directed to the head of the EOI Unit. The Manual also indicates that the EOI officer (the role of which is currently carried out by the expert consultant) should then make an entry in the EOI request register for the request, which will include details such as the date of receipt, the requesting jurisdiction, the subject and status of the request. The Manual specifies that where the requested information is not readily available, then an acknowledgement of receipt should be provided to the requesting jurisdiction within 15 days of receipt of the request.

250. The validity of the EOI request would then be checked against the terms of the relevant treaty. The Manual specifically states that such check includes verification that (i) the relevant treaty is in force, (ii) the request is issued by the competent authority, (iii) the information sought is foreseeably relevant (not a fishing expedition), and (iv) the information sought is clear enough. The Manual states that the EOI unit should notify the treaty partner of any issues raised in the validation process and additional clarification should be requested where appropriate. In relation to the one EOI request which Qatar received, this task was also carried out by the expert consultant, but this will be passed onto the head of EOI Unit once recruited.

251. In relation to gathering the requested information, the Manual states that the EOI officer should check for the Taxpayer Identification Number (TIN) of the person who is subject of the requested information, if available. The files of that person, as maintained by the PRTD, should be checked for the requested information.

252. Where the requested information is not held by the PRTD, the Manual indicates that the requested information should be obtained from other parties. In particular, the PRTD sets out specific procedures for obtaining information from: (i) the taxpayer and third parties (including governmental institutions or other taxpayers); (ii) request from banks; and (iii) request from the QFC (see further B.1 – *Practice*; B.1 – *Accessing Information in the QFC* and B.1.5 – *Bank Information*, respectively).

253. The EOI Unit would prepare the request to taxpayers (either as the person to which the EOI request relates or a third party information holder) or other government institutions to obtain the requested information. In relation to obtaining information in the QFC or banking information, representatives

of the QFC tax authorities and the QCB respectively may be enlisted to assist under the agreements between the Ministry of Economy and Finance and the QFC Tax Authority and the QCB respectively. The Operational Procedures Manual instructs that taxpayers, government authorities and banks (via the QCB) should be provided with 21 days to produce the requested information. In relation to obtaining information from the QFC, the Operational Procedures Manual instructs that an initial 21-day deadline is given, although this could be subject to extension. It is noted that the timeframe for the provision of the requested information, as stated in the MoU with the QFC, is 30 days.

254. Following receipt of the requested information, the material would be checked against the EOI request for relevance, accuracy and completeness prior to its provision to the requesting EOI partner. Currently, the expert consultant is responsible for preparing responses to EOI partners, which would be signed by the Director of PRTD. This responsibility will be transferred to the head of EOI unit once recruited.

### *Conclusion*

255. The level of personnel and other resources have been sufficient to process the volume of EOI requests received by Qatar to date. During the review period, before the establishment of the dedicated EOI unit, an incoming EOI request was misplaced. This request was subsequently found and is now being processed by the EOI unit under current EOI procedures. Clear procedures are now established for each step of the EOI process, including detailed guidance for accessing information from different channels, which would guide the EOI unit through the handling of an EOI request when received. Due to the lack of EOI requests processed by Qatar in the three-year period under review, it has not been possible to fully assess the effectiveness with which these resources and procedures have been utilised in practice. However, it is noted that Qatar received three EOI requests recently following the review period, which have all been answered. It is considered that the resources and procedures in place should continue to be sufficient to allow for effective EOI by Qatar in the absence of a significant increase in the number of incoming EOI requests. Nevertheless, in light of the misplacement of an EOI request prior to the recent formation of the dedicated EOI unit, Qatar is encouraged to monitor the practical implementation of the organisational processes of the EOI Unit and the level of resources dedicated to EOI purposes, in particular taking account of any significant changes to the volume of EOI requests received, to ensure both remain adequate to enable effective EOI in practice.

***Unreasonable, disproportionate or unduly restrictive conditions for exchange of information (ToR C.5.3)***

256. Exchange of information assistance should not be subject to unreasonable, disproportionate, or unduly restrictive conditions. There is no evidence of any such conditions being placed on the exchange of information under Qatar’s information exchange mechanisms.

**Determination and factors underlying recommendations**

Phase 1 determination	
This element involves issues of practice that are assessed in the Phase 2 review. Accordingly no Phase 1 determination has been made.	
Phase 2 rating	
Largely Compliant.	
Factors underlying recommendations	Recommendation
Since 2012, Qatar has committed resources and has in place organisational processes for exchange of information that appear to be adequate for dealing with incoming EOI requests. Qatar did not process any EOI requests during the three-year period under review. Consequently, the organisational processes have not been sufficiently tested in practice.	Qatar should monitor the practical implementation of the organisational processes of the EOI unit as well as the level of resources committed to EOI purposes, in particular taking account of any significant changes to the volume of incoming EOI requests, to ensure that both the processes and level of resources are adequate for effective EOI in practice.

## Summary of Determinations and Factors Underlying Recommendations

Determination	Factors underlying recommendations	Recommendations
Jurisdictions should ensure that ownership and identity information for all relevant entities and arrangements is available to their competent authorities. <i>(ToR A.1)</i>		
<b>Phase 1 determination: The element is in place.</b>		
<b>Phase 2 rating: Largely Compliant.</b>	Although the CRO has possessed enforcement powers under the QFC legal framework for a number of years, generally these have not been utilised in the past. However, the CRO has recently commenced utilising its enforcement powers, including the imposition of penalties, to ensure that QFC entities meet their filing obligations.	The QFC should continue its efforts in the exercise of appropriate monitoring and enforcement powers in practice to effectively enforce the obligations to make available identity and ownership information on QFC entities.
Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements. <i>(ToR A.2)</i>		
<b>Phase 1 determination: The element is in place.</b>		
<b>Phase 2 rating: Compliant.</b>		
Banking information should be available for all account-holders. <i>(ToR A.3)</i>		
<b>Phase 1 determination: The element is in place.</b>		
<b>Phase 2 rating: Compliant.</b>		

Determination	Factors underlying recommendations	Recommendations
Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information). <i>(ToR B.1)</i>		
<b>Phase 1 determination:</b> <b>The element is in place.</b>		
<b>Phase 2 rating:</b> <b>Compliant.</b>		
The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information. <i>(ToR B.2)</i>		
<b>Phase 1 determination:</b> <b>The element is in place.</b>		
<b>Phase 2 rating:</b> <b>Compliant.</b>		
Exchange of information mechanisms should allow for effective exchange of information. <i>(ToR C.1)</i>		
<b>Phase 1 determination:</b> <b>The element is in place.</b>		
<b>Phase 2 rating:</b> <b>Compliant.</b>		
The jurisdictions' network of information exchange mechanisms should cover all relevant partners. <i>(ToR C.2)</i>		
<b>Phase 1 determination:</b> <b>The element is in place.</b>		Qatar should continue to develop its EOI network to the standard with all relevant partners.
<b>Phase 2 rating:</b> <b>Compliant.</b>		
The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received. <i>(ToR C.3)</i>		
<b>Phase 1 determination:</b> <b>The element is in place.</b>		



Determination	Factors underlying recommendations	Recommendations
<b>Phase 2 rating: Compliant.</b>		
The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties. <i>(ToR C.4)</i>		
<b>Phase 1 determination: The element is in place.</b>		
<b>Phase 2 rating: Compliant.</b>		
The jurisdiction should provide information under its network of agreements in a timely manner. <i>(ToR C.5)</i>		
<b>This element involves issues of practice that are assessed in the Phase 2 review. Accordingly no Phase 1 determination has been made.</b>		
<b>Phase 2 rating: Largely Compliant.</b>	Since 2012, Qatar has committed resources and has in place organisational processes for exchange of information that appear to be adequate for dealing with incoming EOI requests. Qatar did not process any EOI requests during the three-year period under review. Consequently, the organisational processes have not been sufficiently tested in practice.	Qatar should monitor the practical implementation of the organisational processes of the EOI unit as well as the level of resources committed to EOI purposes, in particular taking account of any significant changes to the volume of incoming EOI requests, to ensure that both the processes and level of resources are adequate for effective EOI in practice.



## Annex 1: Jurisdiction’s Response to the Review Report<sup>5</sup>

Qatar completed successfully its Phase 1 review in 2010. Qatar’s legal framework was found to be in line with the international standard on transparency and exchange of information.

We were certainly satisfied with this result, but we were also concerned about Phase 2 of the review. We knew that we have a very limited experience with exchange of information for tax purposes.

As soon as Phase 1 of the review was completed, we understood that we have to rethink our EoI organization and procedures to effectively implement the standard and secure a satisfactory result of the review. That is why we started by creating a unit under the International Tax Agreement Section dedicated to Exchange of Information (EoI). And because we knew that this alone will not be sufficient, as the functions and work procedures of this unit have to be defined carefully, we also drafted a manual of procedures for the unit.

Clear procedures and deadlines were set for when we wish to involve other authorities to help us in obtaining the requested information. We did this with the Central Bank, which will ensure that banking information is obtained within a short period. A circular was issued to this effect requiring banks to provide information within 15 days to the Central Bank when the information is requested under an international tax agreement. It should be noted that Qatari tax authorities do have direct access to banking information and can use their powers to obtain such information directly from banks, but preferred to involve the Central Bank for the sake of time and effectiveness.

A similar approach was taken with the Qatar Financial Center (QFC). A memorandum of understanding was signed to ensure that, without prejudice to Qatari tax authorities’ powers to directly access information requested under an international tax agreement, QFC Authority will ensure that information relating to QFC entity is obtained without delay.

---

5. This Annex presents the jurisdiction’s response to the review report and shall not be deemed to represent the Global Forum’s views.

It may be useful to give a brief overview about the QFC and to explain Qatar's approach about financial centers (illustrated by QFC), which is certainly unique if compared to what happens in the region.

The QFC was established in 2005 by the Government of the State of Qatar to take a lead role in developing the Financial Services Sector. The QFC is supported by a world-class legislative framework which includes a regulatory environment based on that of the UK, an independent common law judiciary and a comprehensive corporate tax. The QFC's legal and regulatory framework was found to meet the standard in the Phase 1 review of Qatar.

To obtain a QFC License a firm must show it intends to establish a real economic presence in Qatar, and must submit a detailed business plan for review and approval. Approval process may take several months with no guaranteed results. Brass plate or conduit companies are not permitted. It is important to note also that the QFC is not a free zone or an off-shore tax haven, and unlike most financial centers in the region, licensed firms are subject to corporate tax on their profits. The QFC is there to assist in the development of the financial services sector in Qatar (in all Qatar), and to support both international and local firms wishing to participate in Qatar's economy.

The Ministry of Finance and the QFC Authority have established an excellent working relationship characterized by mutual trust, support and co-operation. We have had a full and enthusiastic support from the QFC Authority to the efforts in relation to both the Phase 1 and Phase 2 reviews.

As to the report, we note with satisfaction that it is generally positive, as it concludes that Qatar's legal and regulatory framework allows for exchange of information to the standard, and that only a very small number of Phase 2 recommendations were made. We do not object these recommendations, but we would like to note the following:

1. the relatively recent effort of the QFC Commercial Register Officer to exercise its enforcement powers in obtaining ownership information is not a temporary or isolated effort or even a consequence of the peer review process. It is the result of a real change in both policy and legislation made following a thorough assessment of all applicable procedures. In light of this, the relevance of the recommendation on element A 1 should be reassessed; and
2. Qatar will certainly continue monitoring the situation to take into account any increase in the number of requests received. We note that in the few months between the PRG meeting in Kula Lumpur in February and the PRG meeting in Paris in June this year (4 months) we received four additional requests, which were all answered. We

regret that this fact cannot be taken into consideration in the analysis and assessment. We further regret that the analysis and assessment are based on what happened before the establishment of the dedicated EoI unit, that is the one request received, which was misplaced. Although this might be seen as a 100% failure, we see it as a proof that the EoI unit is working effectively, since it was able to look for, find and process the request in a very short time. A first answer containing information from the majority of concerned taxpayers has already been sent to the requesting party. The unit is working on obtaining information from remaining taxpayers.

## Ratings

Qatar would like, first, to thank the expert assessment team and the PRG for their efforts and the thorough consideration they gave to all reports.

The expert assessment team and the PRG have found that Qatar is ‘compliant’ in 8 out of the 10 essential elements of the standard (elements A2, A3, B1, B2, C1, C2, C3 and C4). The remaining two elements (A1 and C5) were rated as ‘largely compliant’. This led to an overall ‘largely compliant’ rating.

While we understand and agree that the lack of EoI experience in Qatar should reasonably lead to the ‘largely compliant’ rating in C5, we have some difficulties to understand the position of the expert assessment team and the PRG as to the rating of element A1.

The ‘largely compliant’ rating of A1 was due (according to the expert assessment team) to the following factors:

- A delay in the use of the QFC CRO of its enforcement powers to compel QFC entities to file returns containing ownership information to the CRO. The expert assessment team recognizes, however, that this “deficiency”: (i) was remedied within the review period (although by the end of it), which led to an improvement in compliance and (ii) it is not conclusive that ownership information is not available. As a matter of fact, this information has always been available with the CRO and/or the QFC Tax Department;
- The QFC is expected to “service more than USD 1.2 trillion in planned investments across the GCC [Gulf Cooperation Council]”; and
- The lack of EoI experience in Qatar

These factors were considered significant enough to throw doubt on the ability of Qatar to ensure the availability of ownership information and to

justify the ‘largely compliant’ rating of A1. We clearly disagree with this conclusion for the following reasons:

1. The gap identified (if it exists at all) concerns only QFC entities. These represent less than 1% of Qatari companies. The report mentions the following figures: around 160 QFC entities out of which around 130 are active versus more than 24,000 Qatari companies;
2. The figure of USD 1.2 trillion of planned investments used by the expert assessment team to justify the “seriousness” of the gap is completely misleading. First, because it is just an estimate of the value of investment opportunities in the GCC that the QFC may give access to. It is not actual and, thus, cannot be taken into consideration in the assessment as it clearly goes beyond the review period. More importantly, this figure is irrelevant to the issue under consideration. The information needed under A1 is ownership information. This information has been and will always be available as far as QFC entities are concerned, regardless of the amount of investment they service;
3. According to paragraph 25 of the Note on Assignment of Phase Two Review, where phase 1 determination is ‘in place’ and there is a monitoring recommendation (as in the case of element A1 for Qatar), then phase 2 rating will depend on the seriousness of the gap identified. We clearly demonstrated in 1. And 2. above that the gap is insignificant (if it exists at all). We note here the conclusion of the expert assessment team that the gap is not conclusive that ownership information is not available in the case of QFC entities;
4. The lack of EoI experience has already been taken into consideration (and “sanctioned”) in the rating of element C5. Downgrading the rating of A1 as a result of this fact results in double counting it and double sanctioning Qatar for a factor that is beyond its control; and
5. When we look at consistency, we note that in some other reports where practice has improved during the review period, a rating of ‘compliant’ was given. Moreover, in one of these reports we note that the recommendation and the factors underlying the recommendation were very similar to those found in the report of Qatar.

To conclude, it is clear from the above that element A1 should have been rated ‘compliant’. We, therefore, still ask the question why the rating was ‘largely compliant’, which led to an overall rating of ‘largely compliant’?

This having been said, Qatar is not dissatisfied with the overall ‘generally compliant’ rating, but requests that clearer guidance is given as to the overall rating of countries with small or no EoI experience.

## Annex 2: List of All Exchange-Of-Information Mechanisms

	Jurisdiction	Type of Eol arrangement	Date signed	Date entered into force
1	Albania	Double Taxation Convention (DTC)	18.10.2011	Not yet in force
2	Armenia	DTC	22.04.2002	01.01.2008
3	Austria	DTC	30.12.2010	07.03.2012
4	Azerbaijan	DTC	28.08.2007	24.02.2008
5	Barbados	DTC	06.12.2012	Not yet in force
6	Belarus	DTC	03.04.2007	14.11.2007
7	Belgium	DTC	06.11.2007	Not yet in force
8	Bosnia and Herzegovina	DTC	21.07.2010	Not yet in force
9	Bulgaria	DTC	22.03.2010	23.12.2010
10	Cayman Islands	Tax Information Exchange Agreement (TIEA)	26.10.2012	Not yet in force
11	Chad	DTC	1999	Not yet in force
12	China	DTC	02.04.2004	21.10.2008
13	Croatia	DTC	24.06.2008	06.04.2009
14	Cuba	DTC	07.11.2006	01.01.2009
15	Cyprus <sup>67</sup>	DTC	11.11.2008	20.03.2009

6. Note by Turkey: The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Islands. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.
7. Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

	Jurisdiction	Type of Eol arrangement	Date signed	Date entered into force
16	France	DTC	04.12.1990	01.12.1994
		Protocol	14.01.2008	23.04.2009
17	Georgia	DTC	20.12.2010	11.03.2011
18	Greece	DTC	27.10.2008	21.03.2010
19	Guernsey	DTC	22.02.2013	Not yet in force
20	India	DTC	07.04.1999	05.01.2000
21	Indonesia	DTC	30.04.2006	19.09.2007
22	Ireland	DTC	21.06.2012	Not yet in force
23	Isle of Man	DTC	06.05.2012	15.11.2012
24	Italy	DTC	15.10.2002	07.02.2011
25	Jersey	DTC	20.03.2012	22.11.2012
26	Jordan	DTC	12.01.2004	31.12.2008
27	Korea (Republic of)	DTC	27.03.2007	15.04.2009
28	Lebanon	DTC	23.01.2005	01.01.2010
29	Luxembourg	DTC	03.07.2009	04.05.2010
30	the former Yugoslav Republic of Macedonia	DTC	28.01.2008	13.10.2008
31	Malaysia	DTC	28.01.2009	03.07.2008
		Protocol	16.02.2011	Not yet in force
32	Malta	DTC	26.08.2009	09.12.2009
33	Mauritius	DTC	28.07.2008	28.07.2009
34	Mauritania	DTC	2003	Not yet in force
35	Mexico	DTC	14.05.2012	Not yet in force
36	Monaco	DTC	16.09.2009	15.06.2010
37	Morocco	DTC	17.03.2006	07.04.2009
38	Nepal	DTC	15.10.2007	09.05.2009
39	Netherlands	DTC	24.04.2008	01.01.2010
40	Norway	DTC	29.06.2009	27.12.2009
41	Pakistan	DTC	16.04.1999	28.03.2000
42	Panama	DTC	23.09.2010	05.05.2011
43	Philippines	DTC	2008	Not yet in force
44	Poland	DTC	18.11.2008	30.12.2009
45	Portugal	DTC	2011	Not yet in force



	<b>Jurisdiction</b>	<b>Type of Eol arrangement</b>	<b>Date signed</b>	<b>Date entered into force</b>
46	Romania	DTC	04.10.1999	04.09.2003
47	Russia	DTC	20.04.1998	19.01.2000
48	Senegal	DTC	10.06.1998	11.01.2000
49	Serbia	DTC	02.10.2009	09.12.2010
50	Seychelles	DTC	01.07.2006	06.05.2007
51	Singapore	DTC	28.11.2006	05.10.2007
		Protocol	22.09.2009	01.01.2012
52	Slovenia	DTC	10.01.2010	01.12.2010
53	Sri Lanka	DTC	07.11.2004	02.04.2007
54	Switzerland	DTC	25.09.2009	15.12.2010
55	Syria	DTC	23.10.2003	27.04.2006
56	Tunisia	DTC	08.03.1997	01.01.1999
57	Turkey	DTC	25.12.2001	11.02.2008
58	United Kingdom	DTC	25.06.2009	15.10.2010
		Protocol	20.10.2010	27.07.2011
59	Venezuela	DTC	28.07.2006	30.07.2007
60	Vietnam	DTC	8.03.2009	01.01.2012
61	Yemen	DTC	07.08.2000	01.01.2008

## **Annex 3: List of all Laws, Regulations and Other Material Received**

### **Fiscal Legislation and Regulations**

*Income Tax Law*, Law No. 21 of 2009

*Income Tax Law, Executive Regulations*

*QFC Tax Regulations* (Regulation No. 14 of 2007)

### **Commercial laws dealing with registration of entities and retention of information**

*Commercial Companies Law*, Law No. 5 of 2002

*Commercial Law*, Law No. 27 of 2006

*QFC Companies Regulations* (Regulation No. 2 of 2005)

*QFC Limited Liability Partnership Regulations* (Regulation No. 7 of 2005)

*QFC Partnership Regulations* (Regulation No. 13 of 2007)

*QFC Trust Regulations* (Regulation No. 12 of 2007)

*Private Institutions of Public Benefit*, Law No. (21) of 2006

*Associations and Private Foundations*, Law No. (12) of 2004

### **Legislation and regulations for financial services and anti-money laundering/anti-terrorist financing measures**

*CBQ Law*, Law No. 13 of 2012

*Qatar Financial Markets Authority Law*, Law No. 33 of 2005

*Qatar Anti-money Laundering Law*, Law No. 4 of 2010

*QFC Anti Money Laundering Regulations (QFC Regulation No. 3 of 2005)*

*Anti-Money Laundering and Combating Terrorist Financing Rules 2010  
(QFCRA Rules 2010-2)*

### **Other Legislation**

*Constitution of Qatar*

*QFC Law, Law No. 7 of 2005*

### **Other Materials**

Legal opinion of Group Chief Legal Officer and Board Secretary of the  
QFC Authority

## **Annex 4: People Interviewed During Onsite Visit**

### **Ministry of Economy and Finance**

Public Revenue and Tax Department and Legal Department

### **Ministry of Business and Trade**

Registration and Licensing Department

### **Ministry of Justice**

Documentation Department

### **Ministry of Social Affairs**

Director of Societies and Private Institution

Legal Department

### **Ministry of Labour**

Department of Labour Relations

Legal Department

### **Qatar Central Bank**

Anti-money Laundering and Terrorism Financing Section

**National Anti-money Laundering and Terrorism Financing Committee**

General Secretariat

**Ministry of Endowment and Islamic Affairs**

General Directorate of Endowments

**Qatar Financial Centre**

Tax department

Commercial Register Office

QFC AML Authority

QFC Regulatory Authority

## **ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT**

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Union takes part in the work of the OECD.

OECD Publishing disseminates widely the results of the Organisation's statistics gathering and research on economic, social and environmental issues, as well as the conventions, guidelines and standards agreed by its members.

# Global Forum on Transparency and Exchange of Information for Tax Purposes

## PEER REVIEWS, PHASE 2: QATAR

This report contains a “Phase 2: Implementation of the Standard in Practice” review, as well as revised version of the “Phase 1: Legal and Regulatory Framework” review already released for this jurisdiction.

The Global Forum on Transparency and Exchange of Information for Tax Purposes is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by 120 jurisdictions, which participate in the Global Forum on an equal footing.

The Global Forum is charged with in-depth monitoring and peer review of the implementation of the international standards of transparency and exchange of information for tax purposes. These standards are primarily reflected in the 2002 *OECD Model Agreement on Exchange of Information on Tax Matters* and its commentary, and in Article 26 of the *OECD Model Tax Convention on Income and on Capital* and its commentary as updated in 2004. The standards have also been incorporated into the *UN Model Tax Convention*.

The standards provide for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. Fishing expeditions are not authorised but all foreseeably relevant information must be provided, including bank information and information held by fiduciaries, regardless of the existence of a domestic tax interest or the application of a dual criminality standard.

All members of the Global Forum, as well as jurisdictions identified by the Global Forum as relevant to its work, are being reviewed. This process is undertaken in two phases. Phase 1 reviews assess the quality of a jurisdiction’s legal and regulatory framework for the exchange of information, while Phase 2 reviews look at the practical implementation of that framework. Some Global Forum members are undergoing combined – Phase 1 and Phase 2 – reviews. The Global Forum has also put in place a process for supplementary reports to follow-up on recommendations, as well as for the ongoing monitoring of jurisdictions following the conclusion of a review. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

All review reports are published once approved by the Global Forum and they thus represent agreed Global Forum reports.

For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and for copies of the published review reports, please refer to [www.oecd.org/tax/transparency](http://www.oecd.org/tax/transparency) and [www.eoi-tax.org](http://www.eoi-tax.org).

Consult this publication on line at <http://dx.doi.org/10.1787/9789264202757-en>.

This work is published on the OECD iLibrary, which gathers all OECD books, periodicals and statistical databases.

Visit [www.oecd-ilibrary.org](http://www.oecd-ilibrary.org) for more information.