Qatar

RISK & COMPLIANCE REPORT

DATE: January 2017

KNOWYOURCOUNTRY.COM

Executive Summary	
Sanctions:	None
FAFT list of AML Deficient Countries	No
Higher Risk Areas:	Compliance with FATF 40 + 9 Recommendations Not on EU White list equivalent jurisdictions
Medium Risk Areas:	US Dept of State Money Laundering assessment Corruption Index (Transparency International & W.G.I.) Failed States Index (Political Issues)(Average Score)

Major Investment Areas:

Agriculture - products:

fruits, vegetables; poultry, dairy products, beef; fish

Industries:

liquefied natural gas, crude oil production and refining, ammonia, fertilizers, petrochemicals, steel reinforcing bars, cement, commercial ship repair

Exports - commodities:

liquefied natural gas (LNG), petroleum products, fertilizers, steel

Exports - partners:

Japan 26.7%, South Korea 19%, India 12.1%, Singapore 5.7%, China 5.4% (2012)

Imports - commodities:

machinery and transport equipment, food, chemicals

Imports - partners:

US 14.2%, UAE 11.4%, Saudi Arabia 8.6%, UK 6.4%, Japan 6%, China 4.8%, Germany 4.7%, Italy 4.4%, France 4.4% (2012)

Investment Restrictions:

The government is heavily involved in Qatar's economy, although it strongly encourages private investment in many sectors such as energy.

Foreign investment is generally limited to 49 percent of the capital for most business activities, with a Qatari partner(s) holding at least 51 percent. However, the law allows, upon special government approval, up to 100 percent ownership by foreign investors in certain sectors, including: agriculture, industry, health, education, tourism, development and exploitation of natural resources, energy, or mining. Qatar amended the law in 2004 to allow foreign investment in the banking and insurance sectors upon approval of the Cabinet of Ministers. Moreover, foreign financial services firms are allowed 100 percent ownership at the Qatar Financial Center (QFC). On October 31, 2009, the Council of Ministers agreed on the amendments proposed by the Ministry of Business and Trade to allow foreign investors to hold 100 percent stakes in certain activities, including: business consultancy and technical services; information and communication services; cultural services; sports services; entertainment services; and distribution services.

International law firms with 15 years of continuous experience in their countries of origin are allowed to set up operations in Qatar, but the license will be granted only if authorities in Qatar are convinced that the field in which the applying firm specializes is of use to Qatar.

Foreign investors and GCC nationals may own 25 percent of the shares in any company listed on the Qatar Exchange (QE). Foreign investors are generally not allowed to participate in initial public offerings (IPO), though exceptions are occasionally made on a case-by-case basis (primarily for other GCC nationals). Rules of foreign ownership percentage restrictions can be waived with approval from the Cabinet.

Contents

Section 1 - Background

Ruled by the Al Thani family since the mid-1800s, Qatar transformed itself from a poor British protectorate noted mainly for pearling into an independent state with significant oil and natural gas revenues. During the late 1980s and early 1990s, the Qatari economy was crippled by a continuous siphoning off of petroleum revenues by the Amir, who had ruled the country since 1972. His son, the current Amir HAMAD bin Khalifa Al Thani, overthrew the father in a bloodless coup in 1995. In 2001, Qatar resolved its longstanding border disputes with both Bahrain and Saudi Arabia. As of 2007, oil and natural gas revenues had enabled Qatar to attain the highest per capita income in the world. Qatar has not experienced the level of unrest or violence seen in other Near Eastern and North African countries in 2010-11, due in part to its immense wealth. Qatar's international image is bolstered in part by the Doha-based Al Jazeera news network, which has provided comprehensive coverage of the Near East and North African Arab revolutions. Additionally, Qatar played a significant role in the Libyan revolution by pressing the Gulf Cooperation Council and the Arab League to assist the Libyan rebel movement.

Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

Qatar is not on the FATF List of Countries that have been identified as having strategic AML deficiencies

Compliance with FATF Recommendations

The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Qatar was undertaken by the Financial Action Task Force (FATF) in 2008. According to that Evaluation, Qatar was deemed Compliant for 2 and Largely Compliant for 10 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for all 6 of the Core Recommendations.

Key Findings from latest Mutual Evaluation Report (2008):

Money laundering is criminalized under Article 2 of Law No. (28) of 2002 (the AML Law) as amended through Decree Law No. (21) of 2003. The offense covers many of the material and mental elements set out in the Vienna and Palermo Conventions but does not extend to acts aimed at concealing or disguising the location, disposition, movement, or ownership of funds. The scope of the money laundering offense is narrowed further by the fact that Qatar adopted a list of predicate crimes which includes only some of the categories of offenses designated by FATF: crimes of drugs and dangerous psychotropic substances; forgery, counterfeiting and imitation of notes and coins; illegal trafficking in weapons, ammunitions and explosives; terrorist crimes (which includes terrorist financing); and extortion and looting.

The money laundering offense applies to any type of property derived directly or indirectly from crime, including assets of any kind. A prior conviction for the predicate offense does not appear to be necessary to establish that property is the proceeds of one of the predicate crimes.

There is no fundamental principle in Qatari law that would prohibit the courts from applying the money laundering offense to the person who has committed the predicate crime. “Self laundering” may, therefore, be prosecuted in the same way as third party laundering.

The AML Law explicitly provides for the possibility of both personal and corporate liability for money laundering. The general dispositions of the Criminal Code criminalize ancillary offenses to all crimes, including money laundering, in a way which is consistent with the standard. The sanctions provided under the AML Law and, where applicable, the Criminal Code are proportionate and dissuasive.

At the time of the assessment, the Qatari AML framework had not been tested before the courts. While some investigations have taken place, only one prosecution had been initiated under the AML Law and was subsequently abandoned when it was established that the funds were legitimate.

Terrorist financing is criminalized, albeit in a limited way, under Article 4 of the Law No. (3) of 2004 on Combating Terrorism (CT Law). It may apply with respect to all “terrorist crimes” which cover all the offenses listed in the standard, bar the unlawful seizure of an aircraft carried out with no intention to terrorize, cause harm, death or material damage and with no political motive. The offense refers to the collection or provision of “material or financial assistance” which covers all the funds mentioned under the standard, regardless of their source. It does not require that the funds were used to carry out or to attempt to carry out a terrorist act, or be linked with a terrorist act, but it does require that they be linked with a terrorist group or organization. The offense, therefore, does not extend to the collection of material or financial assistance for and their provision to terrorist individuals or for a terrorist act. Terrorist financing is sanctioned by life imprisonment and is listed amongst the predicate crimes to money laundering. Action has been taken to investigate terrorist acts in Qatar but no measures were taken to investigate their funding.

Qatar adopted a comprehensive confiscation, freezing, and seizing framework under the AML Law which enables the authorities to remove all assets linked with a money laundering offense or its predicate. Confiscation is mandatory and must be applied even when it has not been requested by the prosecutors. Provisional measures have been taken in some instances (which all related to the freezing of bank accounts), but no confiscation has been ordered because no money laundering charges have been brought before the courts.

Similarly broad confiscation measures have been adopted under the CT Law. As an exception to the general criminal procedure rules, no statute of limitation applies to the confiscation measure (and other sanctions) set out in the CT Law. While the confiscation measures set out in the CT Law broadly meet the standard, no procedure has been adopted in application of Special Recommendation III: an interdepartmental committee has been established to coordinate Qatar’s efforts in the implementation of United Nations Security Council Resolution (UNSCR) 1267 and the international conventions on the fight against terrorism, but its mandate does not cover UNSCR 1373; no authority has been granted the powers to designate terrorists; and there is no legal basis for freezing under the relevant UNSCR. In practice, some designations made by the UN under UNSCR 1267 have been disseminated to banks and other institutions operating under the supervision of the Qatar Central Bank (QCB) and the Qatar Financial Center Authority (QCFRA), but others have not, and, overall, the dissemination process is too limited and infrequent to be fully effective. It also appeared that, on one occasion, the authorities offered safe harbor to a person designated under UNSCR 1267. No actions were taken with respect to this person’s funds and other assets.

The Financial Intelligence Unit (FIU) for Qatar is an administrative unit established pursuant to Administrative Order No. 1 of 2004 by the President of the National Anti-Money Laundering Committee (NAMLC). Structurally, the FIU is an autonomous component of the NAMLC housed, at the time of the assessment, in the QCB. The FIU mission includes receiving suspicious transaction reports (STR) and other information related to ML/TF operations, carrying out analysis, and dissemination of STRs and other information regarding potential money laundering or terrorist financing transactions. The FIU received operational status on October 16, 2004 and was recognized as an Egmont Group member in July 2005. The main shortcoming is that the administrative order establishing the FIU and empowering it with a number of functions appears to be inconsistent with the provisions of the AML Law that gave such powers to the coordinator of NAMLC. The FIU does not have the power to request additional information from DNFBPs and does not issue sufficient guidance to reporting entities on filing STRs. In addition, the quality of STR analysis needs improving. The FIU does not protect adequately the information received nor does it conduct a periodic review of the effectiveness of its systems to combat ML and FT.

Qatar separates the authorities in charge of investigations and the legal authorities in charge of the judgment of criminal offenses. Qatar has designated a number of competent authorities to investigate and prosecute money laundering and terrorist financing offenses. The authorities in charge of AML/CFT investigations operate independently. Investigations are mainly the responsibility of four separate authorities: *i)* the Economic Crimes Prevention Division (ECPD) within the Ministry of Interior (MOI); *ii)* the PPO; *iii)* the State Security Bureau (SSB); and *iv)* the Customs. The competent authorities are able to obtain documents and information for use in investigations, prosecutions, and related actions. However, the various agencies do not appear to be sufficiently structured, funded, and resourced to effectively carry out their functions. Law enforcement and prosecution personnel would benefit from more frequent and in-depth training.

There is some inconsistency in the measures in place to detect cross-border transportation of currency and bearer negotiable instruments in Qatar. Initially, a declaration system was adopted in 2005; in 2006, it was replaced by a disclosure system. Some provisions in the initial regulation were amended to reflect the change from a declaration system to a disclosure system; however. other provisions were not. The current system is neither implemented nor effective.

US Department of State Money Laundering assessment (INCSR)

Qatar was deemed a Jurisdiction of Concern by the US Department of State 2016 International Narcotics Control Strategy Report (INCSR).

Key Findings from the report are as follows: -

Perceived Risks:

Qatar has become an increasingly important banking and financial services center in the Gulf region. Despite the growth of the banking sector and increasing options for financial services, Qatar still has a largely cash economy. The expansion of the financial and trade sectors, the large number of expatriate laborers who send remittances to their home countries, the liberalization and growth in the real estate sector, uneven corporate oversight, and Iran's efforts to bypass sanctions through Gulf economies make Qatar increasingly vulnerable to the threat of money laundering. The exploitation of charities and private donations to finance terrorism continues to be a concern, as does the ability of individuals to bypass the formal financial sector for illicit financing.

DO FINANCIAL INSTITUTIONS ENGAGE IN CURRENCY TRANSACTIONS RELATED TO INTERNATIONAL NARCOTICS TRAFFICKING THAT INCLUDE SIGNIFICANT AMOUNTS OF US CURRENCY; CURRENCY DERIVED FROM ILLEGAL SALES IN THE U.S.; OR ILLEGAL DRUG SALES THAT OTHERWISE SIGNIFICANTLY AFFECT THE U.S.: NO

CRIMINALIZATION OF MONEY LAUNDERING:
"All serious crimes" approach or "list" approach to predicate crimes: List approach
Are legal persons covered: criminally: YES civilly: NO

KNOW-YOUR-CUSTOMER (KYC) RULES:
Enhanced due diligence procedures for PEPs: Foreign: YES Domestic: NO
KYC covered entities: Banks, real estate brokers, dealers of precious metals or stones, lawyers and notaries, trust funds and company service providers, and non-profit organizations (NPOs)

REPORTING REQUIREMENTS:
Number of STRs received and time frame: 1,901 in 2015
Number of CTRs received and time frame: Not applicable
STR covered entities: Banks, exchange companies, finance and investment companies, insurance companies, real estate brokers, dealers of precious metals or stones, lawyers and notaries, trust funds and company service providers, and NPOs

MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:
Prosecutions: 2 in 2015
Convictions: 1 in 2015

RECORDS EXCHANGE MECHANISM:
With U.S.: MLAT: NO Other mechanism: YES
With other governments/jurisdictions: YES

Qatar is a member of the Middle East and North Africa Financial Action Task Force (MENAFATF), a FATF-style regional body.

ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:

The "2013-2017 Strategy: Financial Transparency to Promote Stability and Security," launched in 2012 by the Qatar Financial Information Unit, remains in place. The Charity Oversight Law Number 15 of 2014 increases government oversight of charitable donations in Qatar and forbids the collection of donations outside of officially approved mechanisms. The charities law establishes an interagency commission headed by the General Manager of Qatari Authority of Charitable Work. The commission has the authority to monitor, license, and dissolve non- governmental charitable organizations and requires that Qatari organizations receive approval to work with foreign entities and disclose details of financial transactions. The Qatari government implemented the law in 2015 and is working to address the ongoing concern of potential abuse of the charitable sector by terrorist financiers. The government also ordered local charities to cease dealings with certain foreign charities over concerns about their activities. The commission has a representative that sits on the National Anti-Money Laundering and Terrorism Financing Committee. In 2015, Qatar's Regulatory Authority for Charitable Activities issued warnings stating that any individual or entities collecting donations for charitable or humanitarian purposes must obtain an approval from the authority as mandated by Law Number 15 of 2014, and whoever violates this warning will be subject to legal accountability.

Qatar continues to formulate a new counterterrorism strategy, led by the National Anti-Terrorism Committee. Qatar Central Bank works with financial institutions to confirm compliance of UN- designations of terrorist entities and individuals, including Qatari citizens. The government froze assets and imposed travel bans on two Qatari citizens after they were designated as terrorist financiers by the UNSC in 2015. Regarding Iran-related terrorism and proliferation transactions, the central bank ordered financial institutions to freeze any assets of entities listed in UNSCRs 1737, 1747, 1803, and 1929 and prohibited transactions with listed entities.

Bank Saderat is the only active Iranian financial entity, with two small branches in Doha. As a foreign bank, Saderat cannot open new branches or expand its activities in Qatar. Reflecting general concerns in the Gulf about Iranian financial institutions, many Qatari banks no longer clear checks for Bank Saderat, and Qatari banks have ended all correspondent relations with Saderat.

Qatar has laws in place for a cross-border currency control system, but they are contradictory, vague, and generally not enforced. For example, one resolution provides for a declaration system but no threshold amount is stated, while other legislation provides for a disclosure system.

The Government of Qatar should continue its implementation of AML/CFT laws, regulations, and procedures and should ensure the provision of sufficient resources and training to develop necessary institutional capacity, especially in the field of financial investigations. Qatar should continue to work to increase the rate of investigations and prosecutions by building capacity within its law enforcement authorities and enforcing new and existing laws. Qatar also should pursue outreach and enforcement activities to ensure terrorist financing-related suspicious transaction reporting (STR) occurs. Qatar should clarify and enforce its cross-border controls of bulk cash and negotiable instruments.

Current Weaknesses in Government Legislation (2013 INCRS Comparative Tables):

According to the US State Department, Qatar does not conform with regard to the following government legislation: -

Record Large Transactions - By law or regulation, banks are required to maintain records of large transactions in currency or other monetary instruments.

EU White list of Equivalent Jurisdictions

Qatar is not currently on the EU White list of Equivalent Jurisdictions

World Governance indicators

To view historic Governance Indicators Ctrl + Click here and then select country

Failed States Index

To view Failed States Index Ctrl + Click here

Offshore Financial Centre

Qatar is not considered to be an Offshore Financial Centre

US State Dept Trafficking in Persons Report 2014 (introduction):

Qatar is classified a Tier 2 (watch list)country - A country whose governments does not fully comply with the Trafficking Victims Protection Act's minimum standards, but are making significant efforts to bring themselves into compliance with those standards

Qatar is a destination country for men and women subjected to forced labor and, to a much lesser extent, forced prostitution. Approximately 1.2 million men and women—94 percent of the country's workforce—from Nepal, India, Pakistan, Bangladesh, the Philippines, Indonesia, Vietnam, Sri Lanka, Ethiopia, Sudan, Thailand, Egypt, Syria, Jordan, Morocco, Tunisia, Kenya, Burma, Nigeria, and China voluntarily migrate to Qatar to work as low- and semi-skilled workers, primarily in the construction, oil and gas, service, and transportation industries, as well as in domestic work, but many subsequently face forced labor. Female domestic workers are particularly vulnerable to trafficking due to their isolation in private residences and lack of protection under Qatari labor laws. Qatar is also a destination country for women who migrate for employment purposes and subsequently become involved in prostitution; some of these women may be runaway domestic workers forced into prostitution by traffickers who exploit their illegal status.

Many migrant workers arriving in Qatar have paid exorbitant fees to recruiters in their home countries, and some recruitment agencies in labor-sending countries have lured foreign workers with false employment contracts. Qatar's sponsorship system places a significant amount of power in the hands of employers and, therefore, debt-laden migrants who face abuse, or who have been misled, often avoid legal action because of fear of reprisal, the lengthy recourse process, or lack of knowledge of their legal rights, ultimately ensnaring them into forced labor, including debt bondage. Moreover, under the restrictive sponsorship system, employers have the unilateral power to cancel residency permits, deny workers the ability to change employers, and deny them permission to leave the country.

Instances of delayed or nonpayment of salaries are a leading driver of forced labor, including debt bondage, in Qatar. Many migrant workers also face denial of exit permits, threats of deportation, physical or financial harm, physical, mental, and sexual abuse, hazardous working conditions, and squalid living accommodations. Moreover, according to recent studies conducted by Qatar University's Social and Economic Survey Research Institute, despite laws against passport confiscation, 86 to 90 percent of expatriate workers' passports are in their employers' possession. International rights groups and the media also report that some migrant laborers face severe labor abuses, some of which amount to forced labor. Rights groups have also alleged that a high number of foreign laborers have died from heart failure due to harsh work in extreme heat.

The Government of Qatar does not fully comply with the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. Despite these measures, the government did not demonstrate evidence of overall increasing efforts to address human trafficking since the previous reporting period; therefore, Qatar is placed on Tier 2 Watch List. The government reported convicting five individuals for coerced prostitution under the penal code and four additional individuals for forced prostitution; the government also investigated four cases under the 2011 anti-trafficking law and fined 27 sponsors for withholding passports. The government demonstrated efforts to prevent human trafficking through convicting 40 individuals for visa selling, doubling the number of labor inspectors from 150 to 300, closing 14 recruitment firms, and implementing anti-trafficking awareness campaigns. It also identified some trafficking victims and provided them with shelter and other protection services and trained government officials. However, the government did not reform the restrictive sponsorship system, prosecute or convict any trafficking offenders under the 2011 anti-trafficking law, or sufficiently enforce the sponsorship law that provides sanctions for employers who withhold workers' wages and passports. Some government officials downplayed that human trafficking exists in Qatar, drawing a distinction between labor exploitation and human trafficking.

US State Dept Terrorism Report 2015

Overview: The United States and Qatar maintained a strong partnership in the fight against terrorism. Qatar is a partner in the Global Coalition to Counter the Islamic State of Iraq and the Levant (ISIL) and has provided significant support in facilitating critical U.S. military operations in the region. Terrorist activity historically has been low in Qatar; restrictive immigration policies and security services capable of monitoring and disrupting extremist activities have kept the threat level low. U.S. agencies have an active and productive dialogue with their Qatari counterparts and work closely for the exchange and evaluation of terrorist-related information. The United States and Qatar collaborated to foster closer regional and international cooperation on counterterrorism, law enforcement, and rule of law activities.

In addition to hosting two U.S. military installations critical to Counter-ISIL Coalition efforts, Qatar offered to host a base to train-and-equip moderate Syrian opposition forces, and provided significant operational and logistical support for Coalition activities. Qatar's Cabinet welcomed the December announcement of a new military alliance of thirty-four Islamic states led by Saudi Arabia to fight terrorism in "all its forms and manifestations, whatever their sources and justifications."

Legislation, Law Enforcement, and Border Security: The Qatari government's legislation enacted in 2004, 2010, and 2014 to address terrorism, terrorism financing, and related offenses, complements other criminal laws. The 2004 Law on Combating Terrorism sets forth broad provisions for defining and prosecuting terrorist-related activities in Qatar against the State, including prohibitions on providing information, training, weapons, financing, and material support to terrorists and terrorist organizations; and creating, directing, or using lawful entities, associations, or organizations to commit terrorist activities. The 2004 law also criminalizes collaboration with or joining organizations or groups located outside of Qatar that commit a terrorist crime, even if not against the State of Qatar, and outlaws obtaining military training from such organizations or groups abroad. The 2014 Cybercrime Prevention Law criminalizes terrorism-linked cyber offenses.

The State Security Bureau (also known as the Qatar State Security) maintained an aggressive posture toward monitoring internal extremist or terrorism-related activities. The internal security-focused Ministry of Interior was well positioned to respond to incidents with rapid reaction forces and trained internal security forces that routinely pursued and engaged in structured counterterrorism training and exercises. Both the State Security Bureau and the Ministry of Interior were responsive to the Emiri Diwan and Prime Minister level command and control structures, and efforts have been made to streamline interagency coordination and civil defense operations. The Office of Public Prosecution is tasked with prosecuting all crimes, including any related to terrorism, and plays a prosecutorial role in terrorism investigations. Oversight and management of industrial security is consolidated under the Ministry of Interior, with integrated responsibility for protecting the critical energy infrastructure, ports, and airport.

In 2015, Qatar requested to participate in the Department of State's Antiterrorism Assistance program, and continued to participate in and host multilateral Global Counterterrorism Forum (GCTF) events. Also in 2015, Qatar hosted the UN Crime Congress and pledged specific funding to the UN Office on Drugs and Crime (UNODC) to help address violent extremism and radicalization among youth and vulnerable populations. Qatar also maintains an interagency National Anti-Terrorism Committee (NATC) within the Ministry of Interior composed of representatives from more than 10 government ministries and official institutions. The NATC is tasked with formulating Qatar's counterterrorism policy, ensuring thorough and transparent interagency coordination within the government, fulfilling Qatar's obligations to combat terrorism under international conventions, and participating in international or UN conferences on terrorism.

Qatar maintained its own watchlist of suspected terrorists that it used to screen passengers on international flights. Qatar also conducted vetting and background checks on all applicants for work visas. The Qatari government uses biometric scans for arrivals at its Hamad International Airport. Qatar engages in information sharing between its state-owned airline and foreign governments, including collecting and disseminating Advance Passenger Information and Passenger Name Records on commercial flights, and has agreed to enhanced information-sharing agreements with the United States.

Overall, Qatar's security services workforce was reliant on manpower from third countries to fill rank-and-file law enforcement positions. This limitation applies across the board with all Qatari government institutions (except for the Qatar State Security and elite units of the Ministry of Interior's internal security force), and is commensurate with the demographics of the nation. Lack of capacity and to some extent the lack of advanced training of non-Qataris contributed to a lack of effectiveness in basic police operations. However, Qatar's reliance on technology has provided state-of-the-art electronic surveillance capacity, which enhanced Qatari security services' effectiveness in the detection and monitoring of terrorist suspects.

Countering the Financing of Terrorism: Qatar is a member of the Middle East and North Africa Financial Action Task Force, a Financial Action Task Force-style regional body; and its financial intelligence unit, the Qatar Financial Information Unit (QFIU), is a member of the Egmont Group. Qatar's Combating Money Laundering and Terrorist Financing Law of 2010 requires Qatar's Public Prosecutor to freeze the funds of individuals and organizations designated by the UN Security Council. The Qatar Central Bank worked with financial institutions to confirm compliance with respect to UN-designated entities and individuals, including Qatari citizens.

The Qatar Central Bank has a counterterrorism financing and anti-money laundering department that monitors suspicious accounts and transactions. The QFIU monitors suspicious accounts and transactions and files suspicious transaction reports (STRs). Non-profit organizations are not obliged to file STRs, but based on the charities law that was passed in 2014, every charity project and overseas financial transfer by a charity must be approved by the Charities Commission, a government interagency body that monitors charitable giving to prevent misused donations and terrorism financing.

Qatar has restructured its National Anti-Terrorism Committee, housed in the Ministry of Interior, to more effectively counter terrorism and continues to formulate a new and comprehensive counterterrorism framework. As part of ongoing efforts to curb terrorism financing, the State of Qatar issued new charities and cybercrime prevention laws in 2014. In 2015, the Qatari government froze assets and imposed travel bans on Qatari citizens Sa'd al-Ka'bi and Abd al-Latif al-Kawari after they were designated as terrorist financiers on the UN 1267/1989/2253 al-Qa'ida Sanctions List in 2015. Despite these efforts, entities and individuals within Qatar continue to serve as a source of financial support for terrorist and violent extremist groups, particularly regional al-Qa'ida affiliates such as the Nusrah Front. Qatar has made efforts to prosecute significant terrorist financiers.

Countering Violent Extremism: Qatar supports and has adopted a variety of initiatives to counter violent extremism (CVE). Qatar was instrumental in the 13th UN Crime Congress adoption of the "Doha Declaration," an unprecedented framework wherein the international community agreed to focus on education to prevent extremism and criminality for the next five years, leading up to the 14th UN Crime Congress in 2020. In May, during the 13th Crime Congress, Qatar announced a new education initiative for young people displaced by conflict in the Middle East. In November, Qatar signed a four-year US $49 million funding agreement with the UNODC to deliver projects related to implementing the Doha Declaration, including projects on countering violent extremism through prisoner rehabilitation and social integration programs, and youth education for justice.

Qatar promotes and funds foundations and social enterprises engaged in implementing Qatar's CVE strategies. Qatar brought the Research Center for Islam and Ethics to its flagship university as a means of fostering moderate readings of Islamic thought to help combat extremist interpretations on science, gender, education, politics and interfaith dialogue. In February, the Center sponsored a lecture titled "When Fiqh and Ethics Are Disconnected: ISIS as an Example." Another aspect of Qatar's CVE strategy is messaging to avert linking terrorism with religion. Qatar helped fund the social enterprise "Silatech," which held regional workshops for youth to promote job creation, entrepreneurship, and the participation and engagement of young people in economic and social development as a deterrent from violent extremism.

Throughout 2015, Qatari leaders made strong public statements on the importance of countering violent extremism and radicalization to violence by addressing prevention, dialogue, and trust to communities most affected by the conflicts in the region. In December, Qatar's Ambassador to the UN gave a speech calling for international support of the Global Community Engagement and Resilience Fund (GCERF). Qatar highlighted this fund as the first global initiative aimed at enhancing skills, potential, and resources of both the public and private sectors to support local projects, such as education, vocational training, civic engagement, media, and defense of women's rights in an attempt to increase resilience against violent extremism.

International and Regional Cooperation: Qatar is an active participant in the UN, GCTF, Gulf Cooperation Council (GCC), Organization of Islamic Cooperation, and the Arab League, in counterterrorism activities. Qatar participated in the August U.S.-GCC Counterterrorism and Border Security Working group meeting in Riyadh, and other regional meetings of interior ministries focused on counterterrorism cooperation. Qatar hosted the GCTF Coordinating

Committee Meeting in May, and announced a US $5 million donation as a founding member of GCERF.

International Sanctions

Qatar is not currently subject to any international sanctions.

Arab League Sanctions

The Arab League (comprising 22 Arab member states), of which Lebanon is a member, has approved imposing sanctions on Syria. These include: -

- Cutting off transactions with the Syrian central bank
- Halting funding by Arab governments for projects in Syria
- A ban on senior Syrian officials travelling to other Arab countries
- A freeze on assets related to President Bashar al-Assad's government

The declaration also calls on Arab central banks to monitor transfers to Syria, with the exception of remittances from Syrians abroad.

It should be noted that Lebanon, and Iraq, have refused to impose the sanctions.

The Arab League also imposes various financial sanctions on Israel.

There are three tiers to the boycott. The primary boycott prohibits the importation of Israeli-origin goods and services into boycotting countries. The secondary boycott prohibits individuals, as well as private and public sector firms and organizations, in member countries from engaging in business with any entity that does business in Israel. The Arab League maintains a blacklist of such firms. The tertiary boycott prohibits anyentity in a member country from doing business with a company or individual that has business dealings with U.S. or other firms on the Arab League blacklist

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	61
World Governance Indicator – Control of Corruption	81

US State Department

Bribery is a crime in Qatar and the law imposes penalties for public officials convicted of taking action in return for monetary or personal gain, or for other parties who take actions to influence or attempt to influence a public official through monetary or personal gain. The current Penal Code (Law No. 11/2004) governs corruption law and stipulates that individuals convicted of bribery may receive up to ten years imprisonment and a fine not greater than the amount of the bribes but not less than 5,000 Qatari Riyals (USD 1,374).

Those convicted of embezzlement and damage to the public treasury are subject to terms of imprisonment of no less than 5 and no more than 10 years. The penalty is enhanced to a minimum term of 7 and a maximum term of 15 years if the perpetrator is a public official in charge of collecting taxes or exercising fiduciary responsibilities over public monies. Investigations into allegations of corruption are handled by the Qatar State Security Bureau (QSS) and Public Prosecution. Final judgments are made by the criminal court. By Amiri Decree No. 17/2007, Qatar ratified the UN Convention for Combating Corruption, and Amiri Decree No. 84/2007 established a National Committee for Integrity and Transparency. The permanent committee is headed by the chairman of the Audit Bureau and is tasked with combating corruption in Qatar and reports directly to him. Qatar is not a party to the Organization for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials. Qatar opened the Anti-Corruption and Rule of Law Center on November 25, 2012 in Doha in partnership with the United Nations.

Qatar has retained its position as the least corrupt country in the Middle East and North Africa in the Transparency International's 2013 Corruption Perceptions Index (CPI). Qatar was ranked 28 of 177 globally with a score of 68, same as the year before

Former Deputy Prime Minister and Minister of Energy and Industry H.E. Abdullah bin Hamad al-Attiya serves as Chairman of the Administrative Control and Transparency Authority which operates under Amiri Decree No. 75/2011. The Authority has within its jurisdiction private sector companies that provide public services. The objectives of the Authority are to help prevent official corruption and ensure that the various ministries, state agencies and their arms as well as their officials operate with transparency. The Authority is autonomous and accountable only to the Amir, who will approve an annual budget for the body prepared by its chairman. The authority is charged with investigating alleged crimes against public property or finances perpetrated by public officials.

Corruption and Government Transparency - Report by Global Security

Political Climate

The ruling Al-Thani family and its allies have a monopoly over the political and economic life in the country. Its members hold the most powerful positions in the country and are immune from any form of institutional checks. The Emir holds wide-ranging powers and political parties are banned by law. Any criticism of the head of state is forbidden. As a result, there are rarely any outspoken objections to policies as the majority of the population, primarily immigrant workers, fear deportation from the country. The Emir of Qatar has embarked on a programme of socio-political liberalisation after he gained power, which includes granting women suffrage, drafting of a new constitution, launching the news channel Al-Jazeera, and closing down the restrictive Information Ministry as a symbol of commitment to expand the freedom of the press.

According to the US Department of State 2013, the country is viewed as politically stable and there is no prominent domestic political opposition. Consequently, Qatar was also relatively untouched by the 2011 Arab Spring that toppled several leaders in the region. Nevertheless, the uprisings did leave a mark on Qatar, with the former Emir announcing that elections of the Central Municipal Council will take place by the end of 2013, and with the launching of a Rule of Law and Anti-Corruption Center in Qatar in December 2011. According to a December 2011 article by Bribery Library, the Center has been praised by the Secretary General of the United Nations as a response to the demands of the revolting Arab populations as well as a step towards implementing the UN's efforts to fight corruption. The scheduled 2013 elections were cancelled as a result of the abdication of the Emir and in favour of his son Prince Tamim.

The National Committee on Integrity and Transparency (NCIT) is the first government agency dedicated to corruption and was as a response to Qatar's ratification of the United Nations Convention Against Corruption in 2007. In December 2011, the Emir announced the creation of the new Administrative Control and Transparency Authority (see the Public Anti-Corruption Initiatives section). State employees in Qatar are well-paid and petty corruption does not represent a significant problem. According to the Bertelsmann Foundation 2012, corruption among high-level officials is difficult to investigate as influential members and office holders are immune from investigations, and it is very unlikely that high-ranking officials would fear any legal consequences in cases of corruption or abuse of power. Nevertheless, the Emir’s concern with fighting corruption and increasing transparency gained credibility when the Foreign Minister Sheikh Hamad Al-Thani came under investigation for allegedly having accepted bribes and heavy kickbacks from a British defence company. The case resulted in the dismissal of the Foreign Minister's chief of office and two other ministers. However, the charges against the Foreign Minister himself were dropped.

Business and Corruption

Several indicators presented in the World Economic Forum’s Global Competitiveness Report 2013-2014 illustrate that corruption is not a major problem for businesses. Surveyed business executives rank the level of favouritism of government officials towards well-connected companies when deciding upon policies and contacts as low. Surveyed executives also rank the diversion of public funds to companies due to corruption as uncommon. Only 0.5% of the executives place corruption as the most problematic factor for doing business in Qatar.

While petty corruption does not represent any notable threat for foreign companies operating in Qatar, gaining profitable contracts does in great measure depend on having the right connections or what is known in Qatar as "wasta" - the culture of benefitting from influential middlemen as well as the culture of gift-giving. Qatar is trying to curb these practices by taking firm steps towards fighting corruption and enhancing transparency in the business sector, as reported by an October 2012 article by Arabian Business. Yet, the issue still represents a serious problem in Qatar as the country does not provide for any financial disclosure laws, especially for members of the ruling family who hold public official posts, as reported by the US Department of State 2012, and companies are recommended to use a specialised public procurement due diligence tool in order to mitigate the corruption risks associated with public procurement in Qatar. Furthermore, companies are recommended to develop, implement and strengthen integrity systems and to conduct extensive due diligence (in particular on business agents) when planning to do business in Qatar.

Regulatory Environment

The Investment Law No. 13/2000 is the principle legislation covering foreign investment in Qatar. Foreign investments, according to the US Department of State 2013, are with a few exceptions, limited to 49% for most business activities, leaving the remaining 51% in the hands of a Qatari partner. There is no one unified regulatory authority in Qatar - instead there are four regulatory bodies in the country, including the Qatar Financial Market Authority, the Central Bank, the QFC Regulatory Authority and the Ministry of Business and Trade. According to the Heritage Foundation 2013, the reasons behind Qatar's economic success lie in the government's reforms which have sought to broaden the economic base beyond oil and gas. In addition, growth has also been attributed to Qatar's increasingly flexible regulatory system, a well-functioning legal framework and low-levels of corruption. The US Department of State 2013 notes that Qatar is the second easiest country in the world in which to pay taxes. Qatari nationals neither pay income nor corporate tax and foreign investors operating in Qatar are subject to a flat 10% corporate tax rate. There are no other major tax burdens except for customs duties.

According to the Bertelsmann Foundation 2012, Qatar provides investors with good conditions. Starting a business in the country is described as relatively easy apart from a few bureaucratic constraints. The World Bank & IFC's Doing Business 2014 reports that it takes an average of 8.5 days and eight procedures at a cost of 5.1% of GNI per capita to start a business, with the last figure being considerably lower than the regional average. Business executives surveyed by the World Economic Forum's Global Competitiveness Report 2013-2014 indicates that inefficient government bureaucracy is the fourth most problematic factor for doing business, whereas corruption only represents a minor obstacle. The level of government regulations is indicated by the report as not being burdensome, scoring 5.2 on a 7-point scale (1 being 'extremely burdensome' and 7 being 'not burdensome at all'). The factors which are considered the most problematic to doing business in Qatar are restrictive labour regulations, access to financing and an inadequately educated workforce.

Property rights are generally protected and the government has further reformed the law governing property ownership to allow citizens from non-Gulf Cooperation Council (GCC) countries to own property on a 99-year lease combined with permanent residence permits. Intellectual property rights are also protected by a number of different laws. According to the US Department of State 2013, Qatar accepts binding international arbitration between foreign investors and the government if ever investment disputes should occur. Since December 2010, a civil/commercial court and a regulatory tribunal have formed the judicial and legal infrastructure of the Qatar Financial Centre (QFC), which also features an Alternative Dispute Resolution Center. The QFC deals with commercial matters arising from within the Qatar Financial Center itself, but it intends to expand its court's jurisdiction to enable it to look into other disputes. The Bertelsmann Foundation 2012 notes that the country has not been involved in any trade disputes under the WTO dispute settlement scheme, whether as a complaint, a respondent or as a third party. Qatar has ratified its membership to the International Centre for the Settlement of Investment Disputes (ICSID) and became a signatory of the New York Convention of 1958 in 2003. Access the Lexadin World Law Guide for a collection of legislation in Qatar.

Section 3 - Economy

Qatar has prospered in the last several years with continued high real GDP growth. Throughout the financial crisis Qatari authorities sought to protect the local banking sector, with direct investments into domestic banks. GDP is driven largely by changes in oil prices and by investment in the energy sector. Economic policy is focused on developing Qatar's nonassociated natural gas reserves and increasing private and foreign investment in non-energy sectors, but oil and gas still account for more than 50% of GDP, roughly 85% of export earnings, and 50% of government revenues. Oil and gas have made Qatar the world's highest per-capita income country and the country with the lowest unemployment. Proved oil reserves in excess of 25 billion barrels should enable continued output at current levels for about 57 years. Qatar's proved reserves of natural gas exceed 25 trillion cubic meters, about 13% of the world total and third largest in the world. Qatar's successful 2022 World Cup bid is accelerating large-scale infrastructure projects such as Qatar's metro system, light rail system, the construction of a new port, roads, stadiums and related sporting infrastructure. The new Hamad International Airport is expected to open in mid-2014 with an annual passenger capacity of 24 million on initial opening and 50 million when complete.

Agriculture - products:

fruits, vegetables; poultry, dairy products, beef; fish

Industries:

liquefied natural gas, crude oil production and refining, ammonia, fertilizers, petrochemicals, steel reinforcing bars, cement, commercial ship repair

Exports - commodities:

liquefied natural gas (LNG), petroleum products, fertilizers, steel

Exports - partners:

Japan 26.7%, South Korea 19%, India 12.1%, Singapore 5.7%, China 5.4% (2012)

Imports - commodities:

machinery and transport equipment, food, chemicals

Imports - partners:

US 14.2%, UAE 11.4%, Saudi Arabia 8.6%, UK 6.4%, Japan 6%, China 4.8%, Germany 4.7%, Italy 4.4%, France 4.4% (2012)

Banking

The Qatari banking sector is dominated by Qatar National Bank (QNB, 50% state-owned), which is the oldest and largest Qatari bank and has over 40% share of the banking sector's total assets as of 2007. QNB is followed by Commercial Bank with 16% of assets and Doha Bank with 11%.

Additionally, the Qatar Financial Centre, established in 2005 to attract international banks, law firms and insurance companies to Qatar by offering a streamlined and modern regulatory framework, has so far attracted over 80 institutions. Institutions residing in the QFC are regulated by the Qatar Financial Centre Regulatory Authority (QFCRA). Qatar Central Bank (QCB) supervises all banks, financial institutions and exchange houses in Qatar outside the QFC. In addition to its normal responsibilities, which includeissuance/redemption of Qatar's currency, control of monetary policy and monitoring of the banking system, QCB requires all banks to meet the standards of the Bank of International Settlement (BIS), a council of worldwide central bank governors. Most banks in Doha have maintained a comfortable capital adequacy ratio above the 8 percent level required by the BIS. This is a ratio between total equity plus reserves and total risk weighed assets, i.e., loans and investments of a bank not including loans to the GOQ.

The GOQ ensures that the banking sector continues to enjoy depositors' confidence, despite the fact that no deposit insurance exists. QCB also ensures that annual financial statements of all banks operating in Qatar comply with international standards and that the auditing process is carried out by internally recognized auditors. QCB requires that auditors be changed every three or four years.

The banking sector in Qatar has grown very rapidly over the past few years on the back of a robust economy with high rates of GDP growth. From 2005-2008, total assets of the banking sector grew at a compounded average growth rate (CAGR) of almost 47% whereas loans grew by 48% during the same period.

Stock Exchange

Foreigners are allowed to own up to 25 percent of shares of companies listed on the Qatar Exchange (QE). Foreign investors are not allowed to participate in any initial public offering (IPO).

Section 4 - Investment Climate

Executive Summary

Qatar has one of the fastest growing economies with the highest per capita income in the world. Qatar's economy is projected to continue slowing down in 2014 after recording one of the world's highest growth rates following the completion of major gas projects. Growth slowed down to an estimated 6.1 percent in 2013 and is expected to continue its downward trend to reach 5.9 percent in 2014, according to IMF estimates.

Qatar is currently undergoing massive transformation under the rubric of the 2030 National Vision, which aims to establish an advanced, knowledge-based, and diversified economy, no longer reliant on the hydrocarbon sector. The government is heavily involved in Qatar's economy, although it strongly encourages private investment in many sectors. Investments in various sectors including health care, education, tourism and financial services, among others, are expected to offer greater opportunities for foreign investment.

In June 2013 Qatar's Amir, Sheikh Hamad bin Khalifa Al Thani, abdicated to his son Sheikh Tamim bin Hamad Al Thani. The smooth transfer of power to Amir Sheikh Tamim bin Hamad Al Thani is unlikely to lead to any major changes to the country's implementation of the 2030 National Vision. Amir Sheikh Tamim is expected to continue focusing on infrastructure development, economic diversification, education, and healthcare, underwritten by the country's natural resource wealth.

1. Openness to, and Restrictions Upon, Foreign Investment

Qatar has won the right to host the 2022 FIFA World Cup. Preparations will have a lasting impact on Qatar's real estate, construction, and finance markets as companies scramble to obtain a portion of the more than USD 150 billion in infrastructure investments needed before 2022. The government has allocated 40 percent of its budget through 2016 to infrastructure projects, including USD 11 billion on a new international airport, USD 5.5 billion on a deepwater seaport, and USD 12.36 billion on improving and creating road networks. Qatar will also invest USD 20 billion to USD 25 billion in tourism infrastructure development. The largest planned development is the USD 29 billion metro and rail project. It will be implemented in three phases with completion scheduled for 2022. Other focal areas include roads, industrial zones, and information and communication technology. These developments will stimulate the domestic economy and create substantial export opportunities for foreign businesses. In addition to energy and infrastructure development, significant opportunities exist for foreign investment in medical, safety and security, education, and franchising.

The main economic stimuli in Qatar are oil, gas, and related industries, in particular the development of the North Field, the largest non-associated natural gas field in the world. Qatar's liquefied natural gas (LNG) industry has attracted tens of billions of dollars in foreign investment and made Qatar the world's largest exporter of LNG. Qatar has imposed a moratorium on increasing natural gas production from the North Field that took effect in 2012 and will last until 2015. However, the Energy Ministry has indicated that it may increase its LNG production by 10 million tons if it can improve efficiency in its production units. Significant investment in the downstream sector is likely to continue.

In July 2013, it was announced that Qatar would be elevated to emerging markets status by Morgan Stanley Capital International (MSCI) Inc. Qatar first sought entry to the emerging-markets tier in 2008. The decision by the index compiler Morgan Stanley Capital International MSCI to upgrade Qatar to emerging market status from frontier market was very well received by investors and bankers. Stocks initially rose sharply reaching their highest level since September 2008. The upgrade is expected to open the country's exchange to increased global investment flows, most specifically from investors focused on emerging markets and attract considerably more foreign portfolio investment, in addition to increasing the depth and liquidity of the market, with more listings expected.

The Ministry of Finance is currently considering a law to regulate financial activities of the government and public sector organizations. The proposed legislation aims to help Qatar develop a long term investment strategy by setting up a macroeconomic unit within the Ministry of Finance to monitor overall economic management and planning. In addition, a public investment program will also be established to identify the State's major projects and ways in which to prioritize them.

Qatar's investment liberalization policies are proceeding on a gradual basis, based on a desire to protect local companies from rapid competition. Qatar gives preferential treatment to suppliers that use local content in bids for government procurement. When competing for government contracts, goods with Qatari content are discounted by 10 percent and goods from other GCC countries receive a 5 percent discount. As a rule, participation in tenders with a value of QR 1,000,000 or less is confined to local contractors, suppliers and merchants registered by the Qatar Chamber of Commerce, and tenders with a value of more than this amount do not require any local commercial registration to participate, but in practice certain exceptions exist. Tender and bid details are available at the Central Tender Committee website: http://www.ctc.gov.qa/tender-en-aspx.

Laws/Regulations of FDI

Investment Law No. 13/2000 is the primary legislation governing foreign investment. Foreign investment is generally limited to 49 percent of the capital for most business activities, with a Qatari partner(s) holding at least 51 percent. However, the law allows, upon special government approval, up to 100 percent ownership by foreign investors in certain sectors, including: agriculture, industry, health, education, tourism, development and exploitation of natural resources, energy, or mining. Qatar amended the law in 2004 to allow foreign investment in the banking and insurance sectors upon approval of the Cabinet of Ministers. Moreover, foreign financial services firms are allowed 100 percent ownership at the Qatar Financial Center (QFC). On October 31, 2009, the Council of Ministers agreed on the amendments proposed by the Ministry of Economy and Commerce to allow foreign investors to hold 100 percent stakes in certain activities, including: business consultancy and technical services; information and communication services; cultural services; sports services; entertainment services; and distribution services.

International law firms with 15 years of continuous experience in their countries of origin are allowed to set up operations in Qatar, but the license will be granted only if authorities in Qatar are convinced that the field in which the applying firm specializes is of use to Qatar. On the recommendation of the Ministry of Justice, the Cabinet may reduce the number of required years' experience or waive the condition fully. Cabinet Decision Number 57 of 2010 states that the Doha office of an international law firm would be permitted to carry out activities in Qatar only if the main office in the country of origin remains operative. These requirements do not apply to law firms registered with the Qatar Financial Center (QFC).

Foreign firms are required to use a local agent for matters related to sponsorship and residence of employees. Certain sectors are not open for domestic or foreign competition, including public transportation, electricity and water, steel, cement, and fuel distribution and marketing. In these sectors, a single semi-public company has complete or predominant control.

Qatar has begun to liberalize its telecommunications sector to permit outside private investment, starting with the issuance in December 2007 of a second mobile license to a consortium including Vodafone and the Qatar Foundation. The same consortium was awarded the country's second fixed-line license in September 2008. However, there is a minimum requirement of QR 200,000 in initial capital for any telecommunication business, which creates a barrier to entry for small entrepreneurs.

When approving majority foreign ownership in a project, the law states that the project should fit into the country's development plans. It adds that preference should be given to projects that use raw materials available in the local market, manufacture products for export, produce a new product or use advanced technology, facilitate the transfer of technology and know-how in Qatar, and promote the development of national human resources.

Non-Qataris may also have the right of land use over real estate for a term of 99 years renewable upon government approval in Cabinet-designated "investment areas." Foreigners can own residential property in select projects, including the Pearl, the West Bay Lagoon, Lusail, and the Al-Khor resort project. Law No. 23/2006 provides for foreigners being issued residency permits without local sponsors if they own residential or business property in Cabinet-designated "investment areas."

Import licenses are issued only to individuals with Qatari nationality, or companies owned or controlled by Qataris. In practice, exceptions are sometimes made for foreign companies, such as those with government contracts.

Qatar remains the second easiest country in which to pay tax globally for the fourth year running, according to Paying Taxes 2013, an annual report issued by Price Waterhouse Coopers, the World Bank, and the International Finance Corporation. Qatari nationals are not subject to any kind of corporate or income tax, although nationals are required to pay Zakat [1], which usually amounts to around 2.5 percent of profits. Although there is no income tax on salaries in Qatar, foreign investors are subject to taxation on their investment income.

On January 1, 2010 a new tax law went into effect. This law imposes a 10 percent flat rate for all non-Qatari companies and foreign partners in Qatari companies, except for the energy sector where there is a 35 percent tax rate applying to oil and gas operations, unless exempted by Amiri Decree. Companies currently receiving tax holidays or those with government tax exemptions will not be taxed until the contractual end of these agreements. If these agreements were entered into by the Government (ministry, agency, body, or public institution) prior to enforcement of the new law and no tax rate was specified, the 35 percent tax rate will be imposed, unless exempted by Amiri Decree. The tax rate and all other tax requirements set forth in agreements related to oil operations will continue to be defined by Law No. 3/2007 on the exploitation of natural wealth and resources.

The new tax law applies to revenues from business activities, contracts – which are partly or wholly implemented in Qatar – properties, including sales of stakes in the shareholding companies or privately-owned companies whose assets are mainly comprised of properties. Revenue from exploration and natural resource extraction in the state and loan interest received within the state are also taxable. Gifts, luxury items, and entertainment expenses are not deductible. Qatari-owned companies; small handicraft companies with a maximum of three workers and not exceeding 100,000 Qatari Riyals profit (USD 27,473); individual income from sources such as bank interest, stock dividends, salaries, wages and allowances; and foreign charitable and other non-profit organizations and associations and societies are all exempted from taxation.

Under Law No. 13/2000, the Ministry of Finance may grant a tax holiday of up to 10 years for new foreign investments in key sectors. Other exemptions may be granted under Law No. 21/2009 on a case-by-case basis for a period up to 6 years.

According to Article 11-2 of Law No. 21/2009, payments made to non-residents for activities not connected with a permanent establishment in Qatar shall be subject to a final withholding tax, as follows: 5 percent of gross royalties and technical fees; 7 percent of the gross interest, commissions, brokerage fees, director's fees, attendance fees and any other payments for services carried out wholly or partly in Qatar. However, the enforcement of this article is currently frozen while the government reviews a written petition submitted by Qatari banks.

Companies established in the Qatar Financial Centre (QFC) enjoyed a tax exemption since the start of operations in 2005 through 2009. QFC's new tax regime, levying a flat 10 percent on profits, came into force in 2010, but captive insurance, reinsurance and asset management businesses are exempted.

There are two types of penalties for failing to pay taxes: penalties associated with delays in filling, and delays in payment. Companies that fail to file their tax return will be fined QR 100 per day up to a maximum of QR 36,000. Those convicted of making false statements on their taxes, or trying to evade taxes face up to three months' imprisonment and a maximum fine of QR 15,000. A further fine of 20 percent of the tax due will be levied on companies shown to be in violation of the tax law. Penalties may be doubled for repeat offenders. Delayed payment may result in a financial penalty equal to the amount of unpaid tax, in addition to the payment of the tax due.

Judicial decisions in commercial disputes are primarily based on contractual agreements, provided these agreements are not in conflict with applicable Qatari laws. U.S. firms are strongly encouraged to consult a local attorney before concluding any commercial agreement with a local entity.

Limits on Foreign Control

On August 5, 2014 Law No. 9/2014 was issued amending some provisions of Law No. 13/2000 regulating investment of non-Qatari capital in economic activity. The newly approved law stipulates that non-Qatari investors are allowed to own no more than 49 percent of the shares of Qatari shareholding companies listed on the Qatar Exchange, after they gain the approval of the Ministry of Economy and Commerce for the proposed percentage in the company's memorandum of association and statute. Under the new amendments, these investors are also allowed to own more than the 49 percent provided that they attain cabinet approval. Importantly, Gulf Cooperation Council nationals will be treated as Qatari citizens in the ownership of companies listed on Qatar Exchange. The effect of this change is to raise the limit of permissible foreign ownership levels in the listed companies to 49 percent, which previously was limited to 25 percent in most listed companies. In addition, since non-Qatari GCC nationals, who were previously treated as foreigners for the purpose of trading in Qatari stocks, are now treated as Qatari citizens, their ownership of Qatari stocks is not counted as foreign ownership.

Foreign investors are generally not allowed to participate in initial public offerings (IPO), though exceptions are occasionally made on a case-by-case basis (primarily for other GCC nationals). Rules of foreign ownership percentage restrictions can be waived with approval from the Cabinet. In 2009, NYSE Euronext purchased a 20 percent stake in the QE for USD 200 million. The Qatar Investment Authority (QIA) owned the remaining 80 percent of the QE. At the end of 2012, the two companies signed another agreement giving QIA 88 percent of QE and 12 percent to NYSE. In October 2013, the investment arm of QIA, Qatar Holding (QH), became the full owner of the QE. QE has 42 listed companies and its market capitalization was valued at QR 460 billion at the end of December 2012. The foreign ownership of shares usually hovers around 11 percent, with most owned by other GCC citizens or local expatriates. The Mutual Fund Law (Law No. 25/2002) allows expatriates to invest indirectly in the stock market. No bonds have been traded on the Qatar Exchange so far, however; trade in Qatari Government short term Treasury Bills commenced on the Qatar Exchange from December 29, 2011, with trade in government bonds and sukuk (Islamic bonds) starting at a later stage.

There are 18 licensed banks in Qatar, 11 of which are Qatari institutions including four Islamic banks (Qatar Islamic Bank "QIB," Qatar International Islamic Bank "QIIB," Masraf Al Rayan and Barwa Bank) and 7 commercial banks (Qatar National Bank "QNB", The Commercial Bank of Qatar "Commercialbank," Doha Bank, Ahli Bank, International Bank of Qatar "IBQ," Qatar Development Bank "QDB," Al Khalij Commercial Bank "al khaliji").

Qatari regulations for local and foreign banks are the same. New licenses for new banks are available through application to the Qatar Central Bank (QCB). License requirements can be found at the following link:

http://www.qcb.gov.qa/English/SupervisionApproach/LicensingAndRegistration/Pages/Licensing.aspx

Qatar also has 20 exchange houses, three investment companies and three commercial finance companies as of September 2013.

In addition, Doha is home to the Qatar Financial Centre (QFC) which allows major international financial institutions and corporations to set up offices with 100 percent foreign ownership, and all profits to be remitted outside of Qatar. The QFC is not an offshore center nor a free zone nor a property development. Companies licensed by the QFC are free to operate in local and other currencies. Financial firms investing in Qatar enjoy an attractive tax regime; all QFC registered companies are subject to a 10% corporate tax on locally sourced profits. The QFC legal framework allows buildings in Doha to be designated as QFC sites so licensed firms do not have to be physically based in QFC premises, provided there is no objection from the Ministry of Economy and Commerce, and that they pay local market rents. As of December 31, 2011, there were 42 approved sites.

There are currently 171 licensed firms at the QFC, representing a spectrum of banks, investment companies, insurance houses, and related professional services. Approximately 70 QFC licensed firms are regulated by Qatar Financial Center Regulatory Authority (QFCRA), the QFC's independent regulatory body. QFC firms are generally limited to providing services to wholesale clients. However, insurance companies can provide services to both wholesale and retail clients, and retail asset management is allowed.

The Qatar Financial Centre Authority (QFC Authority) issued regulations governing special purpose companies, holding companies and single family offices operating in or from the QFC. The Special Company Regulations and Single Family Office Regulations (the 'Regulations') were issued on 27 September 2012. The Regulations provide for a more attractive legal, regulatory and business environment. They will expand the range of services the QFC firms will offer and the structures they may adopt, notably single family offices and special purpose companies.

On December 9, 2013 Qatar's financial sector regulatory authorities the Qatar Central Bank, Qatar Financial Center Regulatory Authority, and Qatar Financial Markets Authority launched a joint strategic plan for the "future of financial sector regulation in Qatar." The plan established a framework for financial regulation, setting out a road map of strategic priorities for the next three years (2014-2016). The goals of the plan are to enhance regulation by developing a consistent risk-based micro prudential framework; expanding macro prudential oversight; strengthening financial market infrastructure; enhancing consumer and investor protection; promoting regulatory cooperation; and building human capital.

Qatar's economic freedom score is 71.2, and ranks 30th in the 2014 Index of Economic Freedom. Its score is essentially unchanged from the previous year, with improvements in half of the 10 economic freedoms, including business freedom, labor freedom, and monetary freedom, offset by declines in the control of government spending and trade freedom, according to the Heritage Foundation. Qatar is ranked 3rd out of 15 countries in the Middle East/North Africa region, and its overall score is above world and regional averages.

Measure	**Year**	**Index or Rank**
Transparency International Corruption Index	2013	28 of 177
Heritage Foundation's Economic Freedom Index	2014	30 of 177
World Bank's Doing Business Report	2014	
Ease of Doing Business		48 of 189
Starting a Business		112 of 189

Dealing with Construction Permits		23 of 189
Getting Electricity		27 of 189
Registering Property		43 of 189
Getting Credit		130 of 189
Protecting Investors		128 of 189
Paying Taxes		2 of 189
Trading Across Borders		76 of 189
Enforcing Contracts		93 of 189
Resolving Insolvency		36 of 189

2. Conversions and Transfer Policies

Due to minimal demand for the Qatari riyal outside Qatar and the national economy's dependence on oil and gas revenues, which are priced in dollars, the government has pegged the riyal to the U.S. currency. The official peg is QR 1.00 per USD 0.27 or USD 1.00 per QR 3.64, as set by the government in June 1980 and reaffirmed by an Amiri decree issued July 9, 2001.

GCC states have officially discussed harmonizing their monetary policies although they have not established a timeline for the implementation of a common currency. Despite a number of recent private sector analyses suggesting Qatar may reassess its dollar peg policy, the government has maintained the exchange rate.

Law No. 15/1990 does not allow foreign investors to enter into a joint stock company with Qatari partners. However, foreign investors can hold up to a combined total of 25 percent of the shares of Qatari companies listed on the Qatari Exchange. In addition, at least three foreign companies have been allowed to exceed this 25 percent. Exceptions are based upon a ministerial decree and are decided on a case-by-case basis. Foreign investors may own up to 49 percent, and the Qatari partners no less than 51 percent, of a limited liability partnership. Foreign partners in ventures organized as limited liability partnerships must pay the full amount of their contribution to capital in cash, or in kind, prior to the start of operations. Usually, such firms are required to set aside 10 percent of profits each year in a statutory reserve until it equals 50 percent of the venture's authorized capital. The legal reserve shall not be distributed among the shareholders; however the excess of the half of the paid-in capital may be used in distributing the profits among the shareholders (up to 5 percent of profits). This requirement is the only legal restriction to a foreign company desiring to repatriate all of its annual profit after tax deduction.

Qatar neither delays remittance of foreign investment returns nor restricts transfer of funds associated with an investment, such as return on dividends, return of capital, interest and principal payments on private foreign debt, lease payments, royalties and management fees, amounts generated from sale or liquidation, amounts garnered from settlements and disputes, and compensation from expropriation to financial institutions outside Qatar without undue delay.

Qatar Central Bank (QCB) authorized mobile phone service providers Ooredoo and Vodafone to add payment services and money transfers via mobile phones in direct collaboration with banks and licensed money exchangers in Qatar.

The Government of Qatar signed a new Anti-Money Laundering/Counter-Terrorism Finance (AML/CFT) law into force in 2010. The law addresses many of the deficiencies identified by the Financial Action Task Force (FATF) and makes money laundering and terrorist financing offences in line with international standards. It also introduces a suspicious transaction reporting regime and requirements for consumer due diligence and record-keeping. Consistent revised regulations have been issued by all three of the main financial regulators in Qatar: the Qatar Central Bank (QCB), the Qatar Financial Markets Authority (QFMA), and the Qatar Financial Center Regulatory Authority (QFCRA). All three regulators do on-site inspections to check compliance with the new law and regulations. However, significant work remains to implement the new financial regulations and there remain some deficiencies with regards to terrorism financing.

In accordance with the QCB instructions on AML/CFT, the financial institutions must apply due diligence prior to establishing business relationships. Certain originator information should be secured where a wire transfer exceeds QR 4,000. Similarly, due diligence should be made when a customer is carrying out occasional transactions in a single or several linked operations of an amount exceeding QR 55,000 or equivalent in foreign currencies per the provisions of Article 23 of Law No. 4/2010.

3. Expropriation and Compensation

Law No. 13/2000, Article 8 states: 1) Foreign investment shall neither directly nor indirectly be subject to expropriation unless such measures are for the public welfare and implemented in a non-discriminatory way, against a prompt and reasonable compensation; 2) Compensation shall be equal to the market value of the investment at the time of expropriation, and shall be paid without undue delay. There have been no cases of expropriation or sequestration of foreign investment in Qatar since nationalization in the mid-1970s of Shell and Dukhan Services (the latter was a combination of six international oil companies handling Qatar's onshore operations on the country's west coast). The foreign interests were compensated promptly.

4. Dispute Settlement

Qatar is a signatory to the New York Convention of 1958 and a member of the International Center for the Settlement of Investment Disputes (ICSID). If investment disputes occur, Qatar accepts binding international arbitration between the government and foreign investors. However, Qatari courts do not enforce judgments of other courts in disputes emanating from investment agreements made under the jurisdiction of other nations.

The civil and commercial court and the regulatory tribunal for Qatar Financial Centre (QFC) form the QFC Judiciary and the legal infrastructure behind the QFC. In addition, the court also features an Alternative Dispute Resolution (ADR) center. Although primarily concerned with hearing commercial matters arising from within the QFC itself, the QFC intends to expand the courts' jurisdiction to enable it to accept other disputes at its discretion.

In Qatar there are two concurrent bankruptcy regimes. The first is the local regime, the provisions of which are set out in the Commercial Law No. 27/2006. However, the bankruptcy law is largely untested. The bankruptcy of a Qatari citizen or a Qatari-owned company is rarely announced and the Government sometimes plays the role of guarantor to keep a bankrupt business running and safeguard creditors' rights.

The second bankruptcy regime is found in the QFC Insolvency Regulations of 2005 and applies to bodies corporate and branches registered in the QFC. There are currently two firms in the U.K. offering full dissolution bankruptcy services to QFC-registered companies.

In order to protect their interests, U.S. firms are advised to consult with a Qatari or foreign-based law firm when executing contracts with local parties.

5. Performance Requirements and Investment Incentives

Performance requirements for foreign investment in Qatar do not exist. There is no counter-trade offset program. While screening investment proposals, the government may indicate preferences for locating facilities, capital investments and other matters. Disclosure of financial and employment data is required, but proprietary information is not.

The government offers a variety of incentives to foreign investors which may include tax exemptions, property grants, energy subsidies, and low-cost financing. The following is a list of incentives sometimes offered to foreign investors:

- Natural gas priced at 60-75 U.S. cents per MBTU (Million British Thermal Units)
- Electricity offered at less than two U.S. cents per KWH (Kilowatt Hour)
- Industrial land offered at 27 U.S. cents per square meter per year for a period of 50 years, including options for renewing the lease
- Exemption from customs duties on imports of machinery, equipment and spare parts;
- Exemption on export duties
- Exemption from corporate taxes for up to ten years
- Exemption from income taxes
- Absence of quotas on imports
- Low cost financing through Qatar Development Bank (QDB)
- Flexible immigration and employment rules to enable the import of foreign labor

The same incentives are offered to Qatari investors.

Qatar does not maintain measures inconsistent with the agreement on Trade-Related Investment Measures (TRIMs), though in practice they provide preferential treatment for those who use local content in investments or government procurements.

The Ministry of Energy and Industry determines the amount of foreign equity and the extent of incentives for industrial projects. Industrial projects can be established only in designated industrial zones. Necessary investment approvals may be required from the Ministry of Health, Qatar Tourism Authority, Ministry of Municipality and Urban Planning, Ministry of Economy and Commerce, Supreme Education Council, and Ministry of Environment.

Qatar Science & Technology Park (QSTP) is the national agency charged with executing applied research and delivering commercialized technologies in four themed areas: Energy, Environment, Health Sciences and Information & Communication Technologies. QSTP is located in Qatar Foundation's Education City and has access to the resources of its cluster of universities. In addition to QSTP's four centers, members include small companies, international corporations, and research institutions. QSTP seeks to attract U.S. and other foreign investors to start up research and development facilities in the Park, and provide opportunities for companies to engage in commercializing the technology they develop. Participating companies are allowed 100 percent foreign ownership, and exemption from payment of income tax. Microsoft, ExxonMobil, GE, Shell, Tata, Total, and ConocoPhillips are among QSTP member companies.

6. Right to Private Ownership and Establishment

The Commercial Companies Law, Law No. 5/2002, controls the establishment of all private business concerns in Qatar. The law provides for corporate mergers, corporate bonds, and the conversion of corporate partnerships into joint stock companies.

Joint ventures involving foreign partners usually take the form of limited liability partnerships. Law No. 15/1990 does not allow foreign investors to enter into a joint stock company with Qatari partners. However there are exceptions as mentioned in the "CONVERSION AND TRANSFER POLICIES" section above.

Citizens of member states of the Gulf Co-operation Council (Bahrain, Kuwait, Qatar, Oman, Kingdom of Saudi Arabia and the United Arab Emirates) also have some exemptions from the application of the foreign investment laws of Qatar, including the ability to own 50 percent of businesses, as opposed to 49 percent for other foreigners, and the ability to own freehold land in three designated zones – Lusail, Al Khuraj, and Thayleeb Mountain. In August 2014, changes were made to the foreign investment law which provide that GCC citizen investors will now be treated like Qatari nationals in owning shares of companies listed on the Qatar Exchange (QE),

7. Protection of Property Rights

Within Qatar, owners of trademarks, copyrights and patents depend on Qatari laws and regulations for protection. Intellectual property rights in Qatar are protected by Law No. 7/2002 (Copyright and Neighboring Rights Law), Law No. 30/2006 (Patent's Law), Law No. 9/2002 (Trademarks and Geographical Indicators Law), Law No. 5/2005 (Protection of Trade Secrets), and Law No. 6/2005 (Protection of Layout Design of Integrated Circuits).

Qatar adopted the GCC Patent Law and has assigned the Industrial Property Section in the Ministry of Economy and Commerce to handle issues related to trademarks, commercial indications, trade names, geographical indications and industrial design. An Intellectual Property Centre was also established by Amiri decision No. 53/2009 and is affiliated with the Ministry of Justice. This center oversees implementation of Qatari law on patents, copyright protection, and protection of trade secrets. In February 2014, the Amir of Qatar issued several decisions on the organizational structure and function of ministries, establishing and reorganizing some authorities, public institutions and governmental entities. The Office of Intellectual Property Rights is expected to transfer from a center within the Ministry of Justice to a department within the Ministry of Economy and Commerce.

According to Law No. 30/2006, patents are valid for twenty years from the date of submission. The Ministry of Health requires registration of all pharmaceutical products imported into the country and will not register unauthorized copies of products patented in other countries.

The 2002 copyright law does not explicitly provide for national treatment or coverage of unpublished works and does not criminalize end-user piracy. However Qatar is party to the Berne and Paris Conventions and abides by their mandates concerning unpublished works.

As for end-users, some Qatari companies have already complied with the law and others are making provisions to do so. The Copyright Office works with law enforcement authorities to prosecute resellers of unlicensed video and software. In 2013, the IP center carried out 15 raids from January 1 until June 30.

Qatar uses the GCC patent law with derogations as needed to comply with its obligations under the TRIPS Agreement. A joint committee between the Ministry of Economy and Commerce and Ministry of Health has yet to be established to coordinate their efforts and ensure that only patented products or authorized copies of pharmaceutical products are registered for sale.

In 2006, an Amiri Decree on patents was issued stipulating that: (1) only inventions of industrial use can be registered as a patent; (2) an industrial product or means or process of production must have something innovative about it to merit patent registration; (3) inventions in health, agriculture, plants and software development are not eligible for patent; (4) only Qatari citizens or foreigners of WTO signatory countries will be allowed to register a patent; (5) the Ministry of Economy and Commerce will frame and implement executive regulations to help enforce the law; and (6) the Ministry of Economy and Commerce will set up a patent registration office. This office has been established and named the Patents Unit and falls under the Ministry of Economy and Commerce.

As part of the GCC Customs Union, the six member states are working toward unifying their intellectual property regimes. In this respect, the GCC has recently approved a common trademark law. All six member states are expected to adopt this law as national legislation in order to implement it. However, the new law raises questions about consistency with GCC member state obligations under the TRIPS Agreement and U.S. free trade agreements with Bahrain and Oman.

Qatar is a member of the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO), and is a signatory to the following WIPO Treaties:

- WIPO Convention, since September 1976
- Paris Convention (Industrial Property), since July 2000
- Berne Convention (Literary and Artistic Works), since July 2000

- Nairobi Treaty (Olympic Symbol), since July 1983
- WCT (WIPO Copyright Treaty), since October 2005
- WPPT (WIPO Performances and Phonograms Treaty), since October 2005
- Qatar has also been a member and signatory to the TRIPS Agreement since January 1996

Embassy point of contact: Hala Rharrit RharritH@state.gov

Local lawyers list: http://qatar.usembassy.gov/legal_information.html

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

8. Transparency of the Regulatory System

There are three regulatory bodies in Qatar. Law No. 13/2012 enacted by the Amir on December 2, 2012, set the Qatar Central Bank as the primary regulator of financial institutions. It also transferred the regulation of the insurance sector from the Ministry of Business and Trade to the Qatar Central Bank and the regulation of the Qatar Financial Center from the Qatar Financial Center Regulatory Authority to the Qatar Central Bank. The law, which unifies Qatar's three regulators, the Qatar Central Bank, the Qatar Financial Markets Authority, and the Qatar Financial Center Regulatory Authority, aims to promote financial stability and enhance regulation coordination through the Financial Stability and Risk Committee, which is headed by the Central Bank Governor.

The government is the major buyer and end-user of a wide range of products and services. Government procurement regulations provide a ten-percent preference for Qatari products and five-percent for GCC products.

The Central Tenders Committee (CTC) of the Ministry of Finance is responsible for processing the majority of public sector tenders. The CTC applies standard tendering procedures and adheres to established performance norms. It also sets the standards for rules and regulations for bidding procedures.

In tenders valued in excess of QR 100 million (USD 27 million), the CTC may invite and pre-qualify international firms to bid for a specific product or service. Technical bids submitted to the CTC are referred to the appropriate government end-user for short-listing. The CTC then opens the commercial bids and recommends the lowest priced, technically qualified bidder to the entity concerned, which will make the final award decision. Inquiries about specific award decisions should be directed to the CTC.

Some governmental entities have established internal tender committees. The Ministry of Energy and Industry, Qatar Petroleum and Ministry of Municipality and Urban Planning process all tenders independently. Qatar Armed Forces and the Ministry of Interior are responsible for issuing tenders for classified materials and services.

Foreign firms wishing to participate in government procurement programs may be required to have a local agent and provide bid and performance bonds. International bidders should contact end-users directly for information on local agent requirements.

Other regulatory policies do not significantly affect foreign investment decisions. Some U.S. companies have expressed concerns about the lack of transparency in government procurement.

9. Efficient Capital Markets and Portfolio Investment

There is no restriction on the flow of capital. The Qatar Central Bank (QCB) adheres to conservative policies aimed at maintaining steady economic growth and a stable banking sector. Loans are allocated on market terms, and foreign companies are essentially treated the same as local companies.

Qatar National Bank (QNB), 50 percent state-owned, is the largest bank in the country, with total assets equal to 50.48 percent of the total assets of all Qatari Banks (local). The total assets grew to QR 443 billion as of December 2013, representing an increase of 21.1 percent compared to December 2012 QR 367 billion.

The following represents Qatar banking sector assets, based on QCB data:

Total Assets of Banking Sector (Qatari and foreign banks):

December 2013 - QR 915,911 million increase by 10.42 percent over December 2012 - QR 820,512 million

Total Assets of Local Qatari Banks:

December 2013 - QR 878,509 million

Total Assets of Local Commercial Banks:

December 2013 - QR 652,725 million - 72.03 percent of total banking sector assets

Total Assets of Branches of Foreign Banks:

December 2013 - QR 37,402 million - 4.08 percent of total banking sector assets.

Almost all import transactions are controlled by standard letters of credit processed by local banks and their correspondent banks in the exporting countries. Credit facilities are provided to local and foreign investors within the framework of standard international banking practices. Foreign investors are usually required to have a guarantee from their local sponsor/local equity partner.

However, in accordance with QCB guidelines, banks operating in Qatar give priority to Qataris and to public development projects in their financing operations. Additionally, single customers may not be extended credit facilities by a bank exceeding 20 percent of the bank's capital and reserves. In addition, QCB does not allow cross-sharing and stable shareholder arrangements among banks and other business concerns that result in fewer shares of some corporations actually trading freely in the market. QCB requires banks to maintain a maximum credit ratio of 90 percent.

Law No.13/2012 regulates the QCB and its financial institutions. It mandates the QCB to act as a supreme authority for framing the policies for the regulation and supervision of all financial services and markets in the country. It lays the foundation for increased cooperation between the regulatory bodies in Qatar to develop and apply regulatory policies and implement international standards to deliver the objectives of Qatar's 2030 National Vision and Qatar's National Development Strategy (2011-2016). The most significant aspects of the law are that QCB shall be deemed an autonomous corporate body with its own budget under the direct control of the Amir. Its capital is QR 50 billion, equivalent to USD 13.7 billion, and it is fully owned by the government.

QCB acquired responsibility for the licensing and supervision of insurance companies, reinsurance companies and insurance intermediaries that were previously licensed by the Ministry of Economy and Commerce. The Law repealed Decree Law No. 1/1966 on the Supervision and Control of Insurance Firms and Agents. The Qatar Financial Markets Authority and the Regulatory Authority remain independent regulators under the management and direction of their respective boards of directors in accordance with the Law regarding the Qatar Financial Market Authority (Law No. 8/2012) (" QFMA Law") and the Qatar Financial Centre Law (Law No.7/2005) ("QFC Law").

10. Competition from State-Owned Enterprises (SOEs)

Several state-owned companies still operate under monopoly, or exclusive rights in some economic sectors. The following are Qatar's major state-owned enterprises:

- In February 2013 Ooredoo was introduced by Qatar Telecom, Q.S.C, to replace Qtel, the former operating name. Ooredoo is a dominant player in the Qatari telecoms market and is 76 percent owned by Qataris. Its revenues from outside Qatar currently constitute more than 75 percent of its total revenue. In 2007, the mobile products and services sector was opened to competition. In 2008, the fixed line telecoms market was also liberalized. Vodafone was selected to compete in both mobile and fixed line against Ooredoo, and is 96 percent-owned by Qatari shareholders. Both companies are listed in the Qatar Exchange (QE). Prior to 2007, both the mobile and fixed line telecoms markets in Qatar were dominated by Ooredoo.

- KAHRAMAA (Qatar General Electricity & Water Corporation) operates all water and electricity activities and is 90 percent owned by Qatari shareholders. The government owns 43 percent of the capital. The government has indicated that it may privatize segments of the water and electricity sectors. A first step in this direction occurred when the Ras Laffan Power Company, which is 55 percent owned by a U.S. company, was established in 2001.

- Qatar Petroleum (QP) operates all oil and gas activities and is wholly owned by the government. QP's oil and gas fields fall into three categories - the North Gas Field, onshore oil, and offshore oil. In addition, QP carries out activities through the following subsidiaries, joint ventures and other investments:

    - Al-Koot Insurance & Reinsurance
    - Al-Shaheen Energy Services (ASES)
    - Amwaj Catering Services (ACS)
    - Gasal
    - Gulf Drilling International (GDI)
    - Gulf Helicopters (GH)

- Industries Qatar (IQ)
- Laffan Refinery
- Oryx GTL
- Qatar Aluminum (Qatalum)
- Qatar Chemical Company (Q-Chem)
- Qatar Fertilizer Company (QAFCO)
- Qatar Fuel Additives Company (QAFAC)
- Qatar Liquefied Gas Company Ltd. (Qatargas)
- Qatar Melamine Company (QMC)
- Qatar Petrochemical Company (QAPCO)
- Qatar Petroleum International (QPI)
- Qatar Steel Company (QASCO)
- Qatar Vinyl Company (QVC)
- Qatofin
- Q-Chem 2
- Ras Laffan Olefins Company (RLOC)
- Ras Laffan Power Company (RLPC)
- RasGas
- SEEF
- Tasweeq has the exclusive right to deliver Qatar's energy products abroad.
- Q-Post (Qatar General Postal Corporation) is the state-owned postal company. Several other delivery companies are allowed to compete in the courier market: Aramex, DHL Express, and FedEx Express.
- Qatar Airways is the country's designated National Carrier and is now wholly owned by the state.

* The subsidiaries of Qatar Investment Authority (QIA), the State of Qatar's sovereign wealth fund, also play a prominent role in the local economy:
    - Qatar Holding LLC (QH), the direct strategic investment arm of QIA
    - Qatari Diar, a property investment vehicle;
    - Hassad Food Company (HDC), a vehicle for investment in agriculture and livestock

Qatar has notified the WTO that it does not maintain any state trading enterprises.

The government's economic strategy, as expressed in its 2030 National Vision, is to reduce the dependence of the country's budget on oil and gas.

11. Corporate Social Responsibility (CSR)

There is a general awareness of corporate social responsibility principles. Those firms that pursue CSR are viewed favorably. The Ministry of Economy and Commerce announced plans to introduce a corporate social responsibility index for companies listed on Qatar Exchange in order to measure their "social commitment." This has yet to be implemented. Many companies in Qatar, however, have begun to publicize their policies regarding corporate social responsibility, and are interested in publishing sustainability reports, including their CSR initiatives, in conjunction with their annual reports.

12. Political Violence

Qatar is politically stable. The crime rate is low. There are no political parties or labor unions. There is no known organized domestic political opposition. The U.S. government believes the potential exists for acts of transnational terrorism to occur in Qatar. Potential investors and U.S. citizens are encouraged to stay in close contact with the Embassy for up-to-date threat information.

13. Corruption

Bribery is a crime in Qatar and the law imposes penalties for public officials convicted of taking action in return for monetary or personal gain, or for other parties who take actions to influence or attempt to influence a public official through monetary or personal gain. The current Penal Code (Law No. 11/2004) governs corruption law and stipulates that individuals convicted of bribery may receive up to ten years imprisonment and a fine not greater than the amount of the bribes but not less than 5,000 Qatari Riyals (USD 1,374).

Those convicted of embezzlement and damage to the public treasury are subject to terms of imprisonment of no less than 5 and no more than 10 years. The penalty is enhanced to a minimum term of 7 and a maximum term of 15 years if the perpetrator is a public official in charge of collecting taxes or exercising fiduciary responsibilities over public monies. Investigations into allegations of corruption are handled by the Qatar State Security Bureau (QSS) and Public Prosecution. Final judgments are made by the criminal court. By Amiri Decree No. 17/2007, Qatar ratified the UN Convention for Combating Corruption, and Amiri Decree No. 84/2007 established a National Committee for Integrity and Transparency. The permanent committee is headed by the chairman of the Audit Bureau and is tasked with combating corruption in Qatar and reports directly to him. Qatar is not a party to the Organization for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials. Qatar opened the Anti-Corruption and Rule of Law Center on November 25, 2012 in Doha in partnership with the United Nations.

Qatar has retained its position as the least corrupt country in the Middle East and North Africa in the Transparency International's 2013 Corruption Perceptions Index (CPI). Qatar was ranked 28 of 177 globally with a score of 68, same as the year before

Former Deputy Prime Minister and Minister of Energy and Industry H.E. Abdullah bin Hamad al-Attiya serves as Chairman of the Administrative Control and Transparency Authority which operates under Amiri Decree No. 75/2011. The Authority has within its jurisdiction private sector companies that provide public services. The objectives of the Authority are to help prevent official corruption and ensure that the various ministries, state agencies and their arms as well as their officials operate with transparency. The Authority is autonomous and accountable only to the Amir, who will approve an annual budget for the body prepared by its chairman. The authority is charged with investigating alleged crimes against public property or finances perpetrated by public officials.

U.S. investors and Qatari nationals, if they are agents of U.S. firms, are subject to the provisions of the U.S. Foreign Corrupt Practices Act.

14. Bilateral Investment Agreements

Qatar has 49 bilateral international investment agreements (listed below). Seventeen have been ratified including those signed with Belarus, Bosnia & Herzegovina, China, Egypt, Finland, France, Germany, India, Iran, Italy, Republic of Korea, Macedonia, Morocco, Romania, Russian Federation, Switzerland and Turkey:

- 1996 (Algeria, France, Germany, Romania, and Tunisia)
- 1998 (Bosnia & Herzegovina, Senegal, and Sudan)
- 1999 (Chad, China, Egypt, India, Iran, Morocco, Pakistan, and South Korea)
- 2000 (Eritrea, Indonesia, Italy, and Yemen)
- 2001 (Belarus, Croatia, Cuba, Finland, Switzerland, and Turkey)
- 2002 (Armenia, Gambia, and Mali)
- 2003 (Mauritania, South Africa, and Syria)
- 2004 (Libya)
- 2007 (Azerbaijan, Belgium & Luxembourg, Mongolia, Russian Federation, and Tajikistan)
- 2008 (Cyprus and Kazakhstan)
- 2009 (Jordan, Montenegro, and Portugal)
- 2010 (Lebanon, Panama, and Costa Rica)
- 2011 (Macedonia, Albania)
- 2012 (Timor-Leste)

On the trade and economic side, Qatar signed several Technical, Trade and Economic Cooperation Agreement with the following countries:

- 2000 (Cuba, Lebanon, Yemen, and Eretria)
- 2001 (Belarus)

- 2002 (Finland, Ukraine, Mali, South Africa, Gambia, Armenia, Ivory Coast, Guinea, and Niger)
- 2003 (Mauritania)
- 2004 (Libya, and Azerbaijan)
- 2005 (Germany and Nepal)
- 2007 (Mongolia, Greece, Vietnam, Singapore, and Tajikistan)
- 2008 (Cyprus and Philippine)
- 2009 (Albania (ratified), Croatia, Bulgaria, Montenegro, and Belarus)
- 2010 (Congo, Costa Rica, Venezuela, Brazil, Argentina, and Slovenia)
- 2011 (Chad)
- 2012 (Ethiopia)

Qatar has 46 Agreements for the Avoidance of Double Taxation.

Qatar has not entered into a bilateral investment, trade, or taxation treaty with the U.S. However, Qatar and the U.S. signed a Trade and Investment Framework Agreement (TIFA) in April 2004.

15. OPIC and Other Investment Insurance Programs

Due to concerns about labor practices in Qatar, OPIC suspended its operations in Qatar in 1995. However, Qatar is working to improve its labor standards in order to reinstate OPIC coverage.

Qatar is not a member of the Multilateral Investment Guarantee Agency (MIGA).

16. Labor

According to the World Bank Migration & Remittances Fact Book 2011, Qatar has the world's highest level of migrant workers, relative to population, with non-Qataris making up 87 percent of the country's population. Qatar's labor force consists primarily of expatriate workers.

Qatar's current population is estimated at around 2.1 million as of February 2014, doubling in the last four years. Qatari citizens are estimated to number approximately 250,000 - less than one-eighth of the total population. The largest group of foreign workers comes from the Indian sub-continent. The Ministry of Interior and the Ministry of Labor regulate recruitment of expatriate labor.

The 2004 labor law and subsequent regulations provide for the right of Qatari citizens to form workers' committees in private enterprises with more than 100 Qatari citizen workers. Non-citizens are not eligible to form worker committees. Those working in the government sector, Qatari and non-Qatari, are prohibited from joining unions. Further, the law and regulations permit only a single national trade union structure and forbid affiliation with groups outside the country.

These restrictions mean that, in practice, no labor unions currently exist. Under the labor law, workers are granted the right to bargain collectively and to sign joint agreements, i.e., agreements reached between employer and worker regarding a work-related issue.

This right, however, is circumscribed by the government's control over the rules and procedures of the bargaining and agreement processes. Collective bargaining is not freely practiced, and there are no workers employed under collective bargaining contracts. The law also grants workers the right to strike, but the restrictive conditions imposed by the statute make the likelihood of an approved strike extremely remote.

Unapproved and spontaneous strikes occasionally occur, though they are typically confined to industrial areas, and resolved with intervention by the embassies or communities of the involved workers and/or shows of force by Qatari security forces. Leaders of such disturbances are routinely deported.

Employers set wages without government involvement. Local courts handle disputes between workers and employers; however, the majority of foreign workers avoid drawing attention to problems with their employers for fear of reprisals, particularly repatriation. According to source country embassies and migrant community leaders, the Labor Department was widely perceived to be objective within its mandate to enforce the labor law. The Labor Department claimed that it resolves the vast majority of worker complaints amicably, with a very small percentage referred to the labor courts for judgment.

Over the last year, the Labor Inspection Department has doubled its trained inspector corps from 150 to 300. Some labor camps have been closed and forced to comply with minimum standards by the labor inspectors. All expatriate labor must have a Qatari sponsor. Therefore, foreign investors are urged to negotiate labor visa issues with their sponsors/local agents/partners in the early stages of contract negotiation.

In order to bring an expatriate employee into the country, sponsors must submit a request to the Ministry of Labor specifying the employee's nationality and the job he will perform in Qatar. The Ministry of Labor maintains a quota system that restricts the number of workers that may come to Qatar from any particular country.

The Ministry of Interior and the current sponsor must approve all transfers of sponsorship of an expatriate from one individual or firm to another. With the approval of the Ministry of Interior, sponsorship of employees who filed valid complaints of abuse by employers can be transferred without the current employer's agreement. The Ministry of Interior may reject the transfer due to public safety.

If the residence permit is canceled, the expatriate is not allowed to return to Qatar on a work visa for a period of two years unless he obtains a no objection certificate from his previous employer. If an employee has been terminated under article 61 of the law, he is barred from reentering the country for four years from the date of his exit.

It is common practice in Qatar for expatriate workers to be provided accommodation, end of service benefits specified in their contract, and homeward passage allowance, in addition to salaries. Qatar does not have a minimum wage regulation, though Qatar's labor agreements with some countries stipulate a minimum wage for certain types of work. The Labor Law does not apply to household staff to include domestic workers, drivers, and gardeners.

Qatar is a member of the International Labor Organization (ILO). Labor experts criticize Qatar's implementation of the labor law, as enforcement is inconsistent. Qatar claims that its labor law meets ILO minimum requirements. Under the ‘kafala’ sponsorship system, employers have the unilateral power to cancel residency permits, deny workers the ability to change employers, and deny them permission to leave the country. In May, Qatar announced a major plan to reform the sponsorship system. The plan shifts power away from employers, but keeps an exit visa scheme in place.

17. Foreign Trade Zones/Free Ports

Companies operating at the Qatar Science and Technology Park (QSTP) can import goods and services duty free. Foreign entities wishing to invest in the QSTP apply for a license with the Park's managing board. No other licensing rules prevalent in the country will apply to the above businesses, although individuals, contracts and agreements are subject to the criminal and civil laws of the state. Licensed foreign companies can enjoy 100 percent ownership and full capital and income repatriation benefits.

Businesses in the QSTP are exempt from all taxes, including income tax. The property of such a business is not to be seized under any circumstance, but capital and other cash can be seized on the orders of a local court. Equipment, machinery, or any other goods being imported for use by an entity doing business in QSTP are exempt from customs duty, and goods produced in the Park are not subject to export tax.

Goods being sold within Qatar, but outside the QSTP, are subject to the normal customs duty applicable to imported products. Flammable and radioactive materials, drugs, weapons, and explosives are banned from import by any of the licensed entities, unless the licensed entity obtains the necessary permit from the competent governmental authority and a written approval from the QSTP Board.

In addition to the QSTP, Qatar established Manateq (formerly known as the Economic Zones Company), affiliated with the Ministry of Economy and Commerce, to manage and develop economic zones, although the primary focus is on Qatari SMEs. Manateq has started work on three economic zones in and around Doha, and anticipates the first phase of economic zone 1 to be operational by 2016. Priority at the zones will be given to Qatari nationals.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

The Government of Qatar does not publish detailed statistics for foreign direct investment (FDI) in Qatar or the government's direct investments overseas. However, according to The World Bank, foreign direct investment net inflows in Qatar were valued at USD 326.9 million in 2012, up from USD 86.7 million in 2011. The FDI outflows in 2012 totaled USD 1,840 million down from USD 6,027 million in 2011, according to the United Nations Conference on Trade and Development.

According to FDI Intelligence, a research unit of the Financial Times, Qatar saw a 29 percent decreases in FDI outflows in 2012, with FDI projects overseas falling from 38 in 2011 to 27 in 2012. The stock of U.S. foreign direct investment in Qatar was USD 8.2 billion in 2011, down from USD 10.0 billion in 2010.

Qatar FDI inward stock was USD 30,804 million in 2012 while the FDI outward stock was USD 20,413 million for the same period. Qatar liberalized foreign investment in a number of sectors, including consultancy services, information technology, services related to sports, culture and entertainment, and distribution services.

In recent years, Qatar has attracted sizeable investments in the areas of enhanced oil recovery and production, as well as the development of Qatar's gas industry. During the past ten years, QP and its partners have invested an estimated USD 100 billion in upstream and downstream operations. Qatar's North Field, discovered in 1971, is the largest non-associated gas field in the world, with proven reserves estimated at more than 902tn cu ft. (tcf), the equivalent of about USD 162 billion barrels of oil. Qatar holds the world's third largest gas reserves after Russia and Iran.

Qatar's 14 LNG trains are based in Ras Laffan Industrial City (RLIC), including six mega trains which produce 7.8 million tons each annually, and operated by two companies: Qatargas and RasGas Company Limited. Together, these companies provide Qatar's 77 Mta production capacity. Qatari LNG is now delivered to over 23 markets across four continents. Qatar has a fleet of 54 LNG vessels representing some 20 percent of the world's total LNG fleet. Qatar's gas industry has attracted investors/creditors from the around the world. The following is a list of foreign equity participation investors, U.S. firms included, in some major state-owned industrial/petroleum-related industries:

Exxon-Mobil investment in Qatar is around USD 15 billion and the company currently holds around 10-30 percent stakes in 12 liquefied natural gas production units in Qatar as well as a condensate refinery.

Petrochemicals

The following companies are predominant in Qatar's petrochemical sector. Industries Qatar (IQ) 51 percent, Qatar Petroleum (QP) 49 percent Public - Industries Qatar was incorporated in 2003 - Commencement of commercial production: 1974 - Total shareholder equity as end of 2004 was USD 791.5 million - The IQ group companies are:

Qatar Steel - incorporated in 1974 as a joint venture between the Qatar government 70 percent and two Japanese companies, Kobe Steel 20 percent and Tokyo Boeki 10 percent, to establish an integrated steel plant, in 2003 it became 100 percent owned by Qatar Industries (IQ).

Qatar Fertilizer Company (QAFCO) - established in 1969 and incorporated in 1975 in a joint venture agreement between the Qatar government and two foreign shareholders. In the same year, the Government transferred its shares to Qatar Petroleum. It is jointly owned by Industries Qatar (IQ) 75 percent, Yara International 25 percent shareholders.

Qatar Petrochemical Company (QAPCO) - established in 1974 - Commencement of commercial production: 1981 - as a joint venture between Qatar Petroleum 80 percent and Total Petrochemicals 20 percent. Qatar Petroleum's shares in QAPCO were taken over by Industries Qatar in 2003 - Total capital as of 31 December 2012 was QR 7.02 billion (USD 1.93 billion).

Qatar Fuel Additives Company Ltd. (QAFAC) - incorporated in 1991 - Commencement of commercial production: 2001 - as a joint venture for the construction and operation of a methanol and MTBE production facility - is jointly owned by Industries Qatar (IQ) 50 percent, OPIC Middle East Corporation 20 percent, Lee Chang Yung (LCY) Middle East Corporation 15 percent and International Octane Limited 15 percent - Total capital QR 2.5 billion (USD 687 million) - Year established: 1992 - End users: Far East, India, Europe and Arabian Gulf - Total shareholder equity: Unknown.

Qatar Vinyl Company (QVC) is jointly owned by Qatar Petroleum 25.5 percent, QAPCO 31.9 percent and Arkema (a global chemical company and France's leading chemicals producer) 12.9 percent - Year established: 1997 - End-users: Asian countries - Commencement of commercial production: Mid-2001 - Total shareholder equity: Unknown.

Qatar Chemical Company (Q-Chem I): Equity Share Capital: Unknown - Shareholders: Qatar Petroleum (QP) 51 percent; Chevron-Phillips Chemical Company (USA) 49 percent – (ConocoPhillips has collaborated with Qatar Petroleum since 1997 with the establishment of the Q Chem I joint venture) - Year established: 1997 - End-users: Asia, Europe, Middle East and Africa - Commencement of commercial production: 2003 - Current value of foreign equity: Unknown.

Qatar Chemical Company II (Q-Chem II): Equity Share Capital: Unknown - Shareholders: Qatar Petroleum 51 percent and Chevron Phillips 49 percent (ConocoPhillips participated with Qatar in the Q Chem II and RLOC petrochemical ventures through its 50 percent ownership in Chevron Phillips Chemicals) - Year Established: 2002 - End-users: Local and international - Commencement of commercial production: 2007 - Current value of foreign equity: Unknown.

QATOFIN: Equity Share Capital: Unknown - Shareholders: QAPCO 63 percent, Total Petrochemicals (formally Atofina) 36 percent and QP 1 percent - Year Established: 2002 - End-users: Asia and Europe - Commencement of commercial production: 2007 - Current value of foreign equity: Unknown.

Ras Laffan Ethylene Cracker: Equity Share Capital: Unknown - Shareholders: Q-Chem II 53.31 percent, Qatofin 45.69 percent and QP 1 percent - Year Established: 2002 - End-users: Domestic - Commencement of commercial production: 2007 - Current value of foreign equity: Unknown.

The Qatar Industrial Manufacturing Company (QIMC), with a capital base of more than QR 360 million, has equity interests in industries such as chemicals, petrochemicals, construction, aluminum, paper and food processing. The subsidiaries of QIMC are Qatar Metal Coating Company, National Paper Industries Company, Qatar Sand Treatment Plant, Qatar Nitrogen Company, Qatar Paving Stones, National Food Company and Qatar Acids Company. Its business associates are Qatar Jet Fuel Company, Qatar Saudi Gypsum Industries Company, Qatar Clay Bricks Company, Qatar Plastic Production Company, Gulf Formaldehyde Company, Gasal, and Amiantit Qatar Pipes and Qatar Tunisian Food Company.

Qatar Petroleum (QP), via its subsidiary Qatar Intermediate Industries Company Ltd., (Alwaseeta) formerly known as (Qatar Holding, or QH) which was established in 2005 is expanding its production capability for petrochemicals with the construction of a new plant in Mesaieed Industrial City (MIC). The new Qatar Petrochemicals Complex (QPCC) will be a multi-billion-dollar (USD 2.6 billion) project developed in a 70:30 partnership between Qatar Holding and Honam Petrochemical Corporation of South Korea. The new petrochemicals complex was scheduled to come in stream in 2012-2013.

Qatar Petroleum (QP) and Qatar Petrochemical Company (QAPCO) have signed a Front-End Engineering and Design (FEED) contract with Tecnimont SpA for Al Sejeel Petrochemical

Complex, which will be built in Ras Laffan Industrial City. This multi-billion dollar (USD 5.5 billion) project, scheduled for completion in 2018, is 80:20 owned by QP and QAPCO, respectively, and will feature one of the world's largest mixed-feed steam crackers and is designed to produce 2.2m MTPA of polymers.

Liquefied Natural Gas Projects

Qatar Liquefied Gas Company (Qatargas I): Equity share capital: QR 500 million (USD 137 million). Shareholders: Upstream: Qatar Petroleum (QP) 65 percent, Total (France) 10 percent, Marubeni Corporation (Japan) and Mitsui and Company Ltd. (Japan) 7.5 percent each and ExxonMobil Oil (USA) 10 percent. Shareholders: Downstream: Qatar Petroleum 65.0 percent, Total 20.0 percent, ExxonMobil 10.0 percent, Mitsui 2.5 percent, Marubeni 2.5 percent. Year established: 1984. End-users of LNG: main Markets are Japan and Spain. Commencement of commercial production: December 1996. Current value of foreign equity: Unknown. The production capacity of Qatargas I was 6 Mta and increased to 10 million tons after the process of de-bottlenecking.

Qatar Liquefied Gas Company (Qatargas II): Equity share capital: Unknown. Shareholders: Train 4 (capacity of 7.8 mtpa): Qatar Petroleum 70 percent and ExxonMobil 30 percent. Train 5 (capacity of 7.8 mtpa): Qatar Petroleum 65 percent and ExxonMobil 18.3 percent and Total 16.7 percent. Year Established: 2002. End-users: United Kingdom's gas market Current value of foreign equity: Unknown.

Qatar Liquefied Gas Company (Qatargas III) - (Train 6 - capacity of 7.8 mtpa): Equity Share Capital: USD 5 billion; Shareholders: Qatar Petroleum (QP) 68.5 percent and ConocoPhillips 30 percent (ConocoPhillips' upstream collaboration (with Qatar) has been since 2003 through the development of Qatargas 3, a large- scale LNG project at Ras Laffan with a capacity of 7.8 million tons per year (tpy) and Mitsui & Co. Ltd 1.5 percent. Year Established: 2003. End-users: Europe, Asia and the United States. Current value of foreign equity: Unknown.

Qatar Liquefied Gas Company (Qatargas IV) - (Train 7 - capacity of 7.8 mtpa) is the last of the 7.8 million tpy mega trains constructed by Qatargas in Ras Laffan. Shareholders: Qatar Petroleum 70 percent and Royal Dutch Shell plc 30 percent. Qatargas 3 and Qatargas 4 supply LNG to Europe, Asia and the United States. Established: 2005

Ras Laffan Liquefied Natural Gas Co. (RasGas I) – owns Trains 1 and 2: Equity share capital: QR 7.28 billion (USD 2 billion). Shareholders: Qatar Petroleum (QP) 63 percent, Mobil QM Gas Inc. 25 percent, Itochu Corporation 4 percent, Nissho Iwai Corporation 3 percent and KOGAS 5 percent. Year established: 1993. End-users of LNG: South Korea Gas Corporation (KOGAS 91 percent, Spain 6 percent and the U.S. 3 percent. Commencement of commercial production: 1999. Current value of foreign equity: Unknown.

Ras Laffan Liquefied Natural Gas Co. (RasGas II) - owns Trains 3, 4 and 5: Equity Share Capital: USD 550 million. Shareholders: QP 70 percent and ExxonMobil 30 percent. Year Established: 2001. End-users: India, Edison Gas of Italy, Distrigas of Belgium and Endesa of Spain. Current value of foreign equity: Unknown.

Ras Laffan Liquefied Natural Gas Co. (RasGas III - owns Trains 6 and 7): The investment in Ras Laffan Industrial City, the hub of Qatar's upstream industry, reached USD 70.0 billion in 2009. Equity Share: Unknown. Capital: USD 12-14 million. Shareholders: QP 70 percent stake and

ExxonMobil 30 percent. Year Established: 2005. End-users: United States and Asian market. Current value of foreign equity: Unknown

Laffan Refinery (LR), Qatar's first condensate refinery, started production in September 2009 with a processing capacity of 146,000 barrels per stream day (BPSD). According to Qatar Gas, it currently utilizes the field condensate produced from the Qatargas and RasGas facilities. The Laffan Refinery has a production capacity of 61,000 barrels per stream day (BPSD) of naphtha, 52,000 BPSD of kerojet, 24,000 BPSD of gasoil and 9,000 BPSD of LPG. Laffan Refinery Venture activities continue with plans to expand condensate refining capacity, supplying more products from a second refinery expected in 2016, this is known as Laffan Refinery 2 (LR-2). Shareholders include Qatar Petroleum at 51 percent, ExxonMobil at 10 percent, Total at 10 percent, Idemitsu at 10 percent, Cosmo at 10 percent, Mitsui at 4.5 percent and Marubeni at 4.5 percent.

Laffan Refinery 2 (LR-2) - is expected to be fully operational by early 2016. This facility will be able to process an additional 146,000 barrels per stream day (BPSD); the total processing capacity that will be available to Laffan Refinery will be 292,000 bbl/d. Shareholders include Qatar Petroleum at 51 percent, ExxonMobil at 10 percent, Total at 10 percent, Idemitsu at 10 percent, Cosmo at 10 percent, Mitsui at 4.5 percent and Marubeni at 4.5 percent.

Gas-to-Liquids Projects

Oryx GTL Project: Equity Share Capital: Unknown. Shareholders: Qatar Petroleum 51 percent and Sasol 49 percent. Year Established: 2003. End-users: Singapore, Japan and Europe. Commencement of commercial production: 2007. Current value of foreign equity: Unknown.

Pearl GTL Project: Equity Share Capital: Unknown. Shareholders: Qatar Petroleum 51 percent and Royal Dutch Shell Group 49 percent. Year Established: 2004. Commencement of commercial production: 2011. Current value of foreign equity: Unknown.

Other Gas Projects

Dolphin Gas Project: Equity Share Capital: Unknown. Shareholders: Mubadala Development Company (Abu Dhabi) 51 percent, Occidental Petroleum of the U.S. 24.5 percent, Total of France 24.5 percent, End-users: UAE and Oman. Commencement of commercial production: 2007. Current value of foreign equity: Unknown.

Al-Khaleej Gas Project: Equity Share Capital: Unknown. Shareholders: Qatar Petroleum, ExxonMobil. Year Established: 2000. End-users: Qatar, Kuwait, Bahrain. Commencement of commercial production: Unknown. Current value of foreign equity: Unknown.

Barzan Gas Project: Qatar Petroleum (QP) completed a USD 10.4 billion financing of its Barzan Gas Project mid December 2011. The Barzan Gas Project will be completed in two phases. Train 1 is expected to be operational in 2014 and Train 2 in 2015. Together they will supply around 2 billion standard cubic feet per day of sales gas. RasGas will develop and operate the project on behalf of its Qatar Petroleum and ExxonMobil, which have a 93 percent and 7 percent stake in the project respectively. The project aims to satisfy local demand for natural gas. The project will supply natural gas to power generation and water desalination plants as well as small- and medium-sized industries in Qatar.

Other Oil and Gas-Based Industries

Gulf International Drilling: Equity Share Capital: USD 258 million. Shareholders: Qatar Petroleum 60 percent and JDC 40 percent. Year Established: 2004. End-users: TBD. Commencement of commercial operations: 2004. Current value of foreign equity: Unknown.

Power and Utilities

Ras Laffan Independent Water and Power Project: Equity Share Capital: USD572 million. Shareholders: AES Corporation 55 percent, Qatar Electricity and Water Company 25 percent, Qatar Petroleum 10 percent and Gulf Investment Corporation 10 percent. Year Established: 2001. End-users: Local. Commencement of commercial production: 2004. Current value of foreign equity: Unknown.

Q Power Company: Equity Share Capital: Unknown. Shareholders: Qatar Electricity and Water Co. - 55 percent, International Power Plc (UK) - 40 percent Chubu Electric Power Company (Japan) 5 percent.

Nebras Power: Shareholders: Qatar Electricity and Water Co. - 60 percent, while Qatar Holding LLC and Qatar Petroleum International, the foreign investment arm of Qatar Petroleum each control 20 percent stakes. It is likely to begin commercial activities during the first half of 2014.

Section 5 - Government

Chiefs of State and Cabinet Members:

For the current list of Chief of State and Cabinet Members, please access the following - Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments

Legal system:

mixed legal system of civil law and Islamic law (in family and personal matters)

International organization participation:

ABEDA, AFESD, AMF, CAEU, CD, CICA (observer), EITI (implementing country), FAO, G-77, GCC, IAEA, IBRD, ICAO, ICC (national committees), ICRM, IDA, IDB, IFAD, IFC, IFRCS, IHO, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM (observer), IPU, ISO, ITSO, ITU, LAS, MIGA, NAM, OAPEC, OAS (observer), OIC, OPCW, OPEC, PCA, UN, UNCTAD, UNESCO, UNIDO, UNIFIL, UNWTO, UPU, WCO, WHO, WIPO, WMO, WTO

Treaty and non-treaty withholding tax rates

Qatar has exchange of information relationships with 68 jurisdictions through 61 DTCs and 7 TIEAs.

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5
Albania	DTC	18 Oct 2011	not yet in force	Unreviewed	Yes
Armenia	DTC	22 Apr 2002	1 Jan 2008	Unreviewed	No
Austria	DTC	30 Dec 2010	7 Mar 2012	No	Yes
Azerbaijan	DTC	28 Aug 2007	24 Feb 2008	Unreviewed	No
Barbados	DTC	6 Dec 2012	not yet in force	Yes	Yes
Belarus	DTC	3 Apr 2007	14 Nov 2007	Unreviewed	No
Belgium	DTC	6 Nov 2007	not yet in force	Yes	No
Bermuda	DTC	10 May 2012	not yet in force	Yes	Yes
Bosnia and Herzegovina	DTC	21 Jul 2010	not yet in force	Unreviewed	No
Bulgaria	DTC	22 Mar 2010	23 Dec 2010	Unreviewed	Yes
Cayman Islands	TIEA	26 Oct 2012	not yet in force	Yes	Yes
China	DTC	2 Apr 2001	21 Oct 2008	Yes	No
Croatia	DTC	24 Jun 2008	6 Apr 2009	Unreviewed	No
Cuba	DTC	7 Nov 2006	1 Jan 2009	Unreviewed	No
Cyprus	DTC	11 Nov 2008	20 Mar 2009	Yes	No
Denmark	TIEA	6 Sep 2013	not yet in force	Yes	Yes
Faroe Islands	TIEA	6 Sep 2013	not yet in force	Yes	Yes
Finland	TIEA	6 Sep 2013	not yet in force	Unreviewed	Yes
Former Yugoslav Republic of Macedonia	DTC	28 Jan 2008	13 Oct 2008	Yes	No
France	DTC	4 Dec 1990	1 Dec 1994	Yes	Yes
Georgia	DTC	20 Dec 2010	11 Mar 2011	Unreviewed	Yes
Greece	DTC	26 Oct 2008	21 Mar 2010	Yes	Yes
Greenland	TIEA	6 Sep 2013	not yet in force	Yes	Yes
Guernsey	DTC	22 Feb 2013	11 Jul 2013	Yes	Yes
Hungary	DTC	18 Jan 2012	21 Apr 2012	Yes	Yes
Iceland	TIEA	6 Sep 2013	not yet in force	Unreviewed	Yes
India	DTC	7 Apr 1999	15 Jan 2000	Yes	No
Indonesia	DTC	30 Apr 2006	19 Sep 2007	Yes	No

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5
Ireland	DTC	12 Jun 2012	not yet in force	Yes	Yes
Isle of Man	DTC	6 May 2012	15 Nov 2012	Yes	Yes
Italy	DTC	15 Oct 2002	7 Feb 2011	Yes	No
Jersey	DTC	20 Mar 2012	22 Nov 2012	Yes	Yes
Jordan	DTC	12 Jan 2004	31 Dec 2008	Unreviewed	No
Korea, Republic of	DTC	27 Mar 2007	15 Apr 2008	Yes	No
Lebanon	DTC	23 Jan 2005	1 Jan 2010	No	No
Luxembourg	DTC	3 Jul 2009	9 Apr 2010	Yes	Yes
Malaysia	DTC	3 Jul 2008	28 Jan 2009	No	No
Malta	DTC	26 Aug 2009	9 Dec 2009	Yes	No
Mauritius	DTC	28 Jul 2008	28 Jul 2009	Yes	No
Mexico	DTC	14 May 2012	9 Mar 2013	Yes	Yes
Monaco	DTC	17 Sep 2009	15 Jun 2010	Yes	Yes
Morocco	DTC	17 Mar 2006	4 Jul 2009	Unreviewed	No
Nepal	DTC	15 Oct 2007	5 Sep 2009	Unreviewed	No
Netherlands	DTC	24 Apr 2008	25 Dec 2009	Yes	Yes
Norway	DTC	29 Jun 2009	30 Nov 2009	Yes	Yes
Pakistan	DTC	4 Jun 1999	28 Mar 2000	Unreviewed	No
Panama	DTC	23 Sep 2010	6 May 2011	No	Yes
Philippines	DTC	14 Dec 2008	11 May 2011	Yes	No
Poland	DTC	18 Nov 2008	30 Dec 2009	Yes	No
Portugal	DTC	12 Dec 2011	not yet in force	Yes	Yes
Romania	DTC	4 Oct 1999	4 Sep 2003	Unreviewed	No
Russian Federation	DTC	20 Apr 1998	19 Jan 2000	No	No
San Marino	DTC	17 Mar 2013	not yet in force	Yes	Yes
Senegal	DTC	10 Jun 1998	11 Jan 2000	Unreviewed	No
Serbia	DTC	2 Oct 2009	9 Dec 2010	Unreviewed	No
Seychelles	DTC	1 Jul 2006	9 Aug 2009	Yes	No
Singapore	DTC	28 Nov 2006	5 Oct 2007	Yes	Yes
Slovenia	DTC	10 Jan 2010	1 Dec 2010	Yes	Yes
Sri Lanka	DTC	7 Nov 2004	2 Apr 2007	Unreviewed	No
Sweden	TIEA	6 Sep 2013	not yet in force	Yes	Yes
Switzerland	DTC	24 Sep 2009	15 Dec 2010	No	Yes
Syrian Arab Republic	DTC	23 Oct 2003	27 Apr 2006	Unreviewed	No
Tunisia	DTC	8 Mar 1997	1 Jan 1999	Unreviewed	No
Turkey	DTC	25 Dec 2001	11 Feb 2008	Yes	No
United Kingdom	DTC	25 Jun 2009	15 Oct 2010	Yes	Yes
Venezuela	DTC	28 Jul 2006	30 Jul 2007	Unreviewed	No
Viet nam	DTC	8 May 2009	17 May 2011	Unreviewed	No
Yemen	DTC	7 Aug 2000	1 Jan 2008	Unreviewed	No

Methodology and Sources

Section 1 - General Background Report and Map

(Source: CIA World Factbook)

Section 2 - Anti – Money Laundering / Terrorist Financing

	Lower Risk	**Medium Risk**	**Higher Risk**
FATF List of Countries identified with strategic AML deficiencies	Not Listed	AML Deficient but Committed	High Risk
Compliance with FATF 40 + 9 recommendations	>69% Compliant or Fully Compliant	35 – 69% Compliant or Fully Compliant	<35% Compliant or Fully Compliant
US Dept of State Money Laundering assessment (INCSR)	Monitored	Concern	Primary Concern
INCSR - Weakness in Government Legislation	<2	2-4	5-20
US Sec of State supporter of / Safe Haven for International Terrorism	No	Safe Haven for Terrorism	State Supporter of Terrorism
EU White list equivalent jurisdictions	Yes		No
International Sanctions UN Sanctions / US Sanctions / EU Sanctions	None	Arab League / Other	UN , EU or US
Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network	>69%	35 – 69%	<35%
World government Indicators (Average)	>69%	35 – 69%	<35%
Failed States Index (Average)	>69%	35 – 69%	<35%
Offshore Finance Centre	No		Yes

Section 3 - Economy

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: CIA World Factbook)

Section 4 - Foreign Investment

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: US State Department)

Section 5 - Government

Names of Government Ministers and general information on political matters.

(Source: CIA World Factbook / https://www.cia.gov/library/publications/world-leaders-1/index.html)

Section 6 - Tax

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: OECD Global Forum on Transparency and Exchange of Information for Tax Purposes PKF International)

DISCLAIMER

Part of this report contains material sourced from third party websites. This material could include technical inaccuracies or typographical errors. The materials in this report are provided "as is" and without warranties of any kind either expressed or implied, to the fullest extent permissible pursuant to applicable law. Neither are any warranties or representations made regarding the use of or the result of the use of the material in the report in terms of their correctness, accuracy, reliability, or otherwise. Materials in this report do not constitute financial or other professional advice.

We disclaim any responsibility for the content available on any other site reached by links to or from the website.

RESTRICTION OF LIABILITY

Although full endeavours are made to ensure that the material in this report is correct, no liability will be accepted for any damages or injury caused by, including but not limited to, inaccuracies or typographical errors within the material, Neither will liability be accepted for any damages or injury, including but not limited to, special or consequential damages that result from the use of, or the inability to use, the materials in this report. Total liability to you for all losses, damages, and causes of action (in contract, tort (including without limitation, negligence), or otherwise) will not be greater than the amount you paid for the report.

RESTRICTIONS ON USE

All Country Reports accessed and/or downloaded and/or printed from the website may not be distributed, republished, uploaded, posted, or transmitted in any way outside of your organization, without our prior consent. Restrictions in force by the websites of source information will also apply.

We prohibit caching and the framing of any Content available on the website without prior written consent.

Any questions or queries should be addressed to: -

Gary Youinou

Via our Contact Page at KnowYourCountry.com