

Law No. 21 of 2009 The Income Tax Law 21 / 2009

Number of Articles: 64

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Tamim Bin Hamad Al-Thani Deputy of the Amir of the State of Qatar

Having perused the Constitution;
Income Tax Law No. 11 of 1993;
The proposal of the Minister of Economy and Finance,
The draft Law submitted by the Council of Ministers; and
The opinion of the *Shura* Council
Hereby promulgate the following law;

Issuing Articles

Article 1 - Introduction

The provisions of the Income Tax Law enclosed herewith shall come into force.

Article 2 - Introduction

Subject to the provisions of Article 20 herein, the provisions of this law shall not apply to the following:

1. Private associations and foundations including foundations and associations that serves public interests.
- 2- Non-profit state registered private organisations, or organisations registered in other countries and licensed to work in the State provided that such organisations are not seeking profit.
- 3- Employee benefits including salaries, wages and allowances.
- 4- Gross income from legacies and inheritances.

Article 3 - Introduction

The Minister of Economy and Finance shall issue the executive bylaw and decisions required for the implementation of this law. Until such bylaw and decisions are issued, the current bylaw and decisions shall remain in force provided that they do not contradict the provisions of this law.

Article 4 - Introduction

The aforesaid Decree- Law No. 11 of 1993 and any provision contradicting the provisions of this law and attached law shall be repealed. Exemptions applicable on the effective date of this law shall remain effective until their expiry period

Article 5 - Introduction

All competent authorities, each within its jurisdiction, shall implement this legislation, which shall come into effect on the 1st day of January 2010 and shall be published in the *Official Gazette*.

Part 1

Definitions

Article 1

The following terms and expressions shall have the following meanings unless the context requires otherwise:

"Tax" means income tax.

"Ministry" means the Ministry of Economy and Finance.

"Minister" means the Minister of Economy and Finance.

"Department" means the administrative unit concerned with the application of this law.

"Director" means the director of the Department.

"Activity" means any profession, vocation, service, trade, industry, speculation, contractual work or any profit making business from movable or immovable property.

"Taxpayer" means a natural or a juristic taxpaying person under the provisions of this law.

"The person in charge" means the chairperson of the board of directors, a delegated member, an authorized manager or any person who represents or manages a company or an enterprise.

"Taxable year" means twelve months starting from 01 January ending 31 December of the same year.

"Accounting period" means the period for which the taxpayer prepares his accounts.

"Gross income" means total income and profits derived by the taxpayer from the sources mentioned in this law.

"Net income" means gross income less allowable deductions in accordance with the provisions of this law.

"Taxable income" means net income after subtracting losses as provided for in Article 10 of this law.

"Declaration" means a statement in which the taxpayer acknowledges the amount of taxable income and the tax due in accordance with the form prepared for this purpose.

"Resident" means

1- a natural person who meets any of the following requirements:

a- Permanent place of residence in the State;

b- Resident in the State for more than one hundred and eighty-three (183) consecutive or separate days during any twelve 12 month period;

c- Holds his vital interest in the State.

2- A body corporate shall be regarded a resident if it meets the following requirements:

a- Incorporated under Qatari legislation;

b- Its head office is situated in the State;

c- Its place of effective management is situated in the State.

"Permanent Establishment" means a fixed place of business through which the business of a taxpayer is wholly or partly executed. This shall include a branch, an office, a factory, a workshop, a mine, an oil or gas well, a quarry, a building site, an assembly project or a place of exploration and extraction or exploitation of natural resources. Permanent establishment shall also include an activity carried by the taxpayer through a person acting on behalf of the taxpayer or in his interest other than an agent of an independent status.

"Royalties" means payments of any kind made as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films, films or discs used for radio or television broadcasting, any patent, trademark, design or model, plan, secret formula or process for the use of or the right to use, industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience.

"Technical rewards" means payments of any kind made as consideration for managerial, technical or consultancy services.

Part 2

Scope of the tax

Chapter One

Imposition of the tax

Article 2

Annual tax shall be imposed on the taxpayer's taxable income derived from sources in the State during the previous taxable year. Notwithstanding the provisions of the previous paragraph, tax shall also be imposed on the following:

- 1- Bank interest and returns gained outside the State provided that they are derived from amounts resulting from the activity of the taxpayer in the State;
- 2- Commissions earned through agency, brokerage or commercial representation agreements accrued outside the State in respect of activities carried on in the State.

Article 3

Income derived from the State shall include:

1. Gross income derived from an activity carried on in the State.
2. Gross income derived from contracts wholly or partly performed in the State.
3. Gross income from real estate situated in the State including the sale of shares in companies or partnerships the assets of which consist mainly of real estate situated in the State.
4. Gross income from shares in companies resident in the State or listed on its stock markets;
5. Consideration for services paid to head offices, branches or related companies.
6. Interest on loans obtained in the State.
7. Gross income from the exploration, extraction or exploitation of natural resources situated in the State.
8. Gross income subject to tax in the State under a double taxation agreement.

Chapter Two

Tax exemptions

Article 4

Notwithstanding other tax exemptions provided for under special laws, international agreements or under the provisions of Articles 51 to 56 of this law. The following items of income shall be exempt from tax:

1. Bank interest and returns due to natural persons other than those carrying on a taxable activity in the State, irrespective of the residential status.
2. Interest and returns on public treasury bonds, development bonds and public corporation bonds.
3. Capital gains on the disposal of real estate and securities derived by natural persons provided that the real estate and securities disposed are not part of the assets of a taxable activity.
4. Dividends and other income from shares if the amounts distributed during a taxable year were taken from profits that were subject to the tax under this law; or distributed by a company the income of which is exempt from tax under this law or other laws.
5. Gross income from handcraft activities that do not use machines provided that the gross income does not exceed one hundred thousand (100,000) Riyals per year, the average number of employees does not exceed 3 during the taxable year and the activity is carried on in one single establishment, in accordance with the limits and conditions provided for in the executive bylaws of this law.
6. Gross income from agricultural and fishing activities.
7. Gross income of non Qatari air and sea transport companies operating in the State, subject to reciprocity.
8. Gross income of Qatari natural persons resident in the State including their shares in the profits of juristic persons.
9. Gross income of juristic persons resident in the State and wholly owned by Qatari nationals.

Chapter Three

Accounting period

Article 5

The accounting period of a taxpayer who carries on an activity shall be the taxable year. However, the taxpayer may, after obtaining the approval of the Department, adopt an accounting period that is different from the taxable year in accordance with the provisions of the executive bylaws of this law. The accounting period of a taxpayer shall be twelve months, subject to the following:

1. Where the taxpayer starts the activity after the beginning of the taxable year, the accounting period shall start from the date of the beginning of the activity. The first accounting period may not be less than six months nor more than eighteen months. In all cases, the tax shall be calculated on the taxable income of the actual accounting period.
2. Where the activity is liquidated, the accounting period shall run from the end of the previous accounting period until the end of liquidation.
3. Where the activity is ceased, assigned or sold, the accounting period shall run from the end of the previous accounting period until the date of cessation, assignment or sale.
4. Where the taxpayer carries on a temporary activity the period of which does not exceed 18 months, the accounting period shall be the period of activity.

Article 6

The taxpayer shall determine the taxable income on the basis of the accruals accounting method used in commercial accounting in accordance with international accounting standards and subject to the provisions of this law and its executive bylaws. The taxpayer may not use another method of accounting, except upon the approval of the Department.

Part 3

Calculation of the tax

Chapter One

Taxable income

Article 7

Taxable income shall be determined on the basis of the gross income derived from all transactions carried out by the taxpayer after subtracting allowable deductions and losses provided for in Article 10 of this law. Allowable deductions shall mean expenses and costs incurred by the taxpayer that satisfy the following requirements:

1. prerequisite to derive the gross income.
2. actually incurred and supported by documentary evidence.
3. do not increase the value of fixed assets used in the activity.
4. related to the taxable year.

Article 8

Allowable deductions shall include mainly the following, in accordance with the executive bylaws of this law:

1. Costs of raw materials, consumables and services required for executing the activity.
2. Interest on loans used in the activity.
3. Salaries, wages, end of services benefits and similar payments including contributions to set up retirement pensions or end of service payments or contributions to investment funds for the employees.
4. Rents.
5. Insurance premiums.
6. Bad debts.
7. Provisions set up by banks for doubtful debts and by insurance companies for risks covered up to 10% of the net income before making this deduction and the deduction provided for in paragraph 9 of this Article.
8. Depreciation of fixed assets.
9. Donations, gifts, aids and subscriptions to charitable, humanitarian, scientific, cultural or sporting activities paid in the State to governmental bodies, public authorities or corporations or any other authorized body in the State, provided that their value does not exceed 5% five percent of the net income before making this deduction and the deduction provided for in paragraph 7 of this Article.
10. Taxes and duties other than income tax provided for in this law.

Notwithstanding the provisions of the previous paragraph, sole proprietor persons carrying on a sole proprietor may opt to deduct 30% of their gross income in lieu of all their deductible expenses and costs.

Article 9

The following expenses and costs may not be deducted:

1. Expenses and costs incurred to derive exempt income.
2. Payments that are made in breach of the laws of the State.
3. Fines and penalties for breaching the laws of the State.
4. Expenditures or losses related to compensation are redeemed or redeemable provided that compensation is not included in the gross income of the taxpayer.
5. The share of total expenditures on entertainment, hotel accommodation, restaurant meals, vacations, club fees and gifts to customers, in accordance with the circumstances, conditions and limits provided for in the executive bylaws of this law.
6. Salaries, wages and similar remuneration including fringe benefits paid to the owner, spouse and children, members of a general or limited partnership or the director of a limited liability company who owns, directly or indirectly, the majority of the shares of the company.
7. The share of the branch in the headquarters' or head office's general and administrative expenses that exceeds the percentage determined in the executive bylaws of this law.
8. Any other disallowed deduction pursuant to the provisions of this law.

Article 10

The taxpayer may deduct losses incurred during a taxable year from the net income of subsequent years, subject to the following:

1. Losses may not be carried forward for more than three years as of the end of the taxable year during which they are incurred.
2. Losses resulting from an exempt or non taxable source of income may not be deducted.

Chapter Two

Tax rate

Article 11

The tax rate shall be ten percent (10%) of the taxable income of the taxpayer during the taxable year.

Notwithstanding the provisions of the previous paragraph, the tax rate shall be as follows:

1-

a) The rate of tax provided for in agreements to which the government, ministries or other governmental bodies or public authorities and corporations are a party, which are concluded before the entry into force of this law, shall apply. Where such agreements fail to specify a tax rate, tax shall be levied at the rate of thirty five (35%) percent.

b) The tax rate and all other tax conditions provided for in agreements relating to oil operations as defined in Law No. 3 of 2007 concerning the exploitation of natural wealth and their resources, shall apply provided that in all cases the tax rate shall not be less than 35% thirty five percent.

2- Subject to the provisions of tax agreements, payments made to nonresidents with respect to activities not connected with a permanent establishment in the State shall be subject to a final withholding tax, as follows:

1. 5% five percent of the gross amount of royalties and technical fees;
2. 7% seven percent of the gross amount of interest, commissions, brokerage fees, director's fees, attendance fees and any other payments for services carried out wholly or partly in the State.

Part 4

Tax obligations

Chapter One

Registration and notification

Article 12

1- Every taxpayer who carries on an activity or derives a taxable income shall register with the Department within thirty 30 days from the date of obtaining the approval from the competent authority to commence the activity or the first day of realization of the income, whichever is earlier, or from the date of entry into force of this law for taxpayers carrying on activity at that date.

1. Every taxpayer carrying on an activity in the State shall notify the Department of any change that may affect his tax obligations within thirty days from the date of occurrence of the change.
2. Every taxpayer carrying on an activity in the State shall submit an application to the Department for a tax card within thirty days from the commencement of the activity or from the date of entry into force of this law for taxpayers carrying on activity at that date in accordance with the

Article 13

- 1- Taxpayers who totally or partially dispose of or cease their activity shall notify the Department of such a deed within 30 days from the date of occurrence of the disposal or the ceasing of the activity, as the case may be. Where the reason of ceasing the activity is death of the taxpayer, the heirs shall fulfill the notification within sixty days of death.
1. The assignor and the assignee as well as the seller and the buyer shall be jointly liable for any tax or financial sanctions related to the assigned or sold activity until the date of assignment or sale.

Chapter Two

Filing tax returns

Article 14

- 1- Taxpayers carrying on an activity shall submit a return to the Department on the form prepared for this purpose stating the taxable income and the tax due within four months from the end of the accounting period. Other taxpayers shall submit their returns within four months from the end of the taxable year.
 1. In the case of liquidation of business, the liquidator shall submit the return within the period mentioned in the previous paragraph.
 2. Notwithstanding the provisions of paragraph 1 of this Article, should the taxpayer die during the taxable year, the heirs, the inheritance trustee or the liquidator shall file the return within six 6 months from the date of death.
 3. Where the taxpayer is a minor or incapacitated, the guardian or trustee of the taxpayer shall file the return within four months from the end of the taxable year.
 4. Subject to the provisions of Articles 22 to 26, 40 to 46 and 57 of this law, the taxpayer may, upon the approval of the Department, file an amended return to correct mistakes in or complete omissions to a return filed in respect of an earlier taxable year.

Article 15

The taxpayer who carries on an activity that is exempt from tax under the laws of the State shall submit to the Department the return mentioned in the previous Article together with the balance sheet and the profits and losses account audited by an auditor accredited in the State within the period specified in paragraph 1 of the previous Article.

Article 16

The Department may extend the deadline for filing the tax return mentioned in the previous two Articles if the taxpayer submits an application for this purpose based on reasonable grounds thirty days before the expiry of the deadline. The Department may not extend the deadline for more than four months after the expiry of deadline for filing the return, in the case provided in paragraph 2 of Article 14 of this law.

Article 17

The taxpayer who satisfies any of the following conditions shall accompany the tax return with the final accounts audited by an auditor accredited in the State:

- 1- The capital exceeds (100,000) one hundred thousand Riyals;
- 2- The annual taxable income exceeds (100,000) one hundred thousand Riyals.
- 3- The head office is situated outside the State.

Chapter Three

Accounting requirements

Article 18

Taxpayers conducting activities in the State shall keep accounting books, registers and documents as required by the laws of the State, international accounting standards and the provisions of the executive bylaws of this law.

Article 19

Taxpayers conducting activities in the State shall keep all accounting books, registers and documents relating to the activities in the place where the activities are executed for ten years following that to which the books, registers and documents are related. Notwithstanding the provisions of the previous paragraph, taxpayers shall be relieved from the obligation of keeping books, registers and documents mentioned above. This shall be in accordance with the conditions provided for in this law.

Article 20

Natural and juristic persons making payments referred to in paragraph 2 of Article 11 of this law shall withhold taxes and remit them to the Department before the sixteenth day of the first month after payment. Natural and juristic persons shall issue and deliver a withholding tax certificate to persons to whom the tax amounts were paid in accordance with the provisions of this law.

Article 21

Ministries and other governmental bodies, public authorities and corporations and companies shall notify the Department of contracts, agreements and dealings they entered into if their amount exceeds the limits provided in this law. Subject to the provisions of the sixth paragraph of Article 38 herein, public authorities and corporations, companies, associations, individual enterprises and any other entity specified in this law shall notify the Department, on request, of information related to assessment of taxes payable by the taxpayer who transacted with public authorities and corporations, companies, associations, individual enterprises entered into transactions. Notification mentioned in the previous two paragraphs shall be made within thirty days of the date of the Department's request or date of commencement of the contract, agreement or dealing.

Part 5

Powers and duties of the Department

Chapter One

Assessment of the tax

Article 22

Tax shall be assessed on the basis of taxable incomes as determined by the tax return subject to the tax return acceptance by the Department. The Department shall have the right to reconsider all elements of the taxable income. Should they appear inaccurate or when it deems necessary. The Department shall notify the taxpayer of this through a registered letter with acknowledgement of receipt, or direct delivery to the taxpayer or the person in charge regarding the following:

1. Clarification or information concerning the return.
2. Presentation of any data, information or documents required for the assessment of tax.
3. Presentation of books, registers, accounts or statements relating to the activities to be examined within the period specified by the Department to the taxpayer or the proxy. The Department may make copies of books, registers, accounts or statements where necessary.

Article 23

The Department shall have the right to disregard the tax return and may decide to assess the tax return on a presumptive basis in cases where it is not

possible to make an assessment on the basis of the actual income of the taxpayer. This shall include cases where the taxpayer fails to provide the following:

1. Submit annual tax return or accompanying documents within the timelines specified in Articles 14 to 16 of this law;
2. Maintain books or registers provided in Article 18 of this law, or where these books or registers are inaccurate or irregular.
3. Provide information, clarifications, books, registers or other documents required by the Department under paragraph 2 of the previous Article or where false information or inaccurate registers, books or documents are provided.

The assessment shall be based on audited information, data, objective presumptions and evidence provided for in the bylaws of this law.

Article 24

The assessment decision shall include particularly the following:

- 1- Facts, information and presumptions on the basis of which the assessment of tax is made.
- 2- Taxable income, tax due and financial penalties.
- 3- Deadline and place of payment of the tax and financial penalties.
- 4- The right of the taxpayer to object and appeal against decisions in accordance with the provisions of Articles 28 to 34 of this law. The Department shall notify the taxpayer of the assessment on the form prepared for such purposes through a registered mail with acknowledgement of receipt or shall deliver directly to the taxpayer or the person in charge.

Article 25

Subject to the provisions of Article 57 of this law, the Department may not reassess the tax payable by a taxpayer in respect of a taxable year that has been previously assessed unless the Department discovers new information affecting the taxpayer's tax liability, which was not taken into account in the previous assessment. The assessment and re-assessment decision shall be subject to the same rules.

Article 26

The liquidator shall be regarded as the taxpayer and the assessment procedures shall be carried out against him.

Chapter Two

Secrecy Requirement

Article 27

Employees of the Department shall preserve the secrecy of the documents and information to their knowledge or to their possession in the course of fulfillment their duties. Employees of the Department shall be relieved from this obligation in the following cases:

1. Where the Information is disclosed to the concerned taxpayer or the proxy of the taxpayer
2. Information is disclosed to a judicial body
3. Information is disclosed to a governmental body with the taxpayer.
4. Information is provided within the framework of an exchange of information procedure applicable under the tax agreement concluded by the Government.

Part 6

Objection and appeals

Chapter One

Objection

Article 28

The taxpayer may protest the tax assessment decision by sending a registered mail with acknowledgement of receipt, within thirty days from the date

of notification.
The objection shall be submitted to the Department. The submission of the objection shall result in the suspension of the execution of the assessment decision. Where the taxpayer fails to submit an objection within the period mentioned above, the assessment decision shall become final and taxes shall become payable.

Article 29

The Department shall settle the objection and notify the taxpayer of its decision by a registered mail with acknowledgement of receipt or shall directly deliver to the taxpayer or the person in charge within sixty 60 days from the date of submission the objection. The elapse of sixty days without response to the objection shall be regarded as an implicit rejection of the objection. Where the taxpayer accepts the decision of the Department regarding the objection, taxes shall be finally assessed based on that decision.

Chapter Two

Appeals

Article 30

Tax Appeal Committee shall be set up in the Ministry under the chairpersonship of a judge of the Appeal Court appointed by the Supreme Judiciary Council and the membership of a representative of each of the following:

- 1- The Ministry of Economy and Finance.
- 2- The Ministry of Business and Trade.
- 3- The State Audit Bureau.
- 4- Qatar Chamber of Commerce and Industry.
- 5- The Qatari Association of Legal Accountants.

Each of the authorities shall nominate its representative in the committee's membership. The decision to appoint the chairperson and members of the committee, to organize its functions and to determine its remuneration by the Council of Ministers shall be issued at a proposal of the Minister..

Article 31

The taxpayer may submit an appeal before the Tax Appeal Committee if the taxpayer does not accept the Department's decision on the objection. The appeal shall be submitted within thirty days from the date of notification of the Department's decision on the objection or from the expiry period provided during which responses are allowed for the settlement of the objection. Should the taxpayer not submit an appeal within the period mentioned above, the decision of the Department shall become final and the tax shall become payable.

Article 32

The Tax Appeal Committee shall be empowered to settle the appeals submitted by the taxpayer in accordance with the provisions of Article 31. The committee may reduce the financial penalties provided in Articles 40 and 41 of this law. The submission of an appeal shall not suspend the decision of the Department on objection. The appeal shall not prevent the implementation of tax assessment decision if the objection is submitted in accordance with the provisions of Article 28 of this law and if the Department fails to reach a decision within the specified period.

Article 33

The committee shall notify the taxpayer by a registered mail with acknowledgement of receipt and the Department of the date and place for the hearing of an appeal at least fifteen days before convening the session. The taxpayer and a representative of the Department shall appear before the committee on the date fixed in the notification. The taxpayer may be represented by a proxy in possession of the power of attorney. The committee may require both the taxpayer and the Department to produce additional information or documents in order to settle the appeal.

Article 34

The Committee shall convene at the request of the chairperson. The meeting shall be valid only if attended by the chairperson and at least four

members of the committee. The hearings of the meeting shall be held in camera. The committee shall issue its decisions at the approval of the majority of the members present at the meeting. Where there is a tie, the opinion of the chairperson shall prevail. The decisions of the Committee shall be reasoned. The committee shall be subject to the general principles of litigation procedures.

Article 35

The Committee shall notify its decision to the Department and the taxpayer by a registered mail with acknowledgement of receipt or directly to the taxpayer or the person in charge. The taxpayer and the Department may appeal against the decision of the Committee with the administrative chamber of the court of first instance within sixty days from the date of notification of the decision. The appeal may not suspend the execution of the decision of the committee, unless the court otherwise decides. The final tax liability of the taxpayer shall be settled on the basis of the final court decision on the appeal.

Part 7

Collection and refund of the tax

Chapter One

Collection of the tax

Article 36

The taxpayer shall pay the tax due as stated on the tax return on the same day of when he/she completes the tax return. Should the period of objection provided for in Article 28 of this law has expire without an objection submitted, the taxpayer shall be obliged to pay the tax and financial sanctions within thirty days from the date of expiry of the aforementioned period. Should the taxpayer accepts the objection decision of the Department, the taxpayer shall be obliged to pay the tax due within thirty days from the date she/he received the notification of the decision. .

The tax and financial penalties related thereto shall be collected in one installment within thirty days from the date of notification of the taxpayer of the Department's response to the objection, by a registered letter with acknowledgement of receipt or directly to the taxpayer or the person in charge, or from the date of expiry of the period provided in Article 29 of this law. The Department may approve, upon the request of the concerned party, the payment of the tax due and the financial penalties related thereto by installments in accordance with the executive bylaws of this law. Should the taxpayer fail to pay any of the installments, all the outstanding installments shall become due immediately.

Chapter Two

Seizure of taxpayer's property

Article 37

Should it be apparent that the collection of tax might not be successful; the Director shall on the approval of the Minister request the issue of a decision from the judge of summary procedures to provisionally seize the property of the taxpayer, in his possession or in the possession of others, tantamount to the payable tax bill and financial penalties.

The property shall be deemed to be provisionally seized as of the date of notification of the decision of the judge to the taxpayer. The taxpayer may not dispose of the property except where the seizure is lifted by a decision of the judge. The taxpayer or any interested party may appeal against the seizure decision before the competent court within thirty days from the date of notification.

Article 38

Should the assessment decision of the tax and financial penalties related thereto be final and the tax and financial penalties not paid on the prescribed date, the Director shall on the approval of the Minister, carry out the procedure of seizing the property of the taxpayer to settle the tax bill, whether in the possession of the taxpayer or in the possession of others. The Department may require by a registered mail with acknowledgement of receipt from any person to provide, within thirty days from the receipt of the mail, a statement of the sums payable by that person to the taxpayer. The statement shall include the following:

a- The sums payable to the taxpayer and terms of payment;
b- Sums in possession of a third party payable to the taxpayer, whether or not the third party is authorized to make the payment to the taxpayer on behalf of the third party. The person referred to in the previous paragraph shall pay to the treasury the amounts payable by the taxpayer totaling the value of tax and financial penalties. The amounts must be paid within thirty days from the date they come to maturity. Sums that have come to maturity on the date of submission of the statement to the Department shall be paid within thirty days from that date.

Should the statement not be submitted by the person within the specified period or where the amounts were not paid to the Department in accordance with the provisions of the previous paragraph, the Department shall seize the property of that person. For the purposes of implementing paragraphs 1 and 4 of this Article, the Department shall issue a notice to the debtor, and the seizure shall be executed by the Department in accordance with the

Chapter Three

Refund of unduly collected tax and financial penalties

Article 39

The taxpayer may obtain a refund of the amounts of tax and financial penalties unduly collected from him/her by submitting a claim to the Department within five years from the date the taxpayer became aware. The Department shall notify the taxpayer of its decision regarding the refund within sixty days from the date of its submission. The taxpayer may appeal before the Tax Appeal Committee should the Department reject the claim nor fail to advise the taxpayer of the decision within sixty days from the date of submission. The provisions of Articles 33, 34 and 35 of this law shall apply to the appeal process. Should there be a delay in refunding by the Department within the period mentioned above; the taxpayer shall be entitled to a compensation calculated in accordance with the provisions and regulations of this law.

Part 8

Financial penalties and sanctions

Chapter One

Financial penalties

Article 40

- 1- Every taxpayer who fails to file the tax return within the periods mentioned in Articles 14 to 16 of this law shall pay a penalty of one hundred (100) Riyals per day of delay and a maximum of thirty six thousands (36,000) Riyals.
1. Every taxpayer who fails to pay tax within the periods mentioned in Article 36 of this law shall pay a penalty of 1.5% one and a half per cent of the amount of the tax due per month of delay or part thereof up to the amount of the tax due.
2. The period of delay shall start on the first day following the expiry of the deadline for filing the tax return and shall end on the date when the return is filed or the tax is paid.

Article 41

Every taxpayer who contravenes the provisions of Articles 12 and 13/1 of this law shall be subject to a financial penalty of five thousands (5,000) Riyals.

1. Every taxpayer benefiting from an exemption from tax who fails to submit the documents provided in Article 15 of this law shall bear a financial penalty of ten thousands (10,000) Riyals.
2. Every taxpayer who contravenes the provisions of Articles 17, 18 and 19 of this law shall bear a financial penalty of fifteen thousand (15,000) Riyals.
3. Every person who fails to withhold tax in accordance with the provisions of Article 20 of this law shall bear a financial penalty equal to the amount of tax that has not been withheld, in addition to the payment of the tax due.

Article 42

The Director may exempt the taxpayer from all or part of the financial penalties provided for in Articles 40 and 41 of this law up to a maximum of fifty thousand (50,000) Riyals should the taxpayer present a reasonable justifications. The exemption mentioned above shall be revoked if the taxpayer submits an appeal to the Tax Appeal Committee in accordance with the provisions of Article 31 of this law.

Chapter Two

Article 43

Notwithstanding a more severe penalty provided for in another law, the following tax offenders shall be punished with imprisonment not exceeding three months and/or a fine not exceeding fifteen thousand (15,000) Riyals:

1. Any person who presents fictitious books, registers and/or documents;
2. Any persons who use fraudulent methods including the presentation of fictitious or incorrect statements and/or documents for the purpose of obtaining a deduction, a tax exemption or a refund of the tax already paid.
3. Any person who intentionally conceals his/her real income or any taxable activity.
4. Any person who executes any action intended to prevent employees of the Department from fulfilling their duties Furthermore the taxpayer or the person in charge who commits the offences provided in paragraphs 2 and 3 above shall be subject to a fine of 20% twenty percent of the tax due.

Article 44

Whoever abets, colludes or assists to commit offences listed in paragraph 1 of the previous Article shall be penalized as provided therein and shall be jointly liable with the taxpayer or the person in charge of the payment of tax and the financial penalties.

Article 45

Notwithstanding a more severe penalty provided for in another law, whoever contravenes the provisions of Article 27 of this law shall be punished with an imprisonment sentence not exceeding six months and/or a fine not exceeding thirty thousand (30,000) Riyals..

Article 46

Penalties mentioned in Articles 43, 44 and 45 of this law shall be doubled in the case of recidivism. The perpetrator shall be deemed as recidivist if the perpetrator commits a similar offence within five years from the date of the execution of the penalty.

Article 47

The penal prosecution may not be instituted in accordance with Articles 43 to 46 of this law, unless a written application from the Minister is submitted.

Article 48

Before a final judgement is issued, the Minister or his representative may compound on the offences provided for in this law for a composition to be determined by a ministerial decision. The composition shall result in the case and its consequences being dropped. The Public Prosecution shall order the suspension of the execution of the penalty if the composition occurs during the execution of the case.

Article 49

Employees of the Department authorized to have judicial enforcement capacity by the decision of the Public Prosecutor on agreement with the Minister, shall investigate and provide evidence of violations. Those employees shall have the right to access the premises where the taxpayer runs his/her business and may barricade the premises in order to carry out any action required to assess the tax in accordance with the provisions of the bylaw of this law. The Department may counteract the tax privilege the taxpayer obtained because of such arrangements, operations or transactions, in accordance with the provisions of the executive bylaws of this law if the taxpayer enters into arrangements or carries on operations with the main purpose of avoiding the payment of tax due.

The Department may, in any of the instances stated in the previous paragraph, take all or some of the following measures:

1. Apply the arm's length value to a deed or an economic event subjected to a different value by the taxpayer;
2. Re-characterize the deed where the form of such a deed does not reflect the substance thereof;
3. Adjust the amount of tax due by the taxpayer or any other person involved in the type of arrangements, operations or transactions provided in

Part 9

General provisions

Chapter One

Prevention of tax avoidance

Article 50

The Department may counteract the tax privilege the taxpayer obtained because of such arrangements, operations or transactions, in accordance with the provisions of the executive bylaws of this law if the taxpayer enters into arrangements or carries on operations with the main purpose of avoiding the payment of tax due.

The Department may, in any of the instances stated in the previous paragraph, take all or some of the following measures:

1. Apply the arm's length value to a deed or an economic event subjected to a different value by the taxpayer;
2. Re-characterize the deed where the form of such a deed does not reflect the substance thereof;
3. Adjust the amount of tax due by the taxpayer or any other person involved in the type of arrangements, operations or transactions provided in paragraph 1 of this Article.

Chapter Two

Tax exemption Committee

Article 51

Tax Exemption Committee shall be constituted in the Ministry and shall be composed of two representatives of the Ministry of Economy and Finance, one of them shall be the chairperson of the committee, and a representative of each of the following:

- a- The Ministry of Business and Trade,
- b- The Ministry of Energy and Industry,
- c- Qatar Chamber of Commerce and Industry,

Each of the authorities shall nominate their representatives in the Committee. The decision of the Council of Ministers shall be issued, upon a proposal of the Minister, to appoint the chairperson and members of the Committee, to organize its functions and to determine its remuneration.

Article 52

The Tax Exemption Committee shall be responsible of the following:

1. Receiving and studying tax exemption applications and making recommendations to the Minister in their respect. The exemption period shall not exceed six years.
2. Studying cases of revocation of exemptions because of the breach of legal requirements or deviation from the objects and making recommendations to the Minister in their respect.

Article 53

The Tax Exemption Committee shall take into account the following criteria when considering applications for exemption:

1. The project shall contribute to the support and development of industry, agriculture, fishery, trade, petroleum, mining, tourism, land reclamation, transportation or any activities or projects needed by the country which provide socioeconomic benefits, whether such projects are wholly or jointly owned by Qatari or foreign individuals, companies.
2. The project shall be in line with the objectives of the economic development plan, shall be approved by the government and shall contribute to the development of the national economy, provided the following is taken into consideration:

- a- The volume and the location of the investment.
- b- The commercial profitability.
- c- The extent to which the project is integrated with other projects.

d- The extent to which the project relies on the production factors available in the country.
e- The impact of the project on the balance of trade and the balance of payments.

1. The project shall introduce modern technology.
2. The project shall lead to the creation of employment opportunities for nationals.

Article 54

- 1- The decision for the exemption shall be issued by the Minister, where the period of exemption recommended by the committee does not exceed three years.
1. The exemption decision shall be issued by the Council of Ministers, upon the recommendation of the committee accompanied by the Minister's opinion, where the period of exemption exceeds three years.
2. The exemption period provided for in the previous two paragraphs shall begin on the date of issuing the exemption decision or the date of commencing the activity.
3. The decision to revoke the exemption shall be issued, upon the recommendation of the Tax Exemption Committee, by the authority that issued the exemption. Waived tax and the financial penalties related the tax exemption shall be collected in accordance with the provisions of this law.

Article 55

The taxpayer may appeal to the Minister against the decision revoking the exemption within thirty days from the notification of the decision by a registered mail with acknowledgement of receipt. The Minister may decide to refer the appeal to the Tax Exemption Committee. The appeal shall be settled within thirty days from the date of its submission without exception. Should there be no response during this period, that shall be deemed as refusal of the appeal.

Article 56

The provisions of Articles 52 to 55 of this law shall apply to expansion projects, provided that the expansion cost exceeds 50% fifty percent of the cost of the original project

Chapter Three

Statute of limitation

Article 57

The right of the Department to assess the tax and financial penalties related to the Department in respect of a taxable year shall expire after five years following the year in which the taxpayer submitted the tax return. Should the taxpayer fail to submit the tax return, the right of the Department to assess the tax and financial penalties related to the tax return shall expire after ten years following the taxable year in respect of which the taxpayer did not file the tax return.

Should the taxpayer fails to register with the Department as provided in Article 12 of this law, the period provided above shall start from the date of discovering the activities of the taxpayer by the Department. In addition to the causes of interruption of the statute of limitation period provided in the Civil Law, the periods mentioned above shall be interrupted upon the notification of the taxpayer by a registered mail with acknowledgement of receipt of the following:

1. Assessment decision in accordance with the provisions of Article 22 to 26 of this law;
2. Payment of tax due or financial penalties
3. Referral of the dispute to the Tax Appeal Committee.

Article 58

The right of the Department to collect the tax and financial penalties related thereto shall expire after ten years following the year in which the amount of tax and financial penalties became due

Article 59

The right of a taxpayer to claim refund of taxes and financial penalties paid unduly shall expire after the elapse of the period mentioned in Article 39 paragraph 1 of this law. In addition to the causes of interruption of the statute of limitation period provided for in the Civil Law, the period mentioned in the previous paragraph shall be interrupted by the application of a taxpayer claiming the refund of the tax and financial penalties unduly collected notifying from the Department by a registered mail with acknowledgement of receipt.

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