



Foreign Direct Investment in Qatar

Recent Developments and Opportunities

Prepared by the US-Qatar Business Council

Washington, DC
January 2022



Your future business partner is waiting.

We advance trade & investment between the US and Qatar.

The US-Qatar Business Council (USQBC) envisions a seamless relationship between the US and Qatar; a permanent partnership built on a foundation of mutual interests and strong strategic, business, cultural, and security relations. USQBC is the leading organization dedicated exclusively to enhancing the bilateral relationship between the US and Qatar.

As a member, you will have access to USQBC's business and advisory services. We will matchmake and advocate with US and Qatari government and private sector entities on your behalf. Meet senior level officials at our events, roundtables, and networking opportunities. Join us and gain access to two of the most exciting and dynamic markets in the world.



US-Qatar Business Council Services

Membership

USQBC is a not-for profit, US-headquartered, membership-based organization and offers a broad range of services and benefits to its members including, but not limited to:

- Advice and counsel for investment in Qatar and the US
- Arranging appointments with government and business contacts in Qatar and the US
- Notifying members of business and other opportunities
- Advising and assisting in the preparation of projects, programs, proposals and other activities

Advisory and Consulting

USQBC provides a range of customizable services for those interested in expanding their business in the US and Qatar:

- Market Insight & Analysis
- Market Entry Strategy
- Partner Identification & Introduction
- In-Country Arrangement & Logistical Support

Document Authentication & Certification

The US-Qatar Business Council is the authorized entity for the authentication & certification of US export and commercial documents bound for the State of Qatar.



@USQatar

US-Qatar Business Council



For questions and verifications, please consult our offices:

USQBC Headquarters:

1700 New York Ave NW
Suite 330
Washington, DC 20006
+1 202 457 8555
RulaManasra@usqbc.org

USQBC Qatar Office:

Tornado Tower
Level 22
Doha, Qatar
+974 4429 4977
DimaWahbeh@usqbc.org

Disclaimer:

USQBC is not responsible, should any of the texts, information, published data and links to other websites be found to be inaccurate or not updated, incomplete or not up to date, readers are reminded that the content exists solely for information purposes and has no value of an official nature.

Thanks to Our Sponsor

Gold





Table of Contents

About the Council	7
Current State of the FDI in Qatar	8
Key Initiatives to Facilitate FDI in Qatar	11
Spotlight: QNB	14
Why Qatar?	19
Entrepreneurship is Driving FDI	20
US-Qatar Business Relationship	24
Key Organizations	32
Legal Review	34





About the Council

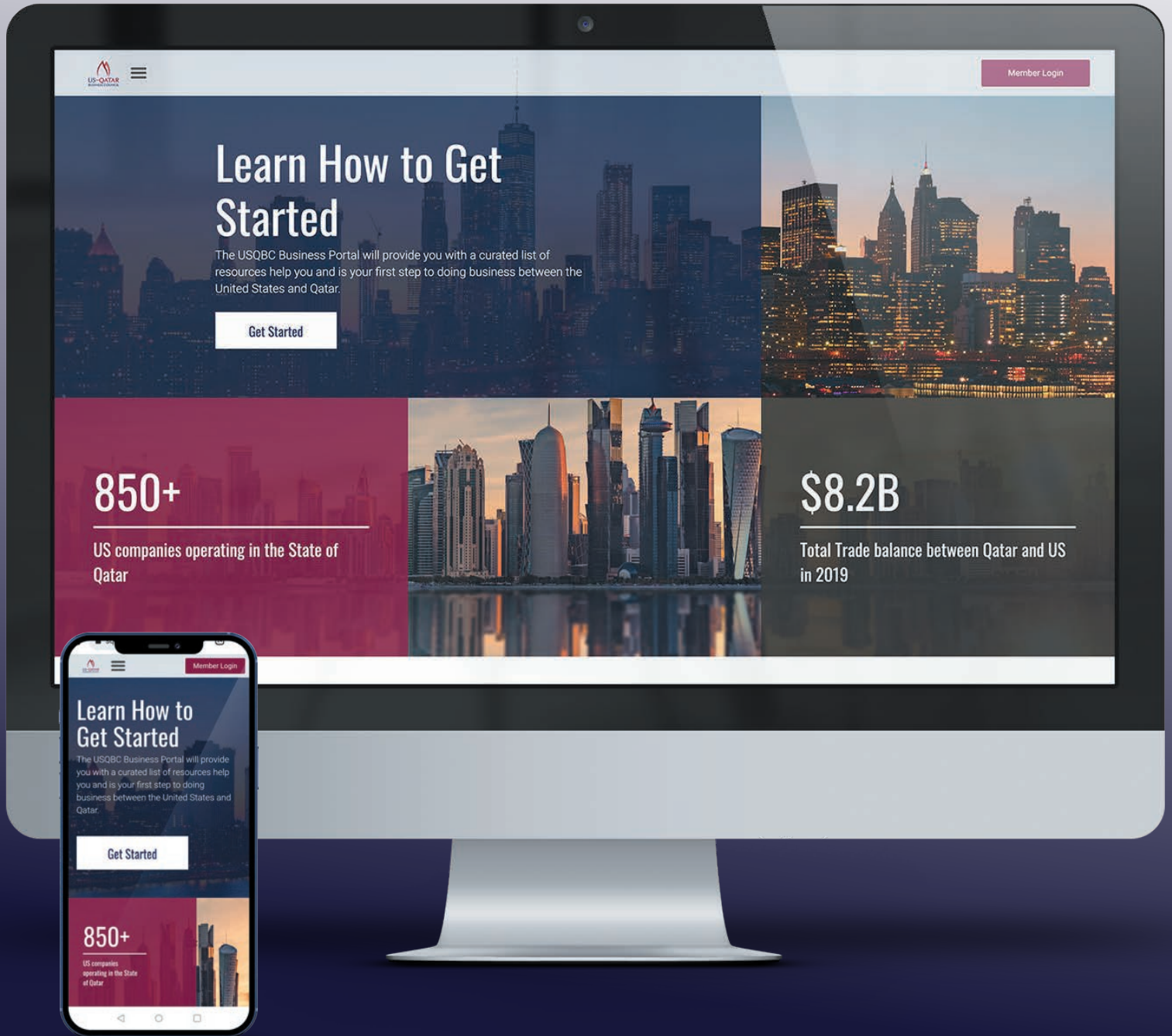
The US-Qatar Business Council promotes, enhances and advances the bilateral business relationship between the United States and the State of Qatar.

The Council envisions a seamless relationship between the US and Qatar; a permanent partnership built on a foundation of mutual interests and strong business, cultural, and security relations. The Council is the leading organization dedicated exclusively to enhancing the bilateral commercial relationship between the US and Qatar.

The Council offers business advisory services, consultancy services, and coordinates trade missions for US and Qatari companies to facilitate bilateral business. The Council utilizes various vehicles to highlight Qatari happenings and engage stakeholders, including partnerships, events, and articles.

Visit us at www.usqbc.org for the latest updates.

The USQBC Business Portal is Now Live!



Visit: portal.usqbc.org



The newly developed USQBC Business Portal is a one-of-a-kind platform that covers every single US state and the Qatar market all under one comprehensive platform. The Portal will transform the US-Qatar Business experience and enhance investment & trade between the two countries.

- Assists matchmaking efforts between Qatari and American companies
- Generates useful insights into business interests in Qatar and the US
- Highlights Qatar's economic diversification efforts
- Provides unique real-time visualizations and dashboards on US-Qatar trade & investment data
- Showcases the US market opportunities
- Drives FDI into Qatar and the US



Current State of FDI in Qatar

Overview

Over the past few years, Qatar has succeeded in reinforcing its economic standing on the world map in accordance with the policies adopted by the Qatari government, and in line with the Qatar National Vision 2030 (QNV 2030), which aims to lay the foundations for a diversified and competitive knowledge-based economy.¹ Qatar's economy is principally driven by exploitation of natural gas and petroleum resources. Qatar has about 12% of the world's proven reserves of natural gas, the third largest reserves in the world.

While the country's economy was impacted by the 2017 blockade and the Covid-19 pandemic, Qatar's economy is expected to return to positive growth of 2.5% in 2021 and 3.9% in 2022, as the economy benefits from a recovery in global LNG demand, post-pandemic global economic recovery, and expected boom in the services sector ahead of the FIFA 2022 World Cup. In addition, Qatar's GDP may scale up to \$201 billion in 2025 from \$161 billion in 2021. In 2022, Qatar's GDP is projected to reach \$172 billion, followed by \$181 billion in 2023 and \$191 billion in 2024.²

While Qatar is ideally positioned to act as a commercial and operating hub for fintechs, the Covid-19 pandemic has highlighted the necessity and possibility of applying technology by financial institutions to better interact and service clients. The Qatar Central Bank (QCB), along with other government agencies such as the Qatar Financial Center (QFC) is actively working on developing strategies to allow sector players to benefit easily and swiftly from many fintech initiatives and products that are currently on the horizon.³ The Qatar FinTech Hub, brings together fintech entrepreneurs, industry experts, regulators, and investors to create a flourish community to enhance fintech developments going forward.⁴

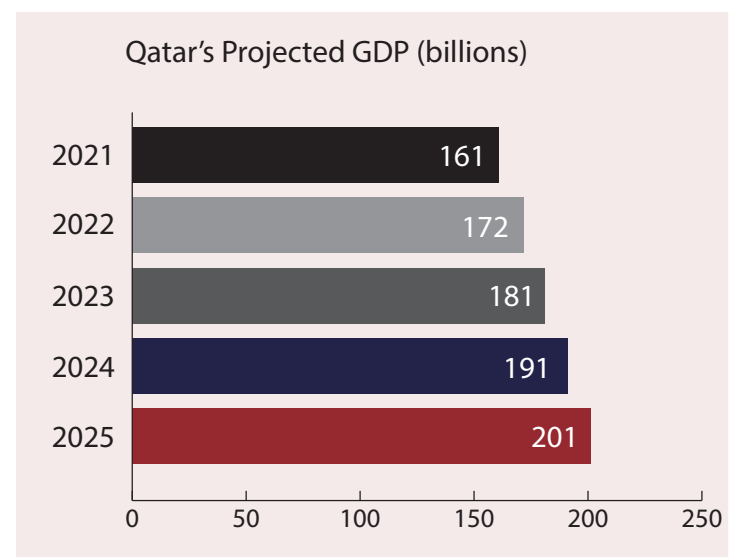
Qatar's economic policies have provided support for various sectors and bolstered their contribution to economic growth, thus strengthening and enhancing investor confidence in the national economy. In adherence with the country's National Vision 2030 plan to establish an advanced, knowledge-based, and diversified economy, the government has introduced reforms to its foreign investment laws to allow 100 percent foreign ownership of businesses in most sectors.

¹ <https://www.gco.gov.qa/en/focus/economic-policy/>

² <https://www.futuredirections.org.au/publication/qatars-economic-recovery-lng-in-2021-and-beyond/>

³ <https://menafn.com/1100437765/Qatar-to-become-hub-for-fintechs-eyeing-India-Pakistan-and-Bangladesh-AI-Jaida>

⁴ <https://menafn.com/1100437765/Qatar-to-become-hub-for-fintechs-eyeing-India-Pakistan-and-Bangladesh-AI-Jaida>



Current State of FDI in Qatar

Qatar aims to become a leading country in terms of its business and foreign investment environment. In 2018, the government approved a draft law that allows non-Qatari investors to own 100% capital in all sectors, and increased the foreign ownership limit of many Qatar Stock Exchange listed companies to 49%. The organization of the 2022 FIFA World Cup in Qatar is expected to attract large amounts of foreign investors in the coming years.

There are significant opportunities for foreign investment in infrastructure, healthcare, education, tourism, energy, and financial services, in addition to other sectors. Foreign direct investment (FDI) flows into Qatar “have generally followed an upward trend” in the past several years, thanks to the “country’s political stability, stable currency pegged to the dollar, high quality infrastructure and one of the lowest corporate tax rates” in the world (10%), according to an analysis by French multinational investment bank Societe Generale. It added that the FDI to Qatar totaled \$199.7 billion in 2019, 6.6% higher than the same time in 2018.

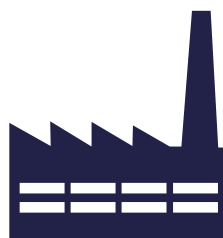
According to the United Nations Conference on Trade and Development (UNCTAD) 2020 World Investment Report, the total stock of FDI stood at \$31 billion in 2019. Regardless of the diplomatic tension that has occurred with neighboring Gulf states, the trust of global investors remained in Qatar’s economy. Furthermore, Qatar is also a key international investor, thanks to its large foreign exchange reserves. The largest

100%

Ownership stake in private business allowed for foreign investors across all sectors.

contributors to FDI inflows are the United States, Japan, South Korea, and Singapore, while the main sectors that attract foreign investments are oil and gas, construction, public works and financial services.⁵

According to Qatar’s Minister of Commerce and Industry Ali bin Ahmed Al-Kuwari, the total volume of investments in the industrial sector in 2020 amounted to approximately \$72.38 billion, and that the industrial sector had witnessed remarkable growth in conjunction with the progress made in the projects of developing the SMEs industrial zone.



The total number of **factories in Qatar in 2020 stood at 927**, registering a **6% increase** compared to 2019.⁶



\$72.38 billion

volume of investments in 2020 in industrial sector.

⁵ https://unctad.org/system/files/official-document/wir2020_en.pdf

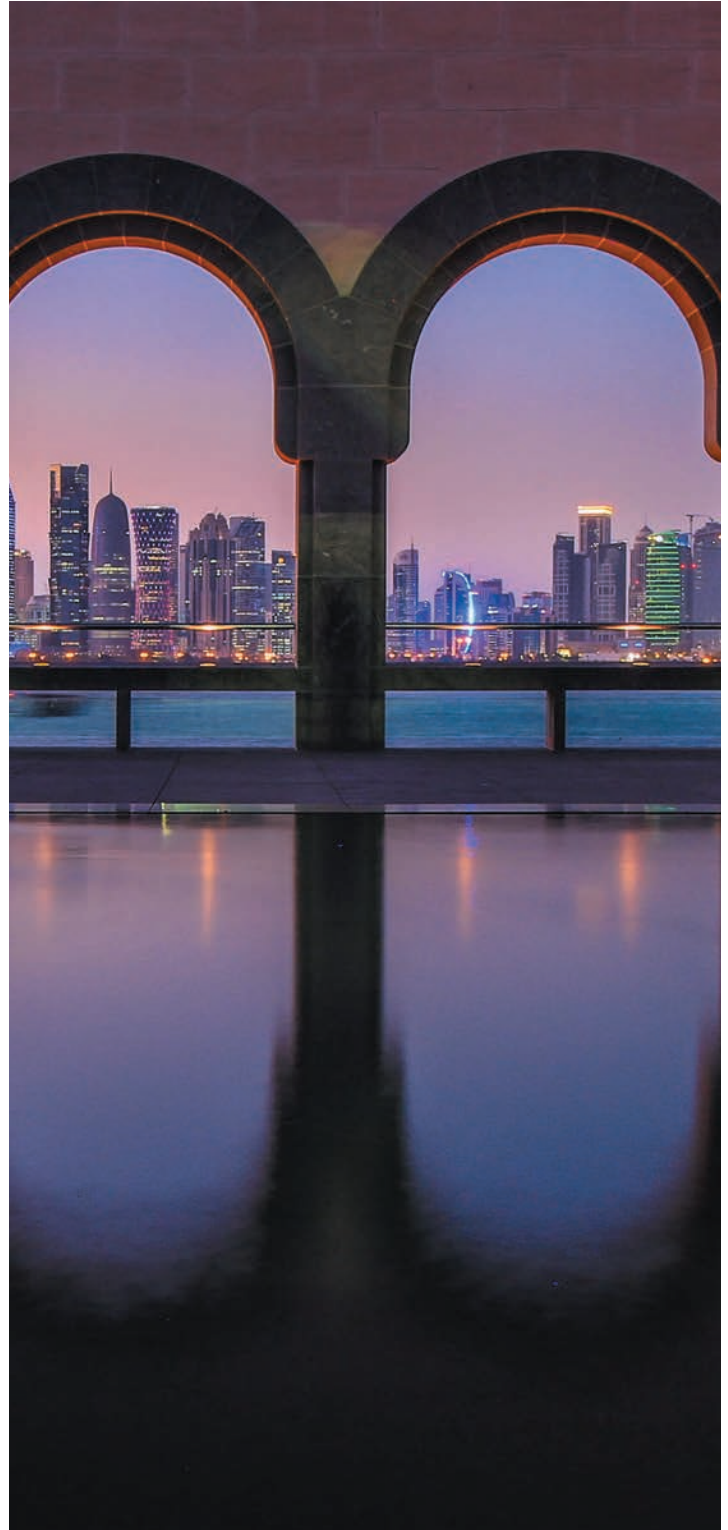
⁶ <https://www.qdb.qa/en/Documents/State%20of%20SMEs%20in%20Qatar%202020%20EN.pdf>

Current State of FDI in Qatar

Resolution of the Gulf Dispute

Qatar emerged from the 2017 Gulf Dispute over the course of four-years successfully thanks to previous efforts to diversify its economy and strategic supply chain management. In addition to arranging new shipping, airline, and other transportation routes, its sovereign wealth fund deposited billions of dollars of state money in local banks to shore them up. As a result, according to the International Monetary Fund, Qatar was the only Gulf country to achieve fiscal surpluses in the following three years, after posting a deficit in 2017.⁷ Furthermore, according to the World Bank, Qatar's economy is expected to grow 3% in 2021, and is in the best position among GCC countries.⁸

The blockade came to an end in January 2021, and Qatar benefitted greatly from a large influx of foreign direct investment due to decreased cost of doing business and increased regional business opportunities. This resulted in massive economic gains for the region and a stronger, more powerful Gulf Cooperation Council (GCC). One of the major benefits of the opening of airspace over Saudi Arabia has been lowering costs of air travel and shipping. The normalization of relations between the countries will also see an increase in tourism and investment interest. Qatar Financial Centre is aiming to attract \$25 billion in FDI by 2022 now that the rift has ended. The goal also includes the creation of 10,000 new jobs and the establishment of 1,000 new companies in the country.⁹



Source: Shutterstock

⁷ <https://www.reuters.com/world/middle-east-africa/gulf-gets-boost-healing-saudi-qatar-rift-2021-01-05/>

⁸ <https://www.cnbc.com/2021/01/14/qatar-financial-center-wants-to-attract-25-billion-of-foreign-investments-by-2022-as-gulf-rift-ends.html>

⁹ <https://www.cnbc.com/2021/01/14/qatar-financial-center-wants-to-attract-25-billion-of-foreign-investments-by-2022-as-gulf-rift-ends.html>

Current State of FDI in Qatar

Impact of the Covid-19 Pandemic

The Covid-19 pandemic has triggered the deepest economic recession in nearly a century, threatening health, disrupting economic activity, and reducing jobs across the globe. Under the leadership of Qatar's governing authorities, the country continued its economic diversification policy, stimulating the participation and role of the private sector, developing national industries and exports, and attracting investment in non-energy sectors.

Regarding the measures taken to confront the repercussions of the pandemic, Qatar has succeeded, in light of the current exceptional circumstances, in dealing with the consequences of the crisis and has taken effective and efficient measures that have contributed to reducing its negative impact on social and economic levels. Qatar has worked to enhance the flow of commodities and support maintaining regular supply operations by strengthening its cooperation with countries and trade partners, providing raw materials for various industrial sectors as well as adopting a series of economic measures and incentives. These, undoubtedly, have contributed to protecting the private sector and enhancing companies' ability to adapt to the current economic situation and pay their employees.¹⁰

**\$20.6
billion**

Fiscal and Monetary Stimulus Measures introduced during the Covid-19 Pandemic¹⁰

Public-Private Partnership Legislation

Of particular significance is the legislation put in place by Qatar in 2020 to attract and encourage investment, including the law regulating the Public-Private Partnership (PPP), which contributed to enhancing investment prospects in the country and providing the appropriate legislative framework to improve governance, risk management, and enhance competition and innovation.

This law provided investors with the opportunity to finance, develop, and operate projects in a variety of priority sectors, including food security, sports, tourism, health, education, and logistics. In this regard, the Qatar Minister of Commerce and Industry Ali bin Ahmed Al-Kuwari spoke about the recent signing of the government schools package contract (establishing eight schools), and launching the tourist resorts project, spanning an area exceeding 450,000 sqm.¹¹

¹⁰ https://www.zawya.com/mena/en/economy/story/Qatars_policy_response_to_COVID19_conservative_budget_to_support_recovery-ZAWYA20210530041904/
¹¹ <https://m.gulf-times.com/story/686128/Prudent-policies-measures-help-Qatar-reduce-Covid-impact-on-local-economy>

Key Initiatives Facilitating FDI in Qatar

North Field Expansion

The North Field, the world's largest single non-associated natural gas field, lies offshore north-east of the Qatar peninsula. Natural gas on the north-east coast of Qatar was discovered in 1971 and 15 appraisal wells have been drilled at North Field over 14 years. The field is owned by Qatar Petroleum and is operated by its subsidiary Qatargas. Qatar Petroleum announced the expansion of the gas field in April 2017 after revoking its 12-year self-imposed ban on field development.

The expansion will increase Qatar's liquefied natural gas (LNG) production capacity from 77 million tonnes per annum (Mtpa) to 110 Mtpa, which accounts for an LNG production capacity increase of approximately 43%. First gas from the expansion project is expected to be produced by the end of 2023. The project is in line with Qatar's National Vision 2030, which aims for more sustainable development by 2030.¹²

Qatar Petroleum has contracted major US companies like McDermott International Ltd., Baker Hughes Co., and Northern Offshore Drilling Operations Ltd for construction & engineering related works in the \$28.7 billion North Field Expansion Project. Qatar's Minister of State for Energy Affairs and President & CEO of QP Saad Sherida Al-Kaabi announced that even though they have the capacity to take on the project alone, they are in the process of receiving bids for a 30% stake in the North Field East.

In 2019, Qatar Petroleum and Chevron signed an agreement to build a new petrochemical facility in Ras Laffan. The plant, scheduled to be operational by 2025, is a result of the North Field Expansion with Chevron having a 30% stake in the venture. It will include an ethane cracker that will produce 1.9 million tons of ethylene per year, an 82% output increase; this will make it the biggest of its kind in the region and one of the largest in the world.¹³



Source: Qatar Petroleum



Source: Qatar Petroleum

¹² <https://www.offshore-technology.com/projects/north-field-expansion-project/>

¹³ <https://qp.com.qa/en/Pages/BannerAdvertisement.aspx?imgname=24062019+QP+Chevron+Petrochemical+Complex+Agreement+English.jpg>

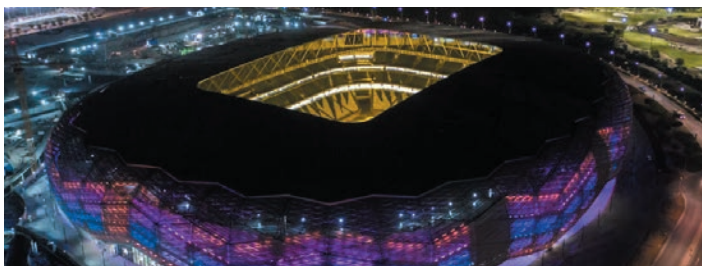
Key Initiatives Facilitating FDI in Qatar

2022 FIFA World Cup

Qatar is the first west Asian country, Arab nation, and also the smallest country to host a FIFA World Cup. With unique attractions, spectacular, state-of-the-art stadiums and the added bonus of traditional Arab hospitality, it promises to host a tournament like no other.

Qatar has been investing heavily in developing infrastructure and construction projects, much of which is to support the World Cup. Over \$220 billion is being invested into its road network, FIFA World Cup stadiums and facilities, hotels, and leisure and recreation projects.¹⁴ For the 2022 FIFA World Cup, Qatar has had to renovate one stadium and construct seven others, all of which will be completed in 2021. In total, Qatar has invested \$6 billion in the stadiums and facilities for the World Cup alone.¹⁵

Overall, the 2022 FIFA World Cup is expected to create \$10 billion in FDI for American companies alone. AECOM was selected as a design consultant and construction supervisor for Al Wakrah Stadium. AECOM and other US companies are heavily involved in the design and construction of the 2022 FIFA World Cup, as well as infrastructure to support the event.¹⁶



Source: FIFA

2030 Asian Games

Doha, the sports capital of the Middle East North Africa (MENA) region, has won the 2030 Asian Games bid race, making this the second time Qatar will be hosting the Asian Games after hosting very successful games in December 2006.¹⁷ Due to the many sports-related developments associated with the upcoming World Cup in addition and other projects, 90% of the infrastructure for the 2030 games was already in place. However, the Asian Games will reinforce Qatar's tourism ambitions and will offer \$1.3 billion worth of projects, which will boost the construction sector.¹⁸ Hosting the Asian Games 2030, in addition to the 2022 FIFA World Cup will reinforce Qatar's status as the region's leading sports hub.

Following the winning of the bid, The Doha 2030 Asian Games Bid Committee has launched Project Legacy 21, a series of programs that will begin from 2021 to meet the immediate and long-term needs of Asia's National Olympic Committees (NOCs). Project Legacy 21 takes advantage of the unique opportunity Doha has to share with Asia its significant experience and expertise, developed over the past two decades. With virtually all the necessary infrastructure to host the Asian Games already in place, Doha 2030 is able to focus its energy on guaranteeing Asia's NOCs an unprecedented Asian Games legacy that lasts until 2030 and beyond.¹⁹

¹⁴ <https://www.mordorintelligence.com/industry-reports/qatar-construction-market>

¹⁵ https://en.as.com/en/2019/06/11/football/1560280679_689366.html

¹⁶ [https://www.thepeninsulaqatar.com/article/06/04/2018/2022-World-Cup-likely-to-create-\\$10bn-investment-opportunities-for-US-firms](https://www.thepeninsulaqatar.com/article/06/04/2018/2022-World-Cup-likely-to-create-$10bn-investment-opportunities-for-US-firms)

¹⁷ <https://thepeninsulaqatar.com/article/16/12/2020/Mabrouk-Doha-to-host-2030-Asian-Games>

¹⁸ http://country.eiu.com/article.aspx?articleid=1810534964&Country=Saudi+Arabia&topic=Economy&subto_6

¹⁹ <https://www.iloveqatar.net/news/general/doha-2030-asian-games-bid-committee-reveals-project-legacy-21>

Spotlight: QNB



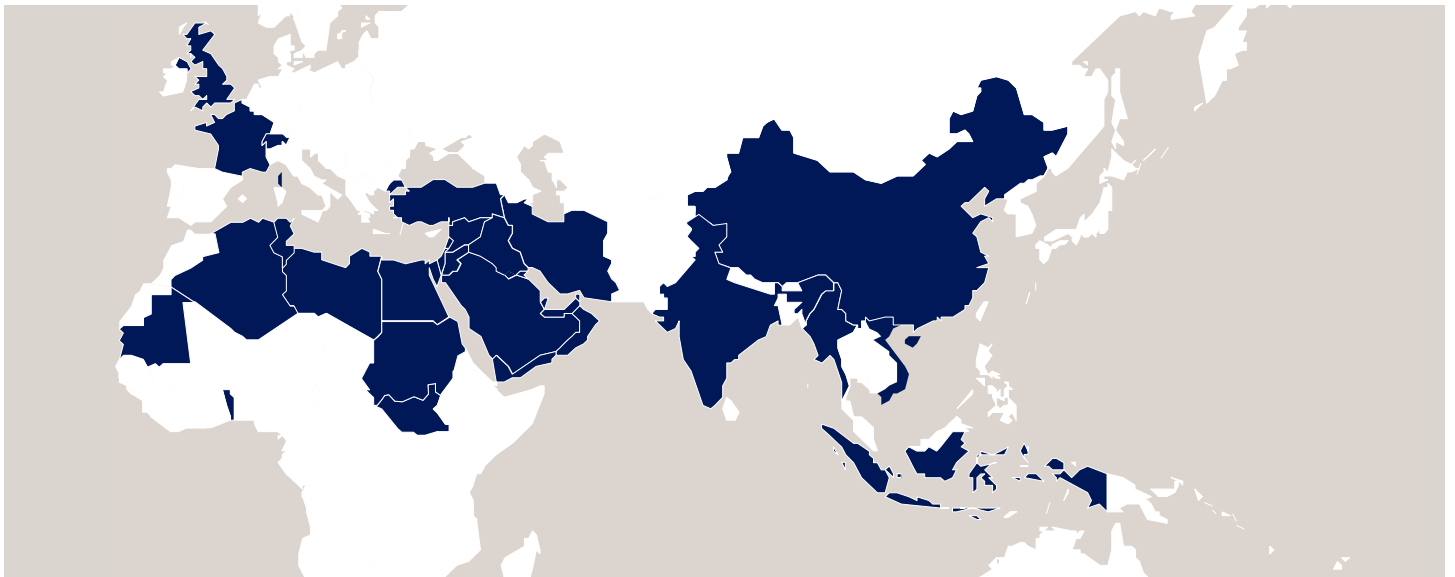
Overview

Established in 1964, QNB Group (Q.P.S.C.) is the first Qatari-owned commercial bank, with an ownership structure split between the Qatar Investment Authority (50%) and the remaining (50%) held by members of the public. QNB Group has steadily grown to become the largest financial institution in the Middle East and Africa (MEA). As of the first quarter of 2021, QNB's assets are of QAR 1.0 trillion, with a net profit of QAR 3.3 billion (USD 0.9 billion).

An Important Driver of QNV 2030

QNB is fully committed to, and supports the goals of Qatar's National Vision 2030 (QNV 2030). The primary goal is to diversify the economy by strengthening the private sector. As a financial intermediary, QNB acts as a key facilitator to nurture the growth of the private sector and SMEs. Creating meaningful value for its customers, employees, communities and shareholders is a fundamental part of QNB's mission. Through QNB's support of QNV 2030, the Group has played a large role in facilitating major infrastructure investments.

QNB's Global Footprint



#1 bank in the Middle East and Africa across all financial metrics



Most valuable banking brand in the Middle East and Africa, worth **\$6 billion**



International network with presence in more than **31 countries**



About **28,000** employees serving more than **20 million** customers

Leading Qatar's Financial Digitization

QNB's innovative culture has helped the group respond to the wide-reaching impact of the COVID-19 pandemic through technological advances and enhancements, as well as successful campaigns that allowed the Group to build a strong portfolio, to gain exposure overseas, and position the bank for future growth opportunities. The pandemic has brought to the forefront the importance of reliable and effective digital financial services platforms for both financial institutions and the customers using them. QNB has stepped up its digital acceleration to provide varied solutions to its international corporate clients. Across the network, it focused on accelerating the migration of corporate customers to its online platform. This proved very effective to meet the needs of its customers during the pandemic period, all while complying with the local requirements on lockdowns and curfews.

Commitment to Sustainability

As part of its commitment to sustainable business practices, QNB joined the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative, promoting better business practices in the areas of human rights, labor, environment, and anti-corruption. The flagship financial institution has continued to strengthen its sustainability program, which is aligned with the Qatar National Vision 2030 and the United Nations Sustainable Development Goals.

In late 2020, QNB unveiled its Green, Social, and Sustainability Bond Framework. This framework allows the Group to directly support its strategic focus on sustainable finance and help to maintain its position as one of the leading banks in the MEA region. Under this Framework, QNB selected international branches and subsidiaries in Egypt (QNB ALAHLI), Turkey (QNB Finansbank), Indonesia (QNB Indonesia), Switzerland (QNB (Suisse) SA) and Tunisia (QNB Tunisia), to be able to issue three types of bonds: 1) Green bonds, in order to finance and/or refinance eligible green loans 2) Social bonds, in order to finance and/or refinance eligible social loans and 3) Sustainability bonds, in order to finance and/or refinance a combination of eligible green loans and eligible social loans.

The net proceeds of green bonds issued by QNB will be used to finance and refinance a green loan portfolio consisting of project specific loans and general corporate loans to 'pure play' companies, as defined by the eligibility criteria in this Framework. A 'pure play' company is defined as a company deriving over 90% of its revenues from the green eligibility criteria.

Major Projects Pipeline as of September 2020

	Project	End
Construction	Lusail Mixed-Use Development	2022
	Economic Free Zones	2025
	FIFA World Cup Stadiums	2022
	Sharq Crossing	2024
Transport	Qatar Integrated Rail	2026
	Ashghal Expressway Programme	2022
	Ashghal Local Roads & Drainage	2023
	Hamad International Airport	2023
	Hamad Port	2023

Key Initiatives Facilitating FDI in Qatar

Hamad Port

Given the country's strategic location, Qatar aims to become the region's preferred transportation & logistics hub. Hamad Port is Qatar's main seaport, located south of Doha in the Umm Al-Houl area. Construction of the port began in 2010 and it became operational in December 2016. It was officially opened in September 2017 and will handle a capacity of 7.5 million TEUs upon completion.

Hamad Port is creating a new world-class commercial port in Qatar, making it the world's largest "greenfield" port-development project. Comprising a port, a base for the Qatari Amiri Naval Forces and a canal for the planned Qatar Economic Zone 3, the project will span a 26.5-square-kilometer area. The port will act as a catalyst for the country's trading industry, better positioning Qatar to benefit from the expected regional growth in container and vehicle carrier traffic as well as general cargo traffic.

Hamad Port is outfitted to handle various container loads. It has a general cargo terminal that can handle 1.7 million tons of general goods, 1 million tons of foodgrains, and 500,000 vehicles. It will also have a livestock terminal, a multi-use terminal, an offshore supply base, a coast guard facility, and a port marine unit. Along with regional transport development plans, Hamad Port will provide transshipment links by rail, sea or road to GCC and other Arabian Gulf states making use of its advanced safety, security system, and dedicated customs inspection area with latest technologies to speed the clearance of goods.²⁰



Source: AECOM

²⁰ <https://www.wander.am/travel/mesaieed-81367/places/hamad-port-194099.en.html>

Key Initiatives Facilitating FDI in Qatar

Qatar Free Zones

Free Zones are areas within Qatar which are essentially treated as being separate areas outside of the domestic state area for regulatory and customs purposes and are run by the Qatar Free Zones Authority (QFZA). The main objectives of the Free Zones are the generation of additional economic activity, promotion of exports of goods and services, promotion of investment from domestic and foreign sources, and creation of employment opportunities along with the development of infrastructure facilities.

Free Zones have been recognized as one of the best ways to encourage entrepreneurship and foster growth among small and medium-sized enterprises (SMEs), which the government has prioritized under Qatar's National Vision 2030. The Free Zones have been thoughtfully designed and expertly constructed to provide businesses everything they need to succeed. From brand-new infrastructure and access to utilities, to tax incentives and an investment fund, Qatar Free Zones are highly competitive and ready for business.

Qatar currently has two free zones, Ras Bufontas Airport Free Zone, Umm Al Houl Port Free Zone. Benefits of these zones are full ownership for foreign investments, access to free-zones-backed investment funds to promote growth, modern office facilities, large flexible land options, and access to world-class transport systems. The Qatar Free Zones Authority also hosts an exceptional website to attract investors.²¹



Source: The Peninsula

²¹ <https://www.pinsentmasons.com/out-law/guides/qatar-free-zones>

Key Initiatives Facilitating FDI in Qatar

Qatar Science & Technology Park

Qatar Science & Technology Park (QSTP) is Qatar's premier hub for applied research, technology innovation, incubation, and entrepreneurship. It is a 'free zone' that houses various international corporations (such as ExxonMobil, Shell, ConocoPhillips, Microsoft, and Cisco), SMEs, research institutions, and local tech startups. Inaugurated in March 2009 as a part of Qatar Foundation, the purpose of the science park is to spur development of Qatar's knowledge economy.



Source: Qatar Foundation

Located within Qatar Foundation's (QF) Education City, QSTP is part of a unique ecosystem that comprises a cluster of eight leading international and homegrown universities, primary and secondary schools, research centers and policy institutes, various scholastic and community-focused entities, and much more. This unique ecosystem is designed to leverage synergies across disciplines and sectors to bring new technologies, matured in Qatar, into the global marketplace.

QSTP has incubated 20 Qatari technology startups to date and hosts over 108 companies at its campus including 20 international companies such as ConocoPhillips, Cisco, and Siemens. QSTP will also offer \$50 million in the next five years to support startups.²²

²² <https://www.qf.org.qa/media-center/qstp-marks-10-years-of-achievements>

Why Qatar?

Ease of Doing Business

In adherence to Qatar's National Vision 2030 (QNV 2030) plan to establish a knowledge-based and diversified economy, the government recently introduced reforms to its foreign investment and foreign property ownership laws to allow 100 percent foreign ownership of businesses in most sectors and real estate in newly designated areas.

Qatar also offers investors numerous incentives including the freedom to transfer capital and choose the legal entity of a project in addition to exempting assets and production requirements as well as exports and imports from taxes and duties, which would streamline the flow of goods and services to and from Qatar. The State has also recently adopted a public-private partnership (PPP) law which will contribute to supporting this sector and foreign investors in the Qatari economy.

Despite the decline in FDI inflow due to the recent blockade and the Covid-19 pandemic, the upward trend in FDI is a result of Qatar's business environment being attractive for investors. Qatar ranks 77th in the World Bank's Ease of Doing Business index and 29th in the Global Competitiveness index. With the introduction of new legislation to encourage PPPs, foreign real estate ownership, and publicly-listed business ownership, Qatar has also realized many infrastructure projects including Hamad Port and free zones, among others.

Qatar's Minister of Commerce and Industry Ali bin Ahmed Al-Kuwari said that Qatar has established a "high-standard" end-to-end supply chain to increase size and share of exports of non-hydrocarbon goods. Qatar has eased doing business by lowering the number of procedures and time it takes to start a business, streamlining foreign investment applications, and abolishing the paid-in minimum capital requirement for establishing an LLC. These changes enhance Qatar's export competitiveness, in addition to cultivating an advantageous market position both regionally and globally.²³



Source: Shutterstock

²³ <https://www.nordeatrade.com/no/explore-new-market/luxembourg/investment>

Entrepreneurship is Driving FDI

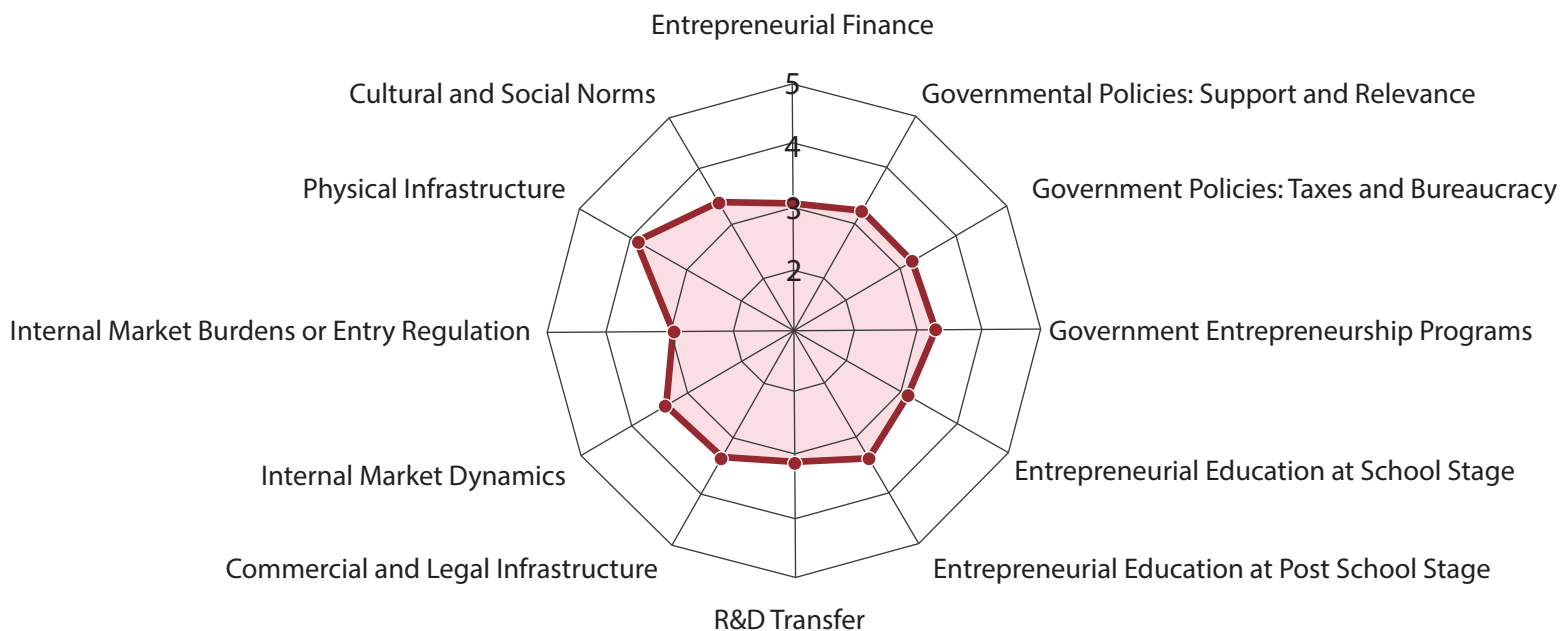
Qatar is a Leader in Developing Entrepreneurs

In 2019, Qatar was named as the new leader in the global report on business index conducted by the Global Entrepreneurship Monitor (GEM)—the world’s foremost study of entrepreneurship. The findings were based on the 2018’s Global Entrepreneurship Index (GEI). Qatar was in 1st place in the GCC region and came as a result of a public opinion poll that included international experts in various fields on all indicators and detailed elements that affect the reality and future of this sector in the country, in which 54 countries worldwide took part.²⁴

#1 ★

Qatar placed first in the GCC region in 2018’s Global Entrepreneurship Index

Qatar’s Entrepreneurial Framework Conditions



Credit: Global Entrepreneurship Monitor

²⁴ <https://www.gemconsortium.org/economy-profiles/qatar-2>

Entrepreneurship is Driving FDI

Public Sector Driving Entrepreneurship

In order to diversify its economy and create a knowledge-based economy, Qatar has invested large resources in improving its education and services, to which it has allocated more than 4% of its GDP. As a result, education and training in Qatar have rapidly expanded at all levels. Many education and training institutions have been established. Qatar Foundation and Education City, with its several campuses of major US universities, Qatar Science and Technology Park (QSTP) and Doha Institute for Higher Education are examples of higher education institutions that were established during this period. In addition, Qatar University, the main national university in the State of Qatar, has witnessed rapid expansion and great development. The student population has doubled, increasing from about 10,000 in 1995 to more than 20,000 in 2015.²⁵

In recent years, Qatar has set up various training institutions and launched many initiatives to foster entrepreneurship. These institutions were assigned with the role of providing entrepreneurship training programs for potential entrepreneurs from different age, sex, and income groups in the society. The most important institution that has started to provide entrepreneurship training is the Qatar Development Bank (QDB). In addition to funding, QDB supports entrepreneurs with business advice, guidance, and training to equip them with the necessary entrepreneurial skills and help them to start up their businesses. Through the course of this activity, QDB has granted 417 services to Qatari entrepreneurs and small and medium-sized enterprises (SMEs) in 2018.

According to a 2018 QDB survey, findings have shown that innovation has become increasingly important with 31% of sample respondents utilizing some form of innovation in their business pursuits. While there is still room to grow, the report highlights a tremendous increase in innovation appetite across Qatari SMEs compared to 2016 (8%). Moreover, the SME support ecosystem made significant progress since 2016 – in terms of varied levels of the service portfolio as well as regarding the number of active participants among sponsors. On a global perspective, the Qatari SME support ecosystem is already in an advanced state as it outperforms most of its regional peers and other developing nations. Yet, there is still room for improvement to be drawn from selected best practices while maintaining the uniqueness of Qatar’s ecosystem. As a result, a recent study by QDB showed that Qatar scored 55 and ranked 22nd in the Global Entrepreneurship Index (GEI), and is capable of offering a “strong entrepreneurship ecosystem”.²⁶

Inspiring young entrepreneurs is a key focus of the State of Qatar. INJAZ Qatar partners together with the local business community, corporate volunteers, and educators to inspire and prepare young people to succeed in the global economy. INJAZ Qatar is a member of Junior Achievement Worldwide (JA), the world’s largest organization dedicated to educating students about workforce readiness, entrepreneurship and financial literacy through experiential, hands-on programs. JA was set up in 1919 and reaches over 10 million students annually across more than 120 countries.²⁷

²⁵https://www.researchgate.net/publication/319129405_The_role_of_entrepreneurship_education_and_training_on_creation_of_the_knowledge_economy_Qatar_leap_to_the_future

²⁶ <https://www.qdb.qa/en/Documents/State%20of%20SMEs%20in%20Qatar%202020%20EN.pdf>

²⁷ <https://www.injaz-qatar.org/>

Entrepreneurship is Driving FDI

Public Sector Driving Entrepreneurship

Qatar's private sector is quickly becoming a driver of the country's growth and taking the lead to diversify the economy. During the Covid-19 pandemic, unwavering support was extended by the Qatari government to the state's vibrant private sector during the blockade years, which highlights the government's stance in the role of private companies in the sustainable economic development of the country and the challenges facing its growth.²⁸

In addition, the government determinedly stood behind the private sector and extended full support to successfully navigate the initial hardships faced by the Gulf dispute. The support from the government helped many private sector companies to expand their footprints to foreign markets. Indeed, Qatar's private sector companies and business leaders have strongly benefited from the government's initiative to support and provide financial and economic incentives amounting to \$20 billion along with a series of other measures aiming to support the private sector and cope with the impact of the Covid-19 pandemic and the Gulf Dispute.²⁹

Outside of cash infusions, one of the initiatives that were undertaken by the Qatari authorities to facilitate consumption was through the Qatar Central Bank, which launched its Qatar Mobile Payment System. This system used QR-code technology to allow consumers to make digital payments through their smartphones.³⁰ Partly as a result of this, retailers were among the ones who successfully weathered the Covid-19 pandemic, as the latter gave rise to a massive increase in online shopping. Instead of closing physical branches, many retailers – which may have lacked the capacity, motivation or know-how to scale up their digital platforms – have partnered with major e-sales platforms and delivery companies. One entity that strengthened the increase in digital shopping was EButler, a one-stop services platform which recently raised a total of \$934,000 in seed funding. The platform has helped a range of businesses adopt an omnichannel approach to providing goods and services, and now represents over 300 merchants.³¹



Source: Shutterstock

²⁸ <https://thepeninsulaqatar.com/article/05/06/2020/Massive-government-support-to-private-sector>

²⁹ <https://www.thepeninsulaqatar.com/article/17/03/2020/Qatar%E2%80%99s-private-sector-hails-government%E2%80%99s-incentive-package>

³⁰ <https://oxfordbusinessgroup.com/news/omnichannel-new-face-qatari-retail>

³¹ <https://oxfordbusinessgroup.com/news/omnichannel-new-face-qatari-retail>

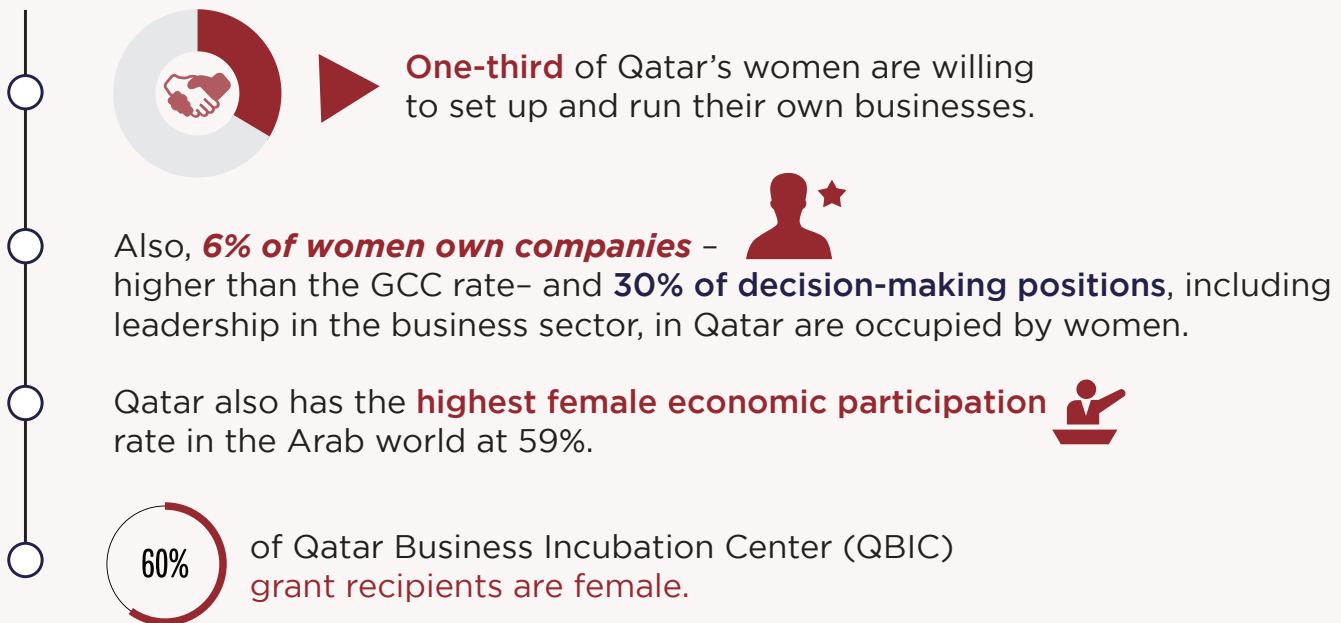
Entrepreneurship is Driving FDI

Contribution of Women in Qatar's Economy

Qatar's National Vision 2030 (QNV 2030) establishes a holistic approach to sustainable development, including bolstering women's contributions to the economic development of the state. The Government of Qatar empowers women in the country through equal access to education, economic participation, and career opportunities supporting growth.

Qatari women have been found to be the most entrepreneurial in the Gulf region. The rate of women participating in Qatar's labour force is the "highest in the Arab world" at 59%, and "above the global average," as reported by a ranking official of the Qatari Businesswomen Association (QBWA).³²

According to the "*GCC Women Entrepreneurs in a New Economy*" report,



What holds further promise for the new generation of leaders and entrepreneurs is that Qatar has one of the highest levels of female literacy in the MENA region. There's as many female students enrolled in universities as males, and the number of female engineering students is double that of the US. Additionally, around 59% of women in the country over the age of 25 years are registered as employed and working, compared to the MENA average of 25%, and Qatari women's unemployment rate is the second lowest in the world.³²



Source: Shutterstock

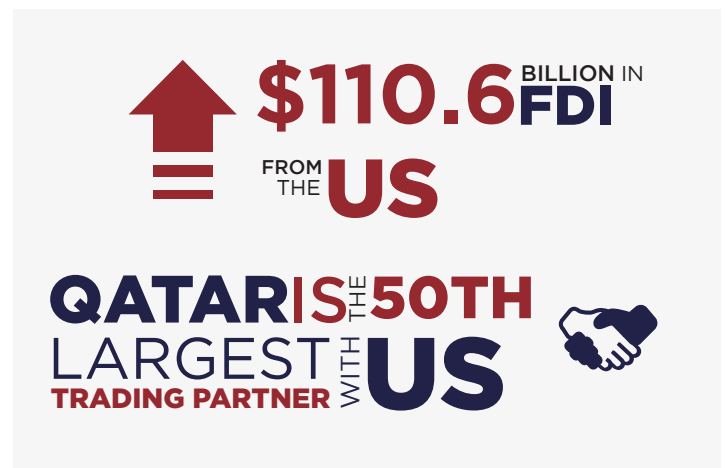
³² <https://www.usqbc.org/news/qatari-businesswomen-shaping-the-present-leading-the-future>

US-Qatar Business Relationship

History of the US-Qatar Relationship

The United States established diplomatic relations with Qatar in 1972 following its independence from the United Kingdom in 1971. Bilateral relations are strong, with the United States and Qatar coordinating closely on a wide range of regional and global issues. Qatar has played a constructive financial, political, and security role in addressing regional disputes, and in partnership with the United States, has contributed to progress, stability, and prosperity of the region. The United States and Qatar also cooperate on security in the Arabian Gulf region, notably via hosting the Al-Udeid Air Force Base and CENTCOM Forward Headquarters which houses over 10,000 US military personnel. The United States welcomes thousands of Qatari students to study in the United States every year, and six premiere US universities have branch campuses in Qatar. Exemplifying the strong bilateral relationship, the Qatar-USA 2021 Year of Culture began in December 2020 and will proceed in Qatar throughout 2021 with the involvement of the Government of Qatar, the US Embassy in Doha, and various cultural and academic stakeholders.

Both Qatar and the United States are continually working towards improving economic collaboration through both official and private sector tracks including through the annual US-Qatar Strategic Dialogue and official trade missions undertaken in cooperation with both nations' trade associations. Both Qatari and US officials have repeatedly emphasized their desire to increase both American investments in Qatar and Qatari investments in the United States.



³³ <https://ustr.gov/countries-regions/europe-middle-east/middle-east/north-africa/qatar#:~:text=Qatar%20is%20currently%20our%2050th,was%20%244.8%20billion%20in%202019.>

US Companies Facilitating FDI in Qatar

Energy

ConocoPhillips

ConocoPhillips is the world's largest independent exploration and production (E&P) company based on proven reserves and production of liquids and natural gas. In 2003, ConocoPhillips and Qatar Petroleum signed a Heads of Agreement to develop Qatargas 3, a large-scale liquefied natural gas (LNG) project in Ras Laffan Industrial City, Qatar. ConocoPhillips holds a 30 percent interest in this integrated project comprising approximately 1.4 gross BCFD of natural gas production over the 25-year life span of the project, as well as an initial average volume of approximately 70 gross MBPD of liquefied petroleum gas and condensate combined from Qatar's North field. The project also includes a 7.8 million gross tons per annum LNG facility. The first LNG cargo was loaded in November of 2010. The LNG carriers are owned by Qatargas Transport Company (Nakilat) and chartered to Qatargas 3. To capture cost savings, Qatargas 3 executed the development of the onshore and offshore assets as a single integrated project with Qatargas 4. This included the joint development of offshore facilities situated in a common offshore block in the North field.³⁴



Source: ConocoPhillips

ExxonMobil

The US oil major's relationship with Qatar goes back to 1935 when it was known as Socony-Vacuum, and later Mobil. It helped to develop the North Field, the world's biggest gas field, and supplied Qatar with technology to make it the top competitor in the LNG market. Qatar's LNG production is divided between two companies, Qatargas and Rasgas. State oil company Qatar Petroleum (QP) owns a majority stake in both. RasGas is 70 percent-owned by QP and 30 percent-owned by ExxonMobil, while Qatargas is owned by a consortium including QP, ExxonMobil, Total, Mitsui 8031.T, Marubeni 8002.T, ConocoPhillips COP.N, and Royal Dutch Shell. ExxonMobil is also the only foreign participant in two domestic gas projects, Al-Khaleej Gas and Barzan Gas.³⁵



Source: ExxonMobil

³⁴ <http://static.conocophillips.com/files/resources/conocophillips-qatar-company-profile-2019.pdf>

³⁵ <https://www.reuters.com/article/us-gulf-qatar-energy-factbox-idUSKBN19Q2HH>

Explore global markets and expand your financial ambitions with us.

Partner with the leading bank in the Middle East and Africa.

If you're looking for the right Corporate Banking relationship, choose a partner that understands your business, spans the globe and brings you the benefit of expertise.





US Companies Facilitating FDI in Qatar

Petrochemicals

Chevron Phillips Chemical

Chevron Phillips Chemical Company, LLC is a petrochemical company jointly owned by Chevron Corporation and Phillips 66. Chevron Phillips Chemical Co. LLC (CP Chem) signed an agreement with Qatar Petroleum (QP) to pursue the development, construction, and operation of a petrochemicals complex in Qatar's Ras Laffan Industrial City, anticipated to start in late 2025. Once finalized, it is expected to be the largest ethane cracker in the Middle East and one of the largest in the world. In addition to the exclusive licensing of its MarTECH loop slurry process for manufacturing HDPE, Chevron Phillips Chemical will provide project management, engineering and construction services to develop the project. As part of the development phase, the companies will study the potential efficiencies that could be realized by harnessing the existing capabilities of the Qatar Chemical Company (Q-Chem) joint ventures to provide overall operational management of the facility once complete.³⁶



Source: CPChem Qatar

³⁶ <https://www.plasticstoday.com/business/chevron-phillips-qatar-petroleum-build-largest-ethane-cracker-middle-east>

US Companies Facilitating FDI in Qatar

Construction & Engineering

Fluor

Fluor Corporation is an American multinational engineering and construction firm headquartered in Irving, Texas. It designs, builds and maintains many of the world's most challenging and complex projects. Through its global network of offices on six continents, the company provides comprehensive capabilities and world-class expertise in the fields of engineering, procurement, construction, commissioning, operations, maintenance and project management. Fluor, through its joint venture in Qatar, Qatar National Facility Services (QNFS), is providing multi-discipline maintenance services to Qatar Shell at the Pearl gas-to-liquids (GTL) plant in Ras Laffan, Qatar. The facility, jointly developed by Qatar Petroleum and Shell, is the largest gas-to-liquids facility in the world, capable of producing 140,000 barrels of GTL products per day and 120,000 barrels of oil per day of natural gas liquids (NGLs) and ethane.³⁷



Source: Fluor

McDermott

McDermott is an American premier, fully-integrated provider of engineering and construction solutions to the energy industry. McDermott has executed projects in Qatar's North Field for over 30 years. In January 2021, McDermott International secured a contract from liquefied natural gas (LNG) company Qatargas. Under the contract, McDermott International will deliver front-end engineering and design (FEED) services for Qatar Petroleum's North Field South (NFS) project. McDermott will also provide replication of five offshore wellhead platforms, as part of the contract, which will be executed from its office in Doha. The North Field South Project (NFS) is the second phase of the North Field LNG expansion project.³⁸



Source: McDermott

³⁷ <https://www.fluor.com/projects/qatar-gas-to-liquids-plant-maintenance>

³⁸ <https://www.mcdermott-investors.com/news/press-release-details/2021/Qatargas-Awards-Offshore-Engineering-Contract-to-McDermott/default.aspx>

US Companies Facilitating FDI in Qatar

Information and Communications Technology (ICT)

Microsoft

In Dec. 2019, Microsoft announced its plans to establish a new cloud datacenter region in Qatar to deliver its intelligent, trusted cloud services and expand the Microsoft global cloud infrastructure to 55 cloud regions in 20 countries. The new region is anticipated to be available starting with Microsoft Azure in 2021, and Office 365, Dynamics 365 and Power Platform to follow. Government entities, organizations, public and private enterprises and developers will have access to scalable, highly available, and resilient cloud services to accelerate their digital transformation journeys – better engage customers, empower employees, optimize operations, and transform products and services – from the new cloud region in Qatar.³⁹

Honeywell

In October 2020, Qatar Petroleum selected Honeywell as the main instrument and control contractor to support the North Field East (NFE) project, being developed by Qatargas on behalf of Qatar Petroleum. Honeywell's technology will provide the NFE project with streamlined automation and safety systems while reducing schedule risks and delivering CAPEX efficiencies. The NFE project will support Qatar's goal of increasing their total annual production of LNG by 43% – from 77 million tons per annum (Mtpa) to 110 Mtpa. The project includes the development of four new LNG mega-trains as well as associated facilities, and the production starting in 2025 will support the continued economic growth in Qatar.⁴⁰

Google

In March 2020, the Qatar Free Zones Authority (QFZA) announced that Google Cloud has signed its first strategic collaboration agreement in the Middle East with QFZA to launch a new cloud region in Doha. The region will be available for Google Cloud customers globally. This agreement will contribute to advancing Qatar's government strategy to promote investment to the country, as the Google Cloud region will be a major and invaluable part of Qatar's expanding offering, serving a wide range of businesses both locally and internationally.⁴¹

Cisco

Since the start of its operations in 2006, Cisco Qatar has worked strategically alongside its channel partners to develop a secure, automated and intelligent network for the nation's evolving digital landscape. Through its presence at QSTP and global leadership in the networking industry, Cisco strives to help the country achieve a strong ICT future, built on a resilient and sustainable infrastructure. Across security, defense, transportation, banking, healthcare, sports, communications, retail, and government services (among others), Cisco solutions are central to Qatar's digitization journey.⁴²

³⁹ <https://news.microsoft.com/en-xm/2019/12/11/microsoft-plans-to-establish-new-cloud-datacenter-region-in-qatar/>

⁴⁰ <https://www.honeywellprocess.com/en-US/news-and-events/Pages/pr-10222020-honeywell-to-automate-worlds-largest-lng-project-with-instrumentation-and-control-solutions.aspx>

⁴¹ <https://www.businesswire.com/news/home/20200304005761/en/Qatar-Free-Zones-to-Host-Google-Cloud-Region-in-Doha>

⁴² <https://qstp.org.qa/companies/cisco-qstp-llc/>

US Educational Institutions in Qatar

Georgetown University in Qatar

Georgetown University in Qatar (GU-Q; previously Georgetown University School of Foreign Service in Qatar) is a campus of Georgetown University (Washington DC) in Education City, outside of Doha, Qatar, inaugurated in February 2011. It is one of Georgetown University's 10 undergraduate and graduate schools, and is supported by a partnership between Qatar Foundation and Georgetown University.⁴³



Source: Georgetown University in Qatar

Virginia Commonwealth University School of the Arts in Qatar

Virginia Commonwealth University School of the Arts in Qatar (VCUarts Qatar) is Virginia Commonwealth University's Qatari branch of its School of the Arts. VCUarts Qatar was the first campus established in Education City in 1998. VCUarts Qatar has established itself as a center of excellence for education and research in art and design over the past 20 years.⁴⁴

Northwestern

Northwestern University in Qatar draws from its parent organization in Illinois. Founded in partnership with Qatar Foundation in 2008, NU-Q offers distinguished programs in communications, journalism, and liberal arts, among others.⁴⁵

Weil Cornell Medicine-Qatar

Established in 2001 as a partnership between Cornell University and Qatar Foundation, WCM-Q is a part of Cornell University in New York. It is the first medical school in Qatar and offers an integrated program of pre-medical and medical studies leading towards and MD degree.⁴⁶

Carnegie Mellon University Qatar

In 2004, Carnegie Mellon and Qatar Foundation began a partnership to bring the American-based university to Qatar in Education City. Today, the university has more than 400 students from 52 countries in a variety of undergraduate programs.⁴⁷

Texas A&M University at Qatar

Since 2003, Texas A&M University at Qatar has offered a variety of programs at both the undergraduate and graduate level. The university mainly focuses on engineering disciplines and the sciences but also offers programs in both the humanities and arts.⁴⁸

Source: Shutterstock



⁴³ <https://www.qatar.georgetown.edu/>

⁴⁴ <https://qatar.vcu.edu/at-a-glance>

⁴⁵ <https://www.qatar.northwestern.edu/>

⁴⁶ <https://qatar-weill.cornell.edu/about-us/overview/weill-cornell-medicine-qatar>

⁴⁷ <https://www.qatar.cmu.edu/>

⁴⁸ <https://www.qatar.tamu.edu/>

Key Organizations

Ministry of Commerce and Industry (MOCI)

The Ministry of Commerce and Industry is responsible for overseeing commercial and industrial activities for the State of Qatar, directing these activities in accordance with the requirements of national development. The Ministry's mandate includes business development needed to attract investments and to support and develop exports. Other responsibilities are developing methods and procedures for providing public services to the business and investment sector, regulating the practice of trade professions, registering the commercial and investment establishments, issuing the necessary licenses to carry out their activities, and supervising the regulation and control of markets in its area of competence.

Investment Promotion Agency Qatar (IPA Qatar)

The Investment Promotion Agency of Qatar (IPA Qatar) was launched in July 2019 to pave the way for investors' journeys to business success in Qatar, while transforming and diversifying one of the world's most prosperous economies. To this end, the Agency acts as a single gateway to all investment solutions in Qatar, with a focus on advancing ambitious investors' goals and accelerating their growth, in line with the nation's FDI roadmap and economic development goals. While opening the door to opportunities in all fields and disciplines, IPA Qatar actively pursues targeted, sector-specific investment promotion agendas.

Qatar Free Zones Authority (QFZA)

In 2018, Qatar created an independent authority called the Qatar Free Zones Authority (QFZA), which is responsible for the development and regulation of free zones in Qatar and the promulgation of regulations for the free zones in accordance with the policies and strategy of Qatar. There are currently two free zones in Qatar: Ras Boufantas Free Zone, a 400-hectare area adjacent to Hamad International Airport; and Umm AlHoul Free Zone, a 3,000-hectare area adjacent to Hamad Port. The QFZA's priorities are to attract industries and companies that have the potential to contribute significantly to Qatar's economic diversification and growth.

Key Organizations

Qatar Development Bank (QDB)

The Qatar Development Bank (QDB) was established in 1997 as a tool for the government to promote entrepreneurship and ensure accessibility to financing for the private sector. QDB focuses on solving three main issues to accelerate the growth of entrepreneurship and SMEs: (1) access to information, (2) access to funding, and (3) access to markets. QDB provides accessibility to financing via direct lending and partial guarantees.

Qatar Financial Centre (QFC)

The Qatar Financial Centre (QFC) is an onshore business and financial center with the purpose to create a world class legal and business environment to enhance growth and economic diversification. The QFC offers domestic and international firms the opportunity to establish and provide a broad range of services, regulated and non-regulated, under a legal and regulatory regime that meets international best practices.

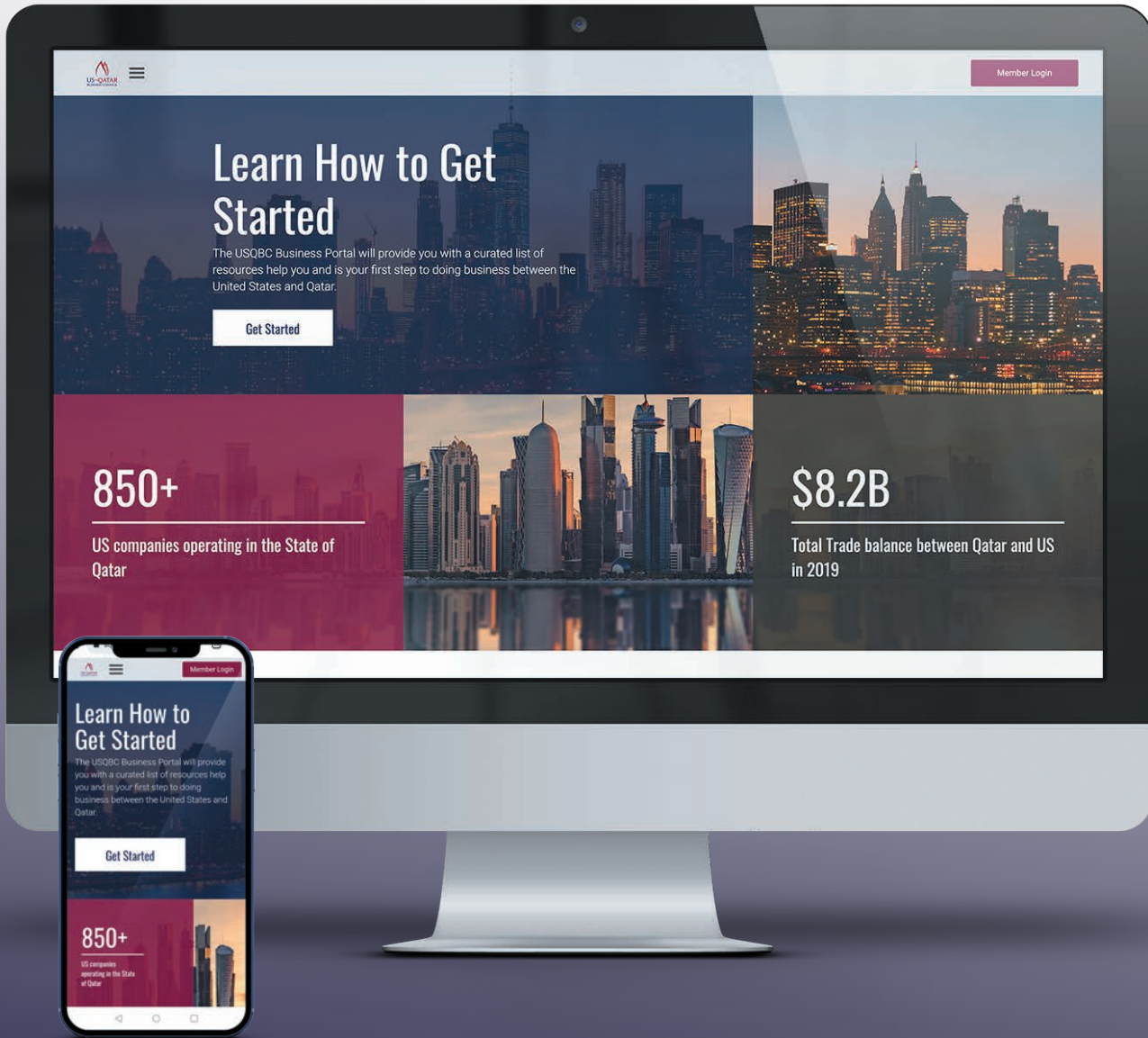
Qatar Science & Technology Park

Qatar Science & Technology Park (QSTP) is an integral part of Qatar's National Vision 2030 which aims, through sustainable development, to transform Qatar into one of the world's most advanced economies within two decades. QSTP provides a unique facility where a cluster of premier companies work under one roof to research critical local and global issues. The close proximity to Qatar Foundation's Education City provides opportunities for QSTP partners to collaborate with top scientists, allowing access to key facilities and employs graduates from world-class universities.

Qatar Chamber of Commerce & Industry (QCCI)

Established in 1963, QCCI is one of the oldest chambers in the GCC countries. Its main role is to organize business interests and represent the Qatari private sector locally and globally as well as support the country's economic actors and productivity.

The USQBC Business Portal is Now Live!



The newly developed USQBC Business Portal is a one-of-a-kind platform that covers every single US state and the Qatar market all under one comprehensive platform. The Portal will transform the US-Qatar Business experience and enhance investment & trade between the two countries.

Visit: portal.usqbc.org

LEGAL REVIEW

Overview

Qatar's has rapidly grown from an economy dependant mainly on pearling to one that is supported by the production and exportation of oil and gas and other resources. Qatar has developed its National Vision for the year 2030 (QNV 2030) which targets the development of several sectors and aims to provide a high standard of living by the year 2030. QNV 2030 aims to develop four interconnected sectors: the human, social, environmental, and economic sectors. Foreign investors looking to expand their business in Qatar will, through this article, learn about doing business in Qatar and the most appropriate way to enter the Qatari market.

Qatar's Business Climate

Qatar Constitution, the highest order of laws, established the principle of freedom of economic enterprise and liberated the private sector to work hand in hand with the public sector to achieve the development targeted by Qatar's National Vision in 2030. Article 28 of the Constitution provides that Qatar shall guarantee the freedom of economic enterprise based on social justice and balanced cooperation between private and public activities to achieve socioeconomic development, increase production, achieve public welfare, raise the standard of living, and provide job opportunities per the provision of the law.

Freedom granted to economic enterprises is guaranteed under the umbrella of sustainable and fast-growing economic and legal climates. In addition, the laws of the State of Qatar pave the way for investors to enter the Qatari market through several gates, as illustrated herein. Qatar has successfully contained the health and economic impacts of Covid-19.

According to the World Bank Group's Economic Update of October 2020, "Qatar has been struck very hard by Covid-19 both through global demand and price channels as well as through the domestic health impact, the second highest exposure in the GCC. Yet stringent containment measures, aggressive testing, trace policies, and the effectiveness of the Qatari healthcare system have resulted in the second-lowest death rate amongst this group of countries." The government undertook a swath of measures to offset the economic effects of the pandemic, including stimulus through tax deferrals and eased credit flow to hard-pressed firms and households amounting to QAR 75 billion with guarantees to local banks of QAR 3 billion (approximately 10 percent of GDP).



LEGAL REVIEW

Business Vehicles

Foreign investors can launch their business in Qatar through several vehicles. As a well-experienced law firm in this field, we will shed light on the different business vehicles available to investors as well as their provisions and restrictions.

Business Mediums

Foreign investors can launch their business in several forms as provided for under the applicable laws in Qatar. However, we will focus on the most prevalent business mediums.

- *Limited Liability Companies*

The most common form of company in Qatar is the limited liability company. The contribution of foreign investors in a limited liability company may be less than or equal to 49% of the company's capital or more than that percentage as per the provisions of the Foreign Investment Law.

According to the Commercial Companies Law that came into force on July 07, 2015, the minimum capital is no longer required to incorporate a limited liability company. However, some banks in Qatar may require a minimum amount between QAR 30,000 to 40,000 or more to open a corporate bank account. Hence, we recommend our clients a minimum capital that should enable them to open a corporate bank account.

The process of incorporating a limited liability company is easy and fast. In our experience, a commercial registration of a limited liability company can be obtained within one to three business days if all the required documents are ready.

- *Foreign Companies Branches*

According to the Foreign Investment Law, foreign companies are permitted to establish branches in Qatar to execute projects awarded to them. The permission is available in the case where a contract binds foreign companies with one or more of the Qatari ministries, governmental bodies, public authorities, or foundations, or with one or more of the companies or foundations in which the State of Qatar is a shareholder.

In this respect, foreign companies must register their branches in the Qatari Commercial Registry and obtain the necessary licenses required for executing the awarded project. It should be noted that registering the branch in the Commercial Registry and obtaining the trade license for the branch shall be made upon the award of a project and before entering into the relevant contract.

LEGAL REVIEW

- *Trade Representative Offices*

According to the Minister of Commerce and Industry Decision No. 396 of 2017, trade representative offices may be established in Qatar to represent their foreign companies in Qatar if their activities fall within the sectors specified by the competent department of the Ministry of Commerce and Industry.

Subject to the provisions of the decision above, trade representative offices are allowed to perform certain activities such as:

- Contacting customers to introduce the products and services of the foreign companies and institutions they represent and to expand the distribution and marketing of these products
- Contacting exporters and sellers of raw and semi-finished materials needed by the foreign company that the trade office represents and removing obstacles that hinder such materials speedy arrival to the foreign company
- Inform the foreign company that the trade office represents the complaints received about the foreign company's products, and work to overcome the difficulties related to distributing these products.

On the other hand, trade representative offices are prohibited from performing certain activities such as:

- Performing commercial activities,
- Importation and exportation except products imported for promotional purposes only,
- Promotion of products other than those produced by the foreign company.

Hence, all business transactions can be made through the foreign company's headquarters only.

Trade representation offices are ideal for foreign investors looking to expand their business in Qatar while doing their business transactions directly from their home country.

Establishing a representative office starts by applying for the establishment at the Ministry of Commerce and Industry. The department shall notify its decision concerning the incorporation within thirty days from the date of the documents' submission. If no decision is notified within the stated period, the submission is deemed to be rejected.

In case the submission is rejected, foreign investors can, within thirty days from the rejection date, file a grievance before the Minister of Commerce and Industry, who shall issue his decision thirty days from the date of the grievance submission. In the event no decision is issued within the stated period, the grievance is deemed to be rejected. In all cases, the Minister's decision is final and binding.

LEGAL REVIEW

- *Qatar Financial Centre*

Qatar Financial Centre (“QFC”) was established by the Law 7 of 2005 Regarding the Establishment of The QFC that came into effect on May 1, 2005.

QFC operates under international standards to encourage foreign investment. Save for some criminal laws such as Law No. 27 of 2019 Promulgating the Law on Combating Terrorism, Law No. 11 of 2004 Promulgating the Penal Code, and Law No. 23 of 2004 Promulgating the Criminal Procedure Code, the QFC has an independent legal, tax and regulatory framework that are based on international standards. However, undertaking any activity in the QFC according to a license issued pursuant to the QFC Law and the QFC regulations shall not be considered in violation of any criminal law or any other law applicable in Qatar.

It is worth noting that the QFC Data Protection Directorate applies the European General Data Protection Regulation (“GDPR”). The regulations apply to all organizations and businesses established in the QFC.

The QFC Law, as amended by Law No. 2 of 2009 and Law No. 14 of 2009, has established a court called the QFC Civil and Commercial Court. Foreign investors may choose the jurisdiction of the QFC Civil and Commercial Court instead of the local courts of Qatar.

Foreign investors may establish a 100% foreign-owned entity in the QFC. As part of the establishment process, any company, branch, or partnership must be registered by the QFC Companies Registration Office (“CRO”).

Foreign investors may register a Limited Liability Company, a Limited Liability Partnership, or a Branch with the CRO. The registration process starts via the e-services section of The QFC website. The application for incorporation or registration must contain information about the incorporators and members, proposed business activities, nominated directors and company secretary or principal representatives, intended share capital (authorized and issued), etc., as applicable, and be accompanied by declarations from the incorporators.

- *Qatar Free Zones*

Investors can establish entities in several free zones in Qatar as per the provisions of Law No. 34 of 2005 on Investment Free Zones as amended by Decree-Law No. 21 of 2017 and the free zones regulations. The law enabled businesses to compete on international levels and made Qatar an attractive environment to invest in.

According to the Free Zones Law, limited liability companies, partnerships, or any other types of companies or entities, may be established in the free zones, whether natural or legal persons own any such entity, by either nationals, residents, or others; without complying with the restrictions prescribed by the relevant laws regarding non-Qatari capital percentage for companies.

LEGAL REVIEW

The Free Zones Law enabled the registered and licensed companies to work within or through the free zones as per the Free Zones Law without being required to obtain another license, approval, permit, or registration from the State of Qatar to carry out such business.

According to the Free Zones Law, the free zones are not subject to the provisions of the Income Tax Law No. 24 of 2018 or any other laws imposing any direct or indirect taxes for twenty years; renewable for one or more similar periods by a decision of the Council of Ministers.

We want to shed light on Umm Al Houl Free Zone next to Hamad International Port and Ras Abu Fontas next to Hamad International Airport, where investors will enjoy several advantages, including direct access to the airport and the port besides independent regulations.

Subject to the Free Zones Law provisions, Qatar's criminal laws and penalties shall apply in the free zones. However, undertaking any work in the free zones according to a license issued according to the Free Zones Law shall not be considered in violation of any criminal law or any other law applicable in Qatar. In addition, all laws, regulations, and civil rules applicable in Qatar shall be applied to the free zones, save for what is inconsistent with the provisions of the Free Zones Law and the free zones regulations.

According to the Free Zones Law, a dispute resolution center will be established with exclusive jurisdiction to settle disputes related to the free zones through conciliation and arbitration. Upon a proposition of the Minister of Justice, the Council of Ministers will issue a decision on the organization of the center, its competencies, and the enforcement mechanism of its issued awards and decisions.

The process of incorporation and registration in the free zones starts online via the Qatar Free Zones website. The Business Development team of Qatar Free Zone Authority ("QFZA") will contact the application to discuss the plans and further details.

If the business plan is eligible, a formal application form shall be filled and submitted to the QFZA. The application will be evaluated, and the investor will be notified of the decision.

- *Commercial Agency*

One of the ways foreign investors can extend their business in Qatar is by appointing a commercial agent in Qatar. A commercial agent shall be a Qatari national or a 100% Qatari-owned company. Commercial agents' practice in Qatar is regulated under Law No. 8 of 2002, regulating the Commercial Agents Practice.

According to the law, for foreign investors to extend their business in Qatar through a commercial agent, the commercial agency agreement shall be translated into Arabic and submitted to the Ministry of Commerce and Industry. Additionally, the foreign company shall offer its written consent for the commercial agent to use the foreign company's name and trademark during the term of the commercial agency.

LEGAL REVIEW

Non-Qatari Capital Investment

The concerned department at the Ministry of Commerce and Industry may permit foreign investors to exceed their contribution to a company's capital over 49% up to 100%, including the Qatari shareholding companies listed in the Stock of Exchange.

According to the Foreign Investment Law No. 01 of 2019 that came into effect on January 24, 2019, the permission is not limited to any sectors of the national economy except commercial agencies, banking, insurance, in addition to any other sectors that the Council of Ministers may add. However, the Council may grant exceptions to non-Qatari insurance companies and banks enabling them to contribute in a company's capital over 49% up to 100%.

The Minister of Commerce and Industry's Decision No. 44 of 2020 on the Implementing Regulations of the Foreign Investment Law came into effect on June 08, 2020. The decision specified the conditions required by non-Qatari individuals, entities and investment projects to contribute in a company's capital over 49% up to 100%.

For an individual, he/she shall not be convicted by a final judgment in a felony or crime of turpitude or dishonesty, unless he/she has been legally rehabilitated.

Concerning entities, the requirements are to be a company established under the state's law in which it has its headquarters and the activity in which the investment is requested shall be compatible with its purposes.

In all cases, non-Qatari entities must submit evidence of the fulfillment of the conditions

above, according to documents authenticated and certified by the competent authority in the state wherein the entities' headquarters is located and by the Qatari Ministry of Foreign Affairs.

Regarding non-Qatari investment projects, the project activity shall be among the list of activities approved by the Minister of Commerce and Industry, based on the proposal of the competent department in the Ministry. The non-Qatari investor shall describe the project's activity, business plan, and financial plan. In addition, the non-Qatari investor shall submit a written commitment to bear all the obligations arising from the project, and to commence the project no later than the period specified by the competent department, otherwise the decision approving the project shall be considered null and void.

The process of contributing in a company's capital over 49% up to 100% starts by submitting the required documents to the concerned department at the Ministry of Commerce and Industry. The department shall notify its decision concerning the incorporation within fifteen days from the date of the documents' submission. If no decision is notified within the stated period, the submission is deemed to be rejected.

In case the submission is rejected, foreign investors can, within fifteen days from the rejection date, file a grievance before the Minister of Commerce and Industry who shall issue his or her decision with thirty days from the date of the grievance submission. In the event no decision is issued within the stated period, the grievance is deemed to be rejected. In all cases, the Minister's decision is final and binding.

Real Estate Market

The Real Estate market was at the heart of Qatar's new FDI strategy and supported the government's plans for economic diversification to accelerate the inflow of foreign capital to the Qatari economy.

According to Cabinet Decision No. 28 of 2020, non-Qatari citizens are entitled to hold the property of residential and commercial properties in more areas. The owners of property that are worth no less than QAR 730,000 will be offered residency. Owners of the property are granted residency for themselves and their families for the duration of their ownership. The Decision ruled to establish the Office for Non-Qatari Real Estate Ownership under the Ministry of Justice. The Office will provide foreign nationals who desire to invest in the real estate in Qatar with all the requirements for the purchase and sale of real estate, including residential units and offices.

According to that Decision, foreign citizens can enjoy the usufruct of real estate properties in 16 areas for 99 years and enjoy the full ownership of real estate properties in 9 zones. The usufruct areas are Msheireb, Fareej Abdul Aziz, New Doha, Al-Ghanem Al-Ateeq, Al-Riffa, and Al-Hitmi Al-Ateeq, Aslata, Fereej bin Mahmoud 22, Fereej bin Mahmoud 23, Rawdat Al Khail, Mansoura, Fereej bin Dirham and Najma, Umm Ghuwailina, Al Khalifat, Al Sadd, New Mirqab, Fereej Al Nasr, and the area of the new international airport of Doha. The areas of full ownership are West Bay Lagoon (Legtaifiya), The Pearl, Al Khor Resort, Al Dafna (No. 60 and No. 61), Onaizah, Lusail, Al Kharaij, and Mount Thailab. Full ownership has also become possible in all malls and residential compounds in all the areas of the country.

The Decision allowed foreigners who own real estate in Qatar to sell or rent it without any restrictions. Foreign nationals who purchase land must finish building on it within four years from registering the land under their names. Foreigners interested in residing or investing in Qatar must submit their request to own real estate to the Office for Non-Qatari Real Estate Ownership, located at the Ministry of Justice. The Decision also granted foreigners permanent residency once they own or rent real estate in Qatar, provided they stay in the country for 90 days per year. The Decision also gave benefits to foreigners as per the following classifications: (i) Owners or renters of property worth at least QAR 730,000 obtain residency permits for themselves and their families; and (ii) Foreigners who own or rent Qatar real estate worth at least QAR One Million (QAR 1,000,000.00) will receive permanent residency benefits, including free health care and free education, for themselves and their children.

LEGAL REVIEW

PPP Framework

The partnership between the government and the private sectors has occupied the first concerns of both law and economics in recent times, as an innovative contractual tool in financing major infrastructure projects and achieving economic development in many sectors.

Experience in past infrastructure projects has demonstrated significant pitfalls, one of the most important of which is high cost, low financial value, poor performance, exceeding the project timeline, and the low level of services delivered in many projects.

Qatar has already taken several steps to address the shortcomings of past infrastructure projects. The most important of these is issuing Law No. (12) of 2020 Regulating Public-Private Partnerships. This law comes in light of the preparations to host the 2022 World Cup and respond to the National Vision. The state needs to implement many major infrastructure projects, especially in the education, health, and transportation sectors.

On the other hand, the practical experience demonstrated incapability of the traditional solutions in Procurement contracts to find a contractual and financing formula. One of the most important motives that led to issuing an independent public-private partnerships code is to exploit the possible use of the private sector's financing capabilities, the expertise it enjoys in modernizing the state's infrastructure, and managing projects in many vital industries without incurring the state's budget with huge sums. That keeps pace with the development in economic relations at the international level.

The International Bank is one of the international institutions that has been most interested in applying the partnership method in financing infrastructure projects in many developing countries. The International Bank's Infrastructure Studies Center for Public and Private Partnership (PPPRIC) has defined partnership contracts as: "Public-private partnerships (PPPs) are a mechanism for the government to procure and implement public infrastructure and/or services using the resources and expertise of the private sector. A partnership with the private sector can help foster new solutions and bring finance PPPs to combine the skills and resources of both the public and private sectors through the sharing of risks and responsibilities. This enables governments to benefit from the expertise of the private sector and allows them to focus instead on policy, planning, and regulation by delegating day-to-day operations".

The philosophy of partnership is based on a balance between the interests of the public sector in developing infrastructure projects and the private sector's interest in achieving profit. The rapprochement was also achieved between the Latin and Anglo-Saxon legal systems regarding their subject matter by establishing management and financing infrastructure projects and the legal personality of their parties.

LEGAL REVIEW

- The Legal Framework

Partnership contracts have essential characteristics, which distinguish them from other Traditional agreements concluded by the government sector, especially Tender Contracts, and includes:

1. Complex Character of Partnership Contracts.

Qatari law has depended on an expanded concept of partnership between the public and private sectors, which includes many stages that the private partner is. It includes: the method of building, operating, and transfer of ownership (B.O.T), the method of building, owning, operating, and transfer of ownership (B.O.O.T), the method of building and transfer of ownership and operation (B.T.O), and operation and maintenance (O.M) method, in addition to the system of allocating lands through rent or usufruct, for their development by the private sector. During the project period, the public and private sectors, and the essential characteristic of these models, focus on the limits of private sector ownership over project facilities and assets.

It is worth mentioning that (B.O.T) and the system of allocating lands through usufruct, as partnership models with the private sector, have been applied before in many projects in the country, without relying on a specific legislative framework.

2. Multiple Sources of Financing.

Partnership Projects There are multiple sources of financing PPP projects, and among these sources, members' shares of the project company, which is called "Shareholder Agreement" and the financing granted by financial institutions, whether public or private, in addition to government funding in some cases.

3. Monetary Return to the Private Sector

In these contracts, the contractor with the Government "The Project Company" receives the monetary compensation in the form of divided instalments over the contract phases, in light of progress in project performance and quality of these services. In some projects, such as transportation projects "roads, ports, airports", the project revenues linked to the fees imposed on the beneficiaries' public.

4. Risk allocation in Partnership Contracts

One of the most fundamental features that distinguish a partnership contract from other government contracts is sharing the risks associated with executing the agreement between the public and private sectors, as the private sector participates in bearing the more significant part of the risks associated with the partnership project. Studies prepared by the International Bank have shown that transferring the risks associated with operating, developing, and maintaining the project to the private sector with both parties sharing the profits resulting from the exploitation of the project achieves a higher quality of construction and services provided and enables the government agency to monitor the development levels during contract phases.

LEGAL REVIEW

5. Special Conditions for Partnership Contracts

In addition to the special conditions of the PPP contract to be set out in the Qatari law, The Project Company shall not be dissolved, or its legal structure changed, or its capital reduced unless there is an approval from the Competent Authority of the contracting Authority “Ministry of Commerce and Industry.” In all cases, the pledge of the Project Company shares shall not take place except for financing or refinancing the PPP project. These conditions will tighten the state’s monitor over the execution phases of the project.

6. Consortium Agreements in Partnership Contracts

Among the most prominent rules referred to by Qatari law is the possibility of submitting the bid from alliances between several companies, which are temporary associations formed to enter into the tender and win the project. These alliances are known in international work as a “consortium.” These alliances do not have an independent legal personality, and this alliance often represents negotiating with the government agency known as “The Leader.”

7. Joint Associations into Partnership Contracts

Partnership contracts will execute by the unique model in international work known as “Joint Associations,” which is an alliance between several or investment entities formed for project execution as it takes a separate legal entity as a vehicle of their cooperation called “Project Company” or what is called in the European Union regulations that group economic operators.

The members of this alliance enter into an agreement called the “Shareholder Agreement,” which includes the essential clauses that govern the internal relationship between them during the project’s execution phase. From the case studies, it emerges that importance of these associations to implement complex government projects, which exceeds the financial and technical capacity of one contractor, and the most crucial characteristic of these associations is the cooperative nature between the parties to perform the joint work and their direct link to the existing partnership contract.

Qatari law does not require the project company to take a specific legal form, nor does it require the Qatari capital equity to be represented in the shares of The Project Company, which is the main philosophy of adopting this law which consists in bringing foreign capital to the state and transferring know-how and practical experience to the government sector.

LEGAL REVIEW

Data and Technology Market

Qatar is moving towards a knowledge-based economy and is making investments in state-of-the-art Information and Communication Technology (“ICT”) infrastructure, skills development, and e-government in line with the Qatar National Vision 2030. These efforts will enable Qatar to position itself as one of the region’s leading dynamic and fast-growing economies. Government strategy focuses on supporting the ICT market in Qatar, providing the essential legal requirements of operating businesses and investment climate to enhance and diversify their activities towards a robust economy.

This strategy aims to build significant infrastructure projects such as the new Doha Port, Smart Cities, TASMU Digital Valley which will positively impact the growth of the Information Technology and Telecommunications (ICT) sector. ICT regulators in Qatar facilitated Qatar’s IT landscape transformation and have adopted several policies and guidelines to encourage specific ICT development and key investment opportunities for leading international companies in technology over the coming three to five years.

- E-Commerce

Electronic Commerce and Transactions Law (e-Commerce Law) was enacted by Amiri Decree on Thursday, August 19, 2010. It covers legal requirements for e-Commerce transactions in Qatar. The e-Commerce Law includes provisions on e-signatures, e-documents, service providers, and business liabilities. It also covers e-Commerce transactions in Qatar, including e-Government services. The law was modeled on the UN and the EU models and directions on e-commerce transactions and services signature and other international practice.

As per Article 60 of e-Commerce Law, the Supreme Council shall act to enable the use of e-transactions and commerce in a simple manner and may, in particular, to achieve this, issue necessary licenses and authorizations to international service providers following the provisions of this law and renew; suspend and terminate them; oversee the development of codes of conduct for the information technology sector and the practices of the service providers.

Launched in 2018, the Qatari national e-Commerce guideline is the first of its kind in Qatar. The regulator has launched Qatar’s e-Commerce guideline on the official website which helps major international companies in the ICT domain through all touchpoints involved in starting and implementing a successful e-commerce business. This guideline will positively affect Qatar’s business environment, significantly contributing to economic development, a significant pillar of the QNV 2030.

LEGAL REVIEW

- FinTech

The E-Commerce Law does not expressly address its extraterritorial service providers or offshore entities providing FinTech services. FinTech services in Qatar are regulated across different sets of laws. Currently, there are no specific regulations issued that deals with payment services or the licensing of payment service providers. However, on a case-by-case basis, the Qatar Central Bank (QCB) may grant approval or no objection to undertake payment services activities in or from Qatar. Also, there is currently no legislation in Qatar governing the issuance of e-money and, therefore, independent licensing of issuers of electronic money.

The QCB, the central regulator for FinTech services in Qatar, issued regulations in 2019 governing mobile payments and e-wallet providers, but this currently applies to intra-state Qatari Riyal transactions only. In addition, QCB has also issued payment regulations, making financial technology a top priority in Qatar's national financial technology strategy.

In December 2019, the QCB issued Circular No. 46 of 2019 relating to Virtual Assets and Virtual Assets Service Providers (VASPs), which the QCB has prescribed formal definitions of Virtual Assets, Virtual Asset Services, and VASPs. Under the 2019 Circular, the QCB has decided as follows:

- no license for providing Virtual Assets Services as a commercial business;
- no financial institution in Qatar should deal in any service related to Virtual Assets based on ownership;
- no financial institution should allow any person to use its accounts or services to deal in Virtual Assets; and
- no financial institution should send or receive money orders for purchasing, selling, or dealing in Virtual Assets, whether such Virtual Assets are currently known and can be issued in the future.

Furthermore, Qatar Development Bank, which aims to develop and empower Qatari entrepreneurs and innovators to contribute to the diversification of the Qatari economy, has mandated the Qatari government to develop and execute a national FinTech strategy in collaboration with the QCB and the QFC. The National FinTech Strategy targets digital payments, money management, and lending opportunities, among other FinTech verticals. It aims to nurture start-ups that will help develop the sector and established companies with significant potential for growth.

LEGAL REVIEW

- Artificial Intelligence Technologies and Cloud Services

Qatari national strategy should enable existing businesses to adopt AI and catalyze the creation of new companies based on technology. For example, the Qatari government can provide guidelines and best practices for businesses that plan to adopt AI or even direct financial and technical assistance to these businesses to help them in adopting AI technologies. Startup funds and incubators should be directed to focus on AI-based companies.

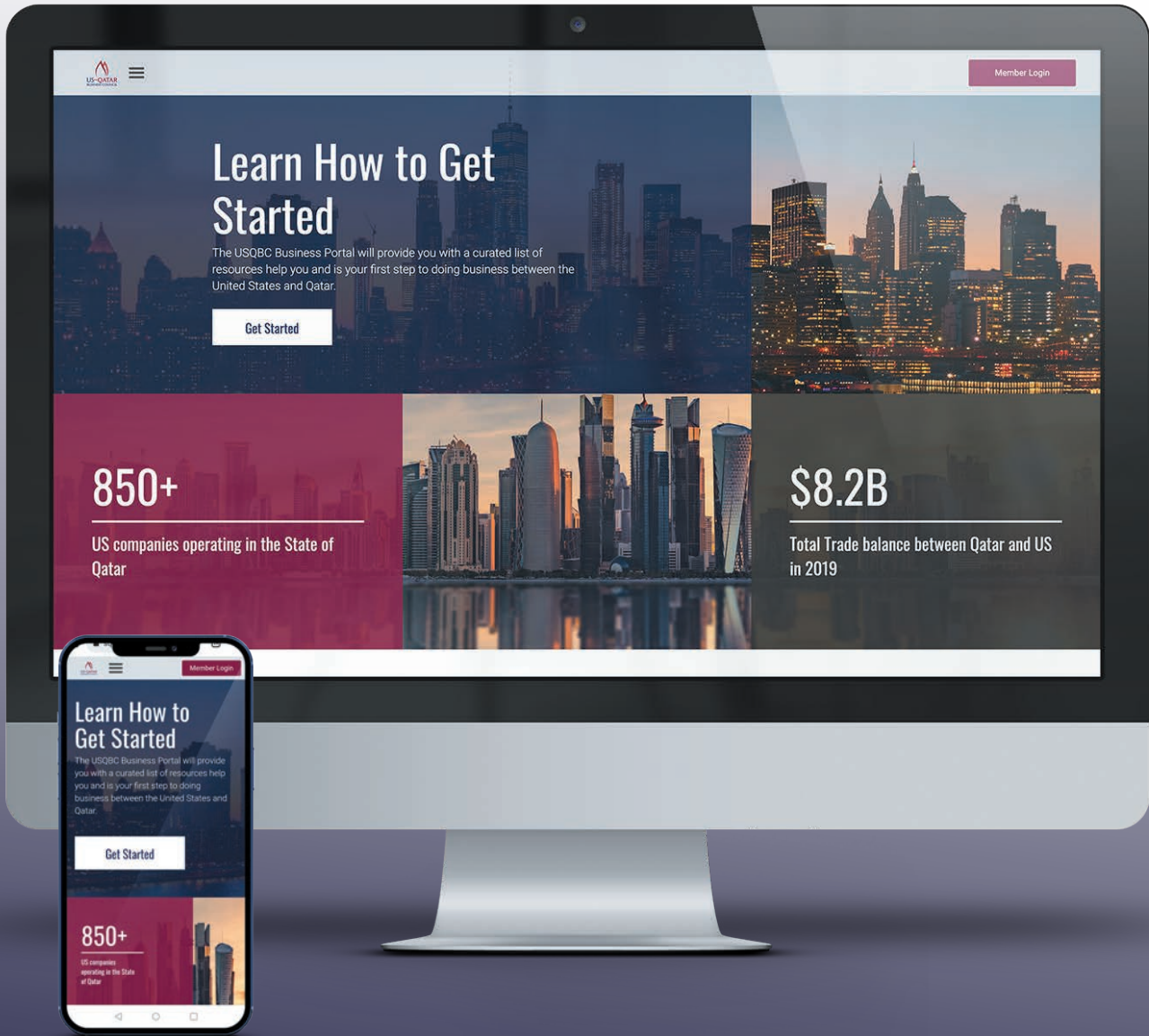
Qatar has the unique advantage of being a small country that is well connected. Qatar recently adopted a broad data sharing guideline which will add value to the country's AI capabilities, while also establishing a new element of Qatar's competitive advantage in this space.

Cloud Policy has been developed as part of the Authority's 2020-2024 Strategy and in line with the National Vision 2030. The Policy will provide a regulatory framework for cloud computing in Qatar. CRA is the Communications Regulator in the state of Qatar established under Emiri Decree (42) in 2014. As the regularity authority in the ICT sector in Qatar, the Communications Regulatory Authority (CRA) has recently published on its website that the CRA regulates the telecommunications and information technology sector, postal sector, and access to digital media.



Source: Shutterstock

The USQBC Business Portal is Now Live!



The newly developed USQBC Business Portal is a one-of-a-kind platform that covers every single US state and the Qatar market all under one comprehensive platform. The Portal will transform the US-Qatar Business experience and enhance investment & trade between the two countries.

Visit: portal.usqbc.org

LEGAL REVIEW

Arbitration Regime in Qatar

Qatar Arbitration Law No. 2 of 2017 (the “Arbitration Law”) has created a suitable location on the international arbitration map. The Arbitration Law transformed the regime to be more arbitration-friendly by replacing the Articles from 190 to 210 of the Qatari Civil and Commercial Procedures Code No. (13) of 1990. In addition, the Arbitration Law adopted the best practices applicable and is compatible with UNCITRAL Model Law on International Commercial Arbitration (1985), with amendments adopted in 2006.

Under the Arbitration Law, arbitration awards are enforceable and fortified against the appeal, except by appealing for nullity before the competent court, regardless of the country in which it was issued.

The Arbitration Law gives the option to the arbitrators, especially the international ones, the freedom to choose a court of international jurisdiction. Undoubtedly, this option will contribute to benefiting from the experiences of different judicial schools in the field of international commercial arbitration.

The Arbitration Law established an effective integrated and cooperative mechanism between the judiciary and arbitration mechanism, which includes allowing the arbitral tribunal or any of the arbitration parties, after the approval of the arbitral tribunal, to request evidence related to the subject of the dispute, including works of technical expertise, examination of evidence or obtain to relevant documents in a case pending before the Qatari courts.

The Arbitration Law adopted the internationally agreed requirements in the 1958 New York Convention, to which Qatar acceded by Decree No. 29 of 2003. Furthermore, the law explicitly stipulated in its articles 34 and 35 the same documentary and procedural requirements outlined in the New York Convention.

The Arbitration Law has also embraced the modern trends in international arbitration rules and authorized the granting of licenses to establish arbitration centers and branches of foreign arbitration centers within the State of Qatar by a decision of the Minister of Justice.

- QFC Arbitration

Qatar Financial Centre (QFC) provides another regime for arbitration under QFC Arbitration Regulations 2005. The QFC is a self-governing legal system based on the common law judiciary. The QFC Arbitration Regulations 2005 are built on the UNCITRAL Model Law.

These rules are applicable where the arbitration is seated in QFC or electing the Qatar International Court as the competent authority to take the required decisions for the parties.

LEGAL REVIEW

- New Jurisdiction Dedicated to Investment Disputes

On April 26, 2021, the Shura Council, one of the two main branches of Qatar's legislative body, reviewed the report of the Legal and Legislative Affairs Committee on the draft law establishing the Investment and Trade Court. As a result, the Shura Council recommended the amendment of one of the draft articles, approved the draft law, and referred it to the Qatar government.

The draft law consists of (35) articles that include the formation of the Investment and Trade Court and its primary and appellate circuits. The draft law also defines the jurisdiction of the court, including disputes related to commercial contracts and cases arising between merchants about their commercial activities, investment of non-Qatari capital in economic activity, the operations of banks, insurance companies, finance and investment companies, bankruptcy, patents, protection of competition and prevention of monopolistic practices and combating practices harmful to national products in international trade, electronic commerce, and disputes between government and private sectors.

- Sports Disputes Settlement

Qatar is quickly developing the sports sector as a key part of the country's economy and has taken many steps to organize the sector to be more transparent, including establishing an independent institution to settle all sports disputes following the best approved international standards.

In the past years, sports institutions in the State of Qatar have relied on the mechanisms for resolving disputes stipulated in the statutes of each association or federation without any independent judicial oversight. The increase in sports disputes and the delay in adjudicating them was one of the most important reasons behind the establishment of the Qatar Sports Arbitration Foundation to be an independent body specialized in resolving any sports dispute.

Qatar Sports Arbitration Foundation is an independent organization with the main objective to resolve sports disputes through arbitration and mediation. The establishment of the Qatar Foundation for Sports Arbitration came as a result of cooperation and negotiation between four sports entities: the Qatar Olympic Committee, the Qatar Football Association, the Qatar Stars League, and the Qatar Players Association, all of which realized the need for an independent judicial body to resolve all sports disputes within the State of Qatar with impartiality, transparently, and in an appropriate period. Qatar Sports Arbitration Foundation's work mechanisms are modeled on the International Court of Arbitration for Sports (CAS) to ensure international best practices.

The Qatar Sports Arbitration Foundation has formed a cooperation agreement with the International Court of Arbitration for Sport (CAS) which is the first of its kind, indicating the confidence of international institutions in the State of Qatar and its sports sector. Under this agreement, Qatar Arbitration Foundation will be the appropriate headquarters for the Court of Arbitration for Sport (CAS) arbitrators during the FIFA World Cup Qatar 2022.

LEGAL REVIEW

Miscellaneous Notes

After tackling the available ways to do business in Qatar, we believe it is mandatory to be aware of the following notes.

- The currency of the State of Qatar is the Qatari Riyal. The Qatari Riyal is pegged to the United States Dollar. According to the International Monetary Fund, “The peg to the US dollar continues to serve Qatar well, providing a clear and credible monetary anchor”. Pegging Qatar’s currency to the US Dollar provides stability and represents a significant advantage for most investors.
- Qatari citizens deal with foreign businesspeople in English on a daily basis. Qatari citizens are very proud of their language, cultural heritage, and traditions. This explains how business paperwork shall be drafted in Arabic or at least in Arabic and English.

Such instance is backed up and protected by the Qatari laws. For example, Article 1 of Qatar’s Permanent Constitution affirms Qatar’s official language is Arabic.

In addition, Article 68 of the Civil and Commercial Procedure law provides that “Arabic is the court’s language. The court shall hear parties or witnesses who do not speak or understand Arabic through an interpreter who, before performing his duties, shall take an oath to interpret with honesty and integrity.” That being said, in the event of a dispute, evidence, witnesses and pleadings shall be in Arabic. Accordingly, it is strongly advised to be advised by an experienced local law firm capable of handling legal matters in Arabic, English, and preferably other languages.

Finally, we would like to stress that the State of Qatar is very keen on encouraging investors to do business in Qatar by enacting new laws, simplifying investment procedures, and providing investors with various incentives.

Provided by:

AL SULAITI LAW FIRM
السلطي للمحاماة والاستشارات القانونية



About Al Sulaiti Law Firm

Al Sulaiti Law Firm, a partner of US-Qatar Business Council, is one of the largest law firms in the region with partnership offices across 17 countries. Established in 2002 by Mr. Mubarak bin Abdullah Al-Sulaiti, the firm is a full-service renowned law firm combining knowledge, experience and expertise to ensure clients have access to the best legal solutions, cutting-edge legal services and solutions to local, national and international clients. With more than eighteen years of experience, Al Sulaiti Law Firm has fast become one of the most prominent and reputable law firms in Qatar.

When you need international expertise, our global network will be there for you.

Partner with the leading bank in the Middle East and Africa.

If you're looking for the right Corporate Banking relationship, choose a partner that understands your business, spans the globe and brings you the benefit of expertise.



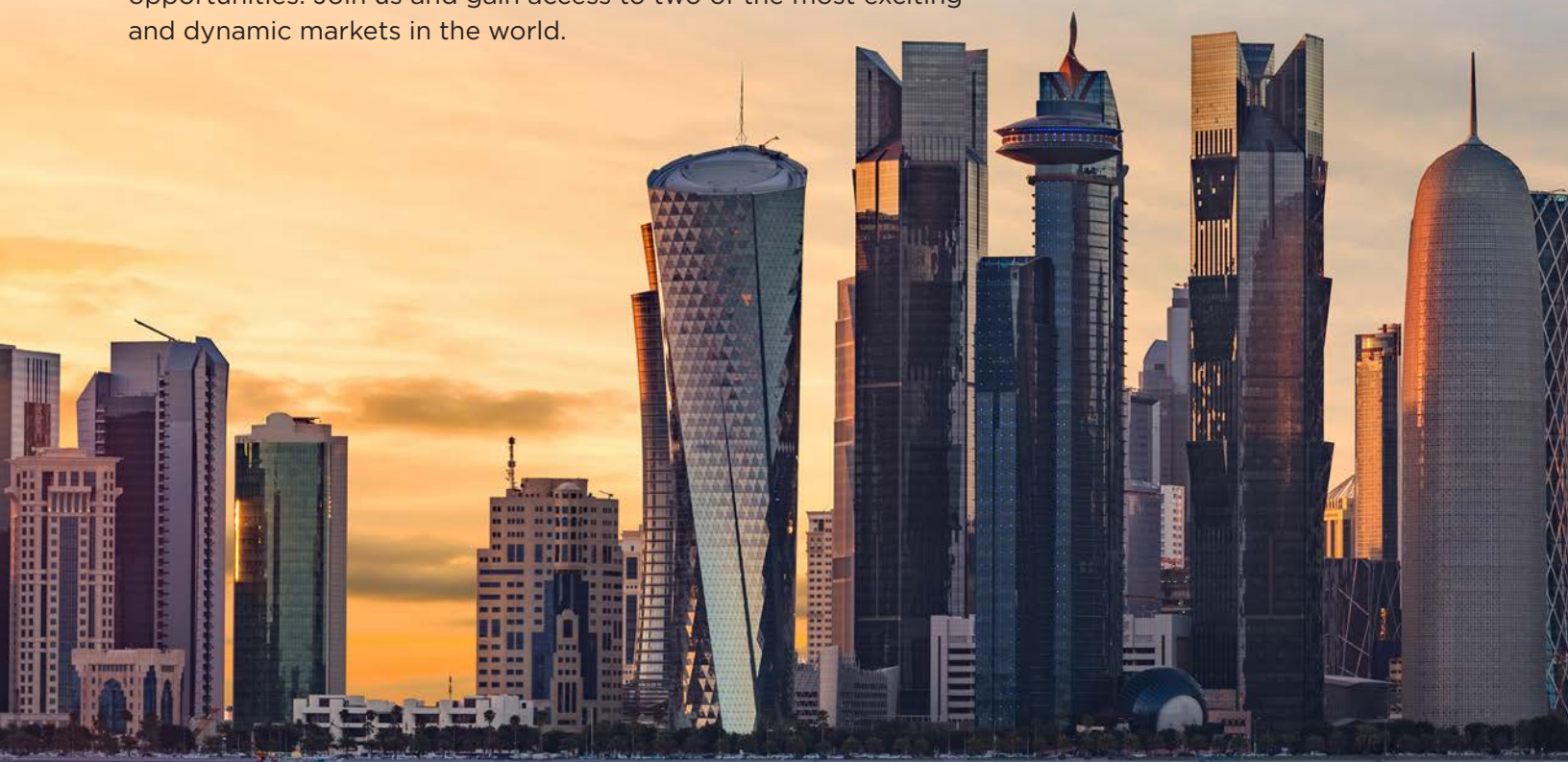


Your future business partner is waiting.

We advance trade & investment between the US and Qatar.

The US-Qatar Business Council (USQBC) envisions a seamless relationship between the US and Qatar; a permanent partnership built on a foundation of mutual interests and strong strategic, business, cultural, and security relations. USQBC is the leading organization dedicated exclusively to enhancing the bilateral relationship between the US and Qatar.

As a member, you will have access to USQBC's business and advisory services. We will matchmake and advocate with US and Qatari government and private sector entities on your behalf. Meet senior level officials at our events, roundtables, and networking opportunities. Join us and gain access to two of the most exciting and dynamic markets in the world.



@USQatar

US-Qatar Business Council