

Law No. 8 of 1999 Exempting Qatar Chemical Co. Ltd (Q-Chem), a Qatari Joint-Stock Limited Company, from Income Tax and Other Taxes and Charges 8 / 1999

Number of Articles: 10

Stars icon indicate that some articles are amended

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Articles (1-10)

We, Hamad bin Khalifa Al Thani, Emir of Qatar,
Having perused the Amended Provisional Constitution, in particular Articles 23, 34 and 51 thereof;
The Customs Law promulgated by Law No. 5 of 1988, and its amending laws;
Decree-Law No. 11 of 1993 regarding income tax;
Decree-Law No. 22 of 1993 organizing the Ministry of Finance, Economy and Commerce and defining its functions;
Law No. 19 of 1995 on the industrial regulation ;
Decree No. 20 of 1998 establishing Qatar Chemical Co. Ltd. (Q-Chem), a Qatari **Joint-Stock** Limited Company, and the accompanying Memorandum of Association and Articles of Association;
The joint venture agreement signed on 16/11/1997 between Qatari General Petroleum Corporation, Philips Petroleum, and Philips for Investment;
The proposal of the Minister of Finance, Economy and Trade;
The draft law submitted by the Council of Ministers;
After after consulting the Advisory Council;
Hereby promulgate the following Law:

Articles

Article 1 (Amended By Law 7/2000)

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:

"Corporation" means Qatar General Petroleum Corp.

"The Company" means Qatar Chemical Co. Ltd. (Q-Chem), a Qatari **Joint-Stock** Limited Company(QSC).

"Foreign partners" means non-Qatari partners in the Company, i.e., Philips for Investment, and others who may succeed or join it.

"The Joint Venture" means a joint venture between the Company and its partners to design and create a complex in Mesaieed for the production and storage of Ethylene, Polyethylene, Hexene and other organic compounds;

"The Joint Venture Agreement" means the agreement concluded between the Company and its partners on 16/11/1997 to establish the joint venture and run it for a period of 25 renewable years;

"The Commercial Operation Date" means the day on which the first bill of lading for the shipment of any product sold to a buyer is issued effective from the commencement of commercial production of the compound. Commercial production shall be deemed to have started on the day following the satisfactory performance of tests as set out in the contract (EPC) for the polyethylene plants and a certificate proving that these tests have been conducted.

"The Final Agreements" means the agreements listed in Article 2 (2) of the joint venture agreement or any additional related agreement.

"The Affiliate Company" means each company in which the foreign partner, at present or in future, is the owner, directly or indirectly, of at least 50 per cent of the licensed rights to vote on the selection of board members. In the absence of this type of contribution, it means a company in which the foreign partner, at present or in future, is the dominant owner, directly or indirectly, of at least 50 per cent of the share capital.

Article 2

The Company shall be subject to income tax in accordance with the following percentages:

1. 26, 25 per cent during the ten-year period following the commercial operation date.
2. 35 per cent from the first year of the eleventh anniversary of the commercial operation date throughout the duration of the joint venture agreement, either during the original term or during any extension.

Article 3

Article 4

Dividends of foreign partners and revenue shall be exempted from company income tax and tax withheld at source. This exemption shall continue throughout the duration of the joint venture agreement.

Article 5

The contractors and suppliers of the joint venture and their staff recruited by the Company shall be exempted from income tax and all other taxes until the date of completion of the joint venture.

Article 6

All debt payments to lenders and financiers of the joint venture from the shareholders or others shall be exempted from income tax, tax withheld at source, and other taxes applicable in Qatar. Also, these amounts shall be exempted from the tax of marketing commission or other sums payable to the foreign partners under the final agreements concluded between the Company and those partners.

Article 7

The Company shall have the right to import into Qatar all goods, materials, supplies and equipment required in connection with the joint venture, as well as spare parts for the maintenance and repair of any future investment. The Company shall have the right to re-export any of the said goods and other materials.

Article 8

The import and re-export of goods and other materials referred to in the preceding Article, as well as the export of products, whether finished or intermediate or byproducts, shall be exempted from all import and export duties and other taxes for the duration of the joint-venture agreement. This exemption shall not include fees and charges applicable in the port of Qatar, including for the use of the port and its facilities, except those that the Company has constructed.

Article 9 (Amended By Law 7/2000)

The exemption from all import, export and re-export taxes and any tariff imposed or payable to the State by the Company shall extend to the Company, its partners or affiliates, and its property, capital and operations, whether petrochemical processes or otherwise. All property of foreign partners or their affiliates, as well as any cash distributions paid to them, shall also be exempted.

Article 10

All competent authorities, each within its jurisdiction, shall enforce this law from the date of its publication in the *Official Gazette*.

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