

State of Qatar

Ministry of Economy and Commerce

**Law No. (13) of the year 2000 on
Organization of Foreign Capital Investment
in the Economic Activity.**

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Capital Investment in the Economic Activity.**

We, Jassim Bin Hamad Al-Thani, Deputy Emir of the State of Qatar,
Having due regard to the Amended Interim Provisional Constitution,
particularly, Articles No. (22), (23), (34), and (51) there of, and
Commercial Companies Law promulgated by Law No. (11) of the
year 1981, amended by Law No.(9) of the year 1998, and, Customs
Law promulgated by Law No. (5) of the year 1988 and Laws
amending that, and,
Law Decree No.(25) of the year 1990 on organization of non-Qatari
Capital Investment in the economic activity, amended by Law
No.(9) of the year 1995, and Law Decree No.(11) of the year 1993
concerning Income tax, and
Law Decree No.(22) of the year 1993 on organization of Ministry of
Economy and Commerce and prescription of its mandates, and the
proposal submitted by Minister of Finance, Economy and Commerce,
the draft Law submitted by the Cabinet, and having consulted the
Advisory Council, have decided the following Law:

CHAPTER ONE
Definitions

Article (1)

In application of this Law, the following terms and expressions shall
have the meaning shown opposite to each unless the text requires
otherwise

Ministry : Ministry of Finance, Economy, and Commerce

Minister : Minister of Finance, Economy, and Commerce

Foreign Investors : Non-Qatari's whether they are natural or judicial who invest their money in any of the projects in which direct investment is permitted by the State in accordance with provisions of this Law.

Foreign Invested Capital:

Cash, in kind money or rights in rem foreign Investors Invest in the State of Qatar including :

1. Funds transferred to the State (Qatar) through Licensed banks and Financial companies.
2. It is prohibited for Foreign investment mention in items (1) and (2) above, to invest in banks and insurance companies as well as commercial agency rights and trading in real estate.
3. Corporeal assets imported for Investment purposes in accordance with provisions of this Law.
4. Profits, revenues and reserves generated from Foreign capital Investment in a project where by project capital has been increased or if invest in any of the permitted projects in accordance with provisions of this Law.
5. Rights in rem such Licenses, patent right and trade marks registered in the State (Qatar).

CHAPTER TWO
Foreign Capital Investment

Article (2)

- 1- Subject to provisions of item "3" of this article Foreign Investors may invest in all sectors of national economy provided that they shall have Qatari partner(s) whose share in the capital shall not be less than 51 % and the company is Legally established in accordance with provisions of law.
- 2- Nevertheless, Foreign investors may, upon Minister's decision, increase their share in project capital from 49% up to 100 % in the fields of agriculture, industry, health, education, tourism, development and exploitation of natural resources, energy or mining provided that such projects match with Development plan of the State (Qatar) and due preference shall be given to projects that would achieve the optimal utilization of domestic raw materials, export industries, or project that would present a new product or in which modern technology is used, in addition to projects that seek to locate worldwide leading industry or develop and qualify national cadre.
- 3- It is prohibited for Foreign investment mention in items (1) and (2) above, to invest in banks and insurance companies as well as commercial agency rights and trading in real estate.

Article (3)

The Minister may, after consultation with concerned authority, license Foreign companies engaged in work contracts in the State to implement their contracts if that facilitates delivery of a certain service or for the public interest.

Article (4)

Unless otherwise specifically stated in this Law, foreign investor desiring to obtain license stipulated for practicing any of the activities in which investment is permitted, such license. Shall be given in accordance with provisions of laws in force in the State in respect to intended business.

CHAPTER THREE
Investment Incentives

Article (5)

A piece of land may be allotted to the foreign investor to set up his investment project on a long term lease contract for a period not exceeding 50 years renewable.

Article (6)

Foreign investor has the right to import whatever he needs for the establishment, operation or expansion of his project in accordance with laws applicable in the state.

Article (7)

The Ministry may :

- 1- Exempt the foreign capital invested in the fields stated in Article (2) here of, from the Income Tax for a period not exceeding ten years effective from Investment project commissioning date.

- 2- Exempt Foreign investment projects from custom's taxes in respect to machinery and equipment imported for projects set-up .
- 3- Grant foreign investment industrial projects, customs exemption on imported raw materials and half-manufactured materials, not available in local markets, necessary for production purposes.

Article (8)

- 1- Foreign investment shall in either directly nor indirectly, be subject to expropriation or any other similar procedures unless such measures are for public welfare and implements in a non-discriminating way, against a prompt and reasonable compensation in accordance with legal procedures and general principles stated in item 2 of this Article.
- 2- Compensation shall be equal to actual economic value expropriated investment at time of expropriation or announcement of the same. Compensation shall be estimated in accordance with a normal economic situation or precedent to any notification on expropriation of investment. Compensation shall be paid with immediate effect and shall be transferable at any time. Upto settlement of compensation, an interest shall be calculated for the same in accordance with interest rate prevailing in the state.

Article (9)

- 1- Foreign Investors shall have the right to bank for all amounts relevant to their investment from 1 to any external destination without any delay. Transfers shall include
 - a- Investment revenues.

- b- Amounts generated from partial or entire sale or liquidation of investment.
- c- Amounts resulting from settlement of investment disputes.
- d- Compensation stated in Article (8) hereof.

2- Money transfers can be executed in any exchangeable currency at the exchange rate prevailing on the date of transfer

Article (10)

Foreign investor shall have the right to transfer his investment ownership to any other foreign or natural investor or to assign ownership to his local partner in case of partnership provided such arraignment or transfer shall be effected in accordance with applicable laws and regulations.

In these cases, treatment of investment shall continue in accordance with provisions of this law provided that the new investor shall have to keep the project running and shall replace the former investor in respect to liabilities and obligations.

Article (11)

It may be agreed to solve any dispute arising between the investor and any other party through Local or international arbitration commission.

CHAPTER FOUR
General provisions

Article (12)

Provisions of this law shall not be applicable to

- 1- Companies and individuals assigned by the state to mine, exploit, or manage the natural resources under special lien or agreement insomuch as this shall not be in contradiction with stipulations of provisions of Lien contract or the special agreement.
- 2- Companies founded by or shared by government and other public institutions and authorities in association with foreign investors , in accordance with Article (90) of above referenced Commercial Companies Law.

Article (13)

Foreign Investor shall keep the environment safe against pollution and shall adhere to laws, regulations and instructions relevant to security and public health. He is also required not to engage in any acts affecting State's public Order and morals in general.

Article(14)

Provisions of this law shall not prejudice any customs privileges and exemptions or any other warranties or incentives given to any companies and institutions existing when this law comes into force. These companies and institutions shall keep enjoying such privileges, exemptions, warranties, and incentives in accordance with the regulations, agreements, and contracts they emanate from.

CHAPTER FIVE
Penalties and Closing Provisions

Article (15)

Ministry shall notify the foreign investor in the event that he breaches any of the provisions hereof, who, in turn, shall have to rectify the breach within a period not exceeding 3 months effective from date of notice.

Article (16)

Without prejudice to any other severer penalty stipulated by any other law, any foreign investor carrying out an economic activity that is in breach of this law, shall be subject to a fine not less than Q.R. 50,000 / - and not exceeding Q.R. 100,000 / - Any citizen who engages with the foreigner in such illegal activity shall be subject to the same penalty.

Article (17)

Ministry technical staff designated by minister shall have the capacity of judicial police in seizing and proving crimes committed in violation of provisions of this law and its respective executive decisions. To achieve that end, Ministry shall have access to shops and institutions subjected to this law in order to inspect and review their documents and records .

Article (18)

Law Decree No.(25) of the year 1990 is hereby revoked in addition to any other provision contradicting provisions of this law.

Article (19)

Minister shall issue by laws and decisions needed for the implementation of provisions of this Law including determination of relevant fees.

Article (20)

All competent parties, each within its competence shall execute this law which shall come into force on the date on which it is published in the official Gazette.

**Jasim Bin Hamad Al – Thani
Deputy Emir of the state of Qatar**

Issued at Emir Divan on 19 /7 /1421 A.H
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