

Part Five
Instructions of Government Bodies

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Instructions of Ministry of Finance

First: Instructions of Ministry of Finance

1- Instructions on Income Tax

To Calculate depreciation of the fixed and owned asset items, refer to the following:

1/1 Cost of the Depreciated Asset:

The cost of an asset includes all expenses of the taxpayer for purpose of owning and preparing the asset to be usable.

1/2 Method of Depreciation:

The straight line method of depreciation must be applied in accordance with the percentages in the table below.

1/3 Percentages of Depreciation:

Depreciation, as a result of use or ordinary damage, out of the asset use or service lifetime, could be calculated according to the following percentages:

1- Buildings, offices, residences, warehouse, hospitals and clubs	5%
2- Roads and bridges inside the entity	5%
3- Reservoirs, pipelines and piers	5%
4- Furniture and office equipments	15%
5- Factories, machines and equipment not mentioned below	15%
6- Automobiles and motorcycles	20%
7- Trucks of any size	20%
8- Ships	7.5%
9- Aircraft	25%
10-Drilling equipment	15%
11- Public utility equipment (including construction equipment, road construction equipment, workshops and their equipment, working equipments and others)	15%
12- Service station buildings and roads	5%
13- Vehicle service and lubrication equipment and other service equipment	15%
14- Trailers and wagons	15%

15- Refining equipments and pipelines (in refineries) and small reservoirs	10%
16- Air Conditioners	20%
17- Electric equipment	20%
18- Computers	33.33%
19- Intangible assets such as trademarks and the like are amortized when the equivalent is paid. Depreciation will be distributed over the duration of the company.	

Exceptions from the mentioned percentages of depreciation may be conducted by a decision from the Minister of Finance, according to the Cabinet's approval, taking into account the following:

- 1- The project's nature and duration
- 2- Volume and lifespan of the main assets
- 3- The project's tax treatment
- 4- The agreement between the Government and the concerned body
- 5- The project's profitability and cash flows

2- Opening Accounts for the Government Authorities and Ministries at Banks Operating in the State of Qatar

- Banks should not open an account for any ministry or government authorities, unless they get the approval of Ministry of Finance - General Accounting Department.
- Banks must ensure that all necessary documents are available when opening the accounts to check the following points:
 - A- Account type (current, on demand, revenue or deposit account).
 - B- Account currency type.
 - C- Authorized persons to sign cheques for withdrawing from the account.
 - D- Any amendments occurring to the mentioned bands.
- The General Accounting Department at Ministry of Finance has the right to inquire about the account balances at any time, and to ask for a print out of the account statements.

3- Loans Collateralized by the State of Qatar

All the banks operating in the State of Qatar should not grant any loans to persons (Qatari individuals or institutions), guaranteed by the Qatari government, unless they could get a written approval of the Ministry of Finance.

4- Procedures of the Assignment of Claim

The following procedures should be complied with to process of the assignment of claim:

- The officially contracting government authority should be notified of the assignment of claim by the assigner or assignee. However, acceptance of the assignment of claim should be in written form.
- The assignment of claim must be issued by virtue of articles no. (324-336) of the Civil Law no. (22) of the year 2004, which has come into effect as of the 7th of September 2004.
- The government authority and the assignee bank, when notifying of or accepting an assignment of claim, should immediately notify the Auditing Department at Ministry of Finance to accordingly control processing the assignment of claim.
- In order for the assignment of claim to be in a fixed date and effective from others, it should be officially authenticated at a proper government authority which is the Real Estate Registration Department.
- Banks, for which the assignments of claims will be issued, should take into account that the government-contractor agreement should not have any pending assignments, especially the texts stated in some agreements in which the government shall be committed to pay directly to the subcontractor when the main contractor has defaulted for settlement.

Instructions of Ministry of Interior

Second: Instructions of Ministry of Interior

1- Transport of Banknotes and Foreign Currencies

All banks operating in the State of Qatar should not send or receive foreign currencies through Doha International Airport. They should first contact and coordinate with Director of the Doha Airport Police and the General Guarding Director, in order to provide the necessary protection and security from theft and plundering while transporting the banknotes.

Director of Doha Airport Police shall be notified of a list of representatives who are responsible for transporting the banknotes, from abroad or from QCB to banks or vice versa. Subsequently, the Director of Doha Airport Police should be informed if any change is made to the list of representatives.

2- Sale of Gold Ingots

Banks should notify the concerned Security Department of any suspected person supplying or selling gold ingots without the stamp of the Ministry of Economy and Commerce.

3- Identification Number

The bank's employees should not depend upon only the Identification Number as a reference of the nationality or birth date when checking the data of the Identification Card. They also should make sure of the content of Identification Card regardless of the Identification Number.

4- Public Security Department and Communications and Operations Department at Ministry of Interior

Banks should provide the Public Security Department and Director of Communications and Operations Department with all bank's locations, branches, ATMs, a list of officers, their phone numbers and working hours, and guards for each location. Such data should be periodically submitted to Public Security Department

and to Director of Communications and Operations Department at Ministry of Interior in case of any change in the future. Furthermore, illustrative maps and schemes of entrances and exits of the main buildings should be provided (if possible) in order for the central operation room to be used when necessary or in case of any direct changes in locations of the banks' branches.

5- With Reference to letter of Minister of Interior no. (م و د.س/م - 10/1857) dated 17/5/2006:

Banks should comply with the following instructions of Ministry of Interior:

5/1 The central operation room should be informed of the path of cars transporting the funds from the airport to their destination. It should also be informed of suspicion cases and end date of the mission.

5/2 Cameras should be put for monitoring the bank, its branches and ATMs of all banks operating in the State of Qatar in conformity with QCB's instructions mentioned in item no. (1) in page no. (267).

5/3¹Banks should be secured by qualified and well-trained security officers such as retired police and military officers, supported with proper weapons in co-ordination with Ministry of Interior.

5/4 When transporting large amounts from the bank to its branches in other areas, the concerned security administration should be notified by a phone call to secure the transportation of funds.

5/5 “Communications Department should” be changed to be “Communications and Operations Department” as mentioned in the above item no. (4).

6- Appointment of the Employees at the Financial Institutions

With reference to letter of Minister of Interior no. (م و د.س - A-3/3895), dated 22/10/2007, all employees should fulfill all legal procedures when appointing at the financial institutions especially at banks. Accordingly, employees who are violating such legal procedures shall be subject to legal measures.

¹ With reference to letters of Minister of Interior no. (م و د.س/م - 10/400, dated 15/4/2007), and letter no. (م و د.س/م - 10/1928, dated 16/5/2007), and letter no. (م و د.س/م - 10/1041, dated 19/3/2008), the implementation of item no. (5/3) shall be delayed till the issuance of the private security company law, as the current laws do not allow the security officers and the private sector employees to carry weapons. These instructions shall come into effect as of 24 April 2007.

The ministry has noticed that many financial institutions operating in the State of Qatar, especially banks, are hiring employees by non-licensed commercial companies. Additionally, such employees are violating the law of entrance and residency permit for foreigners as they are working without completing the sponsorship movement procedures.

7- Changing Name of the Administrative Affairs Department

With reference to letter of Director of Human Resources Department at Ministry of Interior no. (و د/أ م ب - A-31/5142), dated 27/11/2007, concerning changing name of the "Administrative Affairs Department" to "Human Resources Department", Ministry of Interior has recently approved new stamps for issuing certificates of "to whom it may concern" and "salary statement" for the Ministry's employees. For more details, please refer to circular no. (238/2007), dated 5/12/2007. Accordingly, the recently approved stamps shall come into effect and the old ones shall be invalid.

8- Canceling A signature

With reference to letter of Director of Human Resources Department at Ministry of Interior no. (و د/أ م ب - A-41/745), dated 11/2/2008, please be noted that signatures of Lieutenant/ Daghsh Breek Daghsh Al Merry and Lieutenant/ Naser Abdullah Mohamed Abdullah for certificates of "to whom it may concern" and "salary statement" for the Ministry's employees have become invalid. This shall come into effect as of 11/2/2008.

9- Form of Money Transport Vehicle Movements

With reference to letter of General Manager of Public Security Department, Staff Major General/ Saad Bin Jasem Al Khleify, no. (م م أ ع/س - S-31/878), dated 18/2/2008, concerning bank's compliance with instructions issued by Ministry of Interior in pages no. (73-76), the Ministry has noticed that banks are not compliant with the procedures. The following are examples for such procedures:

- 1- Updating the data mentioned in item no. (4) and the occasionally changeable data concerning persons who in charge, and their data should be accordingly updated.

2- Informing the central operation room, at Communications and Operations Department, of the time and road of the money transport vehicle movement by banks or the concerned companies.

3- Using the correct name of the Communications and Operations Department in the official communications.

As Ministry of Interior is accordingly keen on putting these instructions into effect, Communications and Operations Department has prepared a form for money transport vehicle movement. Please refer to annex no. (135) in page no. (698).

All banks should use this form in coordination with Communications and Operations Department at Ministry of Interior, sending at fax no. (+974 4449481). Please make sure that you are using the correct name of the Communications and Operations Department.

These instructions shall come into effect as of 26/2/2008.

Instructions of Ministry of Foreign Affairs

Third: Instructions of Ministry of Foreign Affairs

Commercial Documents

- 1- All banks operating in the State of Qatar should not accept any commercial documents from importers, unless they are authenticated by one of the Qatari diplomatic missions abroad. Otherwise, they may be authenticated by one of the approved customs outlets in the State.
- 2- The following categories shall be are exempted from the fees of authentication of the commercial documents:
 - Commodities originating from a member of countries of the Gulf Cooperation Council shall be exempted by virtue of article no. (3) of chapter one of the Standard Economic Agreement of the member countries of the Cooperation Council.
 - Medical supplies, such as; medicines, blood substitutes and all vaccines and chemicals of Ministry of Health and Hamad Medical Foundation, shall be exempted.
 - Major consumption subsidiaries, such as; rice, wheat, sugar, flour, milk, ghee, in addition to fresh fruits and vegetables, shall be exempted.
- 3- Commercial documents of books, imported by University of Qatar, the Ministry of Education and other official authorities which distribute books free of charge, shall be exempted from fees of authentication.

Doha Securities Market (DSM)

Fourth: Doha Securities Market (DSM)

Disclosure of Profit Distributions by Doha Securities Market

All national banks whose shares are listed on Doha Securities Market shall immediately notify the Market Management of any decisions, concerning the shareholders' equity or share profits, made by the bank's board of directors. Such profits shall be disclosed for investors as they are anticipated to be distributed and shall not be fully acknowledged, unless the bank's closing accounts are finally prepared and approved by QCB.

Instructions of Ministry of Labor and Social Affairs

Fifth: Instructions of Ministry of Labor and Social Affairs

The following instructions should be complied with:

1- Accounts of Licensed Private Societies and Associations

The licensed private societies and associations:

- Qatar Red Crescent Society.
- The Qatari Association for the Care and Rehabilitation of the Disabled .
- Qatar Charity Society.
- Sheikh Eid Bin Mohammad Charitable Establishment.
- Qatar Foundation for Education, Science and Community Development, Family Development Association Qatar, and Qatar Diabetes Association .
- Al Balagh Society for Serving Islam.
- Sheikh Jassim Bin Jabor Charity Establishment.
- Qatar Cancer Association.
- Qatar Plastic Arts Society.
- Shafallah Center for Children with Special Needs.
- Islamic Da'wah Organization.
- Qatari Institution for the Welfare of the Aged.
- Qatari Institution for Orphan's Welfare.
- Qatari Institution for Protecting Women and Children.
- Family Consultation Center.
- Qatari-Japanese Friendship Society.
- Gulf Center Society for Studies.
- Qatar Center for Children Culture.

However, establishment of the other societies and associations entail approval of the Ministry by virtue of law no. (12) of the year 2004, concerning the private societies and associations.

2- Receiving Donations

Banks are not allowed to launch a campaign in order to receive donations for an association or institution and for any reason, unless they are certainly licensed by the Qatari Association for Benevolent Deeds by virtue of item no. (6) of article no. (7) under law no. (13) of the year 2004, for establishing the Qatari Association for Benevolent Deeds. This is concerning the private societies and associations of the benevolence and humanitarian purposes, individuals and other authorities which should be determined by a Cabinet's resolution. However, in case of the other societies and associations, they should be licensed to receive donations by the Minister of Labor and Social Affairs, by virtue of article no. (29) of the mentioned Law no. (12) of the year 2004.

3- External Remittance

Banks are not allowed to perform remittances from the private societies and associations of the benevolence and humanism purposes and from individuals of the same purpose, into any individual, society, association, organization or outside club, unless they do so under supervision of the Qatar Authority for Charitable Activities, by virtue item no. (4) of article no. (4) of the mentioned Law no. (13) of the year 2004. However, in case of other private societies and associations, banks should get a written approval by the Ministry.

4- Opening Banking Account

Banks are not allowed to open a banking account in Qatar for the private societies and associations of benevolence and humanitarian purposes that are registered abroad, unless they are licensed by the Qatari Association for Benevolent Deeds, by virtue of item no. (8) of article no. (7) under the mentioned law no. (13) of the year 2004.

Additionally banks should not open an account for other private societies and associations, unless they get approval of the Minister of Labor and Social Affairs, by virtue of article no. (33) of the mentioned law no. (12) of the year 2004.

5- New Identity Cards for Female Employees Licensed to work in Private, Joint and Banking Sectors

Please be noted that Ministry of Labor and Social Affairs has issued new identity cards for the female employees, whose sponsors are their husbands or families, licensed to work in the private, joint and banking sectors.

Those female employees should bear their identity cards during the official working hours in accordance with the article no. (23) of Labor Law no. (14) of the year 2004.

6- Salaries of Employees at Companies Subject to the Labor Law

With reference to letter of Minister of Labor and Social Affairs no. (ص 1292 – 18 - 2007), dated 30/9/2007, stating that the Ministry is about to find a mechanism to direct owners of the companies subject to Labor Law no. (14) of the year 2004 to transfer their employees' salaries to banks operating in Qatar on the legally-decided dates, in order for the employees to ensure receiving salaries on time, chairmen of boards of directors and CEOs of banks operating in Qatar should coordinate with Director of Labor Department for arranging meetings and discussing ways of finding mechanisms and controls to direct the companies to transfer their employees' salaries to banks operating in Qatar.

For coordination, banks should contact Mr. Ali Ibrahim Hashem, Labor Department Director Office's CEO on telephone no. (4406566) and fax no. (4406325).

Instructions of Ministry of Economy and Commerce

Sixth: Instructions of Ministry of Economy and Commerce

Without violating the instructions of Ministry of Economy and Commerce, by virtue of item no. (2), concerning opening accounts, banks should be complied with the instructions in pages no. (226) and with the following:

1- Entities or Companies Operating in the State of Qatar

1/1 Opening Current Account

- It is not allowed to open a current account for any commercial entity, whether it is an individual, company, center, compound, or other commercial, industrial, or service entities, unless it is recorded in the commercial register. The following items are exceptions for specific periods according to letter of the Commercial Affairs Department in the Ministry:
 - 1- Opening an account for the company when establishing in order to deposit shares of the partners or shareholders.
 - 2- Opening an account for the foreign companies with the government authorities in order to carry out the agreed projects.
- It would not be allowed to open a current account for any person if the bank discovers that he makes use of his account for trading purposes. If the bank discovers that the personal accounts were made use for trading purposes, it would report to QCB providing documentation in order for QCB to refer the issue to Ministry of Economy and Commerce. Thus, a condition, indicating that the customer should not use the personal account for trading purposes, should be added to the application for opening an account. Such instructions shall come into effect as of February 2006, and any provisions which are contradictory to the provisions of the law shall be null and void.
- It is not allowed for any authorized person to sign to move funds of any commercial or other entities as a general manager of the enterprise, unless this person's name is recorded in the Commercial Register.
- Banks, wishing to verify the continuous commercial activity of any company or entity, may require a transcript or register certification directly from the Commercial Register Office to be kept in the customer's file.

1/2 Opening Letter of Credit

- It is not allowed to open a letter of credit for any company or entity at any bank, unless it is registered in the Commercial Register of the import activity.
- Letters of credit shall be opened according to the company or institution activity declared and listed on the commercial register.
- Only authorized signatories, whose names are stated in the commercial register, are allowed to sign the letter of credit.
- Commercial Affairs Department shall be provided with a monthly list of the names of the institutions and companies for which letters of credit have been opened, with numbers of the commercial register and imported commodities.

2- Foreign Entity or Company Operating in the State of Qatar

2/1 Opening Current Account

A current account shall not be opened for any foreign entity or company conducting any activity in the State of Qatar, unless they get approval of Ministry of Economy and Commerce for purposes of investing and operating in the State of Qatar, and get licensed by the Commercial Affairs Department.

2/2 Opening Letter of Credit

A letter of credit shall not be opened for any foreign entity or company conducting any activity in the State of Qatar, unless they get approval of Ministry of Economy and Commerce for purposes of investing and operating in the State of Qatar, and get licensed by the Commercial Affairs Department.

2/3 Individuals and Persons (Opening Letter of Credit)

A letter of credit of import shall not be opened for individuals for purpose of trade, unless they get approval of the Commercial Register Office in the Commercial Affairs Department of Ministry of Economy and Commerce.

Qatar Authority for Charitable Activities

Seventh: Qatar Authority for Charitable Activities

With reference to the Qatar Authority for Charitable Activities letter no. (هـ ق / 222/2005), dated 9/5/2005, regarding controls on remittances and transactions with the charitable and humanitarian institutions abroad. The private societies and associations have been notified of such instructions with which they have to be complied by virtue of their provisions.

All banks have to be informed of the following instructions:

1- Controls on Remittances and Transactions with Charitable and Humanitarian Institutions Abroad

Out of our belief in the necessity of sustainable charitable works and for the sake of public interest, the following controls have been approved to be complied by the charitable and humanitarian societies and associations when transferring any funds to any institution abroad:

1/1 The institution abroad shall be formally registered in the home country according to the license certificate issued by the formal authority of licensing in such country.

1/2 The society or association shall provide the original documentations (or an authenticated copy) of the following:

- Statute of Establishment
- A recent certificate from the competent authority acknowledging that the association is still performing charitable works in that country.
- Authentication of these documents by Qatari Embassy (if applicable) or any Embassy of Gulf Cooperation Council Countries.
- List of names and nationalities of the institution's responsible persons.

1/3 The institution abroad shall have a banking account with its registered name at any local bank in the related country.

1/4 The society of association inside Qatar shall submit identification documents to the concerned department in the Qatar Authority for Charitable Activities, in order to be approved (provided that such documents are to be stamped with the original seal of the Embassy).

1/5 When the Qatari Authority has offices abroad, it will be enough to submit its effective official registration in the hosting country in addition to a list of names and nationalities of such offices' responsible persons.

1/6 When the charitable and humanitarian societies and associations submit applications of remittances to their counterparts abroad to be approved by the Qatar Authority for Charitable Activities, they should perform such remittances through the domestic licensed banks, provided that they provide a periodical (monthly) statement of the remittances abroad.

1/7 Regarding the non-Qatari societies, associations, institutions and clubs of charitable purposes located abroad which do not fulfill all or some of the conditions stated herein, because they are located in minority countries, or in countries that do not have an official registration of the charity societies, or because the authorized banking accounts are not available, Qatar Authority for Charitable Activities shall take decisions about them according to the nature of each case.

1/8 All private Qatari charitable and humanitarian societies and associations must report the concerned department in the Qatar Authority for Charitable Activities that the society, institution, association or club abroad is not so far carrying out the charitable and humanitarian works so far.

1/9² Any private charitable and humanitarian society or association operating in the State of Qatar should not be allowed to transfer funds to any other institution abroad operating for the same purpose unless it gets licensed by the Qatar Authority for Charitable Activities.

1/10³ Banks and exchange houses should inform the Qatar Authority for Charitable Activities with all remittances conducted by the licensed private charitable and humanitarian societies and associations to the institutions abroad.

2- Signatures Authorized by Qatar Authority for Charitable Activities To Approve the Remittances

2/1 With reference to the Qatar Authority for Charitable Activities letter no. (ع /هـ ق خ /م ج /246/2005), dated 14/2/2006, signatures of the following names should be approved for the remittances:

² With reference to the Qatar Authority for Charitable Activities letter no. (ع /هـ ق خ /م ج /246/2005), dated 7/5/2007.

³ With reference to the Qatar Authority for Charitable Activities letter no. (ع /هـ ق خ /م ج /246/2005), dated 7/5/2007.

- Mr. Ahmed Bin Mohamed Al Mreikhy, General Manager of Qatar Authority for Charitable Activities
- Mr. Talal Sabah Al Abdullah, Director of Societies and Associations Affairs
- Mr. Abdel Aziz Al kawary, Head of the Financial Control
- Mr. Ahmed Abdullah Al Mulla, Head of the Administrative Supervision

Items no. (2/1), (2/2) and (2/3), in pages no. (83-84) mentioned in Instructions To Banks – May 2007, shall be null and void.

3- Qatar Authority for Charitable Activities is Licensing Remittances Conducted by Non-Profitable Institutions

Qatar Authority for Charitable Activities is licensing and controlling the remittances conducted by the private charitable and humanitarian societies and associations, and the institutions approved by the Cabinet.

Qatar Authority for Charitable Activities is not licensing the remittances conducted by the profitable institutions including the commercial companies.