

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE  
OF INFORMATION FOR TAX PURPOSES

Peer Review Report on the Exchange of Information  
on Request

**QATAR**

2017 (Second Round)





# **Global Forum on Transparency and Exchange of Information for Tax Purposes: Qatar 2017 (Second Round)**

PEER REVIEW REPORT ON THE EXCHANGE  
OF INFORMATION ON REQUEST

August 2017  
(reflecting the legal and regulatory framework  
as at May 2017)

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## About the Global Forum

The Global Forum on Transparency and Exchange of Information for Tax Purposes is a multilateral framework for tax transparency and information sharing, within which over 140 jurisdictions participate on an equal footing.

The Global Forum monitors and peer reviews the implementation of international standard of exchange of information on request (EOIR) and automatic exchange of information. The EOIR provides for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. All Global Forum members have agreed to have their implementation of the EOIR standard be assessed by peer review. In addition, non-members that are relevant to the Global Forum's work are also subject to review. The legal and regulatory framework of each jurisdiction is assessed as is the implementation of the EOIR framework in practice. The final result is a rating for each of the essential elements and an overall rating.

The first round of reviews was conducted from 2010 to 2016. The Global Forum has agreed that all members and relevant non-members should be subject to a second round of review starting in 2016, to ensure continued compliance with and implementation of the EOIR standard. Whereas the first round of reviews was generally conducted as separate reviews for Phase 1 (review of the legal framework) and Phase 2 (review of EOIR in practice), the EOIR reviews commencing in 2016 combine both Phase 1 and Phase 2 aspects into one review. Final review reports are published and reviewed jurisdictions are expected to follow up on any recommendations made. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, please visit [www.oecd.org/tax/transparency](http://www.oecd.org/tax/transparency).





## Abbreviations, acronyms and definitions

### General terms

<b>2010 Terms of Reference</b>	Terms of Reference related to EOIR, as approved by the Global Forum in 2010.
<b>2016 Assessment Criteria Note</b>	Assessment Criteria Note, as approved by the Global Forum on 29-30 October 2015.
<b>2016 Methodology</b>	2016 Methodology for peer reviews and non-member reviews, as approved by the Global Forum on 29-30 October 2015.
<b>2016 Terms of Reference</b>	Terms of Reference related to EOIR, as approved by the Global Forum on 29-30 October 2015.
<b>AML</b>	Anti-Money Laundering
<b>AML/CFT</b>	Anti-Money Laundering/Combating the Financing of Terrorism
<b>CDD</b>	Customer Due Diligence
<b>CLG</b>	Company Limited by Guarantee
<b>DTC</b>	Double Tax Convention
<b>EOIR</b>	Exchange of information on request
<b>Global Forum</b>	Global Forum on Transparency and Exchange of Information for Tax Purposes
<b>LLC</b>	Limited Liability Company
<b>Multilateral Convention (MAAC)</b>	Convention on Mutual Administrative Assistance in Tax Matters, as amended in 2010
<b>PRG</b>	Peer Review Group of the Global Forum
<b>TIEA</b>	Tax Information Exchange Agreement

<b>ToR</b>	Terms of Reference
<b>VAT</b>	Value Added Tax

### **Terms specific to Qatar**

<b>2010 Report</b>	Peer Review Report Phase 1: Legal and Regulatory Framework of Qatar adopted in September 2010
<b>2012 Report</b>	Peer Review Report Phase 1 Supplementary adopted in March 2012
<b>2013 Report</b>	Peer Review Report Phase 2: Implementation of the Standard in Practice of Qatar adopted in November 2013
<b>CCL</b>	<i>Commercial Company Law</i>
<b>DNFBPs</b>	Designated Non-Financial Businesses and Professions (as defined pursuant to the <i>Qatar AML Law</i> ).
<b>QCB</b>	Qatar Central Bank
<b>QFC</b>	Qatar Financial Centre
<b>QFC Authority</b>	Qatar Financial Centre Authority
<b>QFC CRO</b>	Companies Registration Office (in the QFC)
<b>QFC Regulatory Authority</b>	Qatar Financial Centre Regulatory Authority
<b>QFMA</b>	Qatar Financial Market Authority

## Executive summary

1. In 2013, the Global Forum evaluated Qatar for its implementation of the EOIR standard, against the 2010 ToR, for both the legal implementation of the standard as well as its operation in practice. Qatar was assigned an overall rating of Largely Compliant. This report analyses the implementation of the EOIR standard by Qatar in respect of EOI requests processed during the period of 1 July 2013-30 June 2016 against the 2016 ToR. This report concludes that Qatar is to be rated Largely Compliant overall.

2. The following table shows the comparison of results from the first and the second round reviews of Qatar’s implementation of the EOIR standard:

**Comparison of Ratings for First Round Report and  
Second Round Report**

Element	First Round Report	Second Round Report
A.1 Availability of ownership and identity information	LC	C
A.2 Availability of accounting information	C	C
A.3 Availability of banking information	C	C
B.1 Access to information	C	C
B.2 Rights and Safeguards	C	C
C.1 EOIR Mechanisms	C	C
C.2 Network of EOIR Mechanisms	C	C
C.3 Confidentiality	C	C
C.4 Rights and Safeguards	C	C
C.5 Quality and timeliness of requests and responses	LC	PC
OVERALL RATING	LC	LC

C = Compliant; LC = Largely Compliant; PC = Partially Compliant; NC = Non-Compliant

## Progress made since previous review

3. The 2013 Report made three recommendations in respect of three essential elements. Under element A.1, Qatar was recommended to exercise its monitoring and enforcement powers to support legal requirements for the maintenance of ownership and identity information on QFC entities. Under element C.2, Qatar was recommended to develop its EOI network to the standard with all relevant partners. Finally, under element C.5, Qatar was recommended to monitor the implementation of the organisational processes of the EOI unit as well as the level of resources committed to EOI purposes to ensure that both the processes and level of resources are adequate for effective EOI. Qatar has addressed the first two recommendations. Since the 2013 Report, the QFC CRO has exercised its powers to enforce the obligations of QFC entities. During the review period, 120 penalty notices for various violations were issued by the QFC; a deregistration notice was issued to a QFC entity; and the name of one QFC entity was struck off the register due to non-compliance. With regards to the second recommendation, since the first round review, the number of Qatar's EOI partners has increased by another 22 jurisdictions covering now 89 partners. Out of these 89 EOI agreements, 75 are in force and Qatar has taken all necessary steps to bring the remaining agreements into force and is awaiting notification of ratification from its partners. Qatar has also applied to become a party to the MAAC. With respect to the third recommendation, no steps have been taken by Qatar to address this recommendation. According to Qatari officials, this is due to restructuring of its EOI unit (as part of a larger restructuring of the Tax Department) and the EOI unit consisting of new staff with limited knowledge of EOI.

## Key recommendation(s)

4. The key issue where improvement is recommended relates to element C.5. As a result of organisational issues, Qatar misplaced two of the EOI requests it received during the review period and consequently experienced difficulties in answering EOI requests in a timely manner. As such, it is recommended that Qatar ensures that answers to EOI requests are made in a timely manner and continue to ensure that the organisational processes and level of resources committed to EOI purposes are adequate for effective EOI in practice.

## Overall rating

5. As shown in Table 2 below, Qatar has been assigned the following ratings: Compliant for elements A.1, A.2, A.3, B.1, B.2, C.1, C.2, C.3 and C.4 and Partially Compliant for Element C.5. The overall rating is Largely

Compliant based on a global consideration of Qatar’s compliance with the individual elements. A follow up report on the steps undertaken by Qatar to address the recommendations made in this report should be provided to the PRG no later than 30 June 2018 and thereafter in accordance with the procedure set out under the 2016 Methodology.

### Summary of determinations, ratings and recommendations

Determination	Factors underlying recommendations	Recommendations
Jurisdictions should ensure that ownership and identity information, including information on legal and beneficial owners, for all relevant entities and arrangements is available to their competent authorities ( <i>ToR A.1</i> )		
<b>Legal and regulatory framework determination: The element is in place.</b>	There is no obligation requiring identification of beneficiaries with less than a 25% interest in those foreign trusts which have Qatari or QFC trustees or which are administered in Qatar or the QFC. The materiality of this gap is nonetheless very limited as the Qatari officials are not aware of a person in Qatar providing fiduciary services, and, during the period under review, Qatar did not receive any EOI requests for information on foreign trusts.	Qatar should ensure that AML obligated entities are required to identify all of the beneficiaries (or class of beneficiaries) of the trust as required under the standard.
<b>EOIR rating: Compliant</b>		
Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements ( <i>ToR A.2</i> )		
<b>Legal and regulatory framework determination: The element is in place.</b>		
<b>EOIR rating: Compliant</b>		

Determination	Factors underlying recommendations	Recommendations
Banking information and beneficial ownership information should be available for all account-holders ( <i>ToR A.3</i> )		
<b>Legal and regulatory framework determination: The element is in place.</b>	Banks are required to identify natural persons who ultimately own or control a trust as part of their customer due diligence measures. However, they are not required to identify all of the natural persons who are beneficiaries of the trust as only the beneficiaries of 25% or more of the assets or property of a trust must be identified in all instances.	Qatar should ensure that banks are required to identify all of the beneficiaries (or class of beneficiaries) of the trust which has an account in Qatar and the QFC as required under the standard.
<b>EOIR rating: Compliant</b>		
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>Legal and regulatory framework determination: The element is in place.</b>		
<b>EOIR rating: 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>Legal and regulatory framework determination: The element is in place.</b>		
<b>EOIR rating: Compliant</b>		
Exchange of information mechanisms should provide for effective exchange of information ( <i>ToR C.1</i> )		
<b>Legal and regulatory framework determination: The element is in place.</b>		

Determination	Factors underlying recommendations	Recommendations
<b>EOIR rating: Compliant</b>		
The jurisdictions' network of information exchange mechanisms should cover all relevant partners ( <i>ToR C.2</i> )		
<b>Legal and regulatory framework determination: The element is in place.</b>		
<b>EOIR rating: 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>Legal and regulatory framework determination: The element is in place.</b>		
<b>EOIR rating: Compliant</b>	Although all of Qatar's policies regarding confidentiality appear to be in place, two EOI requests that were received during the review period were misplaced within the EOI unit at the Tax Department. The same issue was reported in the 2013 Report.	Qatar should ensure that its organisational processes and procedures are adequate to ensure the confidentiality of all information received from an EOI partner.
The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties ( <i>ToR C.4</i> )		
<b>Legal and regulatory framework determination: The element is in place.</b>		
<b>EOIR rating: Compliant</b>		
The jurisdiction should request and provide information under its network of agreements in an effective manner ( <i>ToR C.5</i> )		
<b>Legal and regulatory framework determination:</b>	<b>The assessment team is not in a position to evaluate whether this element is in place, as it involves issues of practice that are dealt with in the implementation of EOIR in practice.</b>	

<b>Determination</b>	<b>Factors underlying recommendations</b>	<b>Recommendations</b>
<b>EOIR rating: Partially Compliant</b>	Qatar has experienced difficulties during the review period to answer EOI requests in a timely manner due to a variety of reasons relating to organisational issues within the EOI unit. As a result of these issues, several EOI requests were misplaced, including an EOI request that Qatar received in 2010.	Qatar should ensure that the organisational processes and level of resources committed to EOI purposes are adequate in order to answer EOI requests in a timely manner in all cases.



## Preface

6. This report is the second review of Qatar conducted by the Global Forum. Qatar previously underwent an EOIR review through three assessments during the first round of reviews: the Phase 1 report (published in 2010, reflecting the legal and regulatory framework in place as of May 2010), the Supplementary Phase 1 report (published in 2012, reflecting the legal and regulatory framework in place as of January 2012) and the Phase 2 report (published in 2013, reflecting the legal and regulatory framework in place as of May 2013). Qatar's three assessments during the first round of reviews were conducted according to the ToR approved by the Global Forum in February 2010 (2010 ToR) and the Methodology used in the first round of reviews.

7. This evaluation is based on the 2016 ToR, and has been prepared using the 2016 Methodology. The evaluation is based on information available to the assessment team including the exchange of information arrangements signed, laws and regulations in force or effective as at 29 May 2017, Qatar's EOIR practice in respect of EOI requests made and received during the three year period from 1 July 2013 to 30 June 2016, Qatar's responses to the EOIR questionnaire, information supplied by partner jurisdictions, as well as information provided by Qatar's authorities during the on-site visit that took place from 13-15 December 2016 in Doha, Qatar.

8. The evaluation was conducted by an assessment team consisting of two expert assessors and two representative of the Global Forum Secretariat: Mr. Anthony Vella Laurenti, Director (International Taxation) Legal and International Division, Ministry of Finance, Malta; Lt. Col. Fabio Seragusa, Head of International Co-operation Service, International, Guardia di Finanza, Italy; and Ms. Kaelen Onusko and Mr. P.S. Sivasankaran from the Global Forum Secretariat.

9. The report was approved by the PRG at its meeting on 17-20 July 2017 and was adopted by the Global Forum on [date].

10. For the sake of brevity, on those topics where there has not been any material change in the situation in Qatar or in the requirements of the Global Forum's ToR since the 2013 Report, this evaluation does not repeat the

analysis conducted in the previous evaluation, but summarises the conclusions and includes a cross-reference to the detailed analysis in the previous reports.

11. Information on each of Qatar’s reviews are listed in the table below.

### Summary of reviews

Review	Assessment team	Period under review	Legal framework as of (date)	Date of adoption by Global Forum
<b>Phase 1 report</b>	Ms. Rowena Bethel, Legal Advisor, the Bahamas Ministry of Finance; Mr. Fabio Seragusa, Guardia di Finanza, Public Finance Office, International Co-operation; and Mr. Andrew Auerbach from the Global Forum Secretariat	N/A	May 2010	September 2010
<b>Supplementary Phase 1 report</b>	Ms. Bernadette Butler, Legal Advisor, the Bahamas Ministry of Finance; Mr. Fabio Seragusa, Guardia di Finanza, Public Finance Office, International Co-operation; and Mr. Andrew Auerbach from the Global Forum Secretariat	N/A	January 2012	March 2012
<b>Phase 2 report</b>	Ms. Rowena Bethel, Legal Advisor, the Bahamas Ministry of Finance; Mr. Fabio Seragusa, Guardia di Finanza, Public Finance Office, International Co-operation; and Ms Doris King and Mr Mikkell Thunnissen from the Global Forum Secretariat.	1 July 2009 to 30 June 2012	May 2013	August 2013
<b>Phase 2 report (with ratings)</b>	N/A	1 July 2009 to 30 June 2012	May 2013	November 2013
<b>EOIR report</b>	Mr. Anthony Vella Laurenti, Director (International Taxation) Legal and International Division, Ministry of Finance, Malta; Lt. Col. Fabio Seragusa, Head of International Co-operation Service, International, Guardia di Finanza, Italy; and Ms. Kaelen Onusko and Mr. P.S. Sivasankaran from the Global Forum Secretariat	1 July 2013 to 30 June 2016	May 2017	August 2017

### Brief on 2016 ToR and methodology

12. The 2016 ToR were adopted by the Global Forum in October 2015. The 2016 ToR break down the standard 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 in practice of this framework against these elements and each of the enumerated aspects.

13. In respect of each essential element (except element C.5 *Exchanging Information*, which uniquely involves only aspects of practice) 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. In addition, to assess Qatar’s EOIR implementation and effectiveness in practice a rating is assigned to each element of either: (i) compliant, (ii) largely compliant, (iii) partially compliant, or (iv) non-compliant. These determinations and ratings are accompanied by recommendations for improvement where appropriate. Finally, an overall rating is assigned to reflect Qatar’s overall level of compliance with the EOIR standard.

14. In comparison with the 2010 ToR, the 2016 ToR includes new aspects of clarification of existing principles with respect to:

- the availability of and access to beneficial ownership information;
- explicit reference to the existence of enforcement measures and record retention periods for ownership, accounting and banking information;
- clarifying the standard for the availability of ownership and accounting information for foreign companies;
- rights and safeguards;
- incorporating the 2012 update to Article 26 of the OECD Model Tax Convention and its Commentary (particularly with reference to the standard on group requests); and
- completeness and quality of EOI requests and responses.

15. Each of these new requirements are analysed in detail in this report.

## **Brief on consideration of FATF evaluations and ratings**

16. The Financial Action Task Force (FATF) evaluates jurisdictions for compliance with anti-money laundering and combating the financing of terrorism (AML/CFT) standards. Its reviews are based on a country’s compliance with 40 different technical recommendations and the effectiveness regarding 11 immediate outcomes, which cover a broad array of money-laundering issues.

17. The definition of beneficial owner included in the 2012 FATF standards has been incorporated into elements A.1, A.3 and B.1 of the 2016 ToR.

The 2016 ToR also recognises that FATF materials can be relevant for carrying out EOIR assessments to the extent they deal with the definition of beneficial ownership, as that definition applies to the standard set out in the 2016 ToR (see 2016 ToR, annex 1, part I.D). It is also noted that the purpose for which the FATF materials have been produced (combatting money-laundering and terrorist financing) are different from the purpose of the standard on EOIR (ensuring effective exchange of information for tax purposes), and care should be taken to ensure that assessments under the ToR do not evaluate issues that are outside the scope of the Global Forum’s mandate.

18. While on a case-by-case basis, an EOIR assessment may use some of the findings made by the FATF, the evaluations of the FATF cover issues that are not relevant for the purposes of ensuring effective exchange of information on beneficial ownership for tax purposes. In addition, EOIR assessments may find that deficiencies identified by the FATF do not have an impact on the availability of beneficial ownership information for tax purposes; for example because mechanisms other than those that are relevant for AML/CFT purposes may exist within that jurisdiction to ensure that beneficial ownership information is available for tax purposes.

19. These differences in the scope of reviews and in the approach used may result in differing outcomes.

## Overview of Qatar

20. This overview provides some basic information about Qatar that serves as context for understanding the analysis in the main body of the report. This is not intended to be a comprehensive overview of Qatar’s legal, commercial or regulatory systems.

### Legal system

21. Qatar has a civil law based legal system. The hierarchy of laws is as follows: Constitution; laws (and decree-laws); decrees; and Ministerial resolutions.

22. Under the Constitution, international agreements have the same status as laws. Moreover, the Constitution 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 (QFC) applies its own legal regime (see below).

### Tax system

23. Qatar’s income tax law is generally a territorial system and applies only to income from business activities. 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 up to 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 returns derived by natural persons other than those carrying on a taxable activity. Entities registered in the QFC are not subject to Qatar’s income tax laws (see below).

24. 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.

25. 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.

### **Anti-money laundering (AML) law**

26. In 2010, Qatar implemented revised AML laws intended to address the results of Qatar's MENA FATF report published in 2008 (reflecting the legal and regulatory framework in place as of February 2007). In 2012, recognising the progress made by Qatar to address the deficiencies identified in the 2008 report, Qatar was rated as Largely Compliant with all FATF core and key recommendations, except for FATF Recommendation 23 (insurance sector). In 2014, Qatar implemented new legislation to address the concern identified with regards to Recommendation 23. Qatar's next Mutual Evaluation is scheduled to take place in 2019.

### **Qatar Financial Centre (QFC)**

27. 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 consists of a commercial arm responsible for operation, taxation and legislative environment of the QFC, the QFC Authority, and an independent regulator for financial services firms, 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 legal environment, commercial strategy and business development, and provides the QFC's administrative functions. The Companies Registration Office (CRO) is responsible for the incorporation and registration of entities in the QFC. 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.

28. 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

29. Qatar issued a new *Commercial Company Law* (CCL) which came into effect in August 2015. The amendments do not make significant changes to the types of entities that may be established in Qatar. The amendments introduced shorter timelines to complete the various registration processes. Also, publications by entities (such as articles of association and annual reports) must now be made in two local newspapers and be available on the entities' websites. Further, a limited liability company can now be established by a single person owning the entire share capital of the LLC (under the old CCL, the minimum number of shareholders for an LLC was two). In addition, high penalties in the event of non-compliance with the law were introduced. The CCL does not apply to entities established in the QFC.

30. The *Commercial Register Law* (CRL) was also amended and came into effect in August 2015. The amendments introduce a requirement for entities to annually renew their registration with the Commercial Register, a more time-efficient system in terms of accepting or rejecting the applicant's application and the process of appealing to the Ministry of Economy and Commerce ("Ministry of Economy") directly in the event of rejection, and provides for high penalties in the event of non-compliance with the law.

31. The QFC introduced new provisions to the *QFC Companies Regulations 2005*, enacted in April 2015, allow the formation of companies limited by guarantee (LLC(G)s). Also, in September 2016, the QFC enacted the *QFC Foundations Regulations* which allows a foundation to be created in the QFC.





## Part A: Availability of information

32. Sections A.1, A.2 and A.3 evaluate the availability of ownership and identity information for relevant entities and arrangements, the availability of accounting information and the availability of bank information.

### A.1. Legal and beneficial ownership and identity information

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

33. The 2013 Report concluded that the rules requiring availability of legal ownership information in respect of all relevant and arrangements were in place and in line with the standard. Amendments to the legal framework in Qatar have been made since the 2013 Report; however, these amendments do not make significant changes to the types of entities that may be established in Qatar or to the rules requiring availability of legal ownership information in respect of all relevant entities and arrangements in Qatar. With regards to the legal framework in the QFC, new legislation was introduced in April 2015 to allow the formation of companies limited by guarantee (LLC(G)s). Also, in September 2016, the QFC enacted the *QFC Foundations Regulations* which allows a foundation to be created in the QFC.

34. The 2013 Report concluded that, in relation to the implementation of the rules in Qatar, practice was in line with the standard and this continues to be the case. In relation to QFC entities, the 2013 Report determined that the QFC CRO had only recently commenced the exercise of its monitoring and enforcement powers and it was recommended that QFC continue its efforts in exercising the appropriate monitoring and enforcement powers in practice. Since the 2013 Report, the CRO has exercised its powers to enforce the obligations of QFC entities; accordingly, the recommendation is deleted.

35. Qatar's legal and regulatory framework and practices have been evaluated for compliance with changes introduced in the 2016 ToR, including in respect of the availability of beneficial ownership information. In Qatar, beneficial ownership information is available based on commercial, tax and AML obligations. In the QFC, beneficial ownership information is available based on *QFC Companies Regulations 2005* and AML obligations.

36. There have been a few issues identified in relation to the availability of beneficial ownership information. First, it is not clear that beneficial ownership information on a silent partner of a limited partnership company in Qatar will be available with the Commercial Register. However, this gap is small as there are very few of these types of entities and if these entities are listed on the Qatar stock exchange, then beneficial ownership information will be available. Qatar should consider ensuring that beneficial ownership information regarding all partnerships is available. The second issue identified is in relation to the identification requirements relating to beneficiaries of a trust. AML obligated entities are required to identify natural persons who ultimately own or control a trust as part of their CDD measures. However, they are not required to identify all of the beneficiaries (or class of beneficiaries) of a trust as required under the standard. Instead, AML obligated entities must identify beneficiaries of 25% or more of the assets or property of the trust. Although this gap may be negligible, Qatar should take steps to address it.

37. In practice, compliance with AML obligations, in Qatar, by financial institutions, the insurance industry and financial service firms in the regulated capital market is supervised mainly by the QCB and the QFMA. The Ministry of Justice supervises law firms and the Ministry of Economy supervises accounting firms in Qatar to ensure compliance with their AML obligations.

38. In the QFC, the QFC Authority (through the CRO) and the QFC Regulatory Authority supervise QFC registered entities to ensure such entities comply with their obligations to maintain beneficial ownership information. The QFC Regulatory Authority supervises financial institutions and DNFBPs (as defined pursuant to the *Qatar AML Law*) established in the QFC to ensure compliance with AML obligations. AML supervision in Qatar and in the QFC generally ensures compliance with the CDD obligations and that AML obligated person keeps beneficial ownership information.

39. During the review period, Qatar received five<sup>1</sup> EOI requests, of which four sought ownership and identity information. Three of the four requests were in respect of individuals, and the other request was in respect of the ownership (including beneficial ownership) of a company. Qatar partially responded to one request during the review period.<sup>2</sup> Qatar considers that it

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1. Qatar counts each written request from an EOI partner as one EOI request even where more than one person is the subject of an inquiry and/or more than one piece of information is requested.
  2. Qatar provided the requested ownership information (including beneficial ownership information) with respect to one person subject to the request; however, Qatar sought clarification from the requesting jurisdiction with respect to the second person subject to the request, but the requesting jurisdiction did not respond to Qatar.

fully responded to a second request; however, peer input indicates that the response was not complete. The third request was declined because, according to Qatar, the request had not been signed by the requesting jurisdiction. The requesting jurisdiction indicated that the request had been signed by the competent authority, but that it is possible that when Qatar was validating the request, the individual's name from the requesting jurisdiction was no longer listed as a competent authority. Qatar did not respond to the remaining two requests because they were misplaced. Three peers raised issues in respect of its request for ownership and identity information; however, there is no indication that such issues are the result of the information not being available and Qatari officials did not indicate that there was any issue in the availability of this information. Rather, the issues related to an aspect of element C.5 and are analysed in that section. The EOI unit found all of the requests in December 2016 and has fully responded to one of the requests and is processing the other outstanding requests (including the initially declined request).

40. The new table of determinations and ratings is as follows:

<b>Legal and Regulatory Framework</b>		
	<b>Underlying Factor</b>	<b>Recommendation</b>
<b>Deficiencies identified in the implementation of the legal and regulatory framework</b>		
	There is no obligation requiring identification of beneficiaries with less than a 25% interest in those foreign trusts which have Qatari or QFC trustees or which are administered in Qatar or the QFC. The materiality of this gap is nonetheless very limited as the Qatari officials are not aware of a person in Qatar providing fiduciary services, and, during the period under review, Qatar did not receive any EOI requests for information on foreign trusts	Qatar should ensure that AML obligated entities are required to identify all of the beneficiaries (or class of beneficiaries) of the trust as required under the standard.
<b>Determination: In Place</b>		
<b>Practical implementation of the standard</b>		
<b>Rating: Compliant</b>		

### *A.1.1. Availability of legal and beneficial ownership information for companies*

41. The 2013 Report found that the rules regarding the maintenance of legal ownership information in respect of companies in Qatar and the QFC were in compliance with the standard. Amendments to the legal framework in Qatar have been made since the 2013 Report. These amendments do not make significant changes to the types of entities that may be formed in Qatar, but change some of the ownership conditions for these entities. For instance, a LLC can now be established by a single person owning the entire share capital of the LLC (under the old CCL, the minimum number of shareholders for an LLC was two).

42. The amendments to the CCL do not make any changes to the rules requiring availability of ownership and identity information in respect of all relevant entities and arrangements in Qatar. The amendments introduced shorter timelines to complete the various registration processes and publications by entities (such as articles of association and annual reports) must now be made in two local newspapers and be available on the entities' websites. In addition, high penalties in the event of non-compliance with the law were introduced. The *Commercial Register Law* (CRL) was also amended and came into effect in August 2015. The amendments introduce a requirement for entities to annually renew its registration with the Commercial Register and provides for high penalties in the event of non-compliance with the law.

43. New provisions to the *QFC Companies Regulations 2005*, enacted in April 2015, allow the formation of companies limited by guarantee (LLC(G)s) in the QFC. Also, in September 2016, the QFC enacted the *QFC Foundations Regulations* which allows a foundation to be created in the QFC. Rules requiring the availability of ownership and identity information (including beneficial ownership information) apply to these new entities.

#### *Legal ownership and identity information requirements in Qatar*

44. According to the CRL, the following entities must register with the Commercial Register (Ministry of Economy): any individual who intends to be involved in commerce; commercial partnerships; natural persons and legal entities who are engaged in commercial agency transactions; the branches of foreign partnerships; and officers of the commercial representation (art. 3). The Commercial Registry can designate the form to be completed, and the information to be provided, in an application for registration (art. 4). Information that must be provided upon registration includes: the name, nationality, a form of ID (a national license for Qatari nationals and Qatari-residents<sup>3</sup> or a passport

3. The Ministry of Interior issues a national license to Qatari nationals (upon birth) and Qatari-residents (upon application when entering Qatar). The number on

for non-Qatari residents), the articles of association or partnership agreement which contain ownership information and property lease agreements. The Commercial Register will verify identity information of Qatari nationals and Qatari-residents with the Ministry of Interior. All foreign documents, including identity information, must be notarised by the relevant foreign embassy. Property lease agreements must be authenticated by the Ministry of Justice.

45. Any changes to registration information must be provided to the Company Control Department (Ministry of Economy) within 30 days of the change (art. 9). Entities that fail to comply with this obligation may be subject to a fine of up to QAR 50 000 (EUR 12 000) (art. 16). Registration must be renewed annually and the same type of information that was provided during registration must be provided during the renewal procedure (art. 5). The Commercial Register will strike the registration of any entity that fails to renew its registration within 90 days of receiving a renewal notice (art. 5).

46. The CCL provides rules for the incorporation of a variety of different companies and partnerships in Qatar. The information provided upon incorporation differs among the various entities. Seven types of entities may be formed under the CCL:

- partnership company<sup>4</sup> – this entity has both corporate and partnership characteristics. It was treated as a partnership in the 2013 Report and is treated similarly in this report;
- limited partnership company – this entity has both corporate and partnership characteristics. It was treated as a partnership in the 2013 Report and is treated similarly in this report;
- particular partnership company – a concealed company whose existence can be substantiated by any means including presumption (arts. 53 and 54). It does not have a separate legal personality, but neither are its partners jointly and severally liable for its debts. There are no requirements for this entity to maintain ownership information, nor is there any requirement that this entity register with the Commercial Registry. However, this entity is not able to carry out acts in its own name. As the partners of the 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 EOI;
- public shareholding company – must be established by five or more founder shareholders (art. 67). There is no requirement that the

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the license is used for any government service. In order to be issued a national license, a non-Qatari national must enter Qatar once every 6 months.

4. In the 2013 Report, these types of entities were referred to as “joint companies”.

founders be Qatari nationals. Once the entity is established, the public must underwrite further shares, as the founders should only hold a maximum of 45% of the shares in the capital of the entity (art. 76). Also, prior to the invitation for public subscription, the founders must provide the Ministry of Economy with a certificate from the bank where payment is made evidencing that they have deposited in the company's account the amounts equivalent to the shares they have subscribed in as founding partners (art. 76). The founders must inform the Ministry of the shares underwritten and the name of each shareholder (art. 87). The entity is also required to maintain, at its head office, a shareholder's register holding the names, nationalities and places of residence of the shareholders as well as the portion of the shares held (art. 159). Ownership of shares is transferred upon registration in the shareholders register (art. 160). Information from the shareholders register, including any changes, must be sent to Ministry of Economy at least two weeks before the date fixed for the issue of profits to the shareholders (art. 159);

- private shareholding company – must be established by three or more founder shareholders; must have a minimum share capital of QAR 2 million (EUR 511 700); and its shares shall not be floated for public underwriting (art. 205). The rules above regarding the maintenance of a shareholders' register for public shareholding company apply also to a private shareholding company (art. 206);
- limited partnership company with shares – 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 one or more shareholding partners who are responsible for the debts of the company only to the extent of their shares in the capital (art. 209). All joint partners must be individuals (art. 210). The partnership's capital must be more than QAR 2 million (EUR 511 600) (art. 213). The public may underwrite shares in this entity in accordance with the rules that apply to public shareholding companies (art. 211), which includes the requirement for the founders to inform the Ministry of Economy of the names of the shareholders that have underwritten the share issue (art. 87). The partnership's articles of association shall mention the names, residence and nationalities of the joint partners (art. 215). The rules regarding company incorporation that apply to public shareholding companies also apply to this entity (art. 226). Accordingly, information on the founding partners must be maintained with the Ministry of Economy. In addition, 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 (art. 9, CRL); and

- limited liability company (LLC) – must have at least one and no more than 50 partners (art. 228). Each partner’s liability is limited to the extent of their paid up capital share. There is no minimum capital requirement. An LLC may not undertake the business of banking or investment (art. 230). The articles of association must contain the name, nationality, residence and address of the partners and the company’s managers; and amount of the capital share of each partner and a statement of the in-kind shares, if any, their amounts and names of the contributors (art. 231). All shares in cash must be deposited in an approved bank and a certificate from the bank must be provided to the Ministry of Economy before the LLC may be incorporated (art. 232). The names of the members of the control board, if any, must also be included in the articles of association. Further, the articles must be authenticated by the Ministry of Justice and then filed with the Commercial Register (art. 6). The LLC, at its head office, must keep a special register containing details of the partners’ identity and their shares (art. 236). The company’s managers are jointly liable for such register and the credibility of its contents (art. 236). Any transfer of shares must be registered in the company’s register and with the Commercial Register (art. 237). A transfer is not valid until it is registered with the Commercial Register (art. 237). Such registration can only occur with the prior approval of the Tax Department.

47. The CCL also applies to any foreign companies that carry on activities in Qatar, excluding the provisions related to the companies’ incorporation (art. 17). The term “carry on activities in Qatar” 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 from the Minister of Economy. At least 51% of a foreign company (other than a public shareholding company) must be owned by a Qatari national (art. 2, *Foreign Investment Law*). Foreign companies wishing to conduct business in Qatar must first obtain authorisation from the Minister of Economy. Through this process identity information on the authorised signatories, but not full ownership information, will be provided. However, this gap in the law is filled by the imposition of AML obligations on their service providers and obligations under the tax law (as discussed below).

48. The CCL and the CRL do not contain provisions setting out the retention period with respect to ownership information. However, the *Qatar AML Law* does require the retention of ownership information for five years, as discussed below. As all companies need to hold a bank account, ownership

information with respect to these entities should be maintained by AML obligated entities.<sup>5</sup> Also, pursuant to the *Qatar AML Law*, the Commercial Register is required to maintain ownership information (including beneficial ownership information) on legal persons established in Qatar, accordingly ownership information (including beneficial ownership information) with respect to these entities should be maintained by the Commercial Register. In addition, pursuant to the CRL, any changes to information registered with the Commercial Registry must be notified to the Ministry of Economy within 30 days of the change (art. 9).

49. Upon dissolution of an entity, the managers or the board of directors continue to assume the entity's management until a liquidator is appointed (art 305). A liquidator is appointed by the partners, the general assembly or the court (art.307). Within three months of appointment, the managers or board members shall submit to the liquidator the entity's books, documents, notes or clarifications (art. 316). If liquidation lasts longer than a year, the liquidator will prepare the balance sheet, account of profit and loss and a report on the liquidation process which is to be presented to the partners, general assembly or the court (art. 316). The period of liquidation must not exceed three years, except with a resolution from the court of Minister of Economy (art. 316). Upon completion of the liquidation process, the liquidator shall ask for the deletion of the entity's entry from the Commercial Register (art. 319). Liquidators, licensed accountants with the Ministry of Economy, are required to maintain their client's files, records and data for a period of ten years from the end of the fiscal year, during which the liquidator was controlling the client's accounts (art. 40, *Regulating Control of Accounts*). Also, as a matter of practice, all information filed by an entity with the Commercial Register is archived by the Commercial Register and is never destroyed. Although there is no requirement under the CCL or CRL for partners, managers or board of directors of dissolved entities to maintain ownership information,

5. There is no specific legal obligation in the CCL or *Qatar AML Law* requiring entities to hold a bank account. However, private shareholding companies and limited partnership companies with shares are required to have a minimum share capital. This means that in order to obtain a commercial registration, the entity first needs to obtain a letter from the Ministry of Economy authorising a bank in Qatar to open a temporary bank account in the name of the company and then the entity must deposit the required sum of money into that account. Once the funds have cleared, the bank will provide a letter which must be provided to the Commercial Register as evidence that the shareholding capital has been deposited. The funds cannot be withdrawn until after the entity has been incorporated. Public shareholding companies and LLCs are required to provide a certificate from a Qatari bank to the Commercial Register when registering, indicating that the entity maintains a bank account.



ownership and identity information will be available with the Commercial Register and in the case of liquidated entities, the liquidator should maintain such information.

50. Pursuant to the CRL, all entities registered with the Commercial Register are required to annually renew their registration electronically (art. 5). Application for renewal requires entities to provide any updated ownership information. Entities that fail to renew their registration within 90 days may be struck from the register.

### *Legal ownership and identity information requirements in QFC*

51. In order to establish an entity within the QFC, an individual or firm must register with the Companies Registration Office (CRO) and obtain a license from the QFC Authority. The *QFC Companies Regulations 2005* provides for the formation of five types of companies in the QFC:

- Limited liability companies (LLC) – paragraphs 63 to 65 of the 2013 Report set out a description of a LLC. A LLC may only be incorporated with the consent of the CRO (art. 18). There is no minimum capital requirement for a company undertaking non-regulated activities;<sup>6</sup> however there is a minimum capital requirement for a company undertaking regulated activities.<sup>7</sup> Any changes to directors must be registered with the CRO within 21 days of such a change (art. 52). For each director appointed, the CRO must obtain the director's name, date of birth, address, nationality, business occupation and any directorship held within the last five years. The CRO must be informed of any changes to a person who: (i) holds 10% or more of the shares in the company; (ii) is entitled to exercise, or controls the exercise of, 10% or more of the voting power; or (iii) is able to exercise significant influence over the management of the company, within 30 days of such change (*QFCA Rules*, rule 8). Every LLC must deliver to the CRO an annual return including information with regards to: 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 in that class; and the name, address, nationality, date of birth and business occupation of each of the directors

6. Non-regulated activities include: the business of ship broking and shipping agents; the business of provision of classification services and investment; grading and other grading services; business activities of company headquarters, management offices and treasury operations; the business of providing professional services; business activities of holding companies; and the business of provision, formation, operation and administration of companies.
7. Regulated activities include financial services and insurance.

and the secretary of the LLC (arts. 47 and 48). There were 109 LLCs registered in the QFC as at 21 May 2017;

- Protected cell companies (PCCs) – paragraph 66 of the 2013 Report sets out a description of a PCC. There are currently no PCCs operating in the QFC;
- Companies limited by guarantee (LLC(G)s)<sup>8</sup> – new legislation was introduced in April 2015 to allow the formation of LLC(G)s. A LLC(G) has separate legal personality from its members whose liability is limited to such amount as the members undertake to contribute to the assets of the LLC(G) in the event of its being wound up (art. 92B). A LLC(G) has the capacity, rights and privileges of a natural person and may enter into contracts, sue and be sued and own assets of all types (art. 92B). A LLC(G) cannot have a share capital (art. 92A). In order for a person to register a company as a LLC(G), the person must make an application for the incorporation of the LLC(G) in accordance with the regulations dealing with LLCs. Therefore, the provisions described above in respect of LLCs apply also to LLC(G)s (art. 92A). Every LLC(G) is required to maintain a register of members and a register of directors and secretary at its registered office in the QFC (art. 92N). Every LLC(G) must deliver to the CRO an annual return including information with regards to: in respect of each class of members, the name and address of each member; and the name, address, nationality, date of birth and business occupation of each of the directors and the secretary of the LLC(G). There were 17 LLC(G)s registered in the QFC as at 21 May 2017;
- Special purpose companies (SPC)<sup>9</sup> – a company incorporated under the *QFC Companies Regulations 2005*. A SPC may only engage in permitted activities which include the acquisition, holding and disposal of an asset and obtaining financing in connection with a financial transaction, any regulated activity that is not carrying on a business, and any unregulated activity permitted by the QFC Authority (*QFC Special Company Regulations*, art. 9). An applicant seeking to establish a Special Company as a body corporate in the QFC must comply with the formalities for formation, incorporation and registration set out in the *QFC Companies Regulations (QFC Special Company Regulations*, art. 22). A SPC may have any one or

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8. Legislation enacted on 5 April 2015 allows for the formation of LLC(G)s in the QFC.

9. This entity was not described in the 2013 Report, although legislation was enacted in September 2012 allowing for the formation of SPCs in the QFC.

more of the following types of shareholders: a nominee holding the shares in the SPC on trust for discretionary purposes; the initiator or another participant in the transaction, or another SPC. A SPC is not required to file its accounts or an annual return with the CRO; however, a SPC may not register a transfer of shares in the SPC until the QFC Authority has confirmed in writing that it does not object to such transfer (*Special Company Regulations*, art. 12.3). There were 10 SPCs registered in the QFC as at 21 May 2017; and

- Holding companies<sup>10</sup> – a type of SPC incorporated under the *QFC Companies Regulations 2005* and registered by the CRO as a holding company. A holding company may only carry out holding company activities and may have one or more subsidiaries (which it must control and may be a QFC LLC, QFC SPC or a non-QFC entity). In order for a person to register a company as a holding company, the person must make an application for the incorporation of the holding company in accordance with the regulations dealing with LLCs (*QFC Special Company Regulations*, art. 20). Therefore, the provisions described above in respect of LLCs apply also to holding companies. There were 60 holding companies registered in the QFC as at 21 May 2017.

52. The *QFC Companies Regulations 2005* makes provision for non-QFC entities. A firm can only engage or carry on (or purport to carry on) any trade or business activities in or from the QFC if it is registered as a branch of a non-QFC company with the CRO. A description of a non-QFC entity can be found at paragraph 67 of the 2013 Report. No changes to the legal framework with regards to non-QFC entities have been made since the 2013 Report. There are currently 77 branches of non-QFC LLCs and six branches of non-QFC LLPs registered in the QFC as at 21 May 2017.

53. In respect of dissolved companies, the *QFC Companies Regulations 2005* provides that “where a company is struck off the register, the liability of every director and member of the company or relevant body corporate, the body corporate itself continues and may be enforced as if the company had not been dissolved” (art. 131(3)).

54. The *QFC Companies Regulations 2005* does not contain a provision setting out the retention period with respect to ownership information. However, the *QFCA Rules* and the *QFCRA General Rules* require a QFC entity to retain records and documents for six years (rule 6). Also, as

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10. This entity was not described in the 2013 Report, although legislation was enacted in September 2012 allowing for the formation of holding companies in the QFC.

discussed below, pursuant to the *Qatar AML Law*, the CRO is required to maintain ownership information on legal persons established in the QFC.

55. Paragraphs 68 and 69 of the 2013 Report provide that a limited liability partnership (LLP) may be formed in the QFC. No changes to the legal framework with regards to LLPs have been made since the 2013 Report. There are six LLPs registered in the QFC as of 30 June 2016.

56. Licensed firms (those engaged in non-regulated activities) and authorised firms (those engaged in regulated activities, which may include non-QFC companies or partnerships) in the QFC must comply with obligations set out *QFCA Rules* and *QFCRA General Rules*. Pursuant to both Rules, QFC entities are required to provide reasonable notice of at least 10 business days to the QFC Authority or the QFC Regulatory Authority of any change in: (i) the firm's name; (ii) the continuation of its business in the QFC; (iii) the address of the firm's principal place of business in the QFC; (iv) in the case of a branch, its registered office or head office address; (v) the firm's legal structure; (vi) the name of any individual undertaking a registered function<sup>11</sup> or controlled function;<sup>12</sup> and (vii) control, (rule 4). A person has control over a firm where the person: (i) holds 10% or more of the shares in the company, firm or parent entity of the firm; (ii) is entitled to exercise, or controls the exercise of, 10% or more of the voting power in the company, firm or parent entity of the firm; or (iii) is able to exercise significant influence over the management of the company, firm or parent entity of the firm (rule 8).

### *Enforcement measures and oversight in Qatar under CCL*

57. Articles 322 and 324 of the CCL provide for monitoring of companies and punishments for violations of the law. There are no specific enforcement provisions relating to the maintenance of shareholder information under the

11. A licensed firm is engaged in non-regulated activities (as set out in footnote 7). A licensed firm must have one individual registered, with the QFCA, as carrying on the following functions: (i) a senior executive function; (ii) if applicable, the money laundering reporting officer; and (iii) if applicable, the designated representative in compliance with the requirements of the *Single Family Office Regulations*. (rule 11.2) The senior executive function is the function of having overall responsibility alone or jointly with one or more individual: (i) for the conduct of the whole of the business of a licensed firm; or (ii) in the case of a non-local licensed firm, the business of the licensed firm carried out in or from the QFC (rule 11.3).
12. Only approved individuals in an authorised firm may perform a controlled function which means a function which involves: (i) the exercise of significant influence over the firm's affairs in relation to regulated activities; (ii) dealing directly with clients or customers in relation to regulated activities; or (iii) dealing with the property of clients or customers (*QFC Financial Services Regulations*, art. 41).

CCL, however, there is a general penalty that applies in respect of a company's violation to the provisions of the CCL, other than those specifically enumerated. The penalty is a fine of between QAR 10 000 and QAR 1 million (EUR 2 500 to EUR 256 000).

58. Two departments under the Ministry of Economy are involved in ensuring the availability of ownership and identity information on CCL entities. The Commercial Register, within the Ministry of Economy, 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 the Company Control Department, 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.

59. The Company Control Department is staffed by 130 employees all of whom are authorised to conduct inspections. On average 5 000 on-site and off-site inspections of CCL entities are conducted per month. These employees ensure that CCL entities are complying with their obligations under the CCL. This comprises of reviewing and verifying records, documents and other papers either on-site or off-site. These employees are also authorised to attend annual general meetings of shareholding companies for monitoring purposes. Finally, as the Ministry of Economy is the AML supervisor for a number of DNFPBs, some of these employees are engaged in AML supervisory activities. The Qatari authorities report that the reporting requirements are strictly followed in practice, and it has not been necessary to apply a penalty on a company for failing to keep shareholder information. Further, updated identity and ownership information must be provided electronically to the Ministry of Economy each year when CCL entities renew their registration. Compliance with companies' obligation to maintain ownership information is verified through audits and the annual registration renewal system. Accordingly, up-to-date ownership and identity information on CCL entities is held by the Ministry of Economy, which is shared with the Tax Department.

### ***Monitoring and enforcement in the QFC under company law***

60. The CRO is responsible for ensuring that QFC entities comply with their obligations under the *QFC Companies Regulations 2005*. Annual returns are electronically filed with the CRO by all QFC entities (except non-QFC companies) through which identity and ownership information is made available. QFC authorities advised that the compliance rate of filing annual returns is 98%. Failing to maintain internal registers, failing to lodge annual returns, or a non-compliant transfer of shares may be liable to a fine of USD 2 000. The CRO has the power to direct any person who has failed to comply with an obligation under the regulation to correct the failure (art. 130).

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.

61. During the review period, the CRO issued 120 penalty notices for various violations (generally relating to delays by QFC entities in notifying or filing documents with the CRO within the prescribed time limit); issued a deregistration notice to a QFC entity; and struck off the name of one QFC entity due to non-compliance.

### *Tax law requirements in Qatar*

62. The *Income Tax Law* requires that every taxpayer who carries on an activity<sup>13</sup> or derives a taxable income shall register with the tax authorities within thirty days from registering with the Commercial Register (art. 12). 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). Registered taxpayers are provided with a tax card and a tax identification number (TIN). The tax card must be renewed annually,<sup>14</sup> which will only be granted if the taxpayer is in compliance with all tax obligations, including the filing of tax returns. The registration requirement covers all persons and entities within the scope of the tax whether required to pay 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 (art. 2).

63. Taxpayers must notify the tax authorities of any change (including a change in ownership of the company or establishment) that may affect their tax obligations within thirty days from the date of occurrence of the change (art. 12). The Qatari authorities advised that the Commercial Register will not register a transfer of ownership unless prior approval to the change has been granted by the Tax Department. 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. With respect to LLCs, a transfer of ownership is not valid unless it is registered with the Commercial Register. Qatari officials also advised that before an entity may be struck from the Commercial Register, the Tax Department must issue a NOC (non-objection certificate) which provides that the entity has settled its tax liabilities.

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13. An activity is defined in the *Income Tax Law* 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” (art. 1).
14. This is not a legal requirement but a policy adopted by the Tax Department.

64. No tax is levied on a legal person that is wholly owned<sup>15</sup> by Qatari nationals<sup>16</sup> (art. 4). An entity that is wholly or partially owned by non-Qatari nationals and that derives income from sources in Qatar is subject to a flat rate tax of 10%. Also, any payments made to non-residents with respect to activities not connected with a permanent establishment in Qatar are subject to a withholding tax (art. 11).

65. All persons carrying on an activity (including an activity that is exempt from tax) in Qatar are required to file an annual tax return within four months from the end of the accounting period or taxable year (art. 14 and 15). In addition, a tax withholding form must also be filed with the tax authorities by all persons required to withhold tax (art. 20).

66. The *Income Tax Law* does not cover QFC entities and excludes 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; and gross income from legacies and inheritances (art. 2). 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.

### *Tax law requirements in QFC*

67. All entities operating in the QFC are required by the *QFC Tax Regulations* to register for tax purposes and file an annual tax return. Registering for tax purposes with the QFC Tax Department is separate from registering with the CRO. The QFC tax registration form does not require disclosure of ownership and identity information because the QFC Tax Department may obtain such information directly from the CRO. The QFC income tax return does not ask for details of ownership and identity information. With regards to non-QFC companies, there is no legal requirement that non-QFC companies maintain ownership information and the CRO may not have ownership information; however,

15. “Owned” is interpreted as: (i) at least 90% of the ordinary share capital of the company is beneficially owned, directly or indirectly, by Qatari nationals; (ii) persons who are Qatari nationals are beneficially entitled to at least 90% of any profits of the company available for distribution; and (iii) persons who are Qatari nationals are beneficially entitled to at least 90% of any assets of the company available on a winding up of the company.
16. “Qatari National” means an individual holding (or entitled to hold) Qatari passports.

licensed firms and authorised firms (which may include non-QFC entities) in the QFC must disclose changes in beneficial ownership and control to the QFC Authority and QFC Regulatory Authority. Also, the QFC Tax Department is able to obtain ownership related information with respect to non-QFC companies as part of an enquiry into a tax return.

68. A LLC established in the QFC that is at least 90% owned by Qatari nationals is subject to a tax rate of 0% (the “Concessionary Rate”); a tax rate of 10% applies to all other QFC entities (art. 9). In order for a LLC to be eligible for the “Concessionary Rate”, the entity must elect for this rate to apply (art. 88). An election must be made in writing to the QFC Tax Department within 6 months from the end of the first accounting period to which the election is to apply and once made remains in force for three subsequent accounting periods (art. 88). A taxpayer must provide all information and/or documents necessary in order to qualify for the Concessionary Rate.

#### *Enforcement measures and oversight in Qatar under tax law*

69. Under the *Income Tax Law*, failure to register with the tax authorities, within 30 days from the date of obtaining approval of the Commercial Register to commence the activity, is subject to a financial penalty of QAR 5 000 (EUR 1 270). Failure to file a return as required is subject to a financial penalty of QAR 100 (EUR 25) per day to a maximum of QAR 36 000 (EUR 9 220) (art. 40 and 41). In addition, failure to pay the tax due carries a penalty of 1.5% per month of the amount due (art. 40).

70. In terms of tax registration, the Tax Department indicated that non-compliance with such obligations would be detected through different channels. A tax card and 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. 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.

71. In order for an entity to apply the correct tax rate, the entity must know whether they are owned by Qatari or non-Qatari nationals. Ownership information must be made available to the Tax Department upon request. There are approximately 28 000 registered taxpayers in Qatar. The Tax Department advised that there are approximately 5 000 tax audits undertaken each year. On-site inspections have also been carried out by the Tax Department. During the three-year period under review, underlying documentation (in which information on payments made by an entity would be documented) was requested in



relation to approximately 35% of the tax returns filed. Compliance with obligations under the *Income Tax Law* is very high.

72. Changes in ownership in CCL entities must be approved by the Tax Department and registered with the Commercial Register. This two-step procedure ensures that changes in ownership information are notified to both authorities. Furthermore, the Tax Department 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 Economy on CCL entities. In addition, all CCL entities are obliged to renew their registration with the Commercial Register and tax card with the Tax Department. Verification of ownership information takes place at any registration, change of ownership and renewal of registration. 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 Tax Department.

#### *Enforcement measures and oversight in QFC under Tax Regulations*

73. QFC entities are not required to provide ownership and identity information to the QFC Tax Department when registering for tax purposes or when filing annual tax returns. However, in order for a LLC to be eligible for the “Concessionary Rate”, the LLC must elect for the “Concessionary Rate” by writing to the QFC Tax Department. The LLC would be required to provide ownership information to the QFC Tax Department in order to justify the election. Also, in order to qualify for the Concessionary Rate, LLCs must know whether they are owned by Qatari or non-Qatari nationals. Such ownership information must be made available to the QFC Tax Department upon request. Also, in the course of tax inquiries, the QFC Tax Department may request ownership information from QFC entities to identify owners and individuals with controlling interests in order to identify related parties.

74. Under the *QFC Tax Regulations*, failure to file a return as required is subject to a financial penalty of QAR 3 000 (EUR 760) if the return is delivered within 60 days from the filing date and QAR 6 000 (EUR 1 530) in any other case (art. 119). QFC Tax Department authorities advise that all tax returns are risk assessed and all high risk entities are audited. Also, there has never been a case where a QFC entity has failed to provide information requested by the QFC Tax Department. During the review period, one QFC entity did not file a tax return; however, the QFC Tax Department took enforcement action against this entity.

*Availability of legal ownership information in practice*

75. The main source of legal ownership information in practice is the information filed with the Commercial Register in Qatar and the CRO in the QFC. This information can be accessed by the tax administration in both Qatar and the QFC.

76. During the review period, Qatar received five EOI requests of which four sought ownership and identity information. Qatar partially responded to one request, during the review period, and considers that it fully responded to a second request. The requested information was obtained from the Ministry of Economy and the Ministry of Interior. Qatar did not provide the requested information for the other requests during the review period because these requests were misplaced. The EOI unit found all of the requests in December 2016 and has fully responded to one of the requests and is processing the remaining outstanding requests (including the initially declined request).

*Beneficial ownership information*

77. Under the 2016 ToR, beneficial ownership on companies should be available. Beneficial ownership information in Qatar and the QFC is available under the *Qatar AML Law*, as well as under the companies and tax laws.

78. The *Qatar AML Law* provides that “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” (art. 22). The Commercial Register at the Ministry of Economy in Qatar and the CRO in the QFC are designated as the “competent commercial register systems” under the *Qatar AML Law* required to maintain up-to-date information on beneficial owners of legal persons established in Qatar and the QFC.

79. The Commercial Register complies with its AML obligations by enforcing entities’ obligations under the CCL and CRL. Pursuant to the CCL and CRL, entities are required to provide ownership information (including beneficial ownership information) to the Commercial Register when registering and must notify the Ministry of Economy of any changes. Further, all CCL entities are required to annually renew their registration which requires the entity to provide updated information. Although there is no record retention period set out in the *Qatar AML Law* for the Commercial Register, the Register’s policy is to not destroy any records; therefore, the Ministry of Economy should have all relevant beneficial ownership information. In addition, as discussed above, public shareholding companies, private shareholding companies, limited partnership companies with shares and LLCs need to hold a bank account. Accordingly, beneficial ownership information should also be available with AML obligated entities. Also, in order for entities to apply

the correct tax rate in Qatar, entities must know whether they are owned beneficially by Qatari or non-Qatari nationals. Although beneficial ownership information is not provided on the annual tax return, such information must be made available to the Tax Department upon request.

80. Similarly, the QFC CRO complies with its AML obligations by enforcing QFC entities' obligations under the various QFC laws. When an entity first applies to be licensed and registered in the QFC, the entity must provide ownership (including beneficial) information to the QFC CRO and QFC Authority. In practice, the QFC CRO will look through two entity levels to determine this ownership information. It is noted that this practice is not consistent with the requirements under the standard or with the *Qatar AML Law*, however, this appears to be a small gap because, as noted above, licensed firms and authorised firms in the QFC must comply with obligations set out *QFCA Rules* and *QFCRA General Rules* which includes disclosing changes in beneficial ownership and control to the QFC Authority and QFC Regulatory Authority. Also, beneficial ownership information must be maintained by other AML obligated entities. Further, ownership information (including beneficial ownership information) must be made available to the QFC Tax Department upon request.

#### *AML law requirements in Qatar*

81. Pursuant to the *Qatar AML Law*, financial institutions and DNFBPs must 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 QAR 55 000 (EUR 14 290), 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 (art. 23).

82. Further, financial institutions and DNFBPs must also verify the identity of the beneficial owner of the customer using reliable, independent source documents, data or information until the institutions or DNFBPs are satisfied that they know who is the beneficial owner. In the event that the customer is a legal person or legal arrangement, these measures must include taking additional reasonable measures to recognise and monitor the beneficial owner of the ownership of that person or arrangement as well as the one who has control thereof (art. 23). In the case of express trusts, this includes verifying the identity of the trustee, settlor and major beneficiaries.

83. AML obligated entities are also required to put in place measures to: exercise ongoing due diligence with respect to each business relationship with a customer and scrutinise the transactions carried out under the business relationship in order to ensure that they are consistent with their knowledge of their customer, his business and risk profile; and ensure that documents, data and information collected under the CDD processes are kept up to date and relevant by undertaking reviews of existing records (art. 26).

84. The *Qatar AML Law* defines DNFBPs as:

- 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 (EUR 13 915);
- 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;
  - organising contributions for the creation, operation or management of companies and other entities;
  - creating, operating or managing legal persons or arrangements;
  - buying or selling commercial entities.
- trust funds, company service providers, and other companies if they prepare or conduct transactions for customers on commercial basis in relation to any of the following activities:
  - Acting as a founder agent for legal persons;
  - Acting as, or arranging for another person to act as, a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons.
  - Providing a registered office, a business headquarter, or correspondence address or an administrative address, for one of the companies, partnerships or any other legal entity or arrangement;
  - Acting as, or arranging for another person to act as, trustee for a direct trust fund;

- Acting as, or arranging for another person to act as, a nominee shareholder on behalf of another person.
- any other business or profession prescribed and regulated by a resolution issued by the Prime Minister upon the proposal of the Committee (art. 1).

85. It is noted that DNFBCs must conduct specific, identified services in order to be brought within the scope of the *Qatar AML Law*. 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 legal and beneficial ownership.

86. The term “beneficial owner” is defined in the *Qatar AML Law* as the “natural person who owns, or exercises effective control, over the customer, or the person on whose behalf, the transaction is conducted, or the person who exercises effective control over a legal person or legal arrangement” (art. 1). The law sets out the information that must be obtained from natural persons and legal persons (art. 24). This includes individual and corporate name, national identification number for Qatari citizens and residents, passport number for expatriates, registered office business address, proof of incorporation or similar evidence of their legal status, legal form, the names of executives, and articles of association, as well as verifying that the person purporting to act on behalf of the customer is so authorised, and to identify and verify the identity of that person.

87. Further detail regarding how AML obligated entities in Qatar should identify beneficial owners is set out in the *AML Regulations for Financial Institutions* issued by the QCB; the *AML/CFT Rules 2010* issued by QFMA; and the *AML/CFT (Professions, Real Estate Agents and Dealers in Precious Metals or Stones) Rules 2011* issued by the Ministry of Economy. Part 1 of the legislation further defines the beneficial owner as:

- a. the individual who ultimately owns, or exercises effective control, over the account,<sup>17</sup>
  1. including any individual in accordance with whose instructions any of the following are accustomed to act:
    - A. the signatories of the account (or any of them); and
    - B. any individual who, directly or indirectly, instructs the signatories (or any of them)

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17. An account means an account of any kind with the financial institution, and includes anything else that involves a similar relationship between the financial institution and a customer (*Glossary, AML/CFT Rules 2010*).

- b. the individual for whom, or on whose behalf, the transaction is ultimately being, or is ultimately to be, conducted; or
- c. the individual who ultimately owns, or exercises effective control, over the legal person or legal arrangement.

88. The beneficial owner for a corporation includes: (a) an individual, who, directly or indirectly, owns or controls at least 25% of the shares or voting rights of the corporation; and (b) an individual who, directly or indirectly, otherwise exercises control over the corporation's management.

89. The beneficial owner for a legal arrangement that administers and distributes funds includes: (a) if the beneficiaries and their distributions have already been decided – an individual who is to receive at least 25% of the funds of the arrangement; and (b) if the beneficiaries or their distributions have not already been decided – the class of persons in whose main interest in the arrangement is established or operated as beneficial owner; and (c) an individual who, directly or indirectly, exercises control over at least 25% (by value) of the property of the arrangement.

90. Part 4 of the regulations and rules set out the CDD requirements. As a general rule, the AML obligated entities must not establish a business relationship with a customer unless all the relevant parties (including any beneficial owner) have been identified and verified; and the purpose and intended nature of the business expected to be conducted with the customer has been clarified. 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. An AML obligated entity must make and keep a record of all the customer identification documentation that it obtains in conducting CDD measures and ongoing monitoring. Also, the AML obligated entity must make and keep a record of how and when each of the steps of the CDD measures for a customer were satisfactorily completed by the entity.

91. The CDD measures are all of the following measures:
- a. identifying the customer;
  - b. verifying the customer's identity using reliable, independent source documents, data or information;
  - c. establishing whether the customer is acting on behalf of another person;
  - d. if the customer is acting on behalf of another person (A) – the following additional measures:
    - i. verifying that the customer is authorised to act on behalf of A;
    - ii. identifying A;

- iii. verifying A's identity using reliable, independent source documents, data or information;
- e. if the customer is a legal person or legal arrangement – the following additional measures:
  - i. verifying that any person (B) purporting to act on behalf of the customer is authorised to act on behalf of the customer;
  - ii. identifying B;
  - iii. verifying B's identity using reliable, independent source documents, data or information;
  - iv. verifying the legal status of the customer;
  - v. taking reasonable measures,<sup>18</sup> on a risk-sensitive basis –
    - A. to understand the customer's ownership and control structure; and
    - B. to establishing the individuals who ultimately own or control the customer, including the individuals who exercise ultimate effective control over the customer;
- f. establishing whether B is the beneficial owner;
- g. if B is not the beneficial owner (C) – the following additional measures:
  - i. identifying C;
  - ii. verifying C's identity using reliable, independent source documents, data or information;
  - iii. if C is a legal person or legal arrangement – taking the additional measures mentioned in (e)(iv) and (v) as if it were the customer;
  - iv. obtaining information about the sources of the customer's wealth and funds;
  - v. obtaining information on the purpose and intended nature of the business relationship.

92. Part 4 also sets out the customer identification documents that the AML obligated entities are required to obtain in order to verify the identity of natural persons, legal persons and legal arrangements. With respect to

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18. Examples of the types of measures required are: (a) if the customer is a company – identifying the individuals with a controlling interest and the individuals who comprise the mind and management of the customer; and (b) if the customer is a trust – identifying the settlor, the protector, the trustee and any person exercising effective control over the trust, and the beneficiaries.

corporate entities, the obligated entities must obtain a copy of the certificate of incorporation, the registered office business address, the corporation's latest financial report, and a copy of the board resolution authorising the establishing of the relationship with the firm and the persons to act on its behalf in relation to the relationship. If the corporation has a multi-layered ownership or control structure, the obligated entity must obtain an understanding of the corporation's ownership and control at each level of the structure using reliable, independent source documents, data or information and document its understanding of the corporation's ownership and control at each level of the structure. If the corporation has a multi-lateral ownership or control structure, the CDD measures for each immediate legal person must include reliable, independent source documents, data or information verifying the legal person's existence and its registered shareholdings and management.

93. When a legal entity is an unincorporated partnership or association, the identity of all partners/directors must be obtained and verified. If the entity is a partnership with a formal partnership agreement, obligated entities must obtain the mandate from the partnership authorising the establishing of the relationship with the AML obligated entity and persons to act on behalf of the partnership in relation to the relationship, including by operating any accounts.

94. With regard to trusts, AML obligated entities must obtain: (a) the trust's full name; (b) the nature and purpose of the trust; (c) the jurisdiction where the trust was established; (d) the identity of the settlor; (e) the identity of each trustee; (f) the identity of the protector; (g) 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); and (h) 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. If the trust's risk profile is higher risk, the AML obligated entity must conduct enhanced CDD measures.

95. Financial institutions and DNFBPs are required to keep updated data which identifies beneficial owners for five years after the customer relationship has ended or following the carrying out of the transaction (art. 34, *Qatar AML Law*). However, the regulations and rules have specified that financial institutions, financial services firms and DNFBPs must retain such records for 15, six and 10 years (respectively) after the customer relationship has ended.

96. A financial institution and a DNFBP may rely on CDD measures applied by introducers, intermediaries or other third parties to conduct some elements of CDD measures, or to introduce business to the entity. However, the institution or DNFBP remains responsible for ensuring that CDD measures are applied in accordance with the law (art. 32, *Qatar AML*



Law; item 12.4, *AML/CFT Regulations for Financial Institutions*; division 3.4.C, *AML/CFT Rules 2010* (issued by QFMA); and division 3.4.B, *AML/CFT (Professions, Real Estate Agents and Dealers in Precious Metals or Stones) Rules 2011*). The entity should only accept customers introduced to it by other financial institutions or DNFBPs who have been subjected itself to FATF equivalent CDD measures. Whenever the entity relies on third parties to perform some of the elements of the CDD process, the entity should immediately obtain the necessary information and documentation concerning the aspects of the CDD process from the third party and take adequate steps to satisfy themselves that the identification data and other relevant documentations relating to CDD process are as per CDD measures.

97. The *AML/CFT Regulations for Financial Institutions*, *AML/CFT Rules 2010* and *AML/CFT (Professions, Real Estate Agents and Dealers in Precious Metals or Stones) Rules 2011* allow AML obligated entities to outsource the performance of due diligence obligations to a third party on the basis of a contractual arrangement. The AML obligated entity remains responsible for complying with the obligations under the *AML Law*. The AML obligated entity must ensure that the third party are complying with the *AML Law* and shall satisfy itself of the reliability of such party, and during the course of the co-operation satisfy itself of the appropriateness and propriety of the measures adopted by the third party by means of spot checks.

98. The *Qatar AML Law* provides for sanctions in cases of non-compliance with AML obligations. Any person who contravenes provisions of the law is liable to fines of QAR 500 000 (EUR 127 900) and/or imprisonment for a term not exceeding three year (art. 72).

### *AML law requirements in the QFC*

99. The AML regime applicable in the QFC is based on the *QFC AML Rules* which were adopted to implement the terms of the *Qatar AML Law*. As a general rule, a financial institution or a DNFBP must not establish a business relationship with a customer unless all the relevant parties (including any beneficial owner) have been identified and verified; and the purpose and intended nature of the business expected to be conducted with the customer has been clarified (rule 4.1.2).

100. The *QFC AML Rules* contain the same expanded definition of “beneficial owner” as that contained in the various regulations and rules issued by the QCB, QFMA and Ministry of Economy, as described above. The *QFC AML Rules* also contain the same the CDD measures as those set out in the regulations and rules issued by the QCB, QFMA and Ministry of Economy, and require the same type of information to obtain in order to verify the identity of natural persons, legal persons and legal arrangements.

101. Pursuant to the *QFC AML Rules*, documentary evidence must be maintained for a minimum of six years after the customer relationship has ended (rule 7.1.2).

102. As in Qatar, a QFC financial institution or DNFBP is allowed to rely on CDD measures applied by third parties (introducers) however the financial institution or DNFBP is nevertheless still required to keep the abovementioned records identifying the beneficial owner and remains responsible for ensuring that CDD measures are applied in accordance with the *Qatar AML Law* (part 3.4).

103. As noted above, the *Qatar AML Law* provides for sanctions in cases of non-compliance with AML obligations.

#### *Enforcement measures and oversight of Qatar AML Law*

104. With respect to the Commercial Register and CRO complying with its obligations under the AML law, reporting requirements under the CCL and QFC laws are strictly followed in practice and compliance with companies' obligation to maintain beneficial ownership information is verified through audits and the annual registration renewal system.

105. Implementation of AML obligations is ensured through supervision by the QCB, the Ministry of Justice, the Ministry of Economy and the QFMA in Qatar.

106. The QCB supervises 18 regulated banks; 20 exchange financial houses and the insurance industry. The QFMA supervises the regulated capital market which comprises of 33 financial service firms in 2014 and 2015 and 41 financial services firms in 2016. The AML supervision is conducted through on-site and off-site inspections mainly together with general prudential supervision. The QCB policy is to review all financial institutions every two years in addition to ad-hoc inspections. The QFMA policy is to review all financial institutions annually in addition to the daily supervision of the trading operations. There are 13 inspectors at the QCB dedicated to AML supervision and there are nine inspectors at the QFMA. Both on-site and off-site inspections are conducted to ensure that financial institutions and financial service firms are complying with their AML obligations. Availability of beneficial ownership information is regularly checked during all inspections with AML aspects. During the AML supervisory authorities' on-site inspections, the procedures (including the processes for identifying the beneficial owner and the application of the processes in practice), policies and systems of the financial institutions are examined. The QCB and QFMA have a comprehensive system of oversight in place in order to monitor the requirements to maintain beneficial ownership information, including verifying the measures taken by the AML obligated persons to identify

beneficial owners, i.e. whether the identification of the beneficial owner has been adequately performed and the obligated person properly understands ownership and control structure of its clients so that the beneficial ownership information is adequate, accurate and up to date as required under the standard. In summary, the QCB and QFMA conduct AML supervision that should ensure that AML obligated persons keep beneficial ownership information.

107. Accountants in Qatar are registered and monitored by the legal affairs department of the Ministry of Economy. Trust and company service providers are subject to the monitoring of the Ministry of Economy. Lawyers (only Qatari citizens) and legal advisers (non-Qatari citizens) must be approved by the lawyer's registration committee. They are subject to the sanctions of the division of the Ministry of Justice. AML supervision ensures compliance with the CDD obligations and that AML obligated persons keep beneficial ownership information.

108. Implementation of AML obligations for financial institutions and DNFBPs in the QFC is ensured through supervision by the QFC Regulatory Authority. During the review period there were 34 financial institutions (16 LLCs and 18 branches), 24 insurance entities and 32 DNFBPs registered in the QFC. AML supervision is conducted through on-site and off-site inspections mainly together with general prudential supervision. The QFC Regulatory Authority policy is to conduct off-site inspections on a quarterly basis for all financial institutions.

109. Between April 2012 and March 2014, the QCB carried out 27 on-site inspections, the QFMA carried out 16 on-site inspections, and the QFC Regulatory Authority carried out 39 on-site inspections. During this time, 12 entities were found to be in violation of their AML obligations and the QCB and QFMA imposed penalties amounting to QAR 2 442 000 (EUR 624 700). Between April 2014 and January 2016, the QCB carried out 29 on-site inspections, the QFMA carried out 50 on-site inspections, and the QFC Regulatory Authority carried out 48 on-site inspections. 13 entities were found to be in violation of their AML obligations and the QCB and QFMA imposed penalties amount to QAR 4 900 050 (EUR 1 253 500).

110. The AML supervisory authorities conduct AML supervision that generally ensures compliance with the CDD obligations and that financial institutions and DNFBPs in Qatar and the QFC maintain beneficial ownership information.

### *Tax law obligations*

111. In addition to AML obligations, certain information relevant for identification of beneficial owners is required to be available to the tax administration in order to administer the tax laws in Qatar and the QFC. As noted

above, in Qatar, an entity that is wholly or partially owned by non-Qatari nationals and that derives income from sources in Qatar is subject to a 10% tax. No tax is levied on a corporate entity that is wholly owned by a Qatari national. A QFC LLC that is at least 90% owned by Qatari nationals is not subject to tax. Although not specifically set out in the tax laws, but, in order for an entity to determine its applicable tax rate in Qatar and in the QFC, entities must know whether they are owned by Qatari or non-Qatari nationals, including beneficial owners. It is important to note that this is limited to beneficial ownership interests and does not extend to individuals with only controlling interests. In the case where a concessional tax rate of 0% is applied, ownership information (including beneficial ownership information) must be made available to the tax authorities upon request. Also, in the course of tax inquiries, the Tax Department in Qatar and the QFC generally request information regarding beneficial ownership. As noted above, compliance with tax obligations is very high in both Qatar and in the QFC and there have been no cases where taxpayers have refused to provide the information requested.

#### *Availability of beneficial ownership information in practice*

112. Under the 2016 ToR, beneficial ownership on companies should be available. In Qatar and the QFC, the AML and tax laws are the main pieces of legislation requiring beneficial ownership information to be available. During the review period, Qatar received five EOI requests of which one sought beneficial ownership information. Qatar was able to provide the requested beneficial ownership information during the review period. This information was obtained from the entity subject to the request. Peer input confirms these results.

#### *Nominees*

113. There are no specific provisions in the CCL dealing with nominee shareholding in Qatar. However, there are requirements on service providers, under the *Qatar AML Law*, to maintain ownership information (both legal and beneficial) in respect of their clients. In particular, trust funds, 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). The *AML/CFT (Professions, Real Estate Agents and Dealers in Precious Metals or Stones) Rules 2011* specify that trust funds, company service providers or other companies that act, or arrange for another person to act, as a nominee shareholder on a commercial basis must 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 (Part 4.2). Accordingly, as part of CDD requirements, such nominees would maintain identity information on the clients for whom they hold the shares. Qatari 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.

114. In the QFC, a special purpose company (SPC) may have nominee shareholders. However, a SPC is subject to obligations to maintain ownership (both legal and beneficial) information under QFC law as described above. In addition, the *Qatar AML Law* applies in the QFC and the *QFC AML Rules* contain the same requirements as the *AML/CFT (Professions, Real Estate Agents and Dealers in Precious Metals or Stones) Rules 2011* with respect to trust funds, company service providers or other companies that act as a nominee shareholder on a commercial basis as described in the paragraph above. QFC 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.

### ***ToR A.1.2: Bearer shares***

115. The 2013 Report concluded that bearer shares cannot be issued in Qatar or in the QFC. There have been no changes to the legal framework in this respect since the 2013 Report.

### ***ToR A.1.3: Partnerships***

116. The 2013 Report concluded that the rules regarding the maintenance of legal ownership information in respect of partnerships in Qatar were in compliance with the standard. As noted above, amendments to the legal framework in Qatar have been made since the 2013 Report. These amendments do not make significant changes to the types of partnerships that may be formed in Qatar; accordingly, a brief description of the two types of partnerships is included in this Report. No amendments to the laws requiring availability of legal ownership information in respect of partnerships in Qatar have been made since the 2013 Report. A new annual registration requirement for registered entities in Qatar has been introduced since the 2013 Report. In terms of implementation of the requirements to keep legal ownership information in practice, the 2013 Report concluded that they were properly implemented in Qatar to ensure availability of the requirement information in line with the standard. There has been no significant change in this respect since the first round review.

117. The 2013 Report concluded that the rules regarding the maintenance of legal ownership information of QFC partnerships were in compliance with the standard, however, the Report noted that although the CRO possessed enforcement powers, these powers had not been utilised with regards to any QFC entity. As noted above, since the 2013 Report, the CRO has exercised its powers to enforce the obligations of QFC entities, therefore the recommendation is deleted.

*Legal ownership and identity information requirements in Qatar*

118. As described in paragraphs 75 and 76 of the 2013 Report, two of the companies that may be created in Qatar are best described as partnerships. These are the partnership company<sup>19</sup> and the limited partnership company. As noted above, amendments to the CCL have been made since the 2013 Report; however, these amendments do not make changes to the types of partnerships that may be formed in Qatar. No amendments to the laws requiring availability of legal ownership information in respect of partnerships in Qatar have been made since the 2013 Report. A new annual registration requirement for registered entities in Qatar has been introduced since the 2013 Report.

119. A partnership company must provide the Commercial Register with a contract for the company setting out the name, occupation, title, designation, nationality, date of birth and place of residence (art. 23). All partners of the company must be individuals (art. 21). The articles of association and any subsequent amendments, including changes to the partners, must be entered in the Commercial Register (art. 25).

120. A limited partnership company consists of joint partners who are responsible for the management of the company and silent partners who share in the capital of the company (art. 45). Joint partners must be individuals (art. 46). The articles of association must specify the names of the joint and silent partners (art. 47). A silent partner may not interfere in the company's management (art. 49). The rules applicable to partnership companies regarding maintaining the currency of their articles of association and providing updates to the Commercial Register also apply to limited partnership companies (art. 52).

121. 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 (art. 17). Also, a foreign partnership must be registered with the Commercial Register (*Companies Register Law*, art. 3). In order registered, the foreign partnership must provide a partnership agreement to the Companies Register, which would set out the names of the partners (*Companies Register Law*, art. 4).

*Legal ownership and identity information requirements in QFC*

122. As described in paragraphs 78 to 80 the 2013 Report, QFC partnerships are governed by the *QFC Partnership Regulations* and the *QFC Limited Liability Partnership Regulations* which provide for the formation of general,

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19. In the 2013 Report, these types of entities were referred to as “joint companies”.

limited and limited liability partnerships.<sup>20</sup> There have been no changes to the legal framework since the 2013 Report; accordingly a description of a general and limited partnership is not included in this report. There have not been any general partnerships operating in the QFC to date and there is one limited partnership registered in the QFC; however this partnership is currently in inactive mode as it is under deregistration.

123. Paragraph 81 of the 2013 Report provides that 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 of a non-QFC partnership with the CRO. No changes to this legal framework have been made since the 2013 Report.

### *Implementation of obligations to keep legal and identity information requirements in practice*

124. Implementation of the relevant obligations in practice is ensured in the same way as in case of companies. The main source of legal ownership in respect of partnerships in Qatar and in the QFC is the information filed with the Commercial Register and CRO based on the company law requirements. In addition, as noted above, every taxpayer who carries on an activity or derives a taxable income in Qatar and every QFC entity must register with the tax authorities. As described above, in order to apply the concessional tax rate in Qatar, partnerships must know whether they are owned by Qatari or non-Qatari nationals. In the QFC, the concessional tax rate does not apply to partnerships; however, in the course of a tax inquiry, the QFC Tax Department may request ownership information. Compliance with obligations under the company and the tax laws in Qatar and the QFC are very high. In addition, AML obligations on the Commercial Register, the CRO, financial institutions and DNFBPs require updated ownership information of partnerships to be maintained in Qatar and the QFC.

### *Beneficial ownership information*

125. As in the case of companies, requirements to maintain beneficial ownership information in respect of partnerships are contained in the CCL, tax law and the *Qatar AML Law*. Also, the *QFCA Rules and QFCRA Rules* (discussed above) apply to all entities registered in the QFC.

126. Partnerships in Qatar, generally, provide beneficial ownership information to the Ministry of Economy when initially registering with the register;

20. The *QFC Limited Liability Partnership Regulations* apply to LLPs; however, as an LLP is treated as a body corporate having distinct legal personality, these entities were dealt with above in the discussion of companies.

applying for a license; notifying the register when there is a change in beneficial ownership; or annual renewal of commercial registration. In the case of silent partners of a limited partnership company, there is no requirement that a silent partner be a natural person. Therefore, unless the partnership engages an AML obligated entity or is listed on the Qatar stock exchange, it is not clear that beneficial ownership information on a silent partner of a limited partnership company will be available with the Commercial Register. The materiality of this legal gap is unclear because, as reported in the 2013 Report, the number of limited partnership companies operating in Qatar was 30. Qatar should consider ensuring that beneficial ownership information regarding silent partners of a limited partnership company is available.

127. Partnerships in the QFC, except non-QFC partnerships, provide beneficial ownership information to the CRO, QFC Authority and/or QFC Regulatory Authority when initially registering with the register; applying for a license; or notifying the register when there is a change in beneficial ownership. However, as noted above, the CRO's practice is only to look through two entity levels to determine ownership information. Although this practice is not consistent with the requirements under the standard or with the *Qatar AML Law*, this appears to be a small gap because, as noted above, licensed firms and authorised firms in the QFC must comply with obligations set out *QFCA Rules* and *QFCRA General Rules* which includes disclosing changes in beneficial ownership and control to the QFC Authority and QFC Regulatory Authority. Also, beneficial ownership information must be maintained by other AML obligated entities. Further, ownership information (including beneficial ownership information) must be made available to the QFC Tax Department upon request.

128. In order for partnerships to apply the concessional tax rate in Qatar, partnerships must know whether they are owned (including beneficial ownership) by Qatari or non-Qatari nationals. Such beneficial ownership information, to the extent that the information pertains to Qatari nationals, must be made available to the tax authorities upon request. If the partnership is beneficially owned by Qatari nationals, such ownership information must be made available to the tax authorities upon request. The concessional tax rate does not apply to QFC partnerships; however, QFC officials advised that in the course of a tax inquiry, the QFC Tax Department generally requests information regarding beneficial ownership from QFC and non-QFC-partnerships.

129. With respect to AML obligated entities, in Qatar and the QFC, when a legal entity is an unincorporated partnership or association, the identity of all partners/directors must be obtained and verified. Also, where the entity is a partnership with a formal partnership agreement, obligated entities must obtain the mandate from the partnership authorising the establishing of the relationship with the financial institution/DNFBP and persons to act on



behalf of the partnership in relation to the relationship, including by operating any accounts.

130. The obligated entities are required to record and keep beneficial ownership information for five years after the customer relationship has ended or following the carrying out of the transaction. The regulations in Qatar have specified that such records must be kept for 15 years (financial institutions), 10 years (DNFBPs) or six years (financial services firms) after the customer relationship has ended. The *QFC AML Rules* require obligated entities to retain such documentary evidence for a minimum of six years after the customer relationship has ended. There are sanctions in cases of non-compliance with AML obligations.

#### *Implementation of obligations to keep beneficial ownership information in practice*

131. As noted above, reporting requirements under the CCL and QFC laws are strictly followed in practice, and compliance with entities' obligation to maintain beneficial ownership information is verified through tax audits and, in Qatar, the annual registration renewal system. The gap identified above with regards to the CRO's practice of only looking through two entity levels to determine ownership information is also an issue in the case of partnerships; however, as noted above, this appears to be a small gap as licensed firms and authorised firms in the QFC must disclose changes in beneficial ownership and control to the QFC Authority and QFC Regulatory Authority. Also, beneficial ownership information must be maintained by other AML obligated entities. Further, ownership information (including beneficial ownership information) must be made available to the QFC Tax Department upon request. Implementation of the rules concerning availability of beneficial ownership information is supervised in the same manner as in case of companies.

#### **ToR A.1.4: Trusts**

132. The 2013 Report concluded that trusts are not provided for under Qatari law. There have been no changes to the legal framework in regards to trusts since this Report. This means that trusts are not subject to specific registration or record-keeping obligations in Qatar. However, financial institutions and DNFBPs (including trust service providers) in Qatar are required to obtain information regarding the identity of the settlor; each trustee; any protector; and 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; or the individual who, directly or indirectly, exercises control over at least 25% (by value) of the property of the arrangement.

133. In terms of tax obligations in Qatar, a trustee who falls under the definition of taxpayer would be required to register with the tax authorities and file a tax return. The trustee may need to provide some information to the Tax Department regarding the identity of the settlor and beneficiaries (the first level of ownership). However, there is no requirement that all natural persons in a chain of ownership be identified. Accordingly, it is uncertain that all beneficiaries of a trust would be identified, as required under the standard.

134. Paragraph 82 of the 2013 Report determined that, in the QFC, trusts are not subject to specific registration or record-keeping obligations under the *QFC Trust Regulations*; however, the *Qatar AML Law* applies to financial institutions and service providers in the QFC, including trustees, which imposes record-keeping obligations. Though it is not mandatory for QFC entities to engage service providers to act as trustees, to the extent they engage trust service providers, the *QFC AML Law* will ensure that trustees collect detailed ownership information on trusts in accordance with due diligence requirements. Also, a trust with a licence to operate in the QFC would be classified as a QFC entity and treated as a QFC taxpayer which would require the trust to register with the QFC Tax Department and file annual tax returns. There have been no changes in these legal requirements since the first round review.

135. Financial institutions and DNFBPs in the QFC have the same obligations as those AML obligated entities in Qatar with respect to identifying the beneficial owners of a trust.

136. Qatari officials advise that they are not aware of any trustees in Qatar. There are currently no QFC trusts licensed to operate in the QFC.

137. It is not clear whether the ownership information on all beneficiaries of a trust is available in Qatar since a trust is not subject to specific registration or record-keeping obligations and the obligation on AML obligated entity is to identify the natural persons who are beneficiaries (or class of beneficiaries) of 25% or more of the assets or property of a trust. This is inconsistent with the standard which requires that all of the beneficiaries (or class of beneficiaries) of the trust be identified. Although the materiality of the legal gap is very small as the number of trusts in Qatar and the QFC is negligible, Qatar is recommended to ensure that AML obligated entities are required to identify all of the beneficiaries (or class of beneficiaries) of a trust. Also, QFC officials advise that the *QFC Trust Regulations* will be amended in 2017 to require all QFC trusts to be registered with the QFC Authority.

*Implementation of obligations to keep beneficial ownership information in practice*

138. Implementation of the rules concerning availability of beneficial ownership information would be supervised in the same way as in case of companies.

*Waqfs*

139. A fiduciary concept, similar to an endowment, known as a waqf exists in Qatar. A waqf is formed when one person, the waqif, brings assets under the control of another person, called a *Nadir*. In general, a waqf is viewed as a voluntary act of benevolence, which means that it cannot be established for the benefit of rich people alone, and the waqif's wishes must be respected to the letter unless they violate Islamic law. The concept of waqf is generally used to provide public charitable services. These are directed to the use of a property or asset towards common good and benefit to the public at large, and the vast majority of the waqfs falls into this category. It is also possible to form a private waqf, which still must adhere to the general principle of benevolence.

140. A waqf is, in principle, established forever. This means that the assets in a waqf are often real estate or other assets with a certain level of perpetuity. The assets generally become inalienable and the proceeds are spent for the benefit of the beneficiaries or, if no specific beneficiaries exist, for a philanthropic purpose. The perpetuity of waqf means that the asset's proceeds fall either to the benefit of a string of beneficiaries or a (general) philanthropic purpose. Where the (string of) beneficiaries are no longer alive, the revenues of the assets of the waqf will be allocated to a philanthropic purpose as close as possible to the initial purpose.

141. Identity and ownership information on *waqfs (including that of its beneficiaries)* is kept directly by the Waqf Administration, Ministry of Endowments and Islamic Affairs, which acts as a Nadir (Waqf administrator) for all Waqfs in Qatar. The Waqf Administration ensure compliance and conducts oversight over all waqfs in Qatar. Nadirs that are appointed in the Waqf deed operate under the control and supervision of the Ministry and shall report to the same on all their activities. The *Waqf* Administration keeps identity information (including where specific beneficiaries exist) in its registers. The Ministerial Decision regarding waqfs does not specify a retention period for ownership information applicable to the Ministry, however, in terms of practice, the Ministry would never destroy these documents.

### ***ToR A.1.5: Foundations***

142. The 2013 Report concluded that the creation of private foundations in Qatar is possible. Private foundations must register with the Ministry of Labour and 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 Ministry maintains identity information on members of the foundation council and authorised signatories, but not on the beneficiaries, of private foundations. As noted in the 2013 Report, there is no legal obligation on private foundations to maintain information on all of their beneficiaries and donors; however, in practice private foundations do maintain such information. Qatari officials indicated that this is still the practice. Both the Ministry and the Tax Department can access this data. Also, 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. Details of the payments, including receipts and vouchers, must be reported by the private foundation to the Ministry. Accordingly, the Ministry will hold information identifying such beneficiaries through reporting by the private foundation. Practical implementation of the relevant rules was found in line with the standard during the first round review. No changes to the legal framework or practice have been made since the 2013 Report.

143. No new foundations have been created in Qatar since the 2013 Report. As such, there are 25 private foundations registered in Qatar: 11 for charitable purposes, six for professional purposes; three for scientific purposes and five for cultural purposes.

144. As in the case of other entities or arrangements, an explicit requirement to take measures to identify beneficial owners of a foundation is contained in the *Qatar AML Law*. The AML law requires financial institutions and relevant DNFBPs to conduct CDD measures. The CDD procedure requires obligated entities to collect information sufficient for identification and verification of each customer, take reasonable measures to identify and verify the beneficial owner, and to obtain additional information to understand the customer's circumstances and business. The obligated entities are required to record and keep data which unequivocally identify beneficial owners for five years and sanctions are applicable in cases of non-compliance.

145. In September 2016, the QFC enacted the *QFC Foundations Regulations* which allow a foundation to be created in the QFC. In order to establish a foundation in the QFC, a person must apply to the QFC Authority with the prescribed form and other such documents that may be specified by the QFC Authority (art. 9). Information to be provided to the QFC Authority includes a copy of the foundation's constitution as well as the names of members of the council of the foundation and beneficiaries. The application must be made by

the person who will become the registered representative of the foundation on its establishment. A foundation 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 foundation with the CRO (art. 10). The registration requirements include the obligation to provide a list of names of the members of the council of the foundation and the name of the registered representative (art. 10). The registered representative must be a DNFBP under the *Qatar AML Law* and must be registered with the CRO. The foundation must have a registered office located in the QFC (art. 16). There is no provision that requires changes to the identity information regarding the members of the council of foundation to be notified to the CRO; however, updated identity information must be provided to the QFC Authority. Also, foundations are subject to the *QFC Tax Regulations* (QFC Law, art. 17). Under the *QFC Tax Regulations*, foundations are required to maintain ownership and identity information (including beneficial ownership) and must submit this information to the QFC Tax Department upon request. Further, beneficial ownership information of a foundation would be required to be obtained and kept by the foundation's registered representative as required under the *Qatar AML Law*. Implementation of these rules will be supervised in the same way as in relation to other QFC entities. There are currently no foundations registered in the QFC.

### ***Other relevant entities or arrangements***

146. In the QFC, a Single Family Office may be established. This entity is a body corporate for the sole purpose of managing the business, investments and wealth of a “single family”. A “single family” includes descendants of a common ancestor or their spouses; up to three generations removed from the youngest generation; and has a minimum of USD 5 million in liquid assets (art. 8). An entity 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 Single Family Office with the QFC Authority and the CRO (art. 15). The registration requirements include the obligation to provide the name of the common ancestor in relation to the Single Family; full details on who controls the Single Family Office; and full details on the legal and beneficial owners of the Single Family Office (art. 15). A Single Family Office is required to file an annual report with the QFC Regulatory Authority. This report must contain updated legal and beneficial ownership information. Also, a Single Family Office is required to register with the QFC Tax Department; file tax returns; maintain ownership and accounting information, and providing documents and information as requested by the QFC Tax Department.

147. Implementation of the above rules is supervised in the same way as in relation to other QFC entities. There are currently no Single Family Offices registered in the QFC.

## A.2. Accounting records

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

148. The 2013 Report concluded that the legal framework in Qatar and in the QFC requires relevant entities and arrangements to keep accounting records and underlying documentation in line with the standard. As discussed above, the revised CCL imposes a new obligation on all entities registered with the Commercial Register at the Ministry of Economy to annually renew their registration. This annual renewal provides the Ministry with additional supervisory authority. Other than this amendment to the CCL, there has been no significant change in the relevant rules since the first round review.

149. The main accounting rules are contained in the *Commercial Law*, CCL, *Income Tax Law*, *Regulation Control of Accounts* and various QFC laws. The accounting rules oblige relevant entities and arrangements to keep accounting records, for a period in line with the standard, which correctly explain all transactions, enable the financial position of the entity or arrangement to be determined with reasonable accuracy at any time and allow financial statements to be prepared.

150. The 2013 Report did not raise any concern in respect of practical availability of accounting information. Supervision of accounting requirements is carried out through filings with the Commercial Register at the Ministry of Economy; the QFC CRO; the Qatar tax administration; and the QFC tax authority. The compliance rate with filing requirements to the Registers and the tax administrations is very high. In cases where deficiencies were identified remedial actions were requested and sanctions applied.

151. During the review period, out of the five requests received by Qatar, three contained requests for accounting information. Qatar provided the requested information to one request during the review period. The second EOI request was declined because, according to Qatar, the request had not been signed by the requesting jurisdiction. The requesting jurisdiction indicated that the request had been signed by the competent authority, but that it is possible that when Qatar was validating the request, the individual's name from the requesting jurisdiction was no longer listed as a competent authority. With respect to the third request, Qatar sought clarification from the requesting jurisdiction but did not receive a response from the other jurisdiction.

152. The new table of determinations and ratings is as follows:

<b>Legal and Regulatory Framework</b>
<b>Determination: The element is in place.</b>

<b>Practical implementation of the standard</b>
<b>Rating: Compliant</b>

***ToR A.2.1: General requirements and ToR A.2.2: Underlying documentation***

153. The 2013 Report concluded that all relevant entities and arrangements in Qatar and in the QFC maintain accounting records and underlying documents which correctly explain all transactions. There have not been any changes to the *Commercial Law*, *Income Tax Law* and QFC laws since the 2013 Report. In 2015, the revised CCL came into effect which clarifies accounting record obligations for a shareholding company or a LLC that has management or financial control over one or more subsidiaries (discussed below).

154. The 2013 Report also did not identify any issues concerning implementation of accounting requirements in practice. The relevant requirements continued to be appropriately implemented during the current review period. Also, the revised CCL imposes a new obligation on all entities registered with the Commercial Register at the Ministry of Economy to annually renew their registration (discussed below).

*Accounting requirements in Qatar*

155. Accounting obligations in Qatar are primarily governed by the *Commercial Law*, the CCL, the *Regulating Control of Accounts* and *Income Tax Law*. 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 (including partnerships) are considered traders (*Commercial Law*, art. 12). Traders must hold such account books as are necessary to reflect their financial standing precisely according to the nature and importance of their business (art. 21). At a minimum, traders are required to have a general journal, a general ledger and an inventory book (art. 22). Account books must be submitted to the Commercial Register within two months of the end of the fiscal year (art. 26). Accounting records must be maintained for 10 years from the end of the period to which they relate and underlying documentation for 5 years (art. 28).

156. Also, according to the *Commercial Law*, when a business ends, the trader or their heirs must submit account books to the Commercial Register for the Register to attest to the end of the business (art. 26). Traders or their heirs must 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 (art. 27). The account books must be maintained for 10 years, and the other documentation must be maintained for 5 years, starting as of the end of the relevant financial year (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 260 to EUR 2 600; art. 34).

157. Pursuant to the CCL, shareholding companies, partnership limited by shares and LLCs in Qatar are required to submit copies of the director/partner/manager report, financial statements and audit report to the Company Control Department within the Ministry of Economy (art. 121, 218, 226, 251, CCL). Financial statements must be prepared in accordance with internationally accepted accounting rules. The audit report must indicate whether the entity “keeps regular accounts and books in compliance with the internationally accepted accounting rules” (art. 146, CCL). Also, only audit reports prepared by auditors registered with the Ministry of Economy will be accepted.<sup>21</sup>

158. Article 269 of the revised CCL clarifies that a shareholding company or a LLC that has management or financial control over one or more subsidiaries “shall take the necessary actions to guarantee that subsidiary companies maintain accounting records”. Further, the holding company is responsible for preparing the director/partner/manager report and financial statements, as well as obtaining the auditor’s report. All such documents must be submitted to the Company Control Department within the Ministry of Economy.

159. Entities file paper accounting records with the Commercial Register at the Ministry of Economy. These records are then uploaded into the Ministry’s electronic system.<sup>22</sup> This process allows the Ministry to determine which entities are complying with their obligations to file accounting records. Further, the revised CCL imposes a new obligation on all entities registered with the Commercial Register at the Ministry of Economy to annually renew their registration. This annual renewal allows the Ministry to determine which entities are complying with their obligations to file accounting records. Entities may not renew their registration until all required documents have been filed.

160. With respect to other relevant entities, foundations are required to keep, at its headquarters, all accounting records, books and documents and submit audited accounts to the Ministry of Social Affairs for approval (art. 25, 28 and 32, *Private Associations and Foundations Law*). Accounting records, including underlying documentation, for waqfs are maintained by the Waqf

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21. The Ministry of Economy registers and monitors auditors in Qatar.

22. There currently is a project in development between the Qatar Development Bank and the Ministry of Economy to allow registered entities to file accounting records online with the Ministry.



Administration. Such information is never destroyed by the Ministry. Trusts are not provided for under Qatari law which means that trusts are not subject to specific record-keeping obligations in Qatar, nor are there any obligations on DNFBPs to maintain accounting records of trusts. However, Qatari authorities advise that the number of foreign trusts in Qatar is negligible.

161. The *Income Tax Law* requires taxpayers carrying on an activity in Qatar to keep accounting books, registers and documents<sup>23</sup> in accordance with international accounting standards (art. 18). Taxpayers must maintain all accounting books, registers and documents, in the place where the activity is carried on, for 10 years from the end of the period to which they relate (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 3 900; art. 41(3)).

162. Taxpayers that: (i) carry on an activity exempt from tax; (ii) have capital or annual income exceeding QAR 100 000 (EUR 26 000); or (iii) have a head office situated outside of Qatar are required to submit financial statements and their auditor's report with their annual tax return (art. 35, *Income Tax Regulations*). The vast majority of taxpayers in Qatar meet one or more of these conditions, and therefore submit financial statements and the auditor's report. Private associations and foundations and not for profit organisations, in addition to QFC entities are not subject to the Qatari tax law (art. 2, *Income Tax Law*).

163. The audit report must indicate whether the entity “keeps regular accounts and books in compliance with the internationally accepted accounting rules” (art. 35, *Income Tax Regulations*). Also, only audit reports prepared by auditors registered with the Ministry of Economy will be accepted. All tax returns and supporting documentation are checked by the Tax Assessment Section, which has a team of 34 auditors. Review of accounting records and taxpayers' compliance with the applicable accounting rules forms compulsory part of tax audits. Practical availability of underlying documentation is also supervised by the tax administration through tax audits together with availability of other accounting records. During the review period, approximately 5 000 audits were undertaken each year. In cases where deficiencies were identified remedial actions were requested and sanctions applied.

164. As mentioned above, upon dissolution of an entity, the managers or the board of directors continue to assume the entity's management until a liquidator is appointed (art 305, CCL). A liquidator is appointed by the partners, the general assembly or the court (art. 307). Within three months of appointment, the managers or board members shall submit to the liquidator the entity's books, documents, notes or clarifications (art. 316). If liquidation

23. The *Income Tax Regulations* specify that, in particular, taxpayers must keep the general journal, the general ledger and the inventory ledger (art. 36).

lasts longer than a year, the liquidator will prepare the balance sheet, account of profit and loss and a report on the liquidation process which is to be presented to the partners, general assembly or the court (art. 316). The period of liquidation must not exceed three years, except with a resolution from the court of Minister of Economy (art. 316). Upon completion of the liquidation process, the liquidator shall ask for the deletion of the entity's entry from the Commercial Register (art. 319). Liquidators, licensed accountants with the Ministry of Economy, are required to maintain their client's files, records and data for a period of ten years from the end of the fiscal year, during which the liquidator was controlling the client's accounts (art. 40, *Regulating Control of Accounts*).

### *Accounting requirements in QFC*

165. Every LLC and LLC(G) in the QFC must maintain proper accounting records with respect to all sums of money received and expended by the LLC or LLC(G) and all sales and purchase of goods and services and other transactions of the LLC or LLC(G) and the assets and liabilities of the LLC or LLC(G). These accounting records must be sufficient to show and explain all transactions by the LLC or LLC(G) and “must be such as to: (1) disclose with reasonable accuracy the financial position of the LLC or LLC(G) at any time; and (2) enable the directors to ensure that any accounts prepared by the LLC or LLC(G) comply with the requirements of these Regulations” (arts. 79 and 92HH, *QFC Companies Regulations*). These records must disclose with reasonable accuracy the financial position of the LLC or LLC(G) at any time; and enable the directors to ensure that any accounts prepared by the LLC comply with the requirements of the Regulations. These records must be maintained at the LLC or LLC(G)'s registered office and preserved for at least 6 years from the date to which they relate (art. 80, *QFC Companies Regulations*). Also, every LLC or LLC(G) 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 or LLC(G) for the financial year in question and of the state of the LLC or LLC(G)'s affairs at the end of such financial year (art. 82, *QFC Companies Regulations*). Failure to maintain accounting records is subject to a penalty of USD 2 000 (Schedule 1, *QFC Companies Regulations*). In addition to the requirements set out in the *QFC Companies Regulations*, all QFC entities are required under the QFC tax laws to maintain underlying documentation (art. 6).

166. Obligations to maintain accounting records, as set out in the paragraph above, apply to limited partnerships in the QFC (along with non-QFC partnerships with a branch in the QFC) and LLPs in the QFC (*QFC*

*Partnership Regulations, QFC Limited Liability Partnership Regulations*). Also, failure to maintain accounting records is subject to similar penalties.

167. All QFC LLCs (except SPCs), LLPs and LPs are required to have their annual accounts audited (by approved auditors) and approved by their members or partners, as applicable (art. 34, *QFC Limited Liability Partnership Regulations*; art. 64, *QFC Partnership Regulations*; art. 82, *QFC Companies Regulations*). A copy of the accounts and the auditor's report must be submitted to the CRO within 21 days of such approval. Failure to file such information may be subject to a penalty of USD 2 000 (financial penalties schedule contained in *QFC Limited Liability Partnership Regulations*; *QFC Partnership Regulations*; *QFC Companies Regulations*). Under the *QFC Trust Regulations* a trustee shall keep accurate accounts and records of its trusteeship (art. 43(4)).

168. All QFC entities who are required to file audited accounts must submit accounting accounts electronically to the CRO. The CRO's electronic system tracks filing deadlines and sends notifications to those entities that have missed the filing deadline. Compliance with QFC CRO filing requirements of audited accounting information is 100%, although some entities did file their information after the filing deadline. During the review period, 120 penalties were imposed, however not all of these penalties related to late filing of accounting information.

169. Article 15 of the *QFC Tax Regulations* provides that all QFC entities, except those wholly owned by the Government, that file a tax return are required to maintain accounting records. Accounting records must include records of all sums of money received or expended, all sales and purchases of goods and services and other transactions and the assets and liabilities of the QFC entity. Such records must 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. The accounts and financial statements must be prepared in accordance with IFRS, UK GAAP, US GAAP or standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). Also, supporting documents, including but not limited to accounts, books, deeds, contracts, vouchers and receipts, must be maintained by all QFC entities. Accounting records must be kept, in a registered office in the QFC, for 6 years from the end of the accounting period of the completion of any inquiry into the tax return. A QFC entity that fails to comply with this obligation may be liable to a penalty not exceeding QAR 20 000 (EUR 5 100; art. 108, *QFC Tax Regulations*).

170. 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 (art. 107, *QFC Tax Regulations*). 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. Returns must be filed electronically. Returns filed less than 60 days after the filing deadline are subject to a penalty of QAR 3 000 (EUR 770) and returns filed after this date are subject to a penalty of QAR 6 000 (EUR 1 500, art. 119, *QFC Tax Regulations*). Compliance with QFC tax filing requirements is very high. There was one case during the review period in which an entity did not file a tax return. Action was taken against this entity and this entity left the QFC. Also, during the review period, penalties for failing to file on time were issued in 24 cases. The QFC tax authority reviews all tax returns for risk assessment purposes and generally obtains all of the requested information. During the review period, the QFC tax authority issued one penalty for failing to provide documentation requested and the information was provided shortly after the penalty was issued. During the review period, no on-site visits were conducted due to the high level of compliance.

#### *Availability of accounting information in practice*

171. No issues were identified in the 2013 Report with respect to the availability of accounting information. In the current review period, Qatar received five EOI requests of which three contained a request for accounting information. Qatar provided the requested information to one request during the review period. The second EOI request was declined because, according to Qatar, the request had not been signed by the requesting jurisdiction. The requesting jurisdiction indicated that the request had been signed by the competent authority, but that it is possible that when Qatar was validating the request, the individual's name from the requesting jurisdiction was no longer listed as a competent authority. With respect to the third request, Qatar sought clarification from the requesting jurisdiction but did not receive a response.

### **A.3. Banking information**

Banking information and beneficial ownership information should be available for all account holders.

172. The 2013 Report concluded that element A.3 was in place and Compliant. There has been no change in the relevant provisions since the 2013 Report.

173. The EOIR standard now requires that beneficial ownership information (in addition to legal ownership) in respect of account holders be available. In this regard, the AML and banking laws in Qatar and the QFC require that banks conduct CDD and retain documents and other records in relation to services and transactions carried out for each customer, as well as

documents used to verify the identity of customers or beneficial owners. The *AML Regulations for Financial Institutions* issued by the QCB require banks to retain such records for 15 years after the customer relationship has ended. The *QFC AML Rules* specify that such documentary evidence must be kept for a minimum of six years after the customer relationship has ended. In case of non-compliance with these obligations sanctions apply.

174. One issue has been identified in relation to the identification requirements relating to beneficiaries of a trust. Financial institutions are required to identify natural persons who ultimately own or control a trust as part of their CDD measures. However, they are not required to identify all of the beneficiaries (or class of beneficiaries) of a trust as required under the standard. Instead, banks must identify beneficiaries of 25% or more of the assets or property of the trust. Although this gap may be negligible, Qatar should take steps to address it.

175. On-site and off-site inspections undertaken by the QCB and QFC Regulatory Authority ensure that the beneficial ownership information is maintained by banks.

176. Out of the five requests Qatar received during the review period, two requested banking information. Qatar responded to one of these requests during the review period, the other request was misplaced. A peer raised issues in respect of its request for banking information; however, there is no indication that such issues are the result of banking information not being available. Rather, the issues related to an aspect of element C.5 and are analysed in that section. The EOI unit found the misplaced request in December 2016 and is currently processing the request.

177. The new table of determinations and ratings is as follows:

<b>Legal and Regulatory Framework</b>		
	<b>Underlying Factor</b>	<b>Recommendation</b>
<b>Deficiencies identified in the implementation of the legal and regulatory framework</b>	Banks are required to identify natural persons who ultimately own or control a trust as part of their customer due diligence measures. However, they are not required to identify all of the natural persons who are beneficiaries of the trust as only the beneficiaries of 25% or more of the assets or property of a trust must be identified in all instances.	Qatar should ensure that banks are required to identify all of the beneficiaries (or class of beneficiaries) of the trust which has an account in Qatar and the QFC as required under the standard.
<b>Determination: The element is in place.</b>		

<b>Practical implementation of the standard</b>
<b>Rating: Compliant</b>

**ToR A.3.1: Record-keeping requirements**

178. The 2013 Report concluded that record keeping requirements for all financial institutions in Qatar and in the QFC and their implementation in practice were in line with the standard. There has been no change in the relevant provisions since this report.

179. During the review period, in Qatar there were 10 national banks, seven branches of foreign banks and one development bank licensed with the QCB. During the review period, in the QFC, there were 90 regulated financial institutions.<sup>24</sup>

180. Pursuant to the *Qatar AML Law*, financial institutions may not open and keep anonymous accounts or accounts opened under fictitious names. Financial institutions must identify their customer<sup>25</sup> and verify such identity. Customers are obliged to provide their name, national identification number or passport number, address, occupation or business, and address of the depositor (art. 24). Further, all financial institutions operating in Qatar and in the QFC are entities with a reporting obligation under the *Qatar AML Law* (art. 18). Financial institutions are obliged to retain copies of documents used in connection with CDD measures and certain identifying information (e.g. name, identity number, address) for five years after the customer relationship has ended or following the carrying out of the transaction (art. 34). However, the QCB has specified that financial institutions in Qatar must retain such records for 15 years after the customer relationship has ended (item 21, *AML Regulations for Financial Institutions*). The *QFC AML Rules* provide that financial institutions in the QFC must retain such documentary evidence for a minimum of six years after the customer relationship has ended (rule 7.1.2, *QFC AML Rules*). In case of non-compliance with these obligations sanctions apply (art. 72, *Qatar AML Law*).

181. Supervision of the record keeping requirements is carried out by the QCB in Qatar, including for AML purposes. QFC financial institutions are under the supervision of the QFC Regulatory Authority together with the supervision of their AML obligations.

24. Of the 90 financial institutions, 34 were banks (16 of which were limited liability corporations and 18 of which were branches); 24 were insurance entities and 32 were DNFBPs.

25. Customer is defined as any person (natural or legal person or legal arrangement) dealing with a financial institution.

### ***ToR A.3.1: Beneficial ownership information on account holders***

182. The obligation to identify beneficial owners of the account holders is contained in the *Qatar AML Law* and detailed in the *AML Regulations for Financial Institutions* and *QFC AML Rules*. As described in section A.1.1, financial institutions are required to conduct CDD measures when establishing a business relationship; when doubts exist about the veracity or adequacy of previously obtained customer identification documents, data or information; when they have a suspicion of money laundering or terrorism financing; or in connexion with transactions involving QAR 55 000 (EUR 14 290) or more (art. 23).

183. As described in section A.1.1, the CDD procedure requires financial institutions to identify the beneficial owner of the customer; take reasonable measures to verify the identity of the beneficial owner using reliable, independent source documents, data or information; and obtain additional information to understand the customer’s circumstances and business including ownership and control structure (art. 23).

184. Beneficial owners are defined as “the natural person who owns, or exercises effective control, over the customer, or the person on whose behalf, the transaction is conducted, or the person who exercises effective control over a legal person, or legal arrangement” (art. 1).

185. The *AML Regulations for Financial Institutions* and the *QFC AML Rules* expand upon the definition of “beneficial owner”, as described in section A.1.1. This legislation also contains the CDD measures that financial institutions are to follow and the customer identification documentation that must be obtained, as described in section A.1.1.

186. The QCB has specified that financial institutions in Qatar must retain records for 15 and after the customer relationship has ended (art. 21, *AML Regulations for Financial Institutions*). In the QFC, financial institutions must retain records for a minimum of six years after the customer relationship has ended (rule 7.1.2, *QFC AML Rules*).

187. As described in section A.1.1, a financial institution is allowed to rely on CDD measures applied by third parties however the financial institution is nevertheless still required to keep the abovementioned records identifying the beneficial owner and remains responsible for ensuring that CDD measures are applied in accordance with the *Qatar AML Law* (item 12.4, *AML Regulations for Financial Institutions* and part 3.4, *QFC AML Rules*).

188. In cases of non-compliance with AML obligations in Qatar and in the QFC, a person may be liable to fines, up to QAR 500 000 (EUR 127 900) and imprisonment for a term not exceeding three year (art. 72, *Qatar AML Law*).

189. As noted in section A.1.1, a financial institution is only required to identify the natural persons who are beneficiaries (or class of beneficiaries) of 25% or more of the assets or property of a trust. This is inconsistent with the standard which requires that all of the beneficiaries (or class of beneficiaries) of the trust be identified. Therefore, Qatar is recommended to ensure that financial institutions are required to identify all of the beneficiaries (or class of beneficiaries) of the trust. It is nevertheless noted that the materiality of this gap is very limited as according to the Qatari and QFC authorities the number of trusts in Qatar and the QFC with bank accounts is negligible.

190. The Ministry of Endowments and Islamic Affairs maintains legal ownership and beneficial ownership on all waqfs (which includes all beneficiaries). Accordingly, there are no issues with respect to the availability of ownership information.

#### *Implementation of obligations to keep beneficial ownership information in practice*

191. Supervision of implementation of the obligation to obtain and maintain beneficial ownership information on account holders is carried out by the QCB and the QFC Regulatory Authority.

192. The AML supervision is conducted through on-site and off-site inspections mainly together with general prudential supervision. The QCB policy is to review all financial institutions every two years in addition to ad-hoc inspections. The QFC Regulatory Authority policy is to conduct off-site inspections on a quarterly basis for all financial institutions. Availability of beneficial ownership information is regularly checked during all inspections with AML aspects. During the AML supervisory authorities' on-site inspections, the procedures, policies and systems of the financial institutions are examined. In general, the inspections are focused on technical compliance with the AML law.

193. Between April 2012 and March 2014, the QCB carried out 27 on-site inspections and the QFC Regulatory Authority carried out 39 on-site inspections. Between April 2014 and January 2016, the QCB carried out 29 on-site inspections and the QFC Regulatory Authority carried out 48 on-site inspections.

194. During the period under review the QCB and QFC Regulatory Authority identified a few cases of non-compliance with the *Qatar AML Law* and in all cases remedial actions were taken and the deficiencies were



addressed.<sup>26</sup> Fines for breaches of AML obligations were applied during the period under review.

195. Supervision of record keeping and AML obligations by the QCB and QFC Regulatory Authority ensures the availability of banking information, including beneficial ownership information.

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26. Between April 2012 and March 2014, the number of financial institutions identified to be in violation of its AML obligations was as follows: 9 for the QCB and 2 for the QFC Regulatory Authority. Between April 2014 and January 2016, the number of financial institutions identified to be in violation of its AML obligations was as follows: 8 for the QCB and 2 for the QFC Regulatory Authority.



## Part B: Access to information

196. Sections B.1 and B.2 evaluate whether competent authorities have the power to obtain and provide information that is the subject of a request under an EOI arrangement from any person within their territorial jurisdiction who is in possession or control of such information; and whether rights and safeguards are compatible with effective EOI.

### 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).

197. The 2013 Report found that the Qatari tax authority had broad powers to access information for EOI purposes which were in line with the standard. Since the first round review, no changes have been made to the tax authority's access powers.

198. The 2013 Report determined although the Qatar's tax authority had not experienced the need to exercise its access powers, it and other relevant authorities that may be involved in the EOI process had practical experience of assessing information for domestic purposes which would facilitate Qatar's practical ability in this regard for EOI purposes.

199. Since the 2013 Report, Qatar received five EOI requests. Qatar partially responded to one request within one year of receiving the request. Qatar considers that it fully responded to a second request within one year of receipt; however, peer input indicates that the response was not complete. The third request was declined. The other two EOI requests, although they were received by the Qatar competent authority, were misplaced due to a number of issues identified in element C.5. Not responding to EOI requests in a timely manner was not due to the Tax Department's inability to obtain the requested information. The Tax Department has not encountered any difficulties in obtaining information from information holders. All of the requests were located by the EOI unit in December 2016 and Qatar has fully

responded to one of requests and is processing the other outstanding requests (including the initially declined request).

200. The new table of determinations and ratings is as follows:

<b>Legal and Regulatory Framework</b>
<b>Determination: This element is in place.</b>
<b>Practical implementation of the standard</b>
<b>Rating: Compliant</b>

***ToR B.1.1: Ownership, identity and bank information and ToR B.1.2: Accounting records***

201. The Tax Department has broad access powers to obtain all types of relevant information including ownership, accounting and banking information from any person for both domestic tax purposes and in order to comply with their obligations under Qatar’s EOI agreements.

202. The 2013 Report concluded that appropriate access powers were in place in Qatar and in the QFC for EOI purposes. The Tax Department’s power to obtain information is based on Qatari income tax laws; QFC income tax laws; agreements for EOI; and the Constitution as described in paragraphs 158 to 165 of the 2013 Report. No amendments to these legal instruments have been made to change the Tax Department’s access powers since the 2013 Report.

203. The Tax Department is also able to access information held or obtainable by other governmental authorities for EOI purposes. The Qatari tax authority has a Memorandum of Understanding (MOU) with the QCB and the Ministry of Economy to facilitate access to information relating to, or held by, these government entities for EOI purposes. The MoU clearly sets out the contact persons, procedure and timeframes for accessing information for EOI purposes. The timeframes set out in the MoU for accessing information through this procedure allow the Qatari authorities to obtain and exchange information located with these other entities in a timely manner, and is therefore compatible with effective EOI in practice.

204. In relation to information sought from taxpayers directly, from other persons and from government entities (other than those discussed above) in Qatar (rather than in the QFC), EOI unit staff are instructed by the EOI Operational Procedures Manual to provide a 21-day timeframe when requesting information. A reminder will be issued by Qatar’s tax authority to the information holder where the request is not met within the 21-day period. The information holder is informed of their obligation to comply with the request and that non-compliance constitutes an offence under the *Income Tax Law*.

205. The Qatari tax authority and the QFC Tax Authority also have a MoU in place to facilitate access to information relating to, or held by, QFC entities for EOI purposes. The MoU sets out the contact persons, procedure and time-frames for accessing QFC-related information. The MoU provides that the QFC tax authority will endeavour to provide the requested information to the Qatari tax authority within 30 days of a request. A reminder will be issued by Qatar’s tax authority to the QFC tax authority where the request is not met within the 30-day period, and a further 15-day extension will be granted.

***Access to ownership, accounting and banking information in practice***

206. Under Qatar’s (and the QFC’s) commercial and tax laws a great deal of information is held by governmental authorities and financial institutions (as described in Sections A.1, A.2 and A.3). In other cases, the access powers described above would be relied upon to obtain ownership, identity and banking information for EOI purposes.

207. Since the 2013 Report, the Tax Department did not have any difficulty obtaining information, information holders. Similarly, there have been no cases since the 2013 Report where information could not be obtained by the Tax Department when it sought the information.

***ToR B.1.3: Use of information gathering measures absent domestic tax interest***

208. The concept of “domestic tax interest” describes a situation where a contracting party can only provide information to another contracting party if it has an interest in the requested information for its own tax purposes.

209. The 2013 Report concluded that Qatar has no domestic tax interest requirement with respect to its information gathering powers. No changes have been made to this issue since the 2013 Report.

210. During the period under review, Qatar received several requests where the requested information was not required for its domestic tax purposes and the requested information was provided in a number of cases. These cases mainly concerned information on bank accounts and residency information. In none of these requests was the issue of domestic tax interest raised and accordingly no issue in this respect was reported by peers.

***ToR B.1.4: Effective enforcement provisions to compel the production of information***

211. Jurisdictions should have in place effective enforcement provisions to compel the production of information. The 2013 Report concluded that there were no specific compulsory powers in place to ensure that information will be obtained where the person in possession of the information does not co-operate with the tax authority. The Tax Department may, however, refuse to issue a tax clearance certificate to a taxpayer if the taxpayer has not responded to the Department’s request for information. Qatari authorities indicated the actual refusal of a tax clearance certificate was only necessary in rare instances. No changes to this practice have been made since the 2013 Report.

212. The 2013 Report also concluded that the QFC Tax Authority has broad powers to compel the production of information in order to respond to an EOI request from the Qatar competent authority. Sanctions for failure to provide information requested by the QFC Tax Authority may be imposed. No changes have been made to the QFC Tax Authority’s access powers since the 2013 Report.

213. In practice, compulsory measures are rarely needed to be used for EOI purposes as the information is normally provided by the person upon request by the tax authorities.

***ToR B.1.5: Secrecy provisions***

214. Jurisdictions should not decline on the basis of its secrecy provisions to respond to a request for information made pursuant to an exchange of information mechanism unless such disclosure would be in breach of rights and safeguards of taxpayers and third parties as guaranteed under the standard. There are two types of secrecy protection in Qatar which are of particular importance in the exchange of information context. These are bank and professional secrecy rules.

*Bank secrecy*

215. There are no limitations on the ability of Qatar’s tax authority to obtain information held by a financial institution in Qatar or in the QFC for either civil or criminal tax purposes in response to an EOI request. Accordingly the 2013 Report concluded that the scope of bank secrecy is in line with the standard. Since the first round review, no changes have been made to the secrecy provisions or the tax authority’s access powers.

216. As noted in the 2013 Report, the bank secrecy rule set out in the QCB Law is overridden where the information is requested under an effective EOI

agreement. In addition, 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 EOI agreement. The Qatari authorities confirmed that a court procedure is not required for bank information or any other kind of information.

217. The Tax Department has the power to request banking information directly from financial institutions (*Executive Regulations of the Income Tax Law*). However, for efficiency and expediency, banking information is normally obtained by the Tax Department through a request letter issued to the QCB. The request letter contains identification of the account holder, description of the requested information, reference to the domestic law under which the information is requested and a 21-day deadline to provide the information.

218. The 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 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 5 000 (EUR 1 255) on an institution that fails to comply with instructions from the QCB (art. 105, *QCB Law*). Also, the QCB can impose a fine of up to QAR 2 million (EUR 502 700) on an institution that provides misleading information (art. 106, *QCB Law*).

219. Qatar's tax authority are of the view that the involvement of the QCB is advantageous to the EOI process due to its expertise and availability of specialist personnel (such as auditors) which can be utilised, where necessary, to locate the requested information.

220. As noted in paragraph 191 of the 2013 Report, there are no laws, in the QFC, 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 EOI request pursuant to an EOI agreement. This continues to be the case following the 2013 Report.

221. The Qatari authorities confirmed that a group request made to a financial institution (within the QFC or in Qatar) would be dealt with under the existing banking and tax legislation. No gaps that could potentially obstruct access to banking information under the group requests category were found in the existing legal provisions. Qatar has not received any group requests during the review period.

222. According to the Tax Department, co-operation with the QCB, the QFC and financial institutions is well established over the years and no delays in obtaining the requested banking information have been experienced, due to bank secrecy provisions, during the reviewed period.

### *Professional secrecy*

223. The 2013 Report discussed a trustee’s professional privilege provisions contained in the *QFC Trust Regulations*. The 2013 Report concluded that the Executive Regulations to the Income Tax Law was a clear statement that the power to obtain information for exchange purposes was part of Qatari law, and has priority over confidentiality provisions contained in QFC law, particularly given the constitutional obligation to give effect to international agreements. The 2013 Report concluded that this professional privilege provision was in line with the standard. There has been no change in the regulation of trustee’s professional privilege since the first round review and there is also no practical experience during the period under review which would indicate that a trustee’s professional privilege unduly restricts effective exchange of information.

224. The *Law Practice Code* and the *Law on Regulating Auditing Profession* do contain professional privilege provisions. The *Law Practice Code* provides that “a lawyer shall not be permitted to disclose any facts or information which comes to his knowledge through his profession unless such disclosure is intended to prevent the commitment of any crime or misdemeanour or report the occurrence thereof.”

225. As noted above, the Constitution provides that EOI agreements have the same status as laws and that Qatar “shall respect international pacts and execute all international agreements, pacts and treaties to which it is a party”. Consequently, although the Constitution gives EOI agreements the status of laws, the Constitutional requirement that they be respected and executed means that in the case of a conflict between an EOI agreement and the domestic law, the agreement will prevail. Accordingly, an EOI agreement will override the abovementioned professional privilege provisions.

226. In practice, where the information is not already in the hands of a government ministry or the QFC, the tax authority will send a request for information to the taxpayer or service provider. If a service provider (i.e. an attorney, auditor or other professional acting on behalf of his/her client) receives an information request from the tax authority, the service provider may advise his/her client that they have received a request for information from the tax authority, unless the request letter specifies that the taxpayer is not to be informed. If the service provider is prohibited from informing



the taxpayer, the letter must inform the service provider that the information sought results from a request received from an EOI agreement.

227. There was no case during the period under review where a person refused to provide the information requested because of professional privilege.

## B.2. Notification requirements, 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.

228. The 2013 Report found that there were no issues regarding notification requirements or appeal rights and the element was determined to be in place and rated Compliant. There has been no change in this respect since the first round review. There is no requirement to notify the person who is object of the request of any steps in obtaining the requested information unless the person is the information holder from which the information is requested (see further section B.1.1 and C.3.1).

229. There are no specific appeal procedures or post-notification provisions applicable in the context of exchange of information set out in the *Income Tax Law*. Qatari tax authorities are not obligated to inform the persons concerned of the existence of an information request. As noted above, if a service provider (i.e. an attorney, auditor or other professional acting on behalf of his/her client) receives an information request from the tax authority, the service provider may advise his/her client that they have received a request for information from the tax authority, unless the request letter specifies that the taxpayer is not to be informed. During the period under review there was no case where obtaining or providing of the requested information was appealed in administrative or court proceedings.

230. In practice, during the period under review, there were no cases where an information holder appealed a request to provide information based on the grounds that there was no legal obligation to obey the order. Qatar's law do not unduly prevent or delay exchange of information and are therefore in line with the standard.

231. The table of determinations and ratings therefore remains as follows:

<b>Legal and Regulatory Framework</b>
<b>Determination: This element is in place.</b>
<b>Practical implementation of the standard</b>
<b>Rating: Compliant</b>



## Part C: Exchanging information

232. Sections C.1 to C.5 evaluates the effectiveness of Qatar’s EOI in practice by reviewing its network of EOI mechanisms – whether these EOI mechanisms cover all its relevant partners, whether there were adequate provisions to ensure the confidentiality of information received, whether Qatar respects the rights and safeguards of taxpayers and third parties and whether Qatar could provide the information requested in an effective manner.

### C.1. Exchange of information mechanisms

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

233. The 2013 Report concluded that Qatar’s network of EOI mechanisms was “in place” and was rated Compliant. At that time, Qatar had signed agreements with 61 jurisdictions, 49 of which were in force. Of these, 59 agreements met the standard. Six EOI agreements were not mentioned in the first round report.<sup>27</sup>

234. Since the 2013 Report, the number of Qatar’s EOI partners has increased by another 22 jurisdiction covering now 89 partners. All agreements signed after the first round review meet the international standard. One of old DTCs which was found to be not in line with the standard at the time of the first round review is being renegotiated. The other has not yet been renegotiated and therefore remains not in line with the standard. In sum, Qatar’s EOI network covers 89 jurisdictions through 83 DTCs and 6 TIEAs. Out of these 89 jurisdictions Qatar has an EOI instrument in line with the standard with 87 jurisdictions. Currently, 13 of Qatar’s EOI instrument are not in force.<sup>28</sup>

27. These are EOI agreements with: Algeria, Bermuda, Brunei Darussalam, Iran, Hungary and Sudan.

28. These jurisdictions are Bangladesh, Belgium, Bermuda, Cayman Islands, Ethiopia, Fiji, Finland, Gabon, Gambia, Iceland, Mauritania, Nigeria and Spain.

235. Qatar’s EOI agreements are in practice applied in line with the standard. No issue in this respect was identified in the first round review and no issue was identified during the current period under review either. Qatar did not receive any group requests during the period under review, but the Tax Department confirmed that it would provide information to the widest possible extent including pursuant to group requests.

236. The new table of determinations and ratings is as follows:

<b>Legal and Regulatory Framework</b>
<b>Determination: The element is in place.</b>
<b>Practical implementation of the standard</b>
<b>Rating: Compliant</b>

### *ToR C.1.1: Foreseeably relevant standard*

237. Exchange of information mechanisms should allow for exchange of information on request where it is foreseeably relevant to the administration and enforcement of the domestic tax laws of the requesting jurisdiction. As indicated in the 2013 Report, a large number 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. The remaining treaties provide for exchange of information that is “relevant” or “foreseeably relevant” to the administration and enforcement of the domestic tax laws of the contracting states.

238. The 2013 Report concluded that, with the exception of two DTCs, Qatar implements the foreseeably relevance criteria in line with the standard and that information required by Qatar to be included in the request does not go beyond Article 5 paragraph 5 of the Model TIEA and its commentary. No change has been encountered since the first round review in Qatar’s practice in this respect.

239. The 2013 Report noted that 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. Such provisions do not conform to the standard. It was recommended that Qatar ensure all the mechanisms concluded with its partners provide for effective exchange of information in accordance with the standard. Since the first round review, Qatar has commenced renegotiations with Austria. The DTC with Panama has not yet been renegotiated and therefore remains not in line with the

standard. Qatar should continue to work with all its EOI partners to bring its existing exchange of information agreements in line with the standard.

240. The 2013 Report also recommended that Qatar ensure that all agreements concluded with its partners provide for effective EOI in accordance with the standard. All agreements signed after the first round of review meet the international standard.

241. Qatar does not require any particular information to demonstrate foreseeable relevance and does not require a specific template to be used for incoming requests. However, a request must be substantiated by providing the background for the case and explanation why the information is relevant. Identification of the taxpayer can be done by providing a number of indicators e.g. the name, address, TIN, date of birth or other criteria to identify the taxpayer.

242. During the period under review, Qatar did request a clarification from its EOI partners; however, the clarification was not in order to establish foreseeable relevance in relation to an EOI request.

#### *Group requests*

243. None of Qatar's EOI agreements contains language prohibiting group requests. Qatar interprets its EOI agreements as allowing the provision of information requested pursuant to group requests in line with Article 26 of the OECD Model Tax Convention and its commentaries.

244. During the period under review Qatar did not receive any group requests. Qatari officials indicated that if a group request was received, the same procedures as in respect of other requests would apply (see further section C.5.2).

#### ***ToR C.1.2: Provide for exchange of information in respect of all persons***

245. Exchange of information under Qatar's EOI agreements is not limited to residents of one or the other contracting states or otherwise excludes any class of persons. As such, in practice, no restriction in respect of persons on whom information can be exchanged has been experienced. Also, no issue has been raised by peers in this respect.

***ToR C.1.3: Obligation to exchange all types of information***

246. The 2013 Report noted that all of Qatar’s EOI agreements 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.

247. According to the 2013 Report, only 24 of Qatar’s DTCs included the equivalent of Model Article 26(5); however, the Tax Department 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 Model Article 26(5).

248. 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.

249. All of Qatar’s EOI agreements signed since the first round review contain wording equivalent to Model Article 26(5).

250. In practice, there was no case during the review period where the requested information was not provided because it was held by a financial institution, nominee or person acting in a fiduciary capacity or because it related to ownership interests in a person. No issue has been raised by peers in this respect.

***ToR C.1.4: Absence of domestic tax interest***

251. As noted in the 2013 Report, the majority of Qatar’s DTCs entered into prior to May 2010 do not contain the equivalent of Model Article 26(4). As discussed in the 2013 Report, the *Executive Regulations of the Income Tax Law* clarifies the ability of Qatar’s authorities to obtain information absent any domestic tax interest.

252. All EOI agreements entered into by Qatar since May 2010, including those agreements entered into since the first round review, contain the equivalent to Model Article 26(4).

253. In practice, there was no case during the period under review where a request was declined by Qatar because of the absence of domestic tax interest and no issue has been reported by peers in this respect.

***ToR C.1.5: Absence of dual criminality principles***

254. There are no dual criminality provisions in any of Qatar’s EOI agreements. Accordingly, there has been no case when Qatar declined a request because of a dual criminality requirement as has been confirmed by peers.

***ToR C.1.6: Exchange information relating to both civil and criminal tax matters***

255. All of Qatar’s EOI agreements provide for exchange of information in both civil and criminal tax matters. Accordingly, Qatar would not decline to provide information because the requested information cannot be provided for criminal tax purposes. Both types of requests would be handled by the Competent Authority using the same procedures and no indication from the requesting jurisdiction whether information is sought for criminal or civil tax purposes is required to be included in incoming requests. No concerns regarding the exchange of information relevant to criminal tax proceedings were indicated by peers.

***ToR C.1.7: Provide information in specific form requested***

256. The provision of information in specific form is not expressly set out in Qatar’s agreements, 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. No issue has been raised by peers.

***ToR C.1.8: Signed agreements should be in force***

257. Qatar’s EOI network covers 89 jurisdictions through 83 DTCs and 6 TIEAs. Out of these 89 jurisdictions, Qatar has an EOI instrument in force with 75 of them. Qatar has taken all necessary steps to bring the remaining 13 agreements into force and is awaiting notification of ratification from its partners.

258. The 2013 Report noted that at the time of the review, 11 of Qatar’s DTC were not yet in force. The DTCs with Bosnia and Herzegovina and Chad were mistakenly included in this count. These DTCs did come into force in July 2011 and December 1999, respectively. Accordingly, at the time of the 2013 Report, nine of Qatar’s DTC were not yet in force. Since then, seven of the DTCs have come into force. Those not in force include DTCs: with Belgium and Mauritania. In addition, the TIEA with the Cayman Islands and the protocol to the existing DTC with Malaysia are also not yet in force. The 2013 Report did not mention six EOI agreements, three of which were in force at the time of the first round review and three were not in force; two of those EOI agreements have come into force since the 2013 Report. These 6 EOI agreements are: Algeria, Bermuda, Brunei Darussalam, Hungary, Iran, and Sudan.

259. Since the 2013 Report, Qatar has signed a further 22 EOI agreements, of which seven are not in force. Qatar signed new DTCs with Bangladesh,

Ecuador, Ethiopia, Faroe Island, Fiji, Gabon, Gambia, Hong Kong (China), Japan, Kazakhstan, Kenya, Kyrgyzstan, Latvia, Nigeria, San Marino, South Africa and Spain. Qatar has also signed 5 TIEAs since the first round review, of which two are not in force. These are the TIEAs with Denmark, Finland, Greenland, Iceland and Sweden. Finally, in December 2016, Qatar signed a protocol to the existing DTC with Turkey (signed in 2001) which has not yet come into force.

### Bilateral EOI Mechanisms

A	Total Number of DTCs/TIEAs	A = B+C	89
B	Number of DTCs/TIEAs signed (but pending ratification), i.e. not in force	B = D+E	13 (all ratified by Qatar)
C	Number of DTCs/TIEAs signed and in force	C = F+G	75
D	Number of DTCs/TIEAs signed (but pending ratification) and to the Standard	D	13
E	Number of DTCs/TIEAs signed (but pending ratification) and not to the Standard	E	0
F	Number of DTCs/TIEAs in force and to the Standard	F	68
G	Number of DTCs/TIEAs in force and not to the Standard	G	7 <sup>1</sup>

Note: 1. These are EOI agreements with: Austria, Azerbaijan, Croatia, Kazakhstan, Lebanon, Panama and Russia.

#### ***ToR C.1.9: Be given effect through domestic law***

260. Once an EOI agreement has been ratified by both contracting parties, the Emir of Qatar issues an Emir decree in relation to the relevant EOI agreement. This decree gives effect to the EOI agreement and brings the agreement into Qatar domestic law. No further action is required to effectively implement an EOI agreement in Qatar.

261. Effective implementation of EOI agreements in domestic law has been also confirmed in practice as there was no case encountered where Qatar was not able to obtain and provide the requested information due to unclear or limited effect of an EOI agreement in Qatar's law. Also, no issue in this regard was reported by peers.

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

The jurisdiction's network of information exchange mechanisms should cover all relevant partners.

262. Qatar has in place a wide network of EOI instruments covering 89 jurisdictions through 83 DTCs and 6 TIEAs. Qatar's EOI network encompasses a wide range of counterparties, including European, Asian and North African jurisdictions.



263. The 2013 Report identified an issue with respect to Qatar’s negotiation policy indicated that Qatar’s policy was generally to negotiate DTCs rather than TIEAs. This is no longer Qatar’s negotiation policy and since the 2013 Report, Qatar has negotiated five TIEAs, of which three have entered into force.

264. It was recommended, in the first round review, that Qatar continue to develop its exchange of information network with all relevant partners. Since the 2013 Report, Qatar has signed 17 DTCs and five TIEAs, thus expanding its EOI network from 67<sup>29</sup> jurisdictions to 89. As the standard ultimately requires that jurisdictions establish an EOI relationship up to the standard with all partners who are interested in entering into such relationship, Qatar is recommended to maintain its negotiation programme so that its exchange of information network continues to cover all relevant partners.

265. Qatar’s has in place a negotiation programme which includes expansion of already existing treaty network so that all relevant partners are covered. Negotiations of new bilateral treaties are currently ongoing with eight jurisdictions (Argentina, Botswana, Paraguay, Tajikistan, Togo, Turkmenistan, Uganda and Zimbabwe) and a request for re-negotiation of an already existing DTC has been received from one jurisdiction (Mauritania). In December 2016, Turkey and Qatar signed a Protocol. Also, in April 2017, Qatar sent a request to the Co-ordinating Body to be invited to become a party to the MAAC.

266. Qatar’s willingness to enter into EOI agreements without insisting on additional conditions was also confirmed by peers as no jurisdiction has indicated that Qatar had refused to enter into or delayed negotiations of an EOI agreement.

267. The new table of determinations and ratings is as follows:

<b>Legal and Regulatory Framework</b>		
	<b>Underlying Factor</b>	<b>Recommendation</b>
<b>Deficiencies identified in the implementation of the legal and regulatory framework</b>		
<b>Determination: The element is in place.</b>		
<b>Practical implementation of the standard</b>		
<b>Rating: Compliant</b>		

29. This number includes the six DTCs that were not mentioned in the 2013 Report.

### C.3. Confidentiality

The jurisdiction's information exchange mechanisms should have adequate provisions to ensure the confidentiality of information received.

268. The 2013 Report concluded that all of Qatar's EOI agreements have confidentiality provisions in line with the standard and that the applicable confidentiality rule is properly implemented in practice to ensure that the exchanged information is protected in line with standard. No changes have been made to the legal framework with respect to confidentiality or the practical measures to ensure confidentiality.

269. Two EOI requests that were received during the review period were misplaced within the EOI unit at the Tax Department. The issue of misplaced requests has been attributed to the organisational processes as described in element C.5; however, the misplacement of requests is a recurring issue. No issues regarding confidentiality were raised by peers.

270. The new table of determinations and ratings is as follows:

<b>Legal and Regulatory Framework</b>		
<b>Determination: The element is in place.</b>		
<b>Practical implementation of the standard</b>		
	<b>Underlying Factor</b>	<b>Recommendation</b>
<b>Deficiencies identified in the implementation of EOIR in practice</b>	Although all of Qatar's policies regarding confidentiality appear to be in place, two EOI requests that were received during the review period were misplaced within the EOI unit at the Tax Department. The same issue was reported in the 2013 Report.	Qatar should ensure that its organisational processes and procedures are adequate to ensure the confidentiality of all information received from an EOI partner.
<b>Rating: Compliant</b>		

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

271. The 2013 Report concluded that all of Qatar's EOI agreements have confidentiality provisions in line with the standard. This is also the case for all of Qatar's EOI agreements signed since the first round of review.

### *Domestic law rules*

272. The *Income Tax Law* provides that all employees of the Tax Department 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.”

273. 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 to any person where this is not permitted under the EOI agreement. The secrecy obligation under the *Income Tax Law* complements and further supports the obligation in the EOI agreements to keep information confidential. No changes have been made to the domestic law rules since the 2013 Report.

274. Breach of the confidentiality provision under the *Income Tax Law* is punishable by a fine of up to QAR 30 000 (EUR 7 800) and/or imprisonment of up to six months (art. 45).

275. QFC tax officials have an obligation to keep all documents and information coming into their possession or knowledge in connection with the performance of their duties as confidential. Such information may only be disclosed in limited, defined, circumstances, including for the purposes of “disclosure by the Qatar’s competent authority to the competent authority of the government of another country with which Qatar has entered into an international agreement” (Part 3, *QFC Tax Rules*, art. 16, *QFC Authority Regulations*, art. 61, *QFC Employment Regulations*). Breach of the confidentiality provisions is punishable.

### *Practical measures to ensure confidentiality of the received information*

276. No changes have been made to the EOI unit’s operational procedure since the 2013 Review. All officials dealing with information on taxpayers are obliged to keep all the information confidential. The EOI Unit Operational Procedures Manual issued in July 2012 sets out practical guidance on confidentiality in the context of exchange of information. The EOI unit of the Tax Department is located in the Ministry of Finance building. The Ministry of Finance’s building is monitored by security guards and is only accessible with an electronic access ID card which every employee must use to gain entry access into the building.

277. All incoming EOI requests are addressed to the authorised Competent Authority (the Director of Tax Department or the Director of Policy Affairs). In practice, incoming EOI requests are scanned, registered and given a bar code upon receipt by the Tax Department as part of the regular incoming mail process of the Ministry of Finance. Two persons working within the Follow-up Section of the Tax Department have access to the incoming mail registered on this system.

278. Once registered, the incoming EOI requests are received by the Director of Tax Department or the Director of Policy Affairs who then sends the request to the EOI unit for processing. The EOI Unit Operational Manual sets out guidelines that the incoming requests should only be handled by the EOI unit within the Tax Department. Currently, the EOI unit comprises of the Head of the International Agreement Section and two EOI officers (all of whom are authorised representatives of the Competent Authority). According to the EOI Manual, incoming EOI requests are to be directed to the Head of the International Agreement Section. The Manual provides that incoming EOI requests are to be entered into an EOI request register by an EOI officer where the date of receipt, sender, subject and status of the request is recorded. Only the EOI unit has access to this register. EOI request files, like all files regarding issues related to treaties are kept in paper form in a locked filing system to which only the Head of the International Agreement Section 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.

279. 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.

280. 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.

281. As discussed in the report under element C.5, two EOI requests that were received during the review period were misplaced within the EOI unit. Qatari officials explained that the misplaced EOI requests may have been a result of a variety of factors, including: (i) the restructuring of the EOI unit (as part of a larger restructuring of the Tax Department); (ii) the change of four Directors of the Tax Department, overseeing the EOI unit, during the review period; (iii) the lack of EOI unit staff; and (iv) the move of the Ministry of Finance to new premises.

282. It is not clear whether the EOI requests were misplaced in the move of the Ministry of Finance from the old premises to the new premises. The move to new premises was an isolated incident and the files were never lost outside of the EOI unit in the Tax Department, accordingly, this occurrence is not viewed as indicative of the Tax Department's confidentiality practices.

283. The misplaced requests were located by EOI officers within the EOI unit in December 2016. According to the EOI officers, these requests were never misplaced outside of the EOI unit. At all times the information was protected from unauthorised disclosure. No breach of confidentiality was encountered during the review period either in a domestic or in an EOI context, and the issue of misplaced requests has been attributed to the organisational processes as discussed under element C.5 of this report. No issues regarding confidentiality of information have been raised by Qatar's EOI partners., Qatar should ensure that, in the future, should EOI files need to be relocated; proper measures to protect their confidentiality and ensure their whereabouts are applied.

### ***ToR C.3.2: Confidentiality of other information***

284. The confidentiality provisions in Qatar's exchange of information agreements and domestic law do not draw a distinction between information received in response to requests or information forming part of the requests themselves. As such, these provisions apply equally to 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. In practice, the same confidentiality rules apply in respect of all information received from Qatar's EOI agreement partners.

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

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

##### *ToR C.4.1: Exceptions to requirement to provide information*

285. The first round review concluded that Qatar’s legal framework and practices concerning rights and safeguards of taxpayers and third parties are in line with the standard. There has been no change in this area reported since the first round review.

286. All of Qatar’s EOI agreements signed after the first round review allow for exception from the obligation to provide the requested information akin to the exemption in the standard.

287. As discussed in section B.1.5, there was no case during the period under review where a person refused to provide the requested information because of professional privilege. Qatar also did not decline to provide the requested information during the period under review because it is covered by legal professional privilege or any other professional secret and no peer indicated any issue in this respect.

288. The table of determinations and ratings therefore remains as follows:

Legal and Regulatory Framework
<b>Determination: This element is in place.</b>
Practical implementation of the standard
<b>Rating: Compliant</b>

#### C.5. Requesting and providing information in an effective manner

The jurisdiction should request and provide information under its network of agreements in an effective manner.

289. In order for exchange of information to be effective, jurisdictions should request and provide information under its network of EOI mechanisms in an effective manner. In particular:

- *Responding to requests:* Jurisdictions should be able to respond to requests within 90 days of receipt by providing the information requested or provide an update on the status of the request.

- *Organisational processes and resources*: Jurisdictions should have appropriate organisational processes and resources in place to ensure quality of requests and quality and timeliness of responses.
- *Restrictive conditions*: EOI assistance should not be subject to unreasonable, disproportionate, or unduly restrictive conditions.

290. It was concluded in the 2013 Report that Qatar had sufficient resources and procedures in place to allow for effective EOI by Qatar in the absence of a significant increase in the number of incoming EOI requests. However, there was an incoming EOI request that had been misplaced during the review period and; therefore, it was recommended that Qatar monitor the practical implementation of the organisational processes of the EOI unit as well as the level of resources committed to EOI purposes.

291. During the review period (1 July 2013-30 June 2016), Qatar received five EOI requests. One peer also indicated that they sent Qatar an EOI request in 2010, which had been partially responded too in 2013 but remained outstanding. Qatar indicated that this request had been misplaced. During the review period, Qatar partially responded to one request within one year of receiving the request.<sup>30</sup> With respect to the second request, Qatar considers that it fully responded within one year of receiving the request; however, peer input indicates that the response was not complete. The third request was declined because, according to Qatar, the request had not been signed by the requesting jurisdiction. The requesting jurisdiction indicated that the request had been signed by the competent authority, but that it is possible that when Qatar was validating the request, the individual's name from the requesting jurisdiction was no longer listed as a competent authority. The two other incoming requests were not responded to during the review period because they were misplaced. All of the requests were found by the EOI unit in December 2016. Since then, Qatar has fully responded to one of the requests and is processing the other outstanding requests (including the initially declined request).

292. It is acknowledged that, similar to the time of the 2013 Report, Qatar underwent a restructuring of its EOI unit (as part of a larger restructuring of the Tax Department), which resulted in some disorganisation and negatively impacted EOI. Qatar has not taken any steps, since the 2013 Report, to improve its EOI practice. The issues identified in the 2013 Report are recurring at the time of the current peer review, and, in fact, the concerns raised

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30. Qatar provided the requested ownership information (including beneficial ownership information), accounting and banking information with respect to one person subject to the request; however, Qatar sought clarification from the requesting jurisdiction with respect to the second person subject to the request, but the requesting jurisdiction did not respond to Qatar.

in the 2013 Report relating to this element have been enhanced because there have been an increased number of misplaced EOI requests.

293. The new table of determinations and ratings is as follows:

<b>Determination: Not applicable</b>		
<b>Practical implementation of the standard</b>		
	<b>Underlying Factor</b>	<b>Recommendation</b>
<b>Deficiencies identified in the implementation of EOIR in practice</b>	Qatar has experienced difficulties during the review period to answer EOI requests in a timely manner due to a variety of reasons relating to organisational issues within the EOI unit. As a result of these issues, several EOI requests were misplaced, including an EOI request that Qatar received in 2010.	Qatar should ensure that the organisational processes and level of resources committed to EOI purposes are adequate in order to answer EOI requests in a timely manner in all cases.
<b>Rating: Partially Compliant</b>		

### ***ToR C.5.1: Timeliness of responses to requests for information***

294. Qatar counts each written request from an EOI partner as one EOI request even where more than one person is the subject of an inquiry and/or more than one piece of information is requested. Over the period under review (1 July 2013-30 June 2016), Qatar received a total of five requests for information. One peer also indicated that they sent Qatar an EOI request in 2010. The 2013 Report noted that this request had been misplaced, subsequently found and was being processed. The peer indicated that since the 2013 Report, a partial response had been received from Qatar but that the request remained outstanding.

295. The information requested in these requests<sup>31</sup> related to (i) ownership and identity information (four cases), (ii) accounting information (three cases),<sup>32</sup> and (iii) banking information (two cases). Information that was

31. Please note that some requests entailed more than one information category.

32. Of the three EOI requests seeking accounting information, one request was declined; Qatar sought clarification but did not receive a response from the other jurisdiction; and Qatar provided the requested information to the third request.



requested<sup>33</sup> was in respect of: (i) companies (two cases) and (ii) individuals (eight cases).

296. For the period under review (1 July 2013-30 June 2016), the number of requests where Qatar answered within 90 days, 180 days, one year or more than one year, are tabulated below.

### Statistics on response time

	1 <sup>st</sup> year		2 <sup>nd</sup> year		3 <sup>rd</sup> year		Total	
	Num.	%	Num.	%	Num.	%	Num.	%
Total number of requests received	1	20	1	20	3	60	5	100
Full response: ≤90 days	0	0	0	0	0	0	0	0
≤180 days (cumulative)	0	0	0	0	0	0	0	0
≤1 year (cumulative)	0	0	1	20	0	0	1	20
>1 year	0	0	0	0	0	0	0	0
Declined for valid reasons	0	0	0	0	1	20	1	20
Status update provided within 90 days (for responses sent after 90 days)	0	0	0	0	0	0	0	0
Requests withdrawn by requesting jurisdiction	0	0	0	0	0	0	0	0
Failure to obtain and provide information requested	0	0	0	0	0	0	0	0
Requests still pending at date of review	1	20	0	0	2	40	3	60

Qatar counts each written request from an EOI partner as one EOI request even where more than one person is the subject of an inquiry and/or more than one piece of information is requested.

The time periods in this table are counted from the date of receipt of the request to the date on which the final and complete response was issued.

297. During the review period, Qatar received five EOI requests.<sup>34</sup> Qatar partially responded to one request within one year of receiving the request.<sup>35</sup> Qatar considers that it fully responded to a second request within one year of receipt; however, peer input indicates that the response was not complete. The third request was declined because, according to Qatar, the request had not been signed by the requesting jurisdiction. The requesting jurisdiction

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33. Please note that some requests entailed more than one entity type.
34. One peer also indicated that they sent Qatar an EOI request in 2010, which had been partially responded too in 2013 but remained outstanding.
35. Qatar provided the requested ownership information (including beneficial ownership information), accounting and banking information with respect to one person subject to the request; however, Qatar sought clarification from the requesting jurisdiction with respect to the second person subject to the request, but the requesting jurisdiction did not respond to Qatar.

indicated that the request had been signed by the competent authority, but that it is possible that when Qatar was validating the request, the individual's name from the requesting jurisdiction was no longer listed as a competent authority. The other two EOI requests, although they were received by the Qatar competent authority, were misplaced in the offices of the EOI unit. The EOI unit became aware of the missing requests during the commencement of the peer review process in December 2016. All of the requests were located by the EOI unit after a search and followed-up with the requesting jurisdictions. Qatar has fully responded to one of requests and is processing the other outstanding requests (including the initially declined request).

298. Accordingly, the average response time, during the review period, is more than one year. This significant delay is not due to any legal or regulatory requirements preventing Qatar from responding to an EOI request in a timely manner. The EOI Unit Operational Procedures Manual sets out clear internal deadlines to ensure that EOI requests are responded to in a timely manner. Qatari officials explained that the delay in responding to EOI requests is due to a variety of factors, including: (i) the restructuring of the EOI unit (as part of a larger restructuring of the Tax Department); (ii) the change of four Directors of the Tax Department, overseeing the EOI unit, during the review period; (iii) the lack of EOI unit staff; and (iv) possibly, the move of the Ministry of Finance to new premises.

299. Several peers indicated that they did not receive acknowledgements of requests or status updates from Qatar. Also, peers had sent reminders to Qatar, but they did not receive a response. Qatari officials explained that this was due to the incoming EOI requests being misplaced as a result of organisational and resource issues.

### ***ToR C.5.2: Organisational processes and resources***

300. The 2013 Report recommended that Qatar monitor the practical implementation of the organisational processes of the new 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. Qatar has not taken any measures to the EOI organisational processes or resources since the first round review. The sections below summarise Qatar's current practices in handling incoming and outgoing requests.

#### *Incoming requests*

301. 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 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. The EOI Manual does not set out a process for providing an update or status report to its EOI partners in situations when the EOI unit is unable to provide a substantive response within 90 days. It is therefore recommended that Qatar update the EOI Manual and put in place internal procedures to provide status updates to EOI partners when needed.

302. 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.

303. Where the requested information is not held by the Tax Department, the Manual indicates that the requested information should be obtained from other parties. In particular, the Tax Department 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.

304. 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 MoUs between the Ministry of Economy and the QFC Tax Authority and the QCB respectively.

305. 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.

306. Officials from the EOI unit have reported that there was no delay in gathering information and where requested from third parties, it was provided within 30 days to the Tax Department. Nevertheless, due to the misplacement of the EOI requests, there were considerable delays in providing the requested information. It is also noted that over the review period, Qatar did not provide status updates to its EOI partners despite several requests for it to do so.

### *Internal deadlines*

307. As already mentioned above, the procedure followed by the EOI unit for handling incoming EOI requests is set out in the EOI Unit Operational Procedures Manual. The 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.

308. Monitoring of deadlines is the primary responsibility of the EOI Unit officer handling the case. Monitoring at the level of the EOI Unit is done on a continuous basis through checking of the EOI Unit's spreadsheet containing received requests.

### *Outgoing requests*

309. The 2016 ToR also include a requirement to ensure the quality of requests made by the assessed jurisdiction.

310. The EOI Unit Operational Procedures manual does not contain procedures with regards to sending an EOI request. It is therefore recommended that the EOI unit develop procedures for outgoing requests and consider developing a template for outgoing requests which could be akin to the model request developed by the OECD.

311. During the review period, Qatar did not send any EOI requests.

### *Communication*

312. Qatar accepts requests in English or Arabic. If the request is not in one of these languages the requesting competent authority will be asked to translate the request. Requests received in one of these languages do not need to be translated and are immediately processed by the EOI unit. Qatar considers the date of receipt of a request, that need to be translated, is the date upon which Qatar receives the translated version of the request. Qatar sends outgoing requests in English or in Arabic.

313. Internal communication within the tax administration is carried through emails within internal communication network or phone calls.

314. External communication with other competent authorities is carried out mainly through regular post or by encrypted e-mails. Use of standard post may delay receipt of the communication and does not protect confidentiality

of exchanged information in all cases. Qatar is therefore recommended to further strengthen use of more effective communication tools with its treaty partners for example through more frequent use of emails with encrypted attachments or registered post.

### *Training*

315. During the review period, members of the EOI unit were well trained and experienced to handle the volume and complexity of EOI requests Qatar was receiving. Also, training sessions for the auditing team of the Tax Department were held to familiarise them with the EOI process, for example on the aspects of confidentiality and when to send requests.

316. However, in July 2016 (the month following the review period), the Department of Finance underwent major structural changes and the EOI unit now comprises of three staff who have limited experience with the EOI process. Their educational qualification varies with backgrounds in legal and accounting fields. Training to familiarise the new EOI unit members with the EOI process is required. One EOI unit member attended an EOI training event hosted by the OECD in April 2017.

### ***ToR C.5.3: Unreasonable, disproportionate or unduly restrictive conditions for EOI***

317. Exchange of information should not be subject to unreasonable, disproportionate or unduly restrictive conditions. There are no factors or issues identified that could unreasonably, disproportionately or unduly restrict effective EOI in Qatar.



## **Annex 1: Jurisdiction’s response to the review report<sup>36</sup>**

This annex is left blank because Qatar has chosen not to provide any material to include in it.

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

## Annex 2: List of Jurisdiction's EOI mechanisms

### 1. Bilateral agreements for the exchange of information

EOI partner	Type of agreement	Date signed	Date of ratification by the assessed jurisdiction	Date entered into force
Albania	DTC	18 October 2011	14 July 2012	14 July 2012
Algeria	DTC	3 July 2008	15 March 2011	15 March 2011
Armenia	DTC	22 April 2002	1 January 2008	1 January 2008
Austria	DTC	30 December 2010	7 March 2012	7 March 2012
Azerbaijan	DTC	28 August 2007	24 February 2008	24 February 2008
Bangladesh	DTC	4 February 2015	Not yet in force	Not yet in force
Barbados	DTC	6 December 2012	3 November 2013	3 November 2013
Belarus	DTC	3 April 2007	14 November 2007	14 November 2007
Belgium	DTC	6 November 2007	Not yet in force	Not yet in force
Bermuda	DTC	10 May 2012	Not yet in force	Not yet in force
Bosnia and Herzegovina	DTC	21 July 2010	27 July 2011	27 July 2011
Brunei Darussalam	DTC	17 January 2012	26 August 2016	26 August 2016
Bulgaria	DTC	22 March 2010	22 December 2010	23 December 2010
Cayman Islands	TIEA	26 October 2012	Not yet in force	Not yet in force
Chad	DTC	21 November 1999	8 December 1999	8 December 1999
China (People's Republic of)	DTC	2 April 2001	21 October 2008	21 October 2008
Croatia	DTC	24 June 2008	6 April 2009	6 April 2009



EOI partner	Type of agreement	Date signed	Date of ratification by the assessed jurisdiction	Date entered into force
Cuba	DTC	7 November 2006	1 January 2009	1 January 2009
Cyprus <sup>1</sup>	DTC	11 November 2008	20 March 2009	20 March 2009
Denmark	TIEA	6 September 2013	11 April 2014	11 April 2014
Ecuador	DTC	22 October 2014	22 September 2016	22 September 2016
Ethiopia	DTC	10 April 2013	Not yet in force	Not yet in force
Faroe Islands	DTC	6 September 2013	2 April 2014	2 April 2014
Fiji	DTC	17 June 2013	Not yet in force	Not yet in force
Finland	TIEA	6 September 2013	Not yet in force	Not yet in force
Former Yugoslav Republic of Macedonia	DTC	28 January 2008	13 October 2008	13 October 2008
France	DTC	4 December 1990	1 December 1994	1 December 1994
	Protocol	14 January 2008	23 April 2009	23 April 2009
Gabon	DTC	18 November 2015	Not yet in force	Not yet in force
Gambia	DTC	18 November 2014	Not yet in force	Not yet in force
Georgia	DTC	20 December 2010	11 March 2011	11 March 2011
Greece	DTC	27 October 2008	21 March 2010	21 March 2010
Greenland	TIEA	6 September 2013	11 April 2014	11 April 2014
Guernsey	DTC	22 February 2013	11 July 2013	11 July 2013
Hong Kong (China)	DTC	13 May 2013	5 December 2013	5 December 2013
Hungary	DTC	18 January 2012	21 April 2012	21 April 2012
Iceland	TIEA	6 September 2013	Not yet in force	Not yet in force
India	DTC	7 April 1999	5 January 2000	5 January 2000
Indonesia	DTC	30 April 2006	19 September 2007	19 September 2007
Iran	DTC	18 July 2000	21 September 2010	21 September 2010
Ireland	DTC	21 June 2012	13 December 2013	1 January 2014
Isle of Man	DTC	6 May 2012	15 November 2012	15 November 2012
Italy	DTC	15 October 2002	7 February 2011	7 February 2011
Japan	DTC	20 February 2015	30 December 2015	30 December 2015

EOI partner	Type of agreement	Date signed	Date of ratification by the assessed jurisdiction	Date entered into force
Jersey	DTC	20 March 2012	22 November 2012	22 November 2012
Jordan	DTC	12 January 2004	31 December 2008	31 December 2008
Kazakhstan	DTC	19 January 2014	5 April 2015	5 April 2015
Kenya	DTC	23 April 2014	25 June 2015	25 June 2015
Korea	DTC	27 March 2007	15 April 2009	15 April 2009
Kyrgyzstan	DTC	1 June 2014	4 May 2015	4 May 2015
Latvia	DTC	26 September 2014	1 January 2015	1 January 2015
Lebanon	DTC	23 January 2005	1 January 2010	1 January 2010
Luxembourg	DTC	3 July 2009	4 May 2010	4 May 2010
Malaysia	DTC	3 July 2008	29 January 2009	29 January 2009
	Protocol	16 February 2011	Not yet in force	Not yet in force
Malta	DTC	26 August 2009	9 December 2009	9 December 2009
Mauritania	DTC	25 December 2003	Not yet in force	Not yet in force
Mauritius	DTC	28 July 2008	28 July 2009	28 July 2009
Mexico	DTC	14 May 2012	9 March 2013	1 January 2014
Monaco	DTC	16 September 2009	15 June 2010	15 June 2010
Morocco	DTC	17 March 2006	7 April 2009	7 April 2009
Nepal	DTC	15 October 2007	9 May 2009	9 May 2009
Netherlands	DTC	24 April 2008	1 January 2010	1 January 2010
Nigeria	DTC	28 February 2014	Not yet in force	Not yet in force
Norway	DTC	29 June 2009	27 December 2009	27 December 2009
Pakistan	DTC	16 April 1999	28 March 2000	28 March 2000
Panama	DTC	23 September 2010	5 May 2011	5 May 2011
Philippines	DTC	14 December 2008	11 May 2011	11 May 2011
Poland	DTC	18 November 2008	30 December 2009	30 December 2009
Portugal	DTC	18 November 2008	30 December 2009	30 December 2009
Romania	DTC	4 October 1999	4 September 2003	4 September 2003
Russia	DTC	20 April 1998	19 January 2000	19 January 2000
San Marino	DTC	17 March 2013	9 December 2013	9 December 2013
Senegal	DTC	10 June 1998	11 January 2000	11 January 2000
Serbia	DTC	2 October 2009	9 December 2010	9 December 2010
Seychelles	DTC	1 July 2006	6 May 2007	6 May 2007

EOI partner	Type of agreement	Date signed	Date of ratification by the assessed jurisdiction	Date entered into force
Singapore	DTC	28 November 2006	5 October 2007	5 October 2007
	Protocol	22 September 2009	1 January 2012	1 January 2012
Slovenia	DTC	10 January 2010	1 December 2010	1 December 2010
South Africa	DTC	6 March 2015	2 December 2015	2 December 2015
Spain	DTC	10 September 2015	Not yet in force	Not yet in force
Sri Lanka	DTC	7 November 2004	2 April 2007	2 April 2007
Sudan	DTC	30 June 1998	1 January 2014	1 January 2014
Sweden	TIEA	6 September 2013	11 April 2014	11 April 2014
Switzerland	DTC	25 September 2009	15 December 2010	15 December 2010
Syrian Arab Republic	DTC	23 October 2003	27 April 2006	27 April 2006
Tunisia	DTC	8 March 1997	1 January 1999	1 January 1999
Turkey	DTC	25 December 2001	11 February 2008	11 February 2008
	Protocol	18 December 2016	Not yet in force	Not yet in force
United Kingdom	DTC	25 June 2009	15 October 2010	15 October 2010
	Protocol	20 October 2010	27 July 2011	27 July 2011
Venezuela	DTC	28 July 2006	30 July 2007	30 July 2007
Viet Nam	DTC	8 March 2009	1 January 2012	1 January 2012
Yemen	DTC	7 August 2000	1 January 2008	1 January 2008

*Note:* 1. 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”.

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.

## **2. Convention on Mutual Administrative Assistance in Tax Matters (as amended)**

The Convention on Mutual Administrative Assistance in Tax Matters was developed jointly by the OECD and the Council of Europe in 1988 and amended in 2010 (the MAAC).<sup>37</sup> The MAAC is the most comprehensive multilateral instrument available for all forms of tax co-operation to tackle tax evasion and avoidance, a top priority for all jurisdictions.

The 1988 Convention was amended to respond to the call of the G20 at its April 2009 London Summit to align it to the international standard on exchange of information on request and to open it to all countries, in particular to ensure that developing countries could benefit from the new more transparent environment. The amended MAAC was opened for signature on 1st June 2011.

Qatar has not signed the MAAC but they have sent their request to be invited to become a party to the MAAC.

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37. The amendments to the 1988 Convention were embodied into two separate instruments achieving the same purpose: the amended Convention which integrates the amendments into a consolidated text, and the Protocol amending the 1988 Convention which sets out the amendments separately.

## **Annex 3: List of laws, regulations and other material received**

### **Administrative procedures laws**

Qatar Financial Centre Law, Law No. 7 of 2005  
QFC Authority Regulations (Regulations No. 9 of 2006)  
QFCA Rules (June 2016)  
QFCRA General Rules 2005

### **Anti-money laundering laws**

Combating Money Laundering and Terrorism Financing Law, Law No. 4 of 2010  
Qatar Financial Markets Authority Law, Law No. 8 of 2012  
AML/CFT Regulations for Financial Institutions 2010 (15 June 2010)  
AML/CFT Rules 2010 – QFMA  
AML/CFT (Professions, Real Estate Agents and Dealers in Precious Metals or Stones) Rules 2011  
Anti-Money Laundering and Combating Terrorist Financing Rules 2010 (QFCRA Rules 2015-3)

### **Banking laws**

Law of the Qatar Central Bank and the Regulation of Financial Institutions, Law No. 13 of 2012  
QFC Financial Services Regulations (2010-2)

## **Company laws**

- Commercial Companies Law, Law No. 5 of 2002
- Commercial Companies Law, Law No. 11 of 2015
- Commercial Register Executive Regulations (Regulations No. 25 of 2005)
- Private Institutions of Public Benefit, Law No. 21 of 2006
- Associations and Private Foundations, Law No. 12 of 2004
- Law on Waqfs, Law 8 of 1996 as amended by Decree Law 35 of 2006
- Law on Waqf funds, Ministerial Decision 20 of 1996
- QFC Companies Regulations (Regulation No. 2 of 2005)
- QFC Companies Rules (March 2015)
- QFC Limited Liability Partnership Regulations (Regulation No. 7 of 2005)
- QFC Limited Liability Partnership Rules (December 2011)
- QFC Partnership Regulations (Regulation No. 13 of 2007)
- QFC Trust Regulations (Regulation No. 12 of 2007)
- QFC Foundation Regulations (Regulation No. 18 of 2016)
- QFC Single Family Office Regulations (Regulation No. 16 of 2012)
- QFC Special Company Regulations (Regulation No. 15 of 2012)

## **Taxation laws**

- Income Tax Law, Law No. 21 of 2009
- Executive Regulations of the Income Tax Law, issued by way of Law No. 21 of 2009
- QFC Tax Regulations (Regulation No. 14 of 2007)
- QFC Tax Rules (July 2011)

## **Other legislation**

- Foreign Investment Law, Law No. 13 of 2000
- Law Practice Code, No. 23 of 2006

Qatar Financial Centre Law, Law No. 7 of 2005

QFC Employment Regulations (May 2016)

Regulating Control of Accounts, Law No. 30 of 2004

### **Other materials**

Exchange of Information Unit Operational Procedures

## **Annex 4: Authorities interviewed during on-site visit**

### **Ministry of Finance**

Tax Department  
Office of Legal Affairs  
Head of International Tax Agreement

### **Ministry of Economy and Commerce**

### **Ministry of Justice**

### **Ministry of Administrative Development, Labour and Social Affairs**

Head of Labour Affairs  
Head of Finance

### **Ministry of Foreign Affairs**

### **Ministry of Endowment and Islamic Affairs**

### **Qatar Central Bank**

Head of AMLCFT  
Head of Planning and Mutual Evaluation  
FATCA Unit



## **Qatar Financial Markets Authority**

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

General Secretariat

## **Qatar Financial Centre**

QFC Tax Department

Companies Registration Office

QFC AML Authority

QFC Regulatory Authority

## **Representatives of service providers**

Qatar National Bank

PwC

## Annex 5: List of in-text recommendations

The assessment team or the PRG may identify issues that have not had and are unlikely in the current circumstances to have more than a negligible impact on EOIR in practice. Nevertheless, there may be a concern that the circumstances may change and the relevance of the issue may increase. In these cases, a recommendation may be made; however, such recommendations should not be placed in the same box as more substantive recommendations. Rather, these recommendations can be mentioned in the text of the report. A list of such recommendations is presented below.

- Section A.1.3: Qatar should consider ensuring that beneficial ownership information regarding silent partners of a limited partnership company is available.
- Section C.1.1: Qatar should continue to work with all its EOI partners to bring its existing exchange of information agreements in line with the standard.
- Section C.2: As the standard ultimately requires that jurisdictions establish an EOI relationship up to the standard with all partners who are interested in entering into such relationship, Qatar is recommended to maintain its negotiation programme so that its exchange of information network continues to cover all relevant partners.
- Section C.3.1: Qatar should ensure that, in the future, should EOI files need to be relocated; proper measures to protect their confidentiality and ensure their whereabouts are applied.
- Section C.5.2: It is recommended that Qatar update the EOI Manual and put in place internal procedures to provide status updates to EOI partners where it is not possible to provide a substantial response within 90 days.
- Section C.5.2: It is recommended that the EOI unit develop procedures for outgoing requests and consider developing a template for outgoing requests which could be akin to the model request developed by the OECD.
- Section C.5.2: Qatar is recommended to further strengthen use of more effective communication tools with its treaty partners for example through more frequent use of emails with encrypted attachments or registered post.

## **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.

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GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE  
OF INFORMATION FOR TAX PURPOSES

**Peer Review Report on the Exchange of Information  
on Request QATAR 2017 (Second Round)**

The Global Forum on Transparency and Exchange of Information for Tax Purposes is a multilateral framework for tax transparency and information sharing, within which over 140 jurisdictions participate on an equal footing.

The Global Forum monitors and peer reviews the implementation of international standard of exchange of information on request (EOIR) and automatic exchange of information. The EOIR provides for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. All Global Forum members have agreed to have their implementation of the EOIR standard be assessed by peer review. In addition, non-members that are relevant to the Global Forum's work are also subject to review. The legal and regulatory framework of each jurisdiction is assessed as is the implementation of the EOIR framework in practice. The final result is a rating for each of the essential elements and an overall rating.

The first round of reviews was conducted from 2010 to 2016. The Global Forum has agreed that all members and relevant non-members should be subject to a second round of review starting in 2016, to ensure continued compliance with and implementation of the EOIR standard. Whereas the first round of reviews was generally conducted as separate reviews for Phase 1 (review of the legal framework) and Phase 2 (review of EOIR in practice), the EOIR reviews commencing in 2016 combine both Phase 1 and Phase 2 aspects into one review. Final review reports are published and reviewed jurisdictions are expected to follow up on any recommendations made. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, please visit [www.oecd.org/tax/transparency](http://www.oecd.org/tax/transparency).

This report contains the 2017 Peer Review Report on the Exchange of Information on Request of Qatar.

Consult this publication on line at <http://dx.doi.org/10.1787/9789264280328-en>.

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