

Law No. 34 of 2005 on Investment Free Zones 34 / 2005

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Table of Content

Part I (1-1)

Definitions (1-1)

Part 2 (2-16)

Establishment of Investment Free Zones and Enjoyed Privileges, Exemptions and Guarantees (2-16)

Part 3 (17-38)

Qatar Authority for Investment Free Zones (17-38)

Chapter One (17-20)

Establishment, Objectives and Functions of the Authority (17-20)

Chapter Two (21-30)

Management of the Authority (21-30)

Chapter Three (31-38)

The Financial Structure of the Authority (31-38)

Part 4 (39-49)

General and Final Provisions (39-49)

We, Tamim bin Hamad Al-Thani, Deputy Emir of the State of Qatar,
Having reviewed the Constitution;
The proposal of the Minister of Economy and Commerce;
The draft law submitted by the Council of Ministers;
And after consulting the *Shura* Council;
Hereby promulgate the following law:

Part I

Definitions

Article 1

In the application of the provisions of this Law, the following words and expressions shall have the meanings assigned to each, unless the context requires otherwise:

"The Minister" means the Minister of Economy and Commerce;

"Zone" means the Investment Free Zone in Qatar established in accordance with the provisions of this law;

"Zones" means the Investment Free Zones;

"The Authority" means the Qatar Authority for Investment Free Zones;

"The Board" means the Board of Directors of the Authority;

"The Chairperson" means the Chairperson of the Authority;

"The Regulations" means the regulations prepared by the Authority and issued by the Minister in accordance with the provisions of this law.

Part 2: Establishment of Investment Free Zones and Enjoyed Privileges, Exemptions and Guarantees

Part 2

Establishment of Investment Free Zones and Enjoyed Privileges, Exemptions and Guarantees

Article 2

The Council of Ministers, upon the Minister's proposal, may establish investment free zones and determine the area and borders of each zone, as well as the type of activities licensed to be practiced therein, for the purpose of attracting and encouraging investment in Qatar's industrial, agricultural,

technical and tourism fields and other fields to be decided by the Council of Ministers.

Article 3

The privileges, concessions, exemptions and guarantees provided for in this law, or any other privileges, shall be determined by a decision of the Council of Ministers upon a proposal submitted by the Minister according to the economic importance and role of each zone in the economic development of Qatar.

Article 4

Notwithstanding the provisions of Article 5 of the Commercial Companies Law, promulgated by Law No. 5 of 2002, and according to the Regulations, it shall be permissible to establish in the Zone limited liability companies or joint stock contracts or any other type of companies or entities, whether owned by one or more Qataris or expatriates or other natural or juristic persons.

Article 5

Any entity established or licensed to practice any activity in the Zone may be totally owned by non-Qatari individuals or companies or any other entities, whether they are residents or non-residents of the State.

Article 6

Companies, projects, facilities and any other entities licensed to work in or through the Zone, according to the provisions of this law and the Regulations, shall be exempt from obtaining another license, approval, permit or registration from the State to perform their work.

Article 7

The provisions of the tax law or any laws imposing any type of direct or indirect taxes shall not be applicable to the Zone for a period of twenty years, renewable for one or more similar periods by a decision of the Council of Ministers.

Article 8

All equipment, machines, means of transportation, instruments, goods, raw materials, devices, spare parts and any materials or other components imported by or stored, manufactured, produced or processed by the companies, projects, facilities and other entities working in the Zone shall be exempt from customs duties.

Article 9

Goods and products exported from the Zone to the local market inside the State shall be subject to customs duties.

Article 10

Companies, projects, facilities and other entities working in the Zone shall freely transfer their profits and investments outside the State without any restrictions.

Article 11

Subject to the provisions of international agreements and the Regulations issued relating to those working in the Zone, companies, projects, facilities and any other entities working in the Zone shall freely select and appoint their employees and workers.

Article 12

Property and activities of companies, projects, facilities and other entities shall not at any time be subject to any nationalisation or private ownership limitation procedures.

Article 13

Companies, projects, facilities and other entities working in the Zone shall determine the prices of their products and services.

Article 14

Licenses to use real estate issued to companies, projects, facilities and other entities working in the Zone may not be cancelled or suspended except in the case of a violation of the license conditions.

Article 15

1. Companies, projects, facilities and other entities working in the Zone shall be permitted to import, either by themselves or through a third party, all production supplies, materials, machinery, equipment, spare parts, services and means of transportation required for their establishment, expansion or operation. Such importation shall require no advance permission from or registration with the import registrar.
 1. Companies, projects, facilities and other entities working in the Zone shall also be permitted to export their products, either by themselves or through a third party, without a license and without advance permission from or registration with the export registrar.
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Article 16

The introduction of the following goods to any Zone shall be prohibited:

1. Flammable goods, excluding fuels necessary for the operation allowed by the Authority under the conditions prescribed by the competent authority.
 2. Radioactive materials.
 3. Arms, ammunition and explosives of any kind, except those licensed by the competent authority.
 4. Goods infringing the laws relating to commercial and industrial property rights and copyright protection.
 5. All kinds of narcotic drugs and derivatives thereof.
 6. Goods originating from an economically boycotted state.
 7. Goods prohibited from entering the State.
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Part 3

Qatar Authority for Investment Free Zones

Chapter One

Establishment, Objectives and Functions of the Authority

Article 17

A committee known as the "Qatar Investment Free Zone Committee" shall be established, and shall enjoy juristic personality and an independent budget.

Article 18

The committee shall report to the Council of Ministers and be situated in Doha, and may open other offices inside or outside the Zone in order to meet its objectives and to execute its tasks and powers.

Article 19

The Authority shall aim to manage and develop the investment free Zones according to the best international standards, and encourage and attract investment in the fields of, *inter alia*, scientific research, technology, production and exportation. The Authority shall have the following functions and powers:

1. Conduct studies and identify proposed locations to establish Zones and activities that may be practiced therein; determine the means to support them; and submit its recommendation to the Minister.
2. Prepare the infrastructure, locations, facilities and administrative services and any other services needed to achieve its objectives.
3. Oversee management of the Zones, follow up their affairs, and implement plans and programs for their development.
4. Appoint a manager for each Zone and grant the necessary powers to ensure the proper operation and management of the Zones.
5. Issue licenses, approvals and permits to individuals, companies, facilities and other entities interested in operating in or through the Zone, according to the issued Regulations.
6. Determine and collect fees for the services provided.
7. Collect all taxes due to the State.
8. Facilitate the work procedures between the different bodies working in and outside the Zone.
9. Arrange with importers to provide information technology, communication services and equipment.
10. Establish companies and conclude agreements needed to develop the infrastructure of any Zone.
11. Prepare the Authority Regulations and establish, manage, develop, operate, and regulate the work in the Zones.
12. Appoint an Advisory Board comprising competent and experienced individuals to provide advice to the Authority on the strategy to achieve its objectives.
13. Appoint employees and consultants and other service providers.
14. Cooperate and enter into arrangements with authorities, entities, bodies, and organizations that work in a similar field.
15. Carry out any other tasks or duties assigned to it by the Council of Ministers for the achievement of its objectives.

Article 20

The Regulations shall control all matters required to execute this law and meet its objectives, particularly the following:

1. Establish, register, and operate companies, projects and other entities operating in or through the Zone, and demonstrate their rights, obligations, and provisions related to their liquidation.
2. Give and accept guarantees.
3. Recruit and employ, and issue visas and other permits for the Zone's workers and visitors.
4. Prohibit money laundering and illegal financial transactions.
5. Protect privacy and confidential information.
6. Guarantee intellectual property rights.
7. Protect the environment and public health.
8. Set conditions and specifications related to the planning and development of any Zone.
9. Determine financial compensations and sanctions for the violation of any of the provisions of this law or regulation.

Chapter Two

Management of the Authority

Article 21

1. A board of directors shall manage the Authority. The board shall comprise a chairperson, vice chairperson and seven members having expertise in trade, business, law, taxation and management.
1. The appointment and remuneration of board members shall be determined by a decision of the Council of Ministers, based on the proposal of the Minister.

2. The board shall choose and assign a Secretary, and specify his responsibilities and remuneration.

Article 22

The board shall be effective for a period of three years, renewable for a similar period for one or more times.

Article 23

The board shall have the necessary power and authority required to manage the affairs of the Authority and the Zones and to realise their objectives, particularly the following:

1. Establish policies and the general plans of the committee.
2. Create the organizational structure for the Authority, and approve the Regulations required to manage its affairs and to regulate and operate the Zones.
3. Provide the infrastructure, facilities, staff, services and support needed to manage and operate the Zones, according to the best international standards and practices.
4. Approve the annual budget of the Authority and its closing statement of account.
5. Appoint the Zones' directors and determine their responsibilities and tasks.
6. Perform the work, tasks, and duties related to the activities of the Authority and assigned to the board by the Council of Ministers.

Article 24

The chairperson shall represent the Authority before the judiciary and in its relations with third parties.

Article 25

The board may delegate any of its authorities or responsibilities to a committee comprising some of its members. It may also set rules to regulate the work procedures of such committee.

Article 26

1. Upon the chairperson's invitation, the board shall meet at least once every three months, and whenever necessary. Save as otherwise required, each member shall be informed in writing at least forty eight hours in advance of the time, place and date of the meeting.
1. The meeting of the board shall not be deemed valid without the attendance of the majority of its members, provided that either the chairperson or the vice-chairperson shall be present.

Article 27

The decisions of the board shall be issued according to the majority of votes of the members. In case of a tie, the chairperson shall cast the deciding vote.

Article 28

A decision taken by the board and signed by all of its members, or by any of its committees, shall be deemed valid and effective as if the decision was issued from a board or a committee meeting.

Article 29

1. The chairperson, vice-chairperson or any of the members of the board, or the staff of the Authority, shall have no direct or indirect personal interest in contracts concluded with the Authority for its account, or in the projects it carries out.
1. The members may not vote on any matter in which they have a direct or indirect personal interest.

Article 30

The Authority shall have a Director-General outside the members of the board appointed by a decision of the board. The Director-General shall, under the supervision of the board and within the general policy of the Authority, manage the administrative, financial, and technical affairs thereof according to the prescribed Regulations and rules and within the annual budget. In particular, the Director-General shall:

1. Propose the plans and programs of the Authority.
2. Propose the organizational structure of the Authority, and the Regulations required to manage its affairs and operate the Zones.
3. Prepare the agendas of the board in coordination with the chairperson.
4. Execute the decisions of the board.
5. Prepare the annual estimated budget draft of the Authority and its closing account.
6. Prepare a quarterly report on the achievements and programs of the Authority and submit it to the board.
7. Any other tasks assigned by the board according to the provisions of this Law.

Chapter Three

The Financial Structure of the Authority

Article 31

1. The fiscal year of the Authority shall commence on the first day of January and terminate on the last day of December of each year, provided that the first fiscal year of the Authority shall commence on the date on which this law becomes effective and shall terminate on the last day of December of the next year.
1. The Minister shall set the first year annual budget and approve the budget for the following years after approval by the board.

Article 32

The financial resources of the Authority shall comprise the following:

1. Funds and appropriations allocated to the Authority by the State.
2. Fees for the services that the Authority offers.
3. Rental charges for property located within the Zone.
4. Financial sanctions imposed by the Authority.
5. Other revenues accrued by the Authority.

Article 33

1. The Authority shall be permitted to borrow money, including in a currency other than the currency of the State, to achieve its goals.
 1. The consent of the Council of Ministers shall be obtained for any loans that exceed one hundred million (100,000,000) Qatari Riyals, or the equivalent in any other currency. Any of the Authority revenues, funds, or property may be provided as collateral for these loans or the interest thereon.
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Article 34

1. The Authority shall retain any surplus in its funding, whether or not contained in the budget estimates, or return it back to the State.
1. The Authority may use such surplus to service its debts, or to form a general reserve or any other reserve deemed appropriate in the board's discretion.
2. The Authority may also invest its surplus, where not applied to immediate spending needs, in investments approved by the board.

Article 35

1. The Authority shall keep sufficient accounting records to demonstrate accurately the revenues, expenses, assets and liabilities of the Authority, in addition to its financial status.
1. Within a period of no more than three months, and by the end of every fiscal year, the board shall prepare the accounting records of the Authority, in accordance with internationally approved accounting principles. The board shall appoint independent auditors from an approved financial audit facility, with a liaison office in the State, to review these records.
2. In their report, the financial auditors shall indicate if these accounts are a true reflection of the financial status of the Authority for the intended fiscal year, and shall demonstrate the assets and liabilities of the Authority for the aforesaid year. The auditors shall include in this report any other issues according to their discretion.

Article 36

1. The Council of Ministers may appoint one or more accounting auditors to audit the accounts of the Authority. This auditor shall have the right at all times to review the Authority's books, records and documents, and to request all data necessary for the audit. The auditor may also verify the Authority's assets and liabilities.
1. The auditor shall notify the Council of Ministers if unable to perform the audit.

Article 37

The board shall, no later than three months after termination of the fiscal year, submit a detailed report to the Council of Ministers about the Authority's activities, projects, work progress, and financial status. The report shall include the board's suggestions and recommendations, along with a copy of the auditor's report.

Article 38

The Council of Ministers may at any time request the Authority to submit reports demonstrating its administrative, financial and technical status, or any aspect of its activities or other related information. The Council may also issue general instructions for the Authority to follow in matters related to its activities.

Part 4

General and Final Provisions

Article 39

1. Subject to the provisions of this law, all penalties and criminal laws effective in the State shall also apply in the Zones. Notwithstanding, execution of any work in the Zone according to the license issued pursuant to the provisions of this law or regulation shall not be inconsistent with the provisions of the criminal law or any other law effective in the State.

Article 40

Save for that which is inconsistent with the provisions of this law and regulation, all the laws, Regulations and civil rules effective in the State shall be applied to the Zones.

Article 41

Activities conducted in the State, outside the Zone, by an entity established therein or exercising a business from the Zone, and that are related to contracts, transactions, or arrangements concluded between this entity and individuals residing in the State or entities outside the Zone, shall be subject to the application of the laws and Regulations effective in the State as if the established entity in, or operating business from, the Zone was established outside the State.

Article 42

The committee may issue visas, permits and documents required or related to recruitment in the Zone, in coordination with the ministries and the competent authorities in the State.

Article 43

Laws and rules regulating the civil service in the State shall not be applicable to the Authority or any of its staff. The Authority shall have the power to establish its own internal rules, conditions and statuses applied to its staff.

Article 44

Based on the Minister's proposition, the Council of Ministers shall issue a decision on the rules for settling disputes, including the establishment of a body to resolve conflicts related to the activities carried out in each Zone. The decision shall specify the body's responsibilities and the procedures to be followed.

Article 45

The Authority shall be exempted from the application of the provisions of the laws regulating tenders and auctions, the state general budget and the Auditing Bureau.

Article 46

Neither the chairperson, members of the board of directors of the Authority, nor any person working under its supervision, shall be subject to civil liability arising from the commission or omission in good faith of any act while performing the duties assigned to them in the execution of the provisions of this law.

Article 47

Members of the board of directors of the Authority, its employees, those working under its supervision, and all the Zone's directors, shall be deemed public employees in the application of the provisions of the Penal Code.

Article 48

Based on the proposal of the board, the Minister shall issues the Regulations and decisions required to execute the provisions of this law.

Article 49

All competent authorities, each within their area of jurisdiction, shall implement this law, which shall be published in the *Official Gazette*.

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