Doing Business in Qatar

Preface

This book was prepared by Ernst & Young, Qatar. It was written to give the busy executive a quick overview of the investment climate, taxation, forms of business organisation, and business and accounting practices in Qatar. Making decisions about foreign operations is a complex process. It requires an intimate knowledge of a country's commercial climate, with a realisation that the climate can change overnight. Companies doing business in Qatar, or planning to do so, are well advised to obtain current and detailed information from experienced professionals. **This book reflects information current at 30 November 2006.**

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Ernst & Young
P O Box 164
Doha
Qatar

3rd Floor
Al-Abdulghani Tower
Airport Road
Doha, State of Qatar

Telephone: (0974) 4414599
Fax: (0974) 4414649

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Ernst & Young Global
787 Seventh Avenue
New York, New York 10019
United States
Telephone : (01-212-773-3000)

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A STATE OF QATAR - EXECUTIVE SUMMARY

Qatar's strength is derived from its oil and gas revenues which has made it one of the wealthiest countries in the world in terms of per capita income. Qatar has had one of the fastest growing economies in the world in recent years. Economic growth has been underpinned by revenues generated from the North Field gas reserves, the development of which continues to attract major foreign inward investment. The Government of Qatar has ownership interests in several economic sectors, including oil and gas production, petrochemicals, and the steel and fertilizer industries. Government policy in recent years has recognised the need to promote greater private investment in core industrial projects. The Government has actively promoted equity participation by Qatari and foreign investors in the business sector and has limited its investment activity to areas in which private capital is unavailable or government participation is believed to be in the national interest. Additionally, the Government has promoted initiatives such as the Qatar Financial Centre, Qatar Science & Technology Park and Free Trade Zones, with purpose built facilities being offered to foreign investors to set up businesses in these areas allowing for 100% foreign equity investment and a range of economic incentives for potential investors.

A.1 Regulatory Constraints and Reliefs

Exchange Controls

Qatar has a stable currency and imposes no foreign exchange controls.

Foreign ownership of Business

A non-Qatari person, whether natural or juristic, may engage in commercial activities provided the foreign participation in the entity does not exceed 49%. The Government allows up to 100% foreign ownership in certain business sectors including agriculture, manufacturing, health, education, tourism, power and projects which develop and utilise the State's natural resources. Commercial agency and real estate trading activities are reserved only for Qataris. Foreign ownership in the domestic banking and insurance sectors requires the approval of the Council of Ministers. The Government is gradually opening up investment in the real estate sector to foreigners. Citizens of the Gulf Cooperation Council (GCC) States may own land and buildings in the Lusail, Al Kharaij and Jebel Thiyab districts of Qatar. Foreign expatriates may lease properties in 18 specified areas for 99 years with renewal options. In addition, the foreign investment regulations provide for the allotment of land for new investment projects for a term of up to 50 years.

A.2 Government Attitudes and Incentives

The Government welcomes foreign investors and is keen to promote projects involving the transfer of foreign expertise and technology to the Qatari economy.

The Government grants the following incentives to industrial projects which contribute to the further expansion of the industrial base.

- Industrial facilities at a nominal rent.

- Low cost water and electricity.

- Tax holidays where the projects involve significant foreign inward investment.

- Customs duty exemptions on imported equipment and raw materials in the construction phases of projects.

- Customs duty exemptions in respect of imports of raw materials and semi-finished goods for manufacturing projects, where these materials and goods are not available locally.

A.3 Tax System

Employee earnings are not taxed. Self employed foreign professionals are subject to income tax on their business profits. Corporate income tax is levied only on foreign entities operating and earning income in Qatar. Tax rates range from nil on profits up to QR 100,000, to 35% on profits over QR 5,000,000. Tax rates are progressive. Customs duty is levied at 5%.

Social Security and Severance Payments

There are no social security insurance contribution requirements or other statutory employment related deductions, nor any similar contributions required from employers. Qatar Labour Law requires all private sector business entities to pay terminal benefits for all employees at the rate of 3 weeks pay per annum.

The Government operates a contributory pension scheme for Qatari employees. The scheme applies to Qatari employees in the State and public sector. Employees are required to contribute 5% of their salary to a Pension Fund operated by the General Corporation for Retirement and Pensions and the employer’s funding obligation equals 10%.

A.4 Financial Reporting and Audit Requirements

All limited liability companies are required to have auditors appointed by a general assembly of shareholders every year. International Financial Reporting Standards issued by the International Accounting Standards Board must be followed in the preparation of financial statements.

All quoted companies are required to publish six monthly financial information reviewed by external auditors.

B Business Environment

B.1 Investment and Business Environment

The government is heavily involved in the country's commerce and industry as the economy is vulnerable to outside forces. It is, however, stated government policy to promote the private sector and it offers a range of industrial incentives to investors. The foreign capital investment law enacted in October 2000, allows for majority owned foreign investments in specific projects in the health, tourism, education, agriculture, power and manufacturing sectors.

The Government has taken active steps towards the privatization of certain business sectors such as health, telecommunications, electricity and water, petrochemicals and the steel sector, and this policy is likely to expand to other core industrial entities in future years.

B.2 Energy and Natural Resources

Oil, gas and related petrochemical indicators are the most important economic sectors in Qatar.

Oil

Oil was first discovered in 1940 in the onshore Dukhan field in the western part of the country. In 1960 the first offshore oil well was discovered at Idd El-Shargi and subsequently a further three offshore fields were discovered. In November 2005, crude oil production was 809,000 barrels a day and Qatar Petroleum (QP) plans to increase oil capacity to one million barrels a day by 2009 by developing proven reserves and upgrading existing production facilities. Proven recoverable oil reserves are estimated at 25 billion barrels. Oil reserves at current production levels are anticipated to last for more than 50 years.

Gas

Qatar possesses nearly 14.3% of the world's proven gas reserves, all concentrated in one field known as the North Gas Field. The North Gas Field was discovered offshore to the north east of Qatar in 1971 and is possibly the largest non oil-associated gas field in the world. It covers an area of approximately 10,000 square kilometres. The field's estimated reserves of non oil associated gas contain 910 trillion standard cubic feet (TCF) and 23 billion barrels of condensate. At the ultimate planned production rate of 2,400 million standard cubic feet per day, the field life will approach 200 years.

Oil associated gas is produced from onshore and offshore oil fields and provides feedstock for the main gas based industries at Mesaieed including fertilizers, steel and petrochemicals. The gas is also used to fuel Qatar's power generation and water desalination plants.

Development of North Gas Field

The exploitation of the North Gas Field is ongoing. North Field gas is transported onshore by pipeline to Ras Laffan. Ras Laffan is approximately 80 kilometres from Doha and is the centre for LNG production and has become the prime location for a range of gas based industrial projects. Development of natural gas production and marketing facilities is seen as a guarantee of long term prosperity for the country and a base for the development of non oil related manufacturing facilities. There are currently two liquefied natural gas (LNG) projects exporting gas to markets in the Far East, India and Europe under long term sales contracts.

The overall scheme for the development of the North Gas Field provides for the raw gas output to be utilised as follows:

- for local use, a portion of the gas will be used in the expansion of certain of the existing industries at Mesaieed; as feedstock for proposed new industries; and to meet Qatar's power generation and water desalination requirements.

- for export by pipeline to neighbouring countries.

- for refining as condensate and NGL for export.

- as feedstock for the production of LNG which is shipped by bulk carrier to worldwide markets.

- as feedstock for gas to liquids projects, aimed at converting the gas into liquid products such as naphtha, transport fuels, paraffin and base oils.

Ras Laffan City has developed a port expansion plan to cater for the future growth of industries at Ras Laffan including the expansion of the LNG, GTL and gas treatment facilities and the addition of a range of petrochemical and aromatics projects. Upon completion of the final expansion, the port is expected to be at least four times larger than its current size and will be capable of supporting a total product outflow of 229 million tonnes per annum.

B.3 Economic Trends and Performance

Gross Domestic Product

The country's economic structure has been heavily dependent on oil since its discovery in 1940. The pace of development of the basic infrastructure in the State and the planned industrialisation have been influenced by revenue levels from oil sales. Revenues from the oil and gas sector accounted for nearly 63% of GDP in 2004. Qatar has registered strong GDP growth over recent years, with a record growth rate of 20.5% recorded in 2004. Between 2000 and 2004, Qatar’s nominal GDP has grown at a compound annual growth rate of 12.5%. The Government has taken active steps to promote investment in non oil sectors so as to reduce dependence on oil revenues and to diversify the economy. The development of the North Field Gas reserves will mean that an increasing percentage of GDP will come from natural gas and that natural gas related industries including chemicals, petrochemicals and fertilizers are destined to drive future economic growth in Qatar in the medium to long term future.

The large scale capital investment requirements of the North Gas Field has dictated that the State looks for international financing for the gas projects and other downstream projects. In recent years, the Government has entered into project financing arrangements which have increased total external debt in 2004 to US$ 17 billion, equivalent to approximately 40% GDP.

The strong growth in GDP over recent years is attributable to the increase in revenues from the oil and gas sector, which have been fuelled by oil price increases and the growth in oil and gas production levels. The GDP per capita income of Qatar in 2004 was US$ 42,015, one of the highest in the world.

Government estimates of the inflation rate for 2005/2006 are between 6% to 8%. The strong growth in GDP has been accompanied by rising consumer prices in recent years. The economy is witnessing inflationary pressures with the consumer price index rising by 6.8% in 2004 and it is likely that the 2005 CPI may register inflation rates in excess of Government estimates with a double digit inflation rate being a more likely outcome. The depreciation of the Qatari Riyal, which is fixed against the US Dollar, against the Euro and Yen has meant that imports of goods for consumption in the local market have become more expensive. In addition, real estate rental costs have spiralled upwards due the to the influx of expatriate labour, the increased cost of construction materials and the failure of real estate supply to keep track with demand. The construction boom in the Middle East region in 2005 has fuelled inflationary pressures in the construction sector in Qatar. It is estimated that steel reinforced bar prices have risen by 16% in 2005, aggregate prices have recorded a 95% rise and labour costs have reported increases of between 35% to 50%.

Future Trends

Qatar's budget for 2005/2006 has allocated US$ 3.2 billion for public projects. The budget estimates are based on an oil price of US$ 27 per barrel. With strong oil and gas prices expected over the budgetary period, it is expected that Qatar will post a strong trade surplus in 2005/2006. Revenues from oil, condensates and LNG exports continue to inject significant positive cash flows into the economy. With a favourable oil and gas price environment, the State will be able to increase its external reserves and also release additional funding for infrastructure development and enhancement in the State.

The impact of this additional government spending has been obvious in the economy in 2005 with all sections of the economy experiencing rapid growth. The Government is committed to a significant investment programme over the medium term with estimates of US$ 100 billion in expenditure, including US$ 75 billion in the oil and gas sector, US$ 15 billion for infrastructure and US$ 10 billion for tourism, leisure and cultural projects.

The construction sector has witnessed a major boom over the period 2004/2005 and it is estimated that construction activities worth in excess of US$ 100,000 million were in progress in Qatar at the end of 2005. The surge in construction activity is expected to continue in the medium term future as the country enjoys budget surplus arising from the favourable oil price environment.

The relaxation of barriers to foreign investment in business in Qatar and grant of land ownership rights to GCC and expatriate citizens will facilitate the inward flow of capital to fund new green-field projects in a range of business sectors. Given the current development plans of the Qatar Government, it is anticipated that there will continue to be significant capital development programmes in all sectors of the economy creating promising business opportunities for international and local contractors.

For statistics and economic performance indicators including the balance of payments and government budget, see Appendix 1.

B.4 Currency

The unit of currency is the Qatari Riyal (QR), which is divided into 100 Dirhams. The exchange rate between the Qatari Riyal and the US Dollar has been fixed at a rate of approximately 3.64 Qatari Riyals to one US Dollar.

The exchange value of the Qatari Riyal against other significant currencies as on 30 November 2006 was as follows:

COUNTRY	UNIT	QATARI RIYALS/ UNIT OF CURRENCY
Australia	Dollar	2.8341
Bahrain	Dinar	9.5700
Canada	Dollar	3.1777
Denmark	Kroner	0.6356
European Union	Euro	4.7502
India	Rupee	0.0805
Japan	Yen	0.0309
Norway	Kroner	0.5758
Oman	Riyal	9.3690
Saudi Arabia	Riyal	0.9637
Sweden	Kroner	0.5217
Switzerland	Franc	2.9788
United Arab Emirates	Dirham	0.9820
United Kingdom	Pound	7.0290
United States	Dollar	3.6350
Kuwait	Dinar	12.562

B.5 Economic Structure

The Qatari economy remains overwhelmingly dependent on oil and gas revenues, which made up around 63% of GDP in 2004. Economic activity within the country is directly related to government spending on infrastructure development. The unpredictability of oil prices has meant that the level of such development has been subject to tight budgetary control. The development of the North Gas Field and the expansion of the energy grid has added fresh impetus to the non-oil sector.

The vulnerability of the economy to oil price swings has led the government to look to non-oil sectors as sources of national income. There has been significant government investment in industrial development and steel manufacture, milling, cement, fertilizer and petrochemical industries which have helped to create a strong industrial base.

The service industry accounts for more than half of national output and continued growth is anticipated. The financial sector is healthy and a prudent monetary policy dictated by the Qatar Central Bank has helped to create well capitalised financial institutions.

Labour and skill shortages have encouraged the inflow of large numbers of expatriate staff from Europe, North America and Asia. Government policy dictates that Qatari nationals be employed in all businesses wherever possible. As suitably qualified Qataris come forward, they are replacing expatriates and there has been a gradual reduction in the number of foreigners holding senior positions in Qatari industry in recent years.

B.6 Relationship of Government and Business

General

The Government has adopted an overall development strategy aimed at reducing the country's dependence on oil, bringing about the successful development of North Gas Field reserves, widening the industrial base and promoting the concept of free enterprise in the Qatar private sector.

Regulatory Environment

There are strict regulations controlling foreign investment in certain industries and trade sectors in Qatar including banking, insurance, real estate and commercial agency businesses. There are no exchange control restrictions in Qatar. The Ministry of Economy and Commerce is responsible for regulating prices for certain basic commodities and certain consumer protection regulations are also enforced. The Higher Council for the Environment and Natural Reserves is responsible for the review of environmental aspects of development projects.

The practice of civil engineering in the State is regulated by an Engineers and Classification Board which reports to the Ministry of Municipal Affairs and Agriculture.

Privatisation

Since independence the Government has, of necessity, maintained control of certain key economic sectors including oil and gas production and refining, the petrochemical industry and telecommunications. However, in recent years, the Government has adopted a clear policy of transferring ownership and responsibility for the development of specific business sectors to private investors.

On 3 July 1995, a Decree was issued approving the establishment of the Doha Securities Market (stock exchange). The stock exchange was officially opened in May 1997 and since its inauguration, it has promoted more active investment in local public companies and also facilitated privatisation initiatives.

In May 2003, the Government completed an initial public offering of 30% of the shares of Industries Qatar Q.S.C., a newly formed holding company owning a majority equity stake in companies in the petrochemical, fertiliser and steel industries.

In recent years, the Government has also privatised a number of key sectors including electricity & water, telecommunication and petroleum products distribution. A number of other sectors are targeted for privatisation in the future. The Government has also introduced incentives for private investment in the health sector in order to facilitate the improvement in overall medical services in the State and to reduce undue reliance on the State administered clinics and general hospital network.

B.7 Financial Sector

Banking System

Qatar Central Bank

Qatar Central Bank (QCB) acts as the government's agent to control the country's monetary policy and to monitor the commercial banking system. The Bank also administers the country's relations with international financial agencies, acts as a banker for the government and prints and issues currency notes and coins. The Bank exercises an active supervisory role over the activities of local and foreign banks in Qatar including monitoring the compliance of individual financial institutions with the standards of the Bank of International Settlement. QCB requires all banks operating in Qatar to prepare their financial statements in accordance with accounting standards promulgated by QCB. These standards are broadly in line with International Financial Reporting Standards.

Commercial Banks

Qatar has a well structured network of local banks and branches of foreign banks which provide a full range of banking services. The financial sector is healthy and prudent reserve policies laid down by the Qatar Central Bank has generated continued confidence in the banking system. There are 14 commercial banks including two Islamic banks operating in Qatar. The sector is dominated by Qatar National Bank which is 50% state owned and its assets account for approximately 54 % of all bank assets of the listed Qatari banks.

In August 1997, Qatar Industrial Development Bank commenced operations. The bank is government owned and is involved in funding the activities of small to medium sized industrial companies promoted by Qatari owners. The bank offers start up project loans, the terms and conditions of which are tailored to the requirements of each project and in general, interest is payable at subsidised rates.

Islamic Banking

The Islamic banking system is well established in Qatar. Many Qatari enterprises finance specific projects or transactions under the Islamic Law, Sharia. Under Sharia, interest is forbidden and the financing of business transactions is conducted on a profit-sharing (or loss-sharing) basis. There are two Islamic banks operating in Qatar and a number of Islamic finance houses. A number of the conventional commercial banks have introduced Islamic banking services in 2005 with the establishment of independent Islamic branches.

Stock Exchange

The Doha Securities Market commenced operations in May 1997, listing the shares of Qatari public shareholding companies. Foreign investors are allowed to invest directly in shares subject to a ceiling of 25% of the issued share capital of companies quoted on the market. The stock exchange will also trade in bonds and treasury instruments. The market has witnessed spectacular growth in 2005 and the market capitalisation at the close of 2005 was US$ 87.1 billion compared with US$ 40.4 billion in January 2005. A summary of the main DMS indicators is set out in Appendix 7.

Qatar Financial Centre

On 16 February 2005, the Qatar Financial Centre (QFC) was established pursuant to Law No. 7 of 2005. Qatar Financial Centre is seeking to attract international financial institutions and multinational corporations to establish businesses in international banking, financial services, insurance, corporate head office functions and related activities.

The Qatar Financial Centre is organised into two authorities, a commercial authority and a regulator – the QFC Authority and the QFC Regulatory Authority respectively. Both the bodies are independent of each other and from the Government of Qatar.

The QFC will permit the following activities:

- Regulated activities primarily related to financial, insurance, brokerage and fund management services.
- Unregulated activities such as ship broking, agents and classification services.

Entities licensed to carry on their activities in the Centre are entitled to the following benefits:

- Income tax exemption for a period of three years from 2005
- A low rate of tax expected to be 10% from 2008
- Protection from nationalisation, expropriation, or restriction on private ownership
- Freedom to repatriate profits
- No restriction on hiring of staff
- 100% foreign ownership

B.8 Essential Industries

Oil Based Industries

Production of oil has been by far the most important industry in Qatar in past years. The oil industry is under the control of state owned Qatar Petroleum (QP). Established in 1974, the corporation initially pursued a policy of maintaining an even production output in order to maintain a constant flow of oil to service its downstream industries. In recent years, QP has promoted a policy of increasing oil production and encouraging new exploration and development activities by international oil companies. The steady increase in production and reserve capacities has been achieved through a combination of enhanced recovery programmes and new commercial discoveries of oil by international oil operators under Exploration and Production Sharing Agreements. The production capacity in 2005 was estimated at around 850,000 barrels per day, although the average production level for the year was 795,000 barrels per day as a result of production cuts to facilitate development programmes aimed at increasing overall production capacity. The production capacity is expected to increase to 1,000,000 barrels per day in the medium term future as a result of further development activities by international oil companies. At average production levels achieved in 2005 the reserves are expected to last for a period of approximately 50 years.

The Refinery Directorate of Qatar Petroleum, operates the country's oil refinery at Mesaieed. The refinery produces refined products to satisfy domestic needs and also allows for the export of limited quantities of gasoline, aviation fuel, light gas oil and fuel oil. However, the bulk of the oil output is sold on the crude oil market by way of contracts negotiated on an annual basis. The Mesaieed refinery has a capacity of 137,000 barrels per day and is capable of producing 57,000 barrels per day of condensate.

Gas Based Industries

Natural gas is used in the following industries as either fuel or feedstock:

Iron and Steel

Qatar Steel Company (QASCO) was established in 1975 to utilize imported iron ore and scrap metal to produce deformed steel bars for domestic use and for export. Demand on the domestic market accounts for approximately 80% of its output, whilst the remaining output is sold in Saudi Arabia and other Gulf states. The company generates an annual production of 1.2 million tonnes of Molten Steel and a rolling mill capacity of 740,000 tonnes per year. The company is currently in the process of expanding its plant facilities aimed at increasing molten steel production by 500,000 tonnes per annum and doubling the rolling mill capacity to 1.5 million tonnes per annum.

Fertilizers

Qatar Fertilizer Company (QAFCO) was established in 1973. The company operates four ammonia and urea production units. Production capacities are 6,320 metric tonnes per day (2.3 million metric tonnes per annum) of Ammonia and 9,200 metric tonnes per day (3.35 million metric tonnes per annum) of Urea. The company is currently studying the feasibility of a further expansion of the facility (QAFCO V) which will produce an additional 2,000 metric tonnes per day of Ammonia and 3,200 metric tonnes per day of Urea.

Petrochemicals

Qatar Petrochemical Company (QAPCO)

QAPCO was established in 1975 to utilize the residual gas from the local refinery to produce ethylene and low density polyethylene (LDPE). The company exports over 95% of its production to markets in the Gulf, Europe and Asia. The annual capacity of its facilities are 525,000 metric tonnes of ethylene and 360,000 metric tonnes of low density polyethylene. The annual production of sulphur, a by-product, is around 70,000 metric tonnes per annum.

Qatar Vinyl Company

In April 2001, Qatar Vinyl Company commenced production of ethylene dichloride and caustic soda. The plant has a design capacity of 175,000 tonnes a year of EDC, 230,000 tonnes a year of Vinyl Chloride Monomer (VCM) and 390,000 tonnes a year of caustic soda and chlorine. The plant uses ethylene feedstock from QAPCO supplemented, if required by imports of liquid ethylene.

Qatar Chemical Company (Q-Chem)

In June 2003, Q-Chem commenced commercial production. The Q-Chem project consists of a 500,000 tonnes a year ethylene cracker. The ethylene is converted into 453,000 tonnes a year of high density polyethylene (HDPE) and 47,000 tonnes a year of hexane-1.

Liquefied Natural Gas (LNG)

The North Field is Qatar's main natural gas reserve. The North Field was discovered in 1971 and is estimated to be one of the largest known non-associated gas fields in the world, with reserves estimated to exceed 900 trillion standard cubic feet. The North Field extends over an area of approximately 10,000 square kilometres primarily in the territorial waters of the State of Qatar. A portion of the North Field extends into Iranian territorial waters.

Qatargas Entities

Qatar Liquefied Gas Company (Qatargas) was established in 1984 to produce, market and export LNG. Development of the production facilities at Ras Laffan commenced in 1993 and the company made its first delivery of condensate to Japan in September 1996 and first delivery of LNG to Japan in January 1997. The construction of a third train production facility was completed in 1998. The original plants were designed to produce 6.2 million tonnes of LNG a year (Mtpa). The company completed a a debottlenecking project of its existing facilities in 2005 to increase the capacity from 6.2 Mtpa to 9.2 Mtpa.

In June 2002, an agreement was signed to establish the Qatargas II project. The project involves the development of two 7.8 MMTA LNG trains for export to the UK market by 2007 and 2009 respectively. When the project achieves its full production target it is anticipated that deliveries of Qatar LNG to the UK gas grid will account for approximately 20% of UK gas demand. The regasification facility in the UK will be located in Milford Haven and the Qatargas II partners will own and operate the facility.

In July 2003, an agreement was signed to establish the Qatargas III project. This project will develop a 7.5 MMTA LNG facility to produce gas to supply the US market. The project plans to deliver its first gas to the US by 2009.

In February 2005, an agreement was signed to establish the Qatargas IV Project. This project will develop a 7.8 MMTA LNG facility to produce gas for the US and European markets. LNG deliveries are expected to commence around 2010-2012.

Rasgas Entities

Ras Laffan Liquefied Natural Gas Company (RasGas I) was established in 1993. The initial Rasgas project was designed to produce 10 million tonnes of LNG annually. The project made its first delivery of LNG from its first production train facilities in August 1999 to South Korea's Kogas. A second LNG production train came onstream in April 2000 bringing plant capacity to 5 million tonnes per annum.

In March 2001, Ras Laffan Liquefied Natural Gas Company II (RasGas II) was formed to develop a two train LNG facility to service Petronet of India. The Company achieved the mechanical completion of a third production train on the Rasgas site with a capacity of 4.7 million tonnes in December 2003. A fourth LNG production train of similar capacity was commissioned in 2004. A fifth LNG train of similar capacity is also under development and commissioning and production from this facility is expected in early 2007. The RasGas II project has the right to extract natural gas and produce 14.4 million tonnes of LNG.

In October 2003, an agreement was signed to develop a further LNG project within the Rasgas facility involving the construction of LNG trains 6 and 7. The capacity of each train will be 7.8 MMTA and the target market is the US. RasGas 3 was formed in July 2005 to develop the project and this entity has the right to extract natural gas and produce 15.6 million tonnes of LNG. The plants are due for commissioning in 2008 and 2009 respectively. The regasification facility will be located in the US and the partners in the LNG 6 and 7 project will own and operate the facility.

Natural Gas Liquids (NGL)

There are four NGL plants in Qatar producing ethane, propane, butane and gasoline. NGL plants 1 and 2 at Mesaieed, produce NGL for export and gas feedstock for QAPCO and QAFCO. A third plant, NGL-3 is used to process natural gas liquids from the North Field.

A further NGL plant, NGL-4, located at Mesaieed recovers natural gas liquids from the Dukhan Arab D reservoir and the North Field. The plant supplies ethane rich gas equivalent to 2,400 tonnes per stream day of pure ethane to the QChem petrochemical complex and to the existing Qatar Petrochemical Company (QAPCO) complex.

Cement

Qatar National Cement Company was established in 1965. The company commissioned a significant plant expansion in 1998 which brought the output capacity for portland and sulphate resistant cement to approximately 1 million tonnes per annum. The company is in the process of construction of a further major expansion to its present facility aimed at raising capacity at the plant to 2.4 million tonnes per annum.

Qatar Fuel Additives Company (QAFAC)

The plant has a capacity to produce 610,000 tonnes a year of Methyl Tertyl Butyl Ether (MTBE) and 830,000 tonnes a year of Methanol. The plant was officially inaugurated in October 1999.

The Company is planning a further expansion in capacity and this project is currently at a feasibility stage.

Future Industrial Projects
The following major industrial projects are currently under development or under consideration:

Q-Chem II Petrochemical Project
In June 2001, QP signed a joint venture agreement with Chevron Phillips Chemical Company for the development of a major petrochemical plant at Mesaieed. The Q-Chem II Project will produce 350,000 tonnes per year of high density polyethylene and 350,000 tonnes per year of alpha olefins. The project is due to start commercial operations in the third quarter of 2008.

Qatofin Project
The Qatofin Project consists of a joint venture between QAPCO, Atofina and QP for the development of a 450,000 tonnes per year linear low density polyethylene plant at Mesaieed. The plant is due for start-up in the fourth quarter of 2008.

Ras Laffan Olefins Project
This project consists of a joint venture between Q-Chem II, Qatofin and QP for the construction of a 1.3 Mtpa ethylene cracker at Ras Laffan. The ethylene feedstock will be transported via pipeline from Ras Laffan to the Q-Chem II and QAPCO plants in Mesaieed. The project is expected to be completed in 2007.

The ethylene cracker will have an initial capacity of 1,000,000 metric tonnes per year, expandable to 1,500,000 metric tonnes. Once the cracker reaches full capacity it is expected to be the largest of its kind in the world.

Ethane Cracker Project
On 28 February 2005, QP signed a letter of intent with the Royal Dutch Shell Group to set up an ethane cracker and derivatives plant at Ras Laffan. The plant will produce 1.3 million tonnes of ethane. Negotiations to conclude a joint venture agreement for the project are expected to commence in early 2006.

Petrochemicals for Intermediate Industries
On 29 December 2005, QP signed a Memorandum of Understanding with Honam Petrochemical Company from South Korea to develop a new petrochemical project at Mesaieed. The plant will produce 900,000 tonnes of propylene and polypropylene per annum. The product slate will include 600,000 tonnes of styrene and polystyrene and 150,000 tonnes of aromatics and 50,000 tonnes of by-products. The project will form an integral element in a new intermediate products initiative being developed by QP under its subsidiary, Qatar Holding Intermediate Industries Company (Waseeta). Waseeta will own 70% of the equity in the new project. The products manufactured by the plant will be for export and will also be used as raw materials for new intermediate industrial entities to be formed by Waseeta in furtherance of the State's objective to develop a viable small and medium sized industrial base. The plant is expected to be commissioned in 2009.

Linear Alkyl Benzene (LAB) Project

This project consists of the development of an integrated linear alkyl benzene (LAB) plant for the production of 100,000 tonnes per annum of LAB, 80,000 tonnes per annum of normal paraffin and 36,000 tonnes per annum of benzene. The project is scheduled to go on stream during the first quarter of 2006..

Aluminium Smelter Project

On 6 December 2004, Hydro of Norway and Qatar Petroleum signed a Heads of Agreement to develop one of the world's largest aluminium plants on a phased basis. The project will construct a plant with a designed capacity of 570,000 tonnes per annum of primary aluminium in the first phase with a further expansion to 1.2 million tonnes per annum in the second phase. The total project cost for the first phase is estimated at USD 3 billion. The project involves the construction of an aluminium metal plant, anode plant and casthouse, in addition to a dedicated power plant. Production will be based on Hydro's reduction cell technology. The plant will be built in the Mesaieed Industrial Area. The project is planned to reach full capacity in 2009. Contractors have been invited to confirm their interest on a project for the site preparation and quay wall construction for the plant. This will involve the dredging of about 7 million cubic metres of material to a depth of 13 metres, site filling and levelling work and the construction of 500 metres of quay wall and associated works.

Gas-to-liquids conversion

QP is planning a number of projects for the conversion of methane-rich gas into middle distillates.

Oryx GTL

The first project, Oryx GTL is a 34,000 barrels per day facility, between QP and South Africa’s Sasol. The partners signed a joint venture agreement in July 2001 for the development of a plant at Ras Laffan and the EPC contract was signed in January 2003. The project will consume 330 million standard cubic feet per day of lean gas supplied by the Al Khaleej Gas project. The plant will produce 24,000 barrels per day of fuel, 9,000 barrels per day of Naptha and 1,000 barrels per day of liquefied petroleum gas. The project is based on Sasol’s Slurry Phase Distillate technology. The project is scheduled to start production in 2006.

Pearl GTL Project

In July 2004, QP and Royal Dutch Shell Group signed a Development and Production Sharing agreement to build a 140,000 bpd GTL plant at Ras Laffan. The project will be in two phases, with the first phase planned to be operational in 2008/2009, producing 70,000 barrels per day and the second phase coming on stream two years later with a further 70,000 barrels per day of liquids. The products will consist of naphtha, transport fuels, paraffin and lubricant base oils. The capital cost for the project is estimated at US$ 5 billion. The first two appraisal wells were drilled in February 2004 and the full development of all project elements is in progress.

ExxonMobil GTL Project

In July 2004 QP and ExxonMobil signed an agreement to build a 154,000 BPD GTL plant at Ras Laffan. The project will be developed under a Development and Production Sharing Agreement with start up of production scheduled for 2011. The product mix of the plant will consist of 50% low sulphur diesel, 20% base lubes and naphtha and associated products making up the remainder.

Other GTL Projects

Additional GTL projects that were under discussion with ConocoPhillips (80,000 barrels per day), Marathon Oil Company (120,000 barrels per day) and Sason/Chevron (120,000 barrels per day) have been delayed indefinitely to allow Qatar Petroleum to carry out further analysis of North Field Gas reserves aimed at ensuring that production from the field is consistent with the optimization of the performance and productive life of the gas reserves in the field.

Dolphin Gas Project

The Dolphin project entails the development of an integrated gas pipeline grid for Qatar, U.A.E. and Oman. The development also envisages the possibility of a subsea connection linking Oman to Pakistan at a future date. The facilities to be developed in Qatar include upstream facilities for the production of gas from the Khuff formation in the contract location within Qatar's North Gas Field. The gas will be transported to a gas gathering and processing plant at Ras Laffan to strip out the condensate, ethane Liquefied Petroleum Gas (LPG) and sulphur. The lean sweet gas, in volumes of up to 2000 MMSCF on average per day, will then be delivered through a 400-km subsea pipeline to Taweelah in Abu Dhabi and Jebel Ali in Dubai. The total project cost is estimated at US$ 10 billion. First deliveries of gas via the export pipeline are expected in the fourth quarter of 2006

Al Khaleej Gas

On 2 May 2000, QP and ExxonMobil signed a Development and Production Sharing Agreement to develop facilities for producing North Field Gas for pipeline sales to domestic projects and regional gas export ventures. The feedstock is intended to provide gas for proposed pipelines to Kuwait and Bahrain, be used in the gas to liquids plants and also fuel for Ras Laffan Power Company. The project will produce 1.75 billion cubic feet of gas per day and will also produce condensate, butane and propane for export, as well as ethane for feedstock for future petrochemical projects.

Qatar-Kuwait/Bahrain Gas Pipeline

On 30 June 2002 QP, ExxonMobil and Kuwait Petroleum Corporation signed a Protocol for a Gas Sale and Purchase Agreement, wherein Qatar will supply Kuwait with 1,000 million cubic feet of gas per day from the Al Khaleej Gas project. Discussions are also in progress with Bahrain to finalise a sale and purchase agreement for 500 million cubic feet of gas per day. Project development will start once agreement has been reached with other Gulf states on transit rights for the pipeline including Bahrain, Kuwait and Saudi Arabia. These initiatives are currently on hold due to difficulties in securing transit rights for the pipeline in Saudi Arabia.

Condensate Refinery

A condensate refinery at Ras Laffan is currently under construction.. The plant will have a capacity of at least 146,000 barrels per day and will produce naphtha, kerosene, diesel and fuel oil. The refinery will process the condensate volumes from the North Field gas produced by RasGas, Qatargas and the Al Khaleej Gas Projects.

Al Shaheen Offshore Oilfield Development

Maersk Oil Qatar commenced the exploration and development of the offshore Al Shaheen oil field in 1992 under an Exploration & Production Sharing Agreement (EPSA) with Qatar Petroleum. Oil production from the field commenced in 1994 initially from temporary offshore facilities. In 1998 these were supplemented by permanent production facilities at three locations.

In 2004 the facilities were expanded with three additional platform locations in accordance with the previous field development plan from 2001.

On 20th December 2005, Qatar Petroleum and Maersk Oil Qatar agreed on a new plan for the further development of the Al Shaheen Field in Block 5, offshore Qatar. The 2005 Al Shaheen Development Plan comprises of the drilling of more than 160 additional production and water injection wells over a 6-year period, as well as the establishment of three further offshore platform locations with production accommodation facilities – 19 new platforms in total – interconnected by subsea pipelines.

The field will continue to be developed by utilising horizontal wells and oil production will be gradually increased from 240,000 barrels per day in the first quarter of 2006 to a plateau of 525,000 barrels per day from late 2009.

As part of the plan, Maersk Oil Qatar will also build and operate additional facilities for gathering and delivery of associated gas to Qatar Petroleum for utilisation at their onshore plants. The development activities are expected to involve an additional investment of US$ 5 billion.

Infrastructure Development Projects

Airport Expansion Project

Construction work is underway on the new US$ 5.5 billion Doha International Airport. The new 1,700-hectare site is approximately four kilometres east of the existing airport with 40% of the site being built on reclaimed land from the Arabian Gulf. The new airport will fulfil three critical roles: Qatar as the gateway to the world; hub for the country's national airline Qatar Airways and other carriers; and as a cargo and aircraft maintenance centre.

The new airport is scheduled to open in 2009 at a cost of US$ 2.5 billion in the first phase and will be capable of handling 12 million passengers a year, together with 750,000 tonnes of cargo. Once fully developed in 2015 at a cost of US$ 5.5 billion, the airport is expected to handle up to 50 million passengers and 2 million tonnes of cargo a year. The new airport will be the world's first to be designed and built specifically for Airbus's new A380-800 double-decker 'super-jumbo' – the largest passenger aircraft ever built.

2006 Asian Games

Qatar will host the 2006 Asian Games in Doha in December 2006. The construction of a number of new landmark sporting facilities has already been completed by the end of 2005 and the completion of the Asian Games Village and related infrastructure is at an advanced stage and is expected to be in place well before the Games open.

Education City

Education city is a flagship project being promoted by Qatar Foundation to host branch campuses of some of the world's leading universities as well as leading research institutions on the outskirts of Doha. The development of facilities at Education City is progressing. In December 2005, a turnkey contract amounting to US$ 355 million was awarded for the construction of the new Science & Technology Park. The future plans for facilities at the City include purpose built facilities for Texas A&M University due for completion in 2006, a central library, student centre and facilities for Carnegie Mellon and Georgetown University due for completion in 2007 and in the medium term the construction of a speciality teaching hospital and dedicated sporting facilities.

Qatar Bahrain Causeway

In February 2005, the construction of a 40 KM double lane causeway linking Bahrain and Qatar was given the go-ahead. The project is expected to take approximately 5 years to complete and the award of the contracts for the construction of the project is expected to take place in 2007.

Projects in the Electricity and Water sectors

In April 2005, the foundation stone was laid for the country's second independent water and power project at Ras Laffan. The QPower project is estimated to cost US$ 900 million. Phase I of the project is due for implementation in 2006 and includes construction of a 600 MW power plant and desalination and water facilities of 15 MIGD. Phase II, due for implementation in 2008, includes a 425 MW power plant and desalination and water facilities of 45 MIGD.

Other projects currently under development include the expansion of the RAF B power stations with the establishment of a 500 MW power plant and 20 MIGD of water with a capital outlay of US$ 450 million due for completion in 2007 and further major increases in electricity and water facilities over the period 2006-2009 with an estimated capital outlay of US$ 1.6 billion. The expansion in infrastructure envisages the construction of 55 MW electricity stations and water pipelines to outlying areas.

In December 2005, international developers were invited to submit tenders to implement a build-own-operate-transfer scheme for the construction and operation of a 2,500 MW power station and at Mesaieed. The project is expected to be implemented in two phase. Phase 1 will develop a 1,000 MW facility to serve the national grid, with Phase 2 being developed to meet the requirements of the aluminium smelter being developed at Mesaieed. Phase 1 of the project is targeted to commence commercial operations by April 2008.

The Pearl Qatar

The Pearl Qatar is a US $2.5 billion man-made island project covering 985 acres (400 hectares) of reclaimed land east of the West Bay shoreline. The Pearl Qatar is the country's first real estate venture, to offer international investors freehold title to land in Qatar. The project will be developed in four phases comprising of 10 distinct, themed districts to be developed over a five year period. The development will house beachfront villas, elegant town homes, luxury apartments, exclusive penthouses, 5 star hotels, marinas, schools as well as upscale retail and restaurant offerings.

The project is being developed by a private company listed at the Doha Securities Market. It is expected that the reclaimed land will be handed over to developers in the first quarter of 2006 and housing units are due for completion in 2009.

Foreign nationals owing property in the Pearl Qatar are entitled to permanent resident visas that are issued with the purchase of a property. This visa covers dependent children and is valid until the resale of the property.

Lusail Development Project

In December 2005 Qatar launched development plans for the Lusail Development Project – a 35 square kilometre development north of Doha aimed at housing 200,000 people in 25,000 residential units by 2010. The development is expected to cost US$ 5.5 billion and will include both commercial and residential units. Foreigners will be able to acquire property on a 99 year lease at Lusail and some units will also be sold freehold. The development will encompass golf courses, business and office districts, entertainment areas and a marina with high rise residential and commercial towers.

Tourism and Hotels

Over the next ten years, Qatar's travel and tourism sector is expected to achieve annualized real growth of 5.1% in terms of GDP. At the end of 2005, there were an additional 37 new hotels under construction or in an advanced stage of planning. These new hotels are expected to add in excess of 2,700 rooms to the existing hotel capacity. Additional tourist facilities under development include the 45,000 square metre Museum of Islamic Arts due to open in 2007, the landmark Qatar National Library situated on the Corniche, a new Photography Museum due to open in 2007 and the development of a number of tourist resorts and public beaches that are targeted to open in the period 2006 to 2010.

B.9 Foreign Trade

Products and Trading Partners

Qatar's imports are substantially made up of the import of manufacturing goods, machinery and transport equipment. These categories accounted for approximately 73% of imports in 2004.

Qatar's principal exports are crude oil, LNG, refined petroleum products, natural gas liquids, ammonia, urea and petrochemicals. These categories roughly accounted for nearly 96% of the total exports in 2004.

See Appendix 2 for the approximate percentages of Qatar's imports from its major trading partners.

Gulf Co-operation Council (GCC)

Qatar is one of the six member states of the GCC formed in 1981. The other members of the GCC are the Arabian peninsula states of Bahrain, Kuwait, Oman, Saudi Arabia, and United Arab Emirates. The aims of the GCC are to promote co-operation between member states in the fields of economy and industry. Qatar has been an active member of this council and important advances have been achieved in the regularisation of trade between member states. In 2003, the member states adopted the GCC Customs Union. The Customs Union is an essential step in the process of forming a GCC single market. Citizens of GCC countries can move freely among the six countries without visas; cross-border ownership of shares is allowed subject to a maximum holding of 49% of a Qatari public shareholding company by a GCC citizen and there is freedom for professionals who are nationals of one state to work in another.

In December 2005, the GCC leaders approved the monetary and financial criteria aimed at implementing a monetary union and common currency between the GCC States by 2010. The key financial criteria for a States entry into the monetary union are that a country's budget is less than 3% of GDP and the public sector debt is less than 60% of GDP. In addition, each country will be required to have currency reserves in excess of four months of imports. The monetary requirements include the benchmarks that inflation must not exceed the weighted average of the six countries' inflation rates by more than 2%, while interest rates must not exceed the average of the lowest three countries by more than 2%. Qatar is expected to be fully compliant with all the fiscal and monetary criteria and with the exception of the inflation criterion was compliant with all the other benchmarks in 2005.

Other International and Trade Associations

Qatar is also a member of the Organisation of Petroleum Exporting Countries (OPEC), the United Nations, the Arab League, the International Monetary Fund, the Organisation of Arab Petroleum Exporting Countries and the World Trade Organisation.

C Foreign Investment

C.1 Exchange Control

No foreign exchange restrictions exist and equity capital, loan capital, and all income streams arising in Qatar are freely remittable.

A company - shareholding (joint stock) or with limited liability - is required to transfer a sum equal to 10% of its profits for the year to a legal reserve until the reserve amounts to at least 50% of the paid-up share capital. This legal requirement represents the only restriction on a foreign participating company intending to remit all its annual profits generated in Qatar back to the holding company's base of operations.

C.2 Restrictions on Foreign Investment

Foreign investment in projects in Qatar is governed by the Foreign Capital Investment Law No. 13 of 2000 which was enacted on 16 October 2000.

Investment in land

Foreigners are not entitled to own land in Qatar, other than in specified real estate developments approved by Law. However land may be allotted to projects established by foreign investors under long term rental contracts for periods up to 50 years including renewable options thereafter.

On 6th June 2004 the Qatar government issued a new law permitting foreign ownership of real estate in specified real estate developments in Qatar. Ownership of real estate will be allowed in the following three projects:

- Pearl of the Gulf Island
- West Bay Lagoon
- Al Khor Resort

The Law also allows foreigners to purchase the right to enjoy the use of apartments in multi-storey buildings in residential areas for periods of up to 99 years. The enactment of this regulation is likely to encourage expatriate investors to relocate to Qatar and establish permanent business ventures in the State.

In February 2006, the Government opened up further real estate investments to GCC and expatriates. Citizens of other GCC countries can own land in Lusail, Al Kharaij and Jebel Thiyab areas. Expatriates can lease property in 18 specified areas for 99 years with renewal options.

Real estate in Lusail, Al Kharaij and Jebel Thiyab will be managed by the state-owned Qatari Diar Real Estate Co. and nationals of other GCC countries who wish to own properties in these areas are required to apply to this company.

The designated areas where expatriates can lease properties are as follows:

Musheireb, Frij Abdul Aziz, Doha Jadeed, Ghanem Al Qadeem, Al Rifa Al Hitmi, Al Salata, Bin Mahmoud, Rawdat Al Khail, Mansoura and Bin Dirham, Najma, Umm Ghuwailina, Al Khulaifat North and Sourth, Al Sadd, New Mirqab and Al Nasser, areas around the Doha International Airport, Dafna and Onaiza, Lusail, Al Kharaij and Jebel Thiyab.

Expatriates who lease properties in these areas can use them for commercial or private purposes in accordance with local laws, transfer the lease to other parties, sublet or rent them and waive rights to the property in favour of other parties.

Commercial, industrial, agricultural and service activities

Law No. 13 of 2000 sets out the general principle that foreign participation in business activities in Qatar is allowed in all sectors of the national economy with the exception of banking, insurance, commercial agency and real estate trading sectors. In general the percentage of foreign ownership in business activities in Qatar should not exceed 49% of the capital.

However, the percentage of foreign ownership may be increased to 100% in the following designated business sectors:

- Agriculture
- Manufacturing
- Health
- Education
- Tourism
- Projects which develop and utilise natural resources
- Power
- Mining

A resolution from the Minister of Economy and Commerce is required in order to increase the foreign investment share above the general limit of 49%. The Minister will consider the following factors in determining whether to approve the majority foreign participation in a business:

- The business project should be consistent with the development plans of the State.

- Preference shall be given to projects which:

    - use locally available raw materials;
    - manufacture products for export;
    - produce a new product or use advanced technologies;
    - facilitate the transfer of technology and know-how to Qatar;
    - promote the development of national human resources.

Contracting

The Minister of Economy, Commerce may provide commercial licences to international contracting companies to register business entities in Qatar in the case where the international contractor is involved in the performance of a service for the public benefit. Such licenses enables the international contractor to conduct its operations in Qatar on an autonomous basis and the services of a local agent are not required.

Agencies, Trading and Importing

Foreigners, whether natural or juristic, are not allowed to engage in commercial agency business.

Foreign trading organisations are not permitted to operate on their own behalf in Qatar. They must sell their goods to Qatari concerns which will then market them locally. The foreign suppliers' profit therefore arises only from a supply operation. Personnel seconded by the foreign business must be employees of the Qatari agent in whose name all bids and contracts must be signed. Commercial agency regulations are governed by Law No. 8 of 2002.

Banking and Insurance

There are specific restrictions on foreign investment in banks and insurance companies which are contained in the laws regulating these sectors. Any foreign investment in these business sectors requires the approval of the Council of Ministers.

C.3 Investment Incentives

The government provides the following range of incentives to encourage foreign investment in Qatar.

- **Investment in Qatari Joint Ventures**

  The following incentives are available to foreign investors in Qatari Joint Ventures (see section D3):

  - Cheap electricity and gas prices.
  - Industrial land at a nominal rent of QR 1 per sq. meter per year and long term land leasing arrangements.
  - Favourable treatment with respect to customs duties on imports of raw materials, machinery, equipment and spare parts.
  - No duties on exports.
  - For substantial long term investments by foreign investors, tax holidays of between 5 to 10 years may be negotiated with the relevant government agency.

- **Investment by GCC citizens and Companies**

  The regulations governing foreign participation in Qatari economic activities have been considerably relaxed to favour participation by GCC citizens, natural and juristic. The regulations governing these incentives are contained in legislation enacted after the ratification of the Unified Economic Agreement between the GCC countries in November 1982. The significant incentives available may be summarised as follows:

- GCC citizens, natural and juristic, are treated as if they are Qatari citizens for the purpose of participating in professional activities and in specified economic activities as determined from time to time by specific laws covering these activities.

- GCC citizens, natural and juristic are considered as Qatari citizens for the purpose of the income tax regulations (see section F1).

C.4 Sources of Finance for Foreign Investors

There are no restrictions on foreign investors using their own funds to participate in Qatari businesses. If a foreign investor's own funds are insufficient to finance the business, the investor may approach a Qatari or a GCC based bank for finance. Bank financing in Qatar is granted on normal commercial terms.

Qatar Industrial Development Bank, fully owned by the State of Qatar, provides funding to new small to medium sized industrial undertakings promoted by Qatari individuals and group investors. The bank issues soft loans at subsidised interest rates.

C.5 Free Zones

Qatar Science & Technology Park

In September 2005, Qatar launched the Qatar Science & Technology Park. The park has a special free zone status and will be a centre of research and commercial excellence for scientific development and regionally produced intellectual property for both Qatari and international partners.

The Qatar Science & Technology Park will promote the research and commercialization of technology projects with particular emphasis on:

- Incubation of knowledge-based business.
- Innovation, research, design and development of cutting edge technology
- Process development and training activities..

The overall aim in creating the park is to accelerate commercial and technical investment into Qatar, establishing Qatar as a potential and sustainable area for serious technical development. The objective is to realize the vision to produce a project, which will not only be commercially self-sustaining, but also project Qatar as a regional leader in the knowledge industry.

The Park will have specific business type entry criteria that will focus on businesses in the following areas:

- Research and development of new products;
- Technology development and development of new processes
- Technology training and promotion of academic developments in the technology fields
- Incubating new businesses with advanced learning

The predominant business sectors will be:

- Oil and gas technology
- Health
- Alternative energy services
- Flora and fauna related to desert reclamation
- Aircraft engine technology
- Aircraft avionics
- Renewable energies
- Water technologies
- Tourism and leisure.

The park is covered by Free Trade Zone regulations including the following benefits:

Customs duties

The products brought, manufactured, produced or developed in the Free Zone shall be exempt from customs duties, and are not subject to any customs duties or any other fees when exported.

Products kept in the Free Zone, used in any process, or integrated in the manufacturing of any product in the Free Zone are exempt from customs duties.

Products exported from the Free Zone to the "Customs Zone" in Qatar are deemed to have been imported from abroad for the first time, and are subject to customs duties.

Taxation

Free Zone establishments and employees are exempt from all taxes including income tax with regard to their operations within the Free Zone.

Repatriation of profits

Free Zone establishments are excluded from any restrictions on repatriation and transfer of capital, profits or wages in any currency to any place outside the Free Zone.

Accommodation and services within the park are provided to tenants on a non-profit basis. The tenants may engage in commercial trading provided their dominant activity is research, product or process development or training.

General Free Trade Zones

In September 2005, Qatar enacted a new law for the establishment of Free Trade Zones in the State aimed at sustaining and diversifying the economy, with particular emphasis on industry, agriculture, technology and tourism. The Law allows for other business sectors to be added as are free trade zone sectors at a future date.

Companies setting up in the zones will enjoy the following benefits:

- 100% foreign ownership
- Trade without a local sponsor or service agent
- No corporate taxes
- Duty free import of goods & services
- Unrestricted repatriation of capital and profits
- Freedom to hire staff with no quota restrictions
- Simplified import and export formalities
- Land and facilities in the zones will be developed by the Government and will be leased to tenants at competitive leasing rates

The free trade zones will be developed and regulated by the Qatari Corporation for the Free Investment Zone. The corporation will be responsible for the development of the zones and will prepare the governing regulations for businesses establishing as free zone entities.

It is anticipated that the corporation will be established in 2007. Development of the zones and first tenancy for businesses in the zone is likely to occur in 2008.

C.6 Importing and Exporting

Customs duties and procedures

The import of goods into Qatar is regulated by the Qatar Customs Law No. 40 of 2002 which implemented the regulations of the GCC Customs Union. In general, a person wishing to import goods into Qatar for sale, must be registered in an Importers Register and be approved by the Qatar Chamber of Commerce.

Individual importers must have Qatari nationality. Companies must be wholly owned by Qatari nationals except in the following instances :

- If the importer is an industrial company, the capital of the company must be at least 51% held by Qatari nationals and must be allowed by decree to import goods.

- If the foreign company is engaged in a designated business sector as defined in the Foreign Investment Law No. 13 of 2000 (See C.2), and has a contract with the government which allows it to import goods which are essential for its operations.

- If the foreign company is engaged in the contracting sector and is registered as a branch in Qatar under a Ministerial Resolution issued by the Minister of Economy and Commerce (See D.4).

The majority of goods can be imported through a registered importer with the payment of a standard rate of customs duty of 5% ad valorem. .

The Common Customs Tariff

The Common Customs Tariff applies to all members of the GCC Customs Union and was adopted by Qatar from January 2003. The standard tariff is 5% of CIF invoice value. Tobacco and manufactured tobacco substitutes are subject to 100% customs duty or on a minimum collectable rates basis whichever is higher.

Duty Exemptions

The GCC States have approved a list of 417 exempted goods. Exemptions include:

- Basic Foodstuffs;
- Imports for diplomatic and consular missions;
- Imports for military and internal security forces;
- Imports for Civilian airlines and helicopters
- Personal effects and used household items;
- Accompanied passenger luggage and gifts;
- Goods required for charitable societies.
- Ships and other vessels for the transport of passengers and floating platforms

The GCC States have also approved new regulations providing for customs duty exemptions for imports for industrial projects. The exemptions cover the following:

Plant and equipment
Spare Parts
Raw Materials
Semi-finished goods
Packing materials

The import of plant, equipment, spare parts and primary raw materials may be exempted for the life of the industrial project. Semi finished goods and packing materials can be exempted for 5 years and this exemption period can be further renewed. For strategic industries of major economic value, the concerned national department may recommend duty exemption periods for a longer duration.

For an industrial project to qualify for exemption under the above provisions, the application for exemption must be recommended by the concerned national government authority. The application will then be reviewed by the GCC Industrial Cooperation Committee and the GCC Finance & Economic Cooperation Committee. In the event that the application meets the conditions set by these committees for exemption, approval for the exemption will be granted by the concerned GCC authority.

Each exempt importer will need to specifically identify the goods that are covered by the exemption. These will be recorded in a GCC Unified Customs Register. The GCC regulations include examples of the formats for the registers. These are quite detailed and will require companies to compile detailed lists of import items to be covered by the exemption.

On implementation of the new GCC customs regulations, the Qatar Government rescinded the duty exemptions of projects that previously were duty free. These previously exempt projects are now required to re-apply for exemption under the new regulations. In the interim period between the cancellation of the duty exemption for these projects on 1 January 2003 and the approval of exemption of the projects under the new GCC guidance, the Qatar Ministry of Finance, in coordination with the General Authority for Customs and Ports is empowered under Article 3 of Law No. 41 of 2002 to stabilize the financial status of project owners due to the loss of the duty exemption.

Documentation Requirements

To release imports, the following documents are required:

- certificate of origin;
- invoice and shipping document;
- full description of goods;
- health and quality certificate, if applicable.

Any language may be used in the import documents, however, to facilitate examination of the presented documents, Arabic or English is preferred. Commercial invoices must be legalised by the Commercial Department of the Qatari Embassy in the country of origin or by the customs authorities at the point of import in Qatar. Legalisation fees are levied on the basis of invoice value and range from QR 100 on an invoice value of QR 5,000 to 0.4% of value for invoice amounts in excess of QR 1,000,000. A full schedule of the legalisation fees applicable is set out in Appendix 6.

Valuation

The basic value for the assessment of duty is the CIF value of the goods. Where only the FOB price can be established, customs officials will mark-up the valuation upon the FOB price by 15%.

Temporary Imports

The Qatar Customs authorities allow certain goods, including equipment, to be imported on a temporary basis. Temporary imports are subject to the prior approval of the Director of Customs. This approval is normally valid for a period of 6 months, but may be extended by a further 6 months. A longer "temporary import" period may be granted in exceptional cases at the option of the customs authorities. A cheque or bank guarantee equivalent to the duty on a normal import must be deposited with customs to secure this temporary import arrangement.

Personal effects and restrictions

Once a foreign employee is resident in Qatar there is normally no difficulty in importing personal effects free of customs duty. The import and sale of alcohol and pork products are prohibited.

The import of personal computers is normally not allowed unless an employee has a letter from his employer stating that the computer is required for business purposes.

The import of pets is allowed. A valid health certificate issued by a Veterinarian registered with the Public Health Authorities in the country of departure must be produced for pets imported into Qatar. There is no known rabies in Qatar, but animals being imported must be immunised against this disease.

Exports

No duties are levied on exports.

C.7 Registration of Intellectual Property

Patents

Patents are protected by a system of registration for an initial period of 10 years; they may be registered for a further five years only. It is possible for patents to be licensed.

Trademarks

Trademarks are one of the most valuable and widely used forms of intellectual property in Qatar. A trademark may be registered for 10 years and may be renewed indefinitely for further 10-year periods. If a trademark has not been effectively used for a five-year period, an interested party can apply to the courts to have it cancelled. Registration gives an owner the exclusive right to use a trademark on the goods for which the trademark is registered. The owner may prevent other parties from using the trademark on competing products.

Copyright

An intellectual property law was enacted in Qatar on 22 July 1995. Implementation of the provisions of the law became effective from 1 May 1997. Under the law, original literary and artistic works, including computer software, video and audio tapes are protected. The law includes penalties for violation including fines ranging from QR 30,000 to QR 100,000 and a term of imprisonment ranging from six months to one year. The law is enforced by a Copyright Bureau consisting of 12 inspectors.

D Structure of Business Entities

The structure of business entities that are permitted to trade in Qatar are set out in the Commercial Companies Law, Law No. 5 of 2002.

The Law provides for eight categories of commercial entity into which commercial activity in Qatar can be organised. These are as follows

- Limited Liability Company
- Public Shareholding Company
- Simple Partnership Company
- Joint Partnership Company
- Limited Share Partnership Company
- Joint Venture Company
- Industrial Proprietorship Company
- Holding Company

Any company that does comply with the categories set out above is void and the persons who contract in its name are personally and jointly liable for the commitments resulting from the execution of such a contract.

The Memoranda and Articles of Association of the above mentioned Companies and any amendments thereto (except for a Joint Venture Company) are required to be in Arabic. The Law stipulates that partners in Simple Partnership Companies, Joint Partnership Companies and Limited Share Partnership Companies should be natural persons of Qatari Nationality. With the exception of the provisions governing the establishment of companies, the Commercial Companies Law applies to foreign companies operating in Qatar.

D.1 Companies

Limited Liability Company (L.L.C.)

The Limited Liability Company is the most commonly used business entity in Qatar. A company with limited liability must have a minimum of 2 and a maximum of 50 shareholders and must have a capital of at least QR 200,000 divided into shares of at least QR 10 each. Management rests with one or more individuals who must be natural rather than juristic persons and need not be shareholders of the company. A limited liability company may not carry out insurance, banking or investment brokering activities whether as principal or agent.

Public Shareholding Company (PLC)

A public shareholding company consists of a number of persons who subscribe for its transferable shares and who are not liable for the Company's obligations except for the amount of the nominal value of the shares for which they subscribe. The share capital must be at least QR 10,000,000 divided into shares of QR 10 each. Shares may not be issued for less than the nominal value. Only Qataris are permitted to subscribe for shares in a public company unless an Amiri decree is obtained to allow non-Qataris to subscribe.

Industrial Proprietorship Company

Industrial Proprietorship company is a company owned by one natural or legal person .The company must have a share capital of at least QR 200,000 divided in to shares of QR 10 each. The company is managed by the owner of the capital who in turn may appoint a management team to run the day to day operations of the company. The corporate governance requirements for the individual proprietorship company are similar to limited liability company.

Holding Company

A Holding company is a public share holding company, limited liability company or individual proprietorship company that has effective control over the administrative and financial decision of the investee company and owns 51% or more of the shares in the investee company.

The government and other public authorities may incorporate a public shareholding company, either alone or in partnership with one or more founders, whether Qatari or foreign or whether natural or juristic, public or private. Such companies are frequently referred to as Article 68 companies and are not subject to the provisions of Commercial Companies Law No. 5 of 2002 to the extent that Companies' Memoranda and Articles of Association specify alternative requirements.

D.2 Partnerships

Simple Partnership Company

A simple partnership is formed by two or more persons who are jointly and severally liable for the partnership's debts. The contract of incorporation of a simple partnership must be in writing and should be signed by every partner; otherwise it is null and void.

Joint Partnership Company

A Joint Partnership Company is similar to Simple Partnership Company, however the Joint Partnership Company consists of two classes of partners;

- ***Joint Partners***
  These partners are responsible for the running of the business and who are jointly and severally liable for the partnership's debts and,

- ***Trustee Partners***
  These partners are liable for the partnership's debts only to the extent of money they invested or are committed to invest in the partnership. Trustee partners may not interfere in any way with the management of the business.

Limited Share Partnership Company

A Limited Share Partnership Company is similar to a Joint Partnership Company but it has at least one or more joint partners and at least four trustee partners. The share capital must be at least QR 1,000,000. Subscription for the shares in a Limited Share Partnership Company is governed by the rules relating to a Public Shareholding Company.

D.3 Joint Venture Company

A Joint Venture Company is formed by two or more natural or legal persons, and its objectives and terms are governed by the joint venture agreement. The Joint Venture Company provided for in the Law is an unincorporated entity, without legal personality. The Joint Venture Company is not required to follow the same commercial registration requirements as other categories of business, as the joint venture entity has no legal personality. A third party is required to enforce claims against the joint venture partners rather than against the joint venture entity.

D.4 Branches of Foreign Companies

Foreign participation in business activities in Qatar is regulated by Law No. 13 of 2000(see section C2). A foreign company, may, by a Ministerial Resolution issued by the Minister of Economy and Commerce, establish a permanent business entity in Qatar to invest in certain designated business sectors. In the event that the activities of the foreign company are contract specific, the Minister is empowered to provide a licence to the foreign company for the specific contract. In such a case, the licence will be in the format of a branch registration. To qualify for such a registration the project should consist of a contract for the performance of a service for the public benefit. A foreign company is also allowed to import materials required for such projects provided there are no similar products in the local market.

The following guidance is likely to be appropriate:

- There is no requirement for a Qatari service agent to be appointed for the branch. If a Qatari service agent is appointed, his duties are confined to assisting in securing visas and permits and the provision of labour and accommodation. The agent bears no responsibility for the business of his principal. In general, a branch of a foreign company is established only for the duration of the project that it has been awarded to carry out.

- To establish a branch a foreign company must apply to the Minister of Economy and Commerce to obtain a ministerial decree approving the registration and licensing of the office. The application will need to be supported by the following documents:

- A copy of the contract governing the project

- Certificate of incorporation of the company

- The Articles and Memorandum of Association of the company

- Power of attorney for the authorised company representative attested by the competent authority; and

- A letter of support from the contract owner.

If any of the above documents are drawn in a foreign language, a certified translation in Arabic is required to be attached. The power of attorney, the certificate of incorporation and the Articles and Memorandum of Association must be legalised by the Qatari Embassy in the country where the company is established.

D.5 Structures Used by Foreign Investors

Foreign investors can operate in Qatar by adopting one of the following structures:

- establish a wholly owned branch of a foreign company by obtaining a Ministerial Resolution to carry out a project as described in D.4 above;

- establish a company with a Qatari partner to engage in commerce, industry, agriculture and services provided the foreign investor's share in the capital does not exceed 49% and the company is incorporated in a correct manner in accordance with the commercial companies' law;

- establish a business entity in certain designated business sectors which allow for up to 100% foreign capital investment, provided this investment project is approved by the Minister of Economy and Commerce.

Business operating outside these structures are deemed to be illegal and any parties facilitating the continued operation of an illegal business structure may be subject to prosecution. Law No. 25 of 2004 – Combating Trade Concealment contains strict penalties for individuals/businesses operating outside the permitted business structures.

The penalties include the following:

- A period of imprisonment for a period not exceeding one year;
- A fine of at least QR 20,000 and not exceeding QR 500,000;
- Confiscation of property or earnings there from based on a court judgment;
- Cancellation of the business license and closure of the business premise based on a court judgment;
- Suspension of the business of the Qatari partner facilitating the violation for a period not exceeding one year.
- The Qatari partner and the foreign business entity operating under a concealed business format are jointly responsible for any duties, taxes and other charges from the illegal business.

The Committee to investigate and police illegal business structures was formed in February 2006. This Committee is made up of senior officials from the Ministry of Finance, Ministry of Economy & Commerce, Interior Ministry and State Security Agency.

D.6 Establishing a Corporation

Limited Liability Company

A company with limited liability comes into existence by after registration of the company's Memorandum and Articles of Association in the Commercial Register. The Memorandum and Articles of Association should be signed by all shareholders and must include :

- The company's type, name, object and principal place of business
- The names, nationalities, place of residence and addresses of the partners
- The amount of capital, the share of each partner, a statement of shares in kind, their value and the names of those presenting the same (if any)
- The names and nationalities of those responsible for managing the company, be they partners or not, regardless of whether their names appear in the company's memorandum
- The names of the supervisory council members (if any)
- The company's duration
- The methods of distribution of profit and losses
- Conditions of assignment of shares
- The approved method in which notices to partners are required to be communicated

The company shall not assume its juristic personality until after the completion of the registration and may not commence trading until the completion of these formalities. A company with limited liability must have one or more auditors appointed by the general assembly every year. The registration procedures normally take three to four months to complete.

- **Public Shareholding Company**

  The procedures to incorporate a public shareholding company are lengthy and are governed by the provisions of the Commercial Companies Law.

D.7 Annual Requirements for Corporations

- **Filing of financial statements**

Limited Liability Company

Companies with limited liability are required to deposit a copy of the audited financial statements with the Department of Commercial Affairs at the Ministry of Economy and Commerce within 2 months of the financial year end.

Public Shareholding Company

Public Shareholding Company are required to deposit a copy of the agenda for the General Assembly, the audited financial statements and the Directors report on the company's activities and future plans with the Department of Commercial Affairs at the Ministry of Economy and Commerce within 3 months of the financial year end.

- **Income tax filing**

  Companies covered under Law No. 11 of 1993 are required to submit a tax declaration and audited financial statements within 4 months of their financial period end. The filing period can be extended at the discretion of the tax administration, but the extension period may not in any case exceed 8 months.

- **Audit requirements**

  All Limited Liability Companies and Public Shareholding Companies must have one or more auditors, who must be appointed by the general assembly who also fix their remuneration.

- **Annual meetings**

  Limited Liability Company

  The partners must hold a meeting of the general assembly at least once in every year. The annual general assembly is responsible for reviewing the following matters:

  - Discussion of the manager's report of the company activities and financial position during the year, and auditors report;
  - Discussion of the balance sheet and profit and loss account and approval of the same;
  - Determination of the percentage of profit to be distributed;
  - Appointment of managers, the Board of managers, the members of the supervisory council (if any) and the determination of their remuneration;
  - Appointment of the auditors and determining their remuneration;
  - Other matters falling within its powers under the Law or the company's Memorandum and Articles of Association.

  Public Shareholding Company

  The Board of Directors must hold a meeting of the general assembly at least once in every year. The shareholders' general assembly is responsible for reviewing the following matters:

  - Discussion of the report of the Board of Directors on the activities of the company and its financial position;
  - Discussion of the auditors report and the final accounts presented by the Board of Directors;
  - Discussion and approval of the annual budget, the profit and loss account and approval of distributable profit;
  - Election of members of the Board of Directors and appointment of auditors and determination of their remuneration;
  - Discussion of any other proposal which the Board of Directors include in the Agenda.

D.8 Transformation, Merger and Division of Companies

The Commercial Companies Law contains provisions and requirements to allow companies to change their legal status, merge with other commercial companies and to divide into one or more separate companies.

D.9 Company Dissolution and Liquidation

The Commercial Companies Law sets out detailed requirements on how the company may be dissolved and the requirements for liquidating a company. A liquidator may be appointed by the partners or general assembly or by the courts.

The Law sets out the responsibilities of liquidators and fixes the priority of company debtors as follows:

- Liquidation expenses
- Amount due to employees
- Amount due to the State
- Rents due to landlords of any real estate rented by the company
- Other amounts according to their order of preference based on the laws in force

E Labour Force

E.1 Labour Supply and Relations

Labour Supply

The work force in Qatar consists mainly of Asian and expatriate Arab workers. There are also a significant number of Europeans and American nationals with specialised expertise. Priority in employment shall be given to Qataris. Non-Qataris may only be employed after approval of the Department of Labour and the possession of a valid work permit. The Minister of Labour determines the proportion of non-Qatar to Qatari workers in each work sector. The Minister can prohibit employment of non-Qataris in any sector if the public interest necessitates.

Labour Legislation

Employment related matters are regulated by the Labour Law No. 14 of 2004.

Wages and salaries are normally agreed between the employer and employee. There is no requirement to pay employees either an annual bonus or a share of profit.

A normal working week consists of eight hours per day, six days per week. This is reduced to six hours per day during the month of Ramadan. Overtime should be paid at a minimum rate of time and a quarter except on Fridays and public holidays when the minimum is time and a half.

A statutory minimum of three weeks annual leave is due to employees with more than one and less than five years continuous service. After this period the minimum is four weeks per annum. In practice the amount of leave granted in a year varies considerably depending on the employer. The employer, usually being a sponsor, is responsible for the costs of engagement and repatriation of expatriate workers from and to their home country. Employees may request that up to half of their annual leave entitlement be carried forward to the next holiday year. Employees are prohibited from working for another employer during their annual leave. Female workers are entitled to fifty days paid maternity leave after one year of service, which may be extended further on the basis of unpaid leave. In addition, a working mother is entitled to a one hour break during the working day to breastfeed a child for a period of one year after the birth of the child.

Labour Relations

Companies which employ one hundred or more Qatari workers are permitted to form a workers' committee. Trade unions are not permitted for the expatriate workforce.

E.2 Pensions and Social Security

The Retirement and Pensions Law No. 24 of 2002 applies to Qatari employees working with government ministries, public institutions and corporations, public shareholding companies and other institutions specified by cabinet decree. Under the Law, the qualifying entities must contribute to a Government operated Pension Fund. Employee contribution amounts to 5% of salary and the employer contribution is 10%. Under the Law, the General Corporation for Retirement and Pensions is responsible for the establishment of the pension fund, collection of pension subscriptions and distribution of pensions.

Under Law No. 38 of 1995, the Ministry of Endowments and Islamic Affairs operates a State funded social insurance scheme which provides salaries to low income Qatari nationals permanently resident in Qatar. The scheme is entirely State funded and is designed to assist widows, divorcees, low income families, the handicapped and other welfare categories in the State.

E.3 Payroll Taxes and Employee Benefits

Payroll Taxes

There are no payroll taxes in Qatar as individuals in employment are presently not liable to income tax.

Dismissal and Severance Payments

Staff may be dismissed, provided the cause is reasonable and adequate notice is given. An employer must pay severance (terminal benefit) payments as follows:

- where the dismissal is without a cause deemed reasonable under the Labour Law;
- where the contract ends and employment ceases;
- where an employee resigns after more than two years service.

The terminal benefit payment level shall be agreed upon between the employer and employee. An employee must be employed for at least one year in order to have an entailment to a terminal benefit payment. The payment should not be less than three weeks basic salary per year of the service on the basis of the last drawn basic salary level.

E.4 Special Requirements for Foreign Nationals

Citizens of GCC countries may reside and work in Qatar without obtaining special permission. Nationals of other countries must obtain residence and work permits before their entry into Qatar, except in the case of transit and visit visas (see section H6).

Applications for permits are normally made through a Qatari embassy or consulate. They must be based on a formal offer for employment that describes the nature of the position. The Department of Immigration issues the permit, which can take a few weeks to process.

E.5 Qatarisation

It is stated Government policy to replace expatriate manpower with appropriately skilled Qatari staff in all Government and semi-Government corporations. Qatar Petroleum and its subsidiary and affiliated companies have set a target of 50% Qatarisation by the year 2005. This trend is also expected to gain momentum in the private sector as the flow of suitably qualified Qatari graduates increases. To meet the 50% target, Qatar Petroleum have developed a "Qatarisation with Quality" initiative aimed at ensuring Qatari staff receive in-post training and development to ensure they acquire the requisite skills and experience required for their job positions. This initiative is being adopted at varying levels by other entities.

In July 2001, the Government enacted a new law (Law No. 11 of 2001) regulating the engineering services sector. The law stipulates that professional engineering service entities doing business in Qatar must employ at least two Qatari qualified engineers. Because of the shortage in appropriately qualified Qatari engineers, this requirement is not currently being enforced.

The 2004 Qatar Labour Law has also introduced a Qatarisation requirement for private sector employers. An employer in the private sector employing 50 or more workers is required to employ 5% of the headcount as Qatari trainees with the intention that these trainees will receive the technical skills to perform the duties of existing employees in the future.

F Taxation

F.1 Principal Taxes

Introduction

Decree Law No. 11 of 1993 was issued on 14 July 1993 to cover the income tax system and filing procedure in Qatar. The Law is supported by a set of tax practice directives enacted in Decision No. 3 of 1995 issued on 1 April 1995. In general, the Law provides that any business activity carried out in Qatar will be subject to tax. An activity has been defined as any occupation, profession, service, trade or the execution of a contract or any other business for the purpose of making profit. Income tax is levied on foreign individuals, partnerships and companies operating in Qatar whether they operate through branches or in partnership with foreign companies.

Tax is not levied on Qatari owned business. Law No. 9 of 1989 provides that nationals of Gulf Cooperation Council States are, from 1 March 1989, to be treated as Qatari citizens for income tax purposes. Accordingly, foreign companies wholly owned by Gulf nationals are not subject to income tax in Qatar.

There are no personal taxes, social insurance or other statutory deductions from salaries and wages paid in Qatar. Income from private professions such as legal practices, consultancy services, and other sole trader activities are subject to income tax under guidance issued in Decision No. 3 of 1995.

Direct Taxes

Tax shall be levied on a taxpayer's income arising from activities in the State of Qatar. The term activities include :

a) Profits realised on any project executed in Qatar,

b) Profits realised from the sale of any of the company's assets,

c) Commission due to agencies or arising from representation agreements or commercial agency whether such commission is realised in or outside the State of Qatar,

d) Fees paid for consultancy, arbitration or expertise and other related services,

e) Rent from property,

f) Amounts received from the sale, rent or the assignment of a concession and the use of a trade mark, design, know how or copy right,

g) Amounts received from debts previously written off,

h) Profits realised on liquidation.

In addition, interest and other bank income received outside the State of Qatar will be subject to Qatar tax if this income relates to amounts arising from the taxpayer's activities in Qatar.

Indirect taxes

Customs duties are levied on imported goods. The rates of customs duty and general administration of the customs system are discussed in more detail under Section C5.

F.2 Tax Administration

Accounting period

The Gregorian calendar is used for Qatar income tax purposes, but a taxpayer may apply to prepare his financial statements for a twelve month period ending on a day other than 31 December. The first accounting period may be more or less than twelve months, but it should not be less than six months or more than 18 months.

When the taxpayer's activity is temporary or is less than a 6 month period, the taxpayer should submit a declaration when the activity is completed.

Currency

A taxpayer should keep his accounting records in Qatari Riyals unless permission is obtained from the tax administration for them to be kept in a foreign currency.

Filing requirements

Tax declarations should be filed within 4 months of the end of the financial period. The filing period can be extended at the discretion of the tax administration, but the extension period may not in any case exceed 8 months.

Payment of tax

Tax shown in the declaration becomes payable on the date the declaration becomes due for filing with the administration. If the filing date is extended, the payment of taxes can be delayed to a maximum of 8 months if the taxpayer provides reasons acceptable to the tax administration. The tax administration may also agree that taxes will be paid by instalments during the extended period.

Penalties for late filing or late payment of taxes will be levied at the rate of QR 10,000 per month or 2% of tax due whichever is greater. The penalty will be calculated on the number of days delayed. The minimum penalty for late filing is QR 10,000. The minimum penalty is applicable to all tax payers, including loss making business entities.

Prompt filing of tax declarations and payment of a taxpayer's liability, as well as general co-operation with the tax administration, are of great importance.

Failure to submit a filing can result in the temporary withholding of payments due under contracts with Government ministries and government owned companies. The tax administration has the power to impound a taxpayer's assets if taxes are not paid. The Law also empowers the tax administration to collect unpaid taxes from third parties, such as a taxpayer's debtors, where the taxpayer fails to settle taxation liabilities.

Accounting Records and Inspection

The tax administration has the right to inspect a taxpayer's books and records which should be kept in Qatar. There is no legal requirement for books and records to be kept in Arabic. The accounting books and records must be maintained for at least 5 years from the date the annual tax declaration is registered with the tax administration.

Registered Auditors

All entities with a capital or annual profit exceeding QR 100,000 should submit audited financial statements to support the tax declaration. The financial statements must be certified by an accountant in practice in Qatar who is registered with the Ministry of Finance, Economy and Trade.

Accounts certified by an auditor not resident and registered in Qatar are rejected by the tax administration.

Tax Review Procedure and Appeals

On submission of the final tax return and audited financial statements the filings of the taxpayer will be reviewed by the Income Tax Department. It is normal for the tax department to raise query letters on specific cost categories and on the reconciliation of revenues reported with the contract value in the case of principal contractor and subcontractor filings.

Provided sufficient reasons exist for the tax administration to conclude that the filing is not correct, they can issue an assessment on a deemed profits basis. If the taxpayer does not agree with the deemed assessment, an objection letter may be lodged with the tax administration within 30 days from the date of assessment stating reasons to support the objection. If the period expires without an objection, the assessment becomes final and cannot subsequently be appealed. However, if the taxpayer is still not satisfied with the administration's decision after the objection letter is lodged, an appeal can be made to a Tax Appeal Committee within 30 days of the date of notification of the administration's final decision. Additionally, an appeal may also be presented to the High Court and finally to the Court of Appeal by either the taxpayer or the tax administration.

Tax Format Audit Report

The tax practice directives issued in April 1995 set out specific reporting requirements for auditors, including a requirement to report any non-compliance with income tax regulations. The auditor must sign the income tax declaration jointly with the tax payer.

The directives also require the locally registered auditor to specifically audit documents relating to offshore activities.

F.3 Determination of tax payable

Tax liabilities are computed in a manner similar to general British and American practice on the basis of profits disclosed by audited financial statements, adjusted for tax depreciation and any items disallowed by the Income Tax Department.

Income

Income includes the aggregate of all gains and profits which are realised or have arisen from the carrying on of an activity in Qatar.

In general capital gains arising from the sale of business assets and business interests are included as ordinary income.

Income reported for tax purposes on a contract executed in Qatar must include income from work completed abroad, income from the supply of equipment and materials, and all income from activities within Qatar.

Supply and Installation Contracts

Tax is not charged on profits from a supply contract terminating at or before a Qatari port i.e. where the supplier has no activity within the country.

The taxpayer is required to declare the full value of revenues on a supply and installation contract. The value of supply and other engineering services performed outside Qatar is normally allowed as cost in the income statement provided it is supported with valid documentary evidence.

Deductions

Expenses incurred to earn the taxable income are deductible. These include :

- Interest expenses

- Rent paid

- Salaries and labour cost, end of service benefits and all related costs including charges allocated to end of service benefits, pension funds and other similar charges.

- Fees and taxes other than Income Tax.

- Debts written off that are approved by the tax administration and which are in accordance with standards established for this purpose.

The following cost and expenses are not considered tax-allowable items :

1. Personal and other expenses not related to taxable activities.
2. Criminal and tax penalties paid in accordance with this law.
3. Expenses or losses that may be recovered under an insurance policy, or a contract, or a compensation claim.

4. Depreciation of land.
5. Depreciation that exceeds cost.
6. The branch share of Head Office expenses that exceed the rate determined by the tax administration of total branch income.
7. Director's remuneration.

However, the following matters should be considered:

Depreciation

A summary of the tax allowed depreciation rates is provided in Appendix 5. If rates used in the financial statements are greater, the excess is disallowed. If lower rates are used in the financial statements, an additional claim is not permitted.

Provisions

General provisions such as bad debts and stock obsolescence are disallowed. Specific bad debts written off will be deductible to the extent that they are in accordance with the conditions set by the tax administration.

Head office charges

Charges of a general or administrative nature raised by a head office on its Qatar branch are allowed as a deduction subject to a ceiling of 3% of turnover less sub-contract costs. In the case of banks the limit is 1% of gross banking income. The allowable ceiling for insurance companies is set at 1% of gross premiums after deducting reinsurance premiums.

The allowable ceiling for head office charges on a project which has income streams arising in Qatar and overseas is set at 3% of total income after deducting subcontract costs, the supply value of imported goods, revenues arising from work performed overseas, and other income which does not relate to activities in Qatar.

Losses

The Law contains provisions which allow for the carry forward of trading losses for set off against future profits. However, losses cannot be carried forward for a period exceeding 3 years from the end of the tax year in which the losses were incurred. Losses cannot be set off against prior year income. Loss carry forward relief is not available to a contractor who winds up an activity in Qatar and subsequently resumes that activity.

Withholding of Final Contract Payments

Income tax practice directives issued in January 1993 and May 1995 require all ministries, government departments, public and semi public establishments and other taxpayers to withhold final payments to subcontractors pending receipt of a tax clearance certificate issued by the Income Tax Department.

The directives impose annual disclosure and compliance requirements on principal contractors. The principal contractor must submit a listing of subcontractors giving names, addresses and the value of each sub contract to the Income Tax department. Variations in contract value are also to be advised to the Income Tax Department.

The tax clearance certificate furnished by subcontractors are to be submitted as a support for the final tax declaration of the principal contractor. The directive is silent on the ramifications for the taxpayer in respect of sub contractor costs which are unsupported by a tax clearance certificate. It is however likely from the overall intent of recent directives from the Income Tax Department that any subcontractor costs which are unsupported by appropriate certificates may be disallowed in the determination of taxable profits.

The system of withholding of payments is aimed primarily at ensuring that final contract retentions are not released until a contractor can produce a tax clearance letter from the Income Tax Department. The tax authorities have aggressively implemented this system in recent years and it is now seen as a primary method of ensuring timely tax filing compliance and settlement of taxes by foreign contractors.

The Director of Income Tax has issued a ruling recently stating that the final payment to be withheld by the principal contractor pending receipt of a tax clearance certificate should be a minimum of 5% of the contract value. The ruling also states that payments withheld in respect of tax payers engaged in long term activities may be released based on the annual assessment notice (Form No.5) issued by the tax department.

F.4 Tax Rates

Current tax rates range from nil on profits up to QR 100,000, to 35% on profits exceeding QR 5,000,000. Tax is charged progressively on bands of income. Tax rates are shown in Appendix 4.

F.5 Accounting Principles

Generally accepted methods of commercial accounting must be applied and the accruals method must be followed. If a taxpayer wishes to use a different accounting method, prior approval of the tax administration must be obtained. Compliance with International Accounting Standards is recommended.

F.6 Withholding Tax

There are no withholding taxes in Qatar.

F.7 Deemed Profit Taxes

The Law allows the tax administration to issue an assessment for tax on a deemed profits basis. This option may be exercised by the administration in the following instances :

- If they have reasons to believe that the declaration submitted by the taxpayer is not correct or,
- If the tax payer fails to submit a declaration or,
- If the tax payer delays in the submission of a tax declaration or,
- If the taxpayer does not maintain proper books and records or,
- If the taxpayer does not provide the information requested by the tax authority.

F.8 Tax Exemptions

The Law establishes the concept of tax exemption for specific projects where certain conditions apply. Application for tax exemption of projects are evaluated by a Committee made up of the following representatives:

- Two representatives from the Ministry of Finance, Economy and Commerce, one of which will be Chairman of the Committee;
- One representative from the Ministry of Foreign Affairs;
- One representative from the Ministry of Energy and Industry;
- One representative from the Qatar Chamber of Commerce.

The Committee is required to report their recommendations to the Minister for Finance. The main requirements considered by the Committee when assessing projects for tax exemption are :

- that the projects contribute to the support of Industry, Agriculture, Trade, Oil, Mineral, Tourism, Communications, or land reform, or any other activities or contracts that the country needs and which are of benefit both economically and socially.
- that the project falls within the planned development and economic objectives of the State and has the approval of the concerned Government department.
- that the project contributes towards the national economy. The following points are considered:

  (a) the commercial profitability of the project,
  (b) the extent the project complements other projects,
  (c) the extent the project utilizes material produced locally,
  (d) the effect of the project on the balance of trade payments.

- that the project uses modern technology.
- that the project creates employment opportunities for citizens.

The exemption periods range from 5 years on the sole approval of the Minister of Finance to 10 years on the approval of the Council of Ministers.

Any contractor who is involved in the execution of an exempt project can apply for exemption from income tax.

Taxpayers obtaining exemption from taxes are required to maintain proper accounting records and should submit financial statements to the tax authorities within 4 months from the end of the tax year. The requirement to submit annual financial statements on tax exempt projects is primarily aimed at identifying sub-contracts to foreign entities which are not covered by the tax exemption.

F.9 Tax Treaties

Qatar has concluded double tax treaties, with Algeria, Armenia, China, France, India, Italy, Jordan, Pakistan, Romania, Russia, Senegal, Sri Lanka, Syria, Tunisia and Turkey. The treaties with France, India, Pakistan, Russia and Tunisia have been ratified by both countries and are effective. Tax treaties with a range of other countries are currently being reviewed including, Belgium, Egypt , United Kingdom and the United States of America.

Several countries, including Japan, the United States and the United Kingdom, allow some unilateral relief against their own taxes for Qatar income tax paid. Dividends, interest, royalties and technical service fees are subject to a withholding tax of 10% under the treaty with India,

F.10 Other taxes

Taxation of Individuals

There is no personal taxation levied in Qatar.

Taxation of Professionals

The Income tax practice directives issued in April 1995 include new guidance on the taxation of private professions such as legal practices, consultancy services and other sole trader activities. The owner of the profession is allowed a deduction of 10% of the annual net profits of the business as a charge against taxable profits. The allowable deduction is subject to a maximum annual limit of QR 20,000. To qualify for the deduction, the owner must be engaged full-time in the activities of the business.

The directives clearly highlight the intention of the tax department to levy income tax on self-employed individuals in Qatar. The Tax Department has indicated that all costs and expenses wholly and necessarily incurred to earn business income will be allowable as a deduction. However, there is a clear intention to disallow costs such as private accommodation costs, airfare, pension contributions, and general costs that are not directly related to the profession.

The determination of taxable income and the tax rates applied are in accordance with the income tax regulations specified in Decree Law No. 11 of 1993.

Sales Tax or Value Added Tax

There is no sales tax or value added tax.

Estate and gift tax

There are no estate or gift taxes.

F.11 Future Taxation Developments

The practical application of the current taxation system and income sources subject to tax assessment are currently under review by the Ministry of Finance. It is expected that a new tax law will be enacted in 2006 that will include additional tax incentives for foreign investors and a reduced tax rate.

G. Financial Reporting and Auditing

G.1 Statutory Requirements

By Law, all business enterprises are required to maintain adequate financial records necessary to reflect properly both the company's operations and its financial status and to allow the preparation of annual financial statements in compliance with International Financial Reporting Standards. Accounting records may be in English or Arabic.

Income Tax regulations specify that taxable income must be recorded in accordance with the accruals basis of accounting. The regulations also specify that all original documents must be available for inspection and that the books and records must consist of a general ledger, inventory books and subsidiary ledgers appropriate to the business activity. The financial year for a company shall be the Gregorian year unless the company's Articles of Association provides otherwise.

G.2 Accounting Principles and Practices

General Accounting principles and practices are not formally codified in Qatar. The Ministry of Economy and Commerce has issued a circular to audit firms instructing them to ensure that all companies prepare accounts in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. A separate set of accounting standards and principles for banks is set out in Circular No. 51/95 issued by Qatar Central Bank. The standards issued by Qatar Central Bank are similar to the pronouncements of the International Accounting Standards Board.

G.3 Financial Reporting Requirements

Filing Requirements

Companies with limited liability are required to deposit a copy of their audited financial statements with the Department of Commercial Affairs at the Ministry of Economy and Commerce within 2 months of the financial year end. All companies with limited liability are obliged to hold a general meeting at least once each year within four months following the end of company's financial year.

Public Shareholding Companies are required to deposit a copy of agenda for their General Assembly, the audited financial statements and the Directors report on the company's activities and future plans with the Department of Commercial Affairs at the Ministry of Economy and Commerce within 3 months of the financial year end. All Public Shareholding companies are obliged to hold a general meeting at least once each year within four months following the end of company's financial year.

Income Tax regulations specify specific reporting requirements for tax payers. In addition to the generally accepted reporting requirements, tax payers are required to support audited financial statements with a detailed analysis of fixed assets and depreciation calculations.

Disclosure Requirements

With the exception of banks which are required to prepare financial statements in accordance with formats established by the appropriate regulatory authority, there is no legislation regarding the form and content of audited financial statements. The Ministry of Economy and Commerce has recommended the adoption of the standards promulgated by the International Accounting Standards Board (IASB). In general, the larger accountancy firms have lead the way by imposing their own standards which are generally the International Financial Reporting Standards of the IASB.

G.4 Audit Requirements

All Limited Liability Companies and Public Shareholding Companies should have auditors appointed by the general assembly every year. Also, income tax declarations must be accompanied by financial statements audited by an auditor registered and based in Qatar.

The auditor must be independent of the company being audited and must be registered in the Register of Auditors as provided by Law No. 3 of 2004 which regulates the auditing profession.

G.5 Auditors' Responsibilities

A company's auditor must report on every set of accounts laid before the company in general assembly. In their report, the auditors must express an opinion on whether the balance sheet and profit and loss account present a fair view of the financial position, that they are in agreement with the state of affairs of the company and whether they contain all that is required by law and the company's Articles of Association. An auditor must also report whether stocktaking procedures have been conducted according to established principles, whether regular accounts have been kept by the company, whether he has obtained all the information which he considered necessary for the satisfactory performance of his duties, whether the information contained in the report of the Board of Directors is in agreement with the accounting records of the company and whether any violations of the provisions of the law or of the Articles have occurred during the financial year in a manner as to influence the activity or the financial standing of the company.

G.6 Accounting Profession

There is no accounting body in the State of Qatar which has primary responsibility for issuing pronouncements on professional ethics, bye-laws and accounting and auditing standards. However, the Ministry of Economy and Commerce has issued instructions that International Financial Reporting Standards should be applied when preparing financial statements in the State of Qatar.

H GENERAL

H.1 Geography and Climate

Geography

Qatar is one of the smaller Arab Gulf states in terms of population and geographical area. It is situated midway along the western coast of the Arabian Gulf. The country is approximately 11,400 square kilometres and covers a low-lying limestone peninsula projecting northwards about 160 kilometres into the Gulf. The coastline is 550 kilometres long and bounds the country to the west, north and east.

The landscape of Qatar is generally flat arid desert terrain. The desert areas are predominantly low lying with the exception of scattered hill formations in the north west and rolling sand dunes in the south east areas.

Climate

The climate in Qatar is characterised by a mild winter and a hot summer. Rainfall in the winter is slight, averaging some 80 millimetres a year. Temperatures range from 7 degrees centigrade in January to 46 degrees at the height of summer. The weather is generally pleasant during the period from October to May.

H.2 Population and Language

Population

The population of Qatar according to the general census conducted in April 2004 was approximately 744,000 inhabitants, most of whom reside in Doha, the capital city. The remainder of the population live in a number of towns and villages, including Dukhan, Mesaieed, Wakrah, Khor, Medinat Al Shammal and other smaller villages.

The development of the Ras Laffan industrial area will bring about an expansion of population in the northern part of the country, particularly in the town land of Al Khor and areas adjoining Ras Laffan.

Language

Arabic is the official language, although English is widely spoken. Arab, European and Asian communities reside and work in Qatar in the Government and private sectors. All correspondence with government organisations is normally in Arabic.

H.3 Government and Political System

Qatar is a hereditary Emirate. It has been ruled by the Al Thani Family since the 19th century. In 1916 a treaty was ratified with Britain in which Qatar became a British Protectorate.

Qatar enacted a provisional constitution in April 1970, asserting its full statehood for the first time. This declared Qatar an independent Arab State, with Islam its religion, Islamic Shariah as the main source of law, Arabic as the official language and its system of government - democratic. The full independence of Qatar was announced on 3 September 1971. On 27 June 1995, H.H. Sheikh Hamad Bin Khalifa acceded as Head of State, Amir to the country. H.H. Sheikh Tamim Bin Hamad Bin Khalifa Al Thani is the Heir Apparent.

A referendum held in April 2003 approved a new constitution (the Permanent Constitution) and enabling legislation was passed in 2004. The Permanent Constitution came into effect in June 2005. The Amir is the principal executive officer in Qatar and appoints the Prime Minister, the Deputy Prime Minister, the members of the Council of Ministers and the Advisory Council. The Amir determines, in collaboration with the Council of Ministers, general state policy in all fields, approves and promulgates laws and decrees and has the power to revise the provisional constitution by amendment, deletion ad addition if he deems such revision is necessary in the public interest. The Amir is advised by a body known as the Amiri Diwan, an executive staff that assists both the Amir and the Council of Ministers in the performance of their respective duties.

The Council of Ministers is responsible for proposing draft laws and decrees, for implementing these laws and for supervising the financial and administrative affairs of Government. The Advisory Council consists of 30 members chosen from all sectors of Qatari society and reviews draft laws proposed by the Council of Ministers prior to their ratification by the Amir.

The armed forces are responsible for the defence of the country and the police are responsible for internal security.

The judiciary is independent, in both its religious and civil branches, exercising the authority vested in it by the country's constitution.

In March 1999, the State held its first democratic elections for representatives to serve on the 29 member Central Municipal Council. The Council is responsible for supervising the implementation of the decisions of the Ministry of Municipal Affairs and Agriculture in relation to buildings, roads, all municipal services and commercial and industrial projects including recommending municipal charges and rates for municipal services.

H.4 International Relations and Associations

In addition to being a member of the GCC (see section B9) Qatar is a member of the following international agencies and organisations:

- the United Nations (UN)

- the Arab League

- the Organisation of Petroleum Exporting Countries (OPEC).

- World Trade Organisation

- Organisation of Islamic Conference

In addition, Qatar has 44 diplomatic embassies abroad.

H.5 Legal Environment

The judiciary is independent, in both its religious and civil branches, exercising the authority vested in it by the country's constitution. The civil courts are required to apply Qatari Laws (established by Amiri decrees; see Appendix 3 for a listing of the principal laws relating to doing business) in enforcing agreements between parties. The Muslim religious laws (the Shariah) are used mainly to regulate family matters.

H.6 Entry Visas and Work Permits

Entry Points

Entry into Qatar may be made by land through the main border point at Abu Samra, by air through Doha International Airport, and by sea through the ports of Doha and Mesaieed.

Visas

All foreign nationals, except for those from GCC countries, must obtain visas and residence permits. Applications for these are normally through the Qatari Embassy or Consulate in the home country. Applicants for residence permit must be based on a formal offer of employment. The Department of Immigration is responsible for issuing such permits.

Visas are issued for business purposes, tourism and residency.

A two week renewable business visa will be issued to visitors who visit Qatar for business purposes. For this the visitor must have a valid passport and a return ticket. In addition, a letter signed by a sponsor in Qatar stating that the visit is for business purposes only, must be submitted to the immigration authorities at the airport 48 hours prior to the visitor’s arrival.

Tourist visas valid for up to 30 days may be obtained upon application of one of the main hotels in the country. Visitors must stay at the hotel through which the visa was obtained for the length of their visit.

Residents of certain specified countries are permitted to travel to Qatar without the need to obtain an entry visa in advance of travel and may obtain a tourist visa on arrival at any port of entry in Qatar. The specified countries include, Australia, Brunei, Canada, European Union States, Honduras, Hong Kong, Iceland, Japan, Liechtenstein, Malaysia, Monaco, New Zealand, Norway, San Marino, Singapore, South Korea, Switzerland, the Vatican and the United States of America. The tourist visas are valid for two weeks renewable for a further two weeks.

A visitor's visa valid for up to 6 months may be obtained only upon application of a sponsor residing in Qatar, not necessarily a Qatari national.

A residence visa valid for up to 3 years will be granted to persons holding employment contracts to work in Qatar. The person is usually sponsored through the company with which they have the employment contract.

Foreigners doing business or professional consulting jobs with valid resident permits for GCC states do not require a visitor's visa. On arrival in Qatar they will be granted an entry visa that will be valid for up to two weeks. The residence permit stamped on their passport must be valid for more than six months.

Holders of British passports with the right of abode in Britain may obtain a visitor's visa for Qatar for up to 6 months on application to the Qatari Embassy in London, as well as other Qatari embassies overseas. A two week renewable business visa may also be obtained from the embassy in London. The application for the business visa should be accompanied by a letter from a sponsor in Qatar stating that the visit will be for business purposes only. The visas will be available for collection within 24 hours or may be dispatched by post without the need for the British citizen to be present at the Embassy.

British citizens may, on application be granted a multiple entry visa for a maximum five year period, depending upon the validity of the passport.

A U.S. citizen is entitled to a multiple entry visa valid for 10 years. However, the maximum length of stay in the country is 6 months after which the holder of the visa must leave the country. The application for the multiple entry visa must be made to a Qatari Diplomatic mission outside Qatar. The visa is valid for business and tourism purposes.

Foreign individuals and their immediate family owning land or with property rights in leased properties are entitled to residence permits for five years with renewal options without a sponsor for the duration of their interests in these properties. In addition, foreigners with investments in businesses under the provisions of the Foreign Capital Investment Law No. 13 of 2000 are also entitled to entry visas and resident permits for five years with renewal options over the period of their investments in Qatar.

Work Permits

Applications for residence permits are made after arrival in Qatar by the local sponsor through the Immigration Department. These are becoming increasingly straightforward to arrange, and are normally available within 6 weeks of arrival. Family dependents also receive residence permits under the sponsorship of the family member employed in Qatar. For long-term visitor's and residence visas, it is necessary to complete various health and fingerprint examination procedures. Most companies have well established departments to assist new arrivals in the completion of the necessary formalities.

A person employed in Qatar may not work for anyone other than his sponsor. Sponsorship cannot be transferred until an employee has worked with the original sponsor for at least two years, and has been granted a release letter by that sponsor. However, it is possible for an employee to join another employer on a secondment basis with the permission of his sponsor.

Secondment arrangements are allowed for six months, renewable thereafter, when the employee has completed one year of service.

There are no restrictions on the employment of women. Opportunities for such employment are determined by market demand and lie mainly in the teaching and medical professions, and in accountancy and secretarial work. An employee with a residence permit may apply for a family visa where his basic salary is not less than QR 4,000 and his employer provides appropriate family accommodation facilities.

Foreigners resident in Qatar are advised to register with their embassy on arrival.

Identity Cards

All expatriates residents in Qatar are required to carry identify cards. These are normally obtained at the same time as residence permits.

Driving Licences

All residents driving vehicles in Qatar are required to hold a valid Qatari driving licence. These are obtained after the residence permit has been issued, and usually involve driving and eye tests.

Health Cards

In order to receive medical treatment from Polyclinics and hospitals, it is necessary for foreign residents to obtain health cards. On payment of a nominal fee, these are issued by the nearest Polyclinic to the person's residence on production of relevant residence permits. These must be shown on all Polyclinic and Hospital visits.

H.7 Living in Qatar

Qatar is a welfare state and many aspects of the inhabitants' needs are heavily subsidised: water, electricity and petrol are extremely cheap; some basic foods are subsidised; local telephone calls are free; medical care is provided for nominal charges; there is no employee income tax, and there are no property or municipal taxes; government housing is available in certain cases to Qataris at nominal rent.

Most foods and goods are imported into Qatar. The country is, however, self-sufficient in fish, and it also produces some of its own vegetables. There are also successful local dairy and poultry farms.

There are many modern shopping centres with a wide range of consumer and luxury goods. There are also many excellent supermarkets, and local co-operative societies (a complex of shops, including a supermarket) in many residential areas of Qatar.

There are two locally published daily newspapers in English; European newspapers are available on the day after their issue. One of the two local television channels is in English.

Cable vision satellite TV is also available throughout Qatar. This system offers twenty basic channels including BBC World Service, CNN, CNBC, TV5 (France), Fox Sports and the ESPN entertainment and sports channels. Additional premium movie and family entertainment channels are also available. A digital satellite TV service, Multi-Video Distribution System (MVDS) with a capacity of 60 programming channels offers all of the channels mentioned above plus additional entertainment, movie, sports and news channels. Individual satellite dishes and subscriptions to external satellite programme providers are also allowed.

Time

Qatar local time is GMT + 3 hours. Time difference and approximate flying times between Doha and certain major cities of the world is shown in the following table:

City	Time difference Hours	Flying Time Hours
London	+ 3	7
New York	+ 8	14
Paris	+ 2	7
Los Angeles	+ 11	18
Sydney	- 7	24
Tokyo	- 6	18

Business Hours

Government offices are open from 7.00 to 14.00 hours daily from Sunday to Thursday. Banks are open from 7.30 to 13:00 hours Sunday to Thursday. Commercial offices normally open from 8.00 to 13.00 hours and from 15.30 to 18.30 hours. The weekend may vary from organization to organization as to whether it is Thursday/Friday or Friday/Saturday. During Ramadan, the month of fasting, restricted business hours are observed.

Public Holidays

Friday is the Muslim day of rest and all offices and most large shops are closed. The major holidays observed in Qatar are as follows:

*	Eid Al Adha	10-12 January 2006
*	Eid Al Fitr	23-26 October 2006
	Independence day	3 September

* The Islamic Year is a lunar one, thus these holidays will fall 10-11 days earlier each Gregorian Year.

Transportation and Communications

Doha Port is the main seaport area for Qatar. There are also port complexes at Mesaieed and Ras Laffan. Doha Port handles general imports particularly consumer goods and container cargo.

Qatar is readily accessible by air through Doha International Airport. The Airport is very close to the city centre and taxis can be hired at reasonable rates. Taxis are easy to obtain and are distinguished by their light green colour. Meters are used in all taxis and the rates vary according to the time of day. There are also several car hire companies. Doha's public bus service provides transportation to and from the neighbouring towns.

Qatar has a modern road system that includes highways linking Qatar with other GCC countries. In recent years, the level of traffic on the streets of Doha has increased dramatically with the result that the existing network of roundabouts has struggled to deal with traffic flows.

In 2005, the Public Works Authority began a programme of construction and reconstruction of the three lane dual carriageways and service roads throughout the city and the construction of new highways to Doha. This programme has created traffic chaos in peak time traffic periods and this trend is likely to continue throughout 2006 and into the first half of 2007. Commuting around Doha city has become a challenge and patience and forward planning to avoid traffic jams has become a requisite of daily life in the city.

All makes of cars are readily available at reasonable prices and petrol is cheap at 70 and 80 Dirhams per liter for premium and super brands respectively. There is an active market of second hand cars. Third party car insurance is mandatory, comprehensive cover is recommended but is not usual.

Road discipline is not as strict as it might be and therefore due care and constant vigilance is required, particularly when negotiating the system of roundabouts on the main city routes. Qatari Laws impose penalties for speeding and speed traps are a regular feature on main traffic routes. The wearing of seat belts is compulsory. Persons with business or visit visas may drive if they have international driving licenses.

Qatar has a good telecommunications system, which gives immediate telephone, telex and facsimile and internet access to all parts of the world. Qatar Telecom Q.S.C. (Q-Tel) owns and operates all the national and international services, including fixed line telephones, GSM, facsimile and internet services.

Education

The Ministry of Education was the first ministry to be established. A primary system began in 1956, intermediate in 1958 and secondary in early 1960s. In 1973 the Higher Teacher Training College was founded. Qatar University was established in 1977. The university has up to date facilities and includes specialist centres for scientific, technical and educational research.

There is a very limited number of places for expatriate children in the free government schools, where, in any event, instruction is in Arabic. However, there is a wide range of private schools; they come under the inspection programme of the Ministry of Education, but are otherwise self-governing. Private education is relatively expensive. British, American, French and other curricula are available.

On 13 October 2003, the Emir inaugurated a new centre of learning, Education City in the Garaffa area of Doha. Education City is a major campus facility offering degrees from some of the worlds leading universities. The facility has established branch campuses for leading US colleges such as Carnegie Mellon for business and computer science degrees, Texas A&M University for engineering, Virginia Commonwealth University for arts, Weill Cornell Medical College for medicine, Georgetown University and the Rand Policy Institute. These campuses offer a faculty, credits and majors that are exactly the same as those offered in the mother campus.

Medical Services

Medical and dental treatment at nominal charges is available to all residents and visitors, through the many health centres in Qatar. All residents of Qatar are required to hold medical cards. There are also a number of doctors and dentists in private practice.

Housing

Except for investments in specified real estate developments, foreign nationals are not permitted to buy real estate in Qatar and housing must therefore be rented. New leases generally run for a period of one year and are automatically renewable unless agreed otherwise. Good quality housing is available and there is a wide range available including villas set in their own grounds, villa and bungalow developments located in compounds, and high quality two and three bedroom apartments. Many compounds have their own swimming and sports facilities and all accommodation have either centralised or individual unit air-conditioning. With the large influx of expatriates into Qatar in recent years for projects, the supply of low cost housing has failed to keep track with demand. In 2005, rental prices in the local market have appreciated significantly and this inflationary trend is likely to continue in the short term due to increasing demand for accommodation.

Furniture of all standards is readily available. Electric power is 240/2220 volts, 50 cycles A/C. There is virtually no piped gas, and gas for cookers is generally supplied in cylinders. The piped water system carries both brackish and drinking water, the latter coming from massive desalination plants. Domestic tap water is bacteriologically safe and is therefore drinkable, but it should always be filtered. There is also a ready supply of bottled mineral water in shops.

Leisure and Tourism

During the oil boom years of the late 1970's and early 1980's the major part of the government's efforts was directed towards improving the infrastructure of the country - roads and other communications, electricity and water supplies, schools and hospitals, and so on. Much of this infrastructure is now in place and greater emphasis is now being directed towards providing leisure amenities for the inhabitants.

Tourism as such has only recently been encouraged by the government. The government has targeted the tourism area as one which will be developed in coming years. In December 2001, the Government relaxed the visa regulations for the residents of over 33 countries, allowing these nationals to obtain tourist visas on arrival in Qatar without the need for an entry visa in advance of travelling to the State. (See Section H.6).

Leisure facilities include a beach resort at Mesaieed, a fun park featuring many exciting rides and a championship golf course in the West Bay area of Doha. Palm Tree Island located off the Corniche area in Doha is also a popular family tourist attraction. The Government also sponsors many top class sporting events in Doha attracting an influx of world class sports stars and supporters. The Qatar Open Tennis tournament attracts many of the top tennis stars to Doha in early January each year. The Doha Golf Club hosts the Qatar Masters, a European PGA tour tournament that attracts many top golfers in the first quarter of the year. Qatar is also on the powerboat circuit which is held on the Corniche and also hosts the motor cycle grand prix event annually at the Lusail circuit. Qatar has also hosted the World Cup Youth Football finals, the Asian Qualifying finals for the World Cup, the World Squash Championships and the Grand Prix finals of the International Amateur Athletics Federation. Qatar will host the 2006 Asian Games Finals and the construction of new facilities to accommodate the various sports and a state of the art athletes village has created a boom in the construction industry. The total investment in these facilities is expected to be in region of US$ 1 billion.

For the expatriate resident and Qatari alike there is much of interest, such as the old-style Arab souqs (markets), the National Museum, Doha Zoo and the country's splendid beaches. Sporting activities, on sea and land, are readily available, and the facilities for these at the numerous sports and recreation clubs are generally of a high standard. The large hotels are used for social events. There are also many excellent restaurants.

Recent years have also seen the development of large western style shopping malls such as the Hyatt Plaza, Landmark Mall and the City Centre Mall. These malls include many international branded chains, food courts, supermarkets and entertainment facilities.

There is also ready access from Qatar to tourist attractions in neighbouring countries - the UAE, Oman, Egypt, Cyprus, Jordan, Turkey, North Yemen and the Indian subcontinent, for example.

Social and Business Customs

Qatar is a Muslim state, and the heritage of Islam is deeply rooted in the Qatari character. Islamic customs govern the general way of life; care must be taken to respect this, particularly in such matters as the dress code, and the observance of the times of prayer and the fasting month of Ramadan, when food and drink may only be consumed between sunset and sunrise. The importation and consumption of alcohol is strictly regulated. However, liquor permits may be obtained by foreign employees in certain circumstances and the major hotels are allowed to serve alcohol in restaurants and selected bars.

Western dress is acceptable as long as it is modest and conservative. For men long hair and tight-fitting or ‘extreme’ clothing is not appropriate. Women in particular should dress conservatively in public places. It is usual for businessmen to wear suits on most formal occasions throughout the year; light cotton clothing is preferable in the summer. The normal dress for Qatari men is a long cotton robe (disdasha) with a headcloth (kufiya), held in place by a head band (aqal); Qatari women, in public, wear a black covering (abbaya) over their dress, and a head scarf (hijab).

Qatar prohibits the brewing and trafficking in alcohol. Drunken behaviour in public or driving under the influence of alcohol is an offence punished by imprisonment, a fine or both, and revocation of the offender's driving licence. Importing and using narcotics is illegal and punishable by heavy penalties. The possession of material deemed obscene is also punishable by a prison sentence. Qatar bans all pork products.

Qatar prohibits individuals from photographing airports, Government Ministry buildings or defence installations, and care should be taken to avoid taking photographs that might constitute an invasion of an individual's privacy.

As with all Arab people, the tradition of hospitality and generosity is strong. It is important to display courtesy and patience in negotiations.

I USEFUL ADDRESSES AND TELEPHONE NUMBERS

When telephoning from an international location, the caller must use the international telephone country code for Qatar, 974, as a prefix.

Ministries

Ministry of Civil Servants and Housing	PO Box 36 Doha Telephone: 4841222 Fax : 4841010
Ministry of Defence	PO Box 37 Doha Telephone: 4614111
Ministry of Economy & Commerce	PO Box 22966 Doha Telephone: 4932000 Fax : 4932111
Ministry of Education & Higher Education	PO Box 80 Doha Telephone: 4333444
Ministry of Endowments & Islamic Affairs	PO Box 7878 Doha Telephone: 4327377 Fax : 4327383
Ministry of Finance	PO Box 3322 Doha Telephone: 4461444 Fax : 4436959
Ministry of Foreign Affairs	PO Box 250 Doha Telephone: 4334334 Fax : 4413617
Ministry of Interior	PO Box 2433 Doha Telephone: 4330000 Fax : 4327177
Ministry of Justice	PO Box 4696 Doha Telephone: 4842222 Fax : 4939803

Ministry of Municipal Affairs & Agriculture	PO Box 2727 Doha Telephone: 4336336 Fax : 4430239
Ministry of Public Health	PO Box 3050 Doha Telephone: 4393802 Fax : 4443447

Councils

Central Municipal Council	PO Box 2234 Doha Telephone: 4436234 Fax : 4438312
Planning Council	PO Box 1855 Doha Telephone: 4381111 Fax : 4425555
National Council for Culture, Arts & Heritage	PO Box 23700 Doha Telephone: 4859706 Fax : 4673038
Supreme Council for Economic Affairs & Investment	PO Box 23224 Doha Telephone: 4461232 Fax : 4432091
Supreme Council for Family Affairs	PO Box 22257 Doha Telephone: 4628444 Fax : 4678118
Supreme Council for Economic Environment & Natural Reserves	PO Box 7634 Doha Telephone: 4320825 Fax : 4415246

Authorities

General Corporation for Customs & Ports	PO Box 81 Doha Telephone: 4457457 Fax : 4430910
Civil Aviation Authority	PO Box 3000 Doha Telephone: 4428177 Fax : 4429070
Standards, Measurements General Authority	PO Box 1968 Doha Telephone: 4408555 Fax : 4478849
General Authority for Tourism	PO Box 24624 Doha Telephone: 4411555 Fax : 4325922

Others

State Audit Bureau	PO Box 2466 Doha Telephone: 4382382 Fax : 4412101
Qatar Central Bank	PO Box 1234 Doha Telephone: 4456456 Fax : 4430490
Department of Public Revenues and Taxes	PO Box 83 Doha Telephone: 4461131 Fax : 4261905
Qatar Chamber of Commerce & Industry	PO Box 402 Doha Telephone: 4326622 Fax : 4440048
Qatar General Water & Electricity Corporation	PO Box 41 Doha Telephone: 4326622 Fax : 4440048
Qatar Petroleum	PO Box 3212 Doha Telephone: 4491441 Fax : 4831125

Selected Embassies

American Embassy	PO Box 2399 Doha Telephone 4884101 Fax : 4884298
British Embassy	PO Box 3 Doha Telephone 4421991 Fax : 4438692
Egyptian Embassy	P O Box 2899 Doha Telephone 4832555 Fax : 4832196
French Embassy	PO Box 2669 Doha Telephone 4832283 Fax : 4832254
German Embassy	PO Box 3064 Doha Telephone 4876959 Fax : 4876949
Indian Embassy	PO Box 2788 Doha Telephone 4672021 Fax : 4670448
Italian Embassy	PO Box 4188 Doha Telephone 4667842 Fax : 4664644
Embassy of Japan	PO Box 2208 Doha Telephone 4831224 Fax : 4832178
Kuwait Embassy	P O Box 1177 Doha Telephone 4832111 Fax : 4832042

Embassy of the Republic of Korea	PO Box 3727 Doha Telephone 4832238/9 Fax : 4833264
Embassy of the Sultanate of Oman	PO Box 1525 Doha Telephone 4670744 Fax : 4670747
Saudi Arabian Embassy	PO Box 1255 Doha Telephone 4832030 Fax : 4832720

Banks

Al Ahli Bank of Qatar	PO Box 2309 Doha Telephone 4326611 Fax 4444652
Arab Bank Ltd (Main Office)	PO Box 172 Doha Telephone 4437979 Fax 4410774
BNP Paribas	PO Box 2636 Doha Telephone 4433844 Fax 4410861
Mashreq Bank	PO Box 173 Doha Telephone 4413213 Fax 4413880
Bank Saderat Iran	PO Box 2256 Doha Telephone 4414646 Fax 4430121
HSBC	PO Box 57 Doha Telephone 4382222 Fax 4416353
Commercial bank	PO Box 3232 Doha Telephone 4490222 Fax 4438182
Doha Bank Limited (Head Office)	PO Box 3818 Doha Telephone 4456600 Fax 4416631
International Bank of Qatar	PO Box 2001 Doha Telephone 4473700 Fax 4473710
Qatar National Bank (Head Office)	PO Box 1000 Doha Telephone 4407407 Fax 4413753

Banks (continued)

Qatar Islamic Bank	PO Box 559 Doha Telephone 4409409 Fax 4412700
Standard Chartered Bank plc	PO Box 29 Doha Telephone 4414252 Fax 4413739
United Bank Limited	PO Box 242 Doha Telephone 4438666 Fax 4424600
International Islamic Bank	P.O. Box 664 Doha Telephone 4385600 Fax : 4444101
Qatar Industrial Development Bank	P.O. Box 22789 Doha Telephone 4421600 Fax 4350433

Hotels

Doha Sheraton Hotel	PO Box 6000 Doha Telephone 4854444 Fax 4832323
Doha Marriott Hotel	PO Box 1911 Doha Telephone 4432432 Fax 4418784
Four Seasons Hotel	PO Box 24665 Doha Telephone 4948888 Fax 4948282
Hotel Inter-Continental	PO Box 6822 Doha Telephone 484 4444 Fax 483 9555
Mercure Grand Hotel	PO Box 7566 Doha Telephone 4462222 Fax 4439186
Movenpick	PO Box 24220 Doha Telephone 429 1111 Fax 429 1100
Oasis Hotel	PO Box 717 Doha Telephone 4424424 Fax 4327096
Rydges	PO Box 22686 Doha Telephone 438 5444 Fax 438 5445
Ramada Renaissance	PO Box 1768 Doha Telephone 4417417 Fax 4410941
The Ritz Carlton	PO Box 234000 Doha Telephone 484 8000 Fax 484 8484

Al Sadd Merweb Hotel	PO Box 22201 Doha Telephone 447111 Fax 4471117
Grand Regency	PO Box 22606 Doha Telephone 4343333 Fax 4343444

Insurance Companies

American Life Insurance Co.	PO Box 913 Doha Telephone 4655 057 Fax 466 3409
Arabia Insurance Company Limited	PO Box 771 Doha Telephone 4422682 Fax 4446487
Al Khaleej Insurance Company	PO Box 4555 Doha Telephone 4414151 Fax 4430530
Atlas Assurance Company	PO Box 441 Doha Telephone 4664406 Fax 4664409
Doha Insurance Company	PO Box 7171 Doha Telephone 4427107 Fax 4418426
Lebano Suisse Insurance	PO Box 607 Doha Telephone 4324661 Fax 4325646
National Insurance Company of Egypt	PO Box 207 Doha Telephone 4423422 Fax 4320872
Qatar General Insurance & Reinsurance Company SAQ	PO Box 4500 Doha Telephone 4357000 Fax 4437302
Qatar Insurance Company	PO Box 666 Doha Telephone 4490490 Fax 4831569
Qatar Islamic Insurance Company	PO Box 12402 Doha Telephone: 4413413 Fax 4447277

Selected International Schools

American School of Doha	PO Box 22090 Doha Telephone: 4421377 Fax 4420885
Doha College	PO Box 7506 Doha Telephone: 4683421 Fax 4685720
Doha English Speaking School	PO Box 7660 Doha Telephone: 4870170 Fax 4875921
Doha Independent School	PO Box 5404 Doha Telephone: 4684495 Fax 4687897
Lycee Francais De Doha	PO Box 6110 Doha Telephone: 4835800 Fax 4835808
MES Indian School	PO Box 3453 Doha Telephone: 4683344 Fax 4681816
Pakistan Education Centre	PO Box 1930 Doha Telephone: 4683250 Fax 4683435
Park House English School	PO Box 22215 Doha Telephone: 4423343 Fax 4423343

Selected Airlines

Air India	PO Box: 3446 Doha Telephone: 4324111 Fax 4321134
British Airways	PO Box: 737 Doha Telephone: 4321434 Fax 4419187
Emirates	PO Box 22488 Doha Telephone: 4384477 Fax 4352661
Gulf Air	PO Box 3394 Doha Telephone: 4455455 Fax 4472222
KLM - Royal Dutch Airline	PO Box: 737 Doha Telephone: 4321208 Fax 442 1152
Middle East Airlines	PO Box 2288 Doha Telephone: 4422288 Fax 4427711
Pakistan International Airlines	PO Box: 1162 Doha Telephone: 4426290 Fax 4323469
Qatar Airways	PO Box 22550 Doha Telephone: 449 6666 Fax 4621533
Saudi Arabian Airlines	PO Box 3668 Doha Telephone: 4322991 Fax 4310981

Appendices

Appendix 1: Economic Statistics

Key performance indicators
The following table presents a summary of some key performance indicators and economic statistics for Qatar.

(US$ millions)	2004	2003	2002	2001	2000
GDP	28,451	23,604	19,707	17,741	17,760
% Increase (Decrease) in GDP	20.5%	19.8%	11.1%	-0.1%	43.3%
Movement in consumer price index	6.8%	2.3%	0.2%	1.4%	1.7%
Balance of payments					
Exports (F.O.B.)	18,684	13,382	10,978	10,870	11,594
Imports (F.O.B.)	(5,410)	(4,358)	(3,650)	(3,386)	(2,930)
Services and private transfers (net)	(5,723)	(3,270)	(3,504)	(3,221)	(3,190)
Current account balance	7,551	5,754	3,824	4,263	5,474

The State budget reporting period is based on a 31st March year end.

(US$ millions)	2006 (i)	2005 (i)	2004	2003	2002	2001	2000
Government budget							
Revenue	10,447	7,195	8,438	7,834	6,251	6,856	4,323
Expenditure	10,388	7,789	(7,422)	(6,264)	(5,633)	(5,575)	(4,822)
Deficit/Surplus	59	(593)	1,016	1,570	618	1,280	(499)

(i) Estimates

Source: 28th Annual Report, Qatar Central Bank, Ministry of Finance

Appendix 2: Major Trading Partners

The following table presents a seven year summary of the percentages of total Qatari imports by major trading partners.

Percentage of Total Imports							
Country	***2004***	***2003***	***2002***	***2001***	***2000***	***1999***	***1998***
Arab Countries	20.07	16.73	17.5	13.7	16.7	19.8	16.8
United Kingdom	5.12	8.024	7.6	8.0	7.8	11.5	11.2
Germany	5.256	9.65	7.0	9.1	8.2	6.2	5.8
Italy	3.39	7.44	9.0	9.8	6.7	4.7	6.0
France	26.74	3.32	4.2	4.4	5.5	4.7	5.7
Other European	7.74	9.04	8.9	8.7	9.8	9.3	8.9
USA	9.62	12.17	13.0	13.7	10.3	11.4	14.0
Japan	5.22	10.47	10.5	9.5	11.0	10.3	12.8
Others	16.84	23.13	22.3	23.1	24.0	22.1	18.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source : Quarterly Statistical Bulletin, June 2005, Volume 25 – Number 2, Qatar Central Bank

Appendix 3: Principal laws relating to business activities in Qatar

Subject Matter	Law No.	Year
Banking	4	1970
Chamber of Commerce	11	1990
Civil Law	16	1971
Commercial agencies	8	2002
Commercial companies	5	2002
Commercial registration system	11	1962
Copy Right	7	2002
Customs	40 & 41	2002
Doha Securities Market	14	1995
Engineering Professions	11	2001
Entry and Residence of Foreigners	3	1963
Foreign Capital Investment Law	13	2000
Free Investment Zones	34	2005
GCC Economic agreement	6	1983
Income tax	11	1993
Industry	19	1995
Insurance companies and agents	1	1966
Labour	14	2004
Leasing of Premises and Buildings	2	1975
Maritime	15	1980
Mutual Funds	25	2002

Appendix 3: Principal laws relating to business activities in Qatar (continued)

Subject Matter	Law No.	Year
Pensions	24	2002
Public Debt	18	2002
Public Finance Policy	2	1962
Public tenders	8	1976
Qatar Central Bank	15	1993
Real Estate Registration	14	1964
Social Security	38	1995
Specifications & measurements system	4	1990
Sponsorship and Exit of foreigners	3	1984
Combating Trade Concealment	25	2004
Ownership of the Real Estate by foreigners	17	2004
Qatar Financial Centre	7	2005

Appendix 4: Tax Rates

The tax rates applicable to net income under the tax law are as shown in the following table.

Taxable Profits (QR)		
Exceeding	Not Exceeding	Rate %
0	100,000	Exempt
100,001	500,000	10
500,001	1,000,000	15
1,000,001	1,500,000	20
1,500,001	2,500,000	25
2,500,001	5,000,000	30
5,000,001 and above		35

Appendix 5: Depreciation Rates

The annual rates of depreciation allowed by the income tax department are:

	Rate %
Buildings such as offices, houses, warehouses, hospitals and clubs	
Roads and bridges inside the establishment	5
Storage tanks, pipelines and port ducks	5
Equipment and office furniture	15
Plant, machinery and any other mechanical devices not mentioned below	15
Cars and motorcycles	20
Lorries - various sizes	20
Ships	7.5
Aeroplanes	25
Drilling instruments	15
General service machinery (including building and road tools, workshop machinery and work machinery, etc.)	15
Buildings and roads of service stations	5
Machinery for servicing and lubrication of service machinery	15
Trailers and carts	15
Refinery machines and pipelines (inside the refinery) and small tanks	10
Airconditioners	20
Electrical equipment	20
Computer equipment	33.33

Intangible assets such as trademarks and similar assets, depreciation is based on cost and is computed on a straight line basis over the estimated duration of the company.

The rates are applied to the cost of the asset on a straight line basis.

Appendix 6: Legalisation Fees

Legalisation fees are levied as follows on the CIF invoice value:

Commercial invoice value			**Fees**
QR		QR	QR
1	to	5,000	100
5,001	to	15,000	200
15,001	to	50,000	500
50,001	to	100,000	900
100,001	to	150,000	1,300
150,001	to	250,000	1,800
250,001	to	500,000	2,200
500,001	to	1,000,000	3,000
1,000,001	and	above	0.4% of CIF invoice value

Appendix 7: Main Indicators of the Doha Securities Market

End of Period Data	2000	2001	2002	2003	2004	2005
No. of listed companies	22	23	25	28	30	32
Market capitalisation (QR million)	18,805.7	26,721.0	38,475.3	97,222.4	147,190.7	317,201.7
General Price Index	1,233.30	1,692.20	2,323.84	3,946.70	6,493.62	11,053.06

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ERNST & YOUNG MIDDLE EAST FIRMS

BAHRAIN

Manama
Ernst & Young

P.O. Box 140
14th Floor, The Tower
Sheraton Commercial Complex
Government RoadManama,
Bahrain

Telephone: +973 535455
Fax: +973 535405

Email: manama.bh@ey.com

KUWAIT

Kuwait
Al-Aiban, Al-Osaimi & Partners
(A Member of Ernst & Young Global)
P.O. Box 74
Souk As Safat, 3rd Floor
Abdullah Mubarak Street
13001 Safat,
Kuwait

Telephone: +965 2/452880
Fax: +965 2/456419

Email: kuwait.kw@ey.com

PALESTINE

Ramallah
Ernst & Young

P.O. Box 1373
Al-Ersal Street
Al-Salam Building, 2nd Floor
Ramallah,
Palestine

Telephone: +972 2/2980080,2961480
Fax: :+972 2/2959256

Email: ramallah.office@ey.com

EGYPT

Cairo
Ernst & Young
PO Box 97,
Mobica Tower, Floors 6&7
37 El Ahrar St.
Dokki,
Cairo, Egypt

Telephone: +202 3362000
Fax: +202 7600813

Email: cairo.office@eg.ey.com

LEBANON

Beirut
Ernst & Young
P.O. Box 11-1639
St. Charles City Centre
Omar Daouk Street
Riad El Solh 1107-2090
Beruit, Lebanon

Telephone: +961 1/360640
Fax: +961 1/360634

Email: beruit.office@lb.ey.com

QATAR

Doha
Ernst & Young
P.O. Box 164
3rd Floor, Al-Abdulghani Tower
Airport Road
Doha,
Qatar

Telephone: +974 4414599
Fax: :+974 4414649

Email: doha@qa.ey.com

JORDAN

Amman
Ernst & Young
P.O. Box 1140
Amman 11118
Mecca Street - Wadi Aqra
Jabal Amman
Jordan

Telephone: +962 (6) 5526111
Fax: +962 (6) 553 8300

Email: amman.office@jo.ey.com

OMAN

Muscat
Ernst & Young
P.O. Box 1750
Bank Dhofar Building
Muttrah Business District, Ruwi 112
Muscat,
Sultanate of Oman

Telephone: +968 703105
Fax: :+968 702734

email: muscat.om@ey.com

SYRIA

Damascus
Ernst & Young
P.O. Box 30595
Villat Sharqieh-Mazzeh
5 Shafiee Street,
opposite Akram Mosque
Damascus,
Syria

Telephone: +963 11 611 0104
Fax: :+963 11 611 3006

ERNST & YOUNG MIDDLE EAST FIRMS (continued)

SAUDI ARABIA

Al Khobar
Ernst & Young
P.O. Box 3795
9th Floor, Fluor Arabia Building
Al Khobar 31952,
Kingdom of Saudi Arabia

Telephone: +966 3/8825414
Fax: +966 3/8827224
Email: alkhobar.sa@ey.com

SAUDI ARABIA

Jeddah
Ernst & Young
P.O. Box 1994
4th Floor, Al-Nakheel Centre
Medina Road
Palestine Square
Jeddah 21441,
Kingdom of Saudi Arabia
Telephone: +966 2/6671040
Fax: +966 2/6672129
Email: jeddah.sa@ey.com

SAUDI ARABIA

Riyadh
Ernst & Young
P.O. Box 2732
Al Faisaliah Office Tower - Level 6
King Fahad Road, Olaya
Riyadh 11461,
Kingdom of Saudi Arabia
Telephone: + 966 1/2734740
Fax: +966 1/2734730
Email: riyadh.sa@ey.com

UNITED ARAB EMIRATES

Abu Dhabi
Ernst & Young
P.O. Box 136
11th Floor, Al Ghaith Tower
Hamadan Street
Abu Dhabi,
United Arab Emirates
Telephone: + 971 (2) 6277522
Fax: +971 (2) 6273383
Email: abudhabi.uae@ey.com

UNITED ARAB EMIRATES

Dubai
Ernst & Young
P.O. Box 9267
Kendah House, 28th floor
Sheikh Zayed Road
Dubai,
United Arab Emirates

Telephone: +971 (4) 3324000
Fax: +971 (4) 3324004
Email: dubai.uae@ey.com

UNITED ARAB EMIRATES

Sharjah
Ernst & Young
P.O. Box 1350
3rd Floor, Al Qasimiah Tower King
Mina Street
Sharjah
United Arab Emirates
Telephone: + 971 (6) 5724820
Fax: + 971 (6) 5724751

REPUBLIC OF YEMEN

Sana'a
Mohamed T Hamood & Co.
(Correspondent for Ernst & Young)
P.O. Box 19503
Sana'a
Republic of Yemen

Telephone: +967 1 503930
Fax: :+967 1 503934