

## Qatar

Qatar has met all aspects of the terms of reference (OECD, 2017<sup>[3]</sup>) (ToR) for the calendar year 2018 (year in review).

This is Qatar's first review of implementation of the transparency framework.

Qatar can legally issue five types of rulings within the scope of the transparency framework. In practice, Qatar issued two rulings within the scope of the transparency framework. As the rulings were issued before 1 September 2018 they do not qualify as future rulings for Qatar and information on these rulings were not required to be exchanged under the terms of the peer review.

As no exchanges were required to take place, no peer input was received in respect of the exchanges of information on rulings received from Qatar.

## Introduction

This peer review covers Qatar's implementation of the BEPS Action 5 transparency framework for the year 2018. The report has four parts, each relating to a key part of the ToR. Each part is discussed in turn. A summary of recommendations is included at the end of this report.

### A. The information gathering process

Qatar can legally issue the following five types of rulings within the scope of the transparency framework: (i) preferential regimes; (ii) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; (iii) rulings providing for unilateral downward adjustments; (iv) permanent establishment rulings; and (v) related party conduit rulings. Currently all five types of rulings can be issued centrally only by the Qatar QFC Tax Department (QFC TD).

#### ***Past rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1, I.4.2.2)***

For Qatar, past rulings are any tax rulings issued prior to 1 September 2018. However, there is no obligation under the terms of the transparency framework for Qatar to spontaneously exchange information on past rulings.

#### ***Future rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1)***

For Qatar, future rulings are any tax rulings within scope that are issued on or after 1 September 2018.

The QFC TD can issue all five type of rulings to participants of the Qatar Financial Centre. For the year in review, all rulings are recorded in two databases, an excel file and on the E-Services of the QFC tax portal. Case officers have been instructed to review each ruling request to identify it as being relevant for the transparency framework. In order to identify potential exchange jurisdictions, information in the ruling request will be reviewed. If this does not contain all necessary information, the case officer can request additional information from the taxpayer before a ruling is issued, and the issuance of the ruling can be denied if requested information is not provided. As such, the procedure to identify future rulings and all potential exchange jurisdictions relating to rulings issued by the QFC TD is sufficient to meet the minimum standard.

Qatar notes that QFC's E-Services online system is being updated to ensure that it is automated and captures all necessary information with regard to the rulings, including all related party details and whether or not the ruling falls in the scope of the transparency framework. This is expected to be implemented in early 2020.

#### ***Review and supervision (ToR I.4.3)***

The work of case officers conducting the information gathering is reviewed by the line manager in charge, who will review the information to confirm that the ruling is within the scope of Action 5 and to confirm that all information on potential exchange jurisdictions has been correctly identified. In addition, the two databases referred to above with the list of all ruling requests and their status is cross-checked to ensure all rulings have been identified for the purpose of Action 5. In addition, case officers have been made aware of the Action 5 requirements through the issuance of an instruction sheet and further training is foreseen for the responsible personnel. As rulings are generally granted for a two year period, upon renewal of the ruling, all relevant facts and information are checked again before the renewal is granted, following the same process.

## Conclusion on section A

Qatar implemented procedures to identify and collect necessary information on rulings issued by the QFC TD. Qatar has therefore met all of the ToR for the information gathering process and no recommendations are made.

## B. The exchange of information

### **Legal basis for spontaneous exchange of information (ToR II.5.1, II.5.2)**

Qatar has the necessary domestic legal basis to exchange information spontaneously. Qatar notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

Qatar has international agreements permitting spontaneous exchange of information, including being a party to the (i) *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011<sup>[4]</sup>) (“the Convention”) and (ii) double tax agreements in force with 74 jurisdictions.<sup>1</sup>

### **Completion and exchange of templates (ToR II.5.3, II.5.4, II.5.5, II.5.6, II.5.7)**

Qatar would use a form containing the relevant fields contained in the Annex C template to exchange information on rulings. The tax officer reviewing the ruling request completes the information in the form and a second tax officer will review the form before submitting it to the competent authority. Case officers have been instructed to fill in the template using the guide provided in the 2015 Action 5 Report. The form would then be forwarded to the competent authority within 30 days after a ruling has been issued. The competent authority is currently working on an IT system allowing for the exchange of such information, and which would take place within three months of the receipt of the form. In the event a ruling was issued prior to the finalisation of the IT system, the ruling would be exchanged manually.

As no relevant rulings were issued for the year in review, no exchanges were required to take place and no data on the timelines of exchanges is reported.

## Conclusion on section B

Qatar has the necessary legal basis for spontaneous exchange of information and a process in place to exchange information on rulings issued by the QFC TD in a timely way. Qatar has therefore met all the ToR for the exchange of information process that can be met in the absence of rulings being issued and exchanged in practice and no recommendations are made.

## C. Statistics (ToR IV)

As there were no rulings to be exchanged by Qatar for the year in review, no statistics can be reported.

## D. Matters related to intellectual property regimes (ToR I.4.1.3)

Qatar does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015<sup>[5]</sup>) were imposed.

## Summary of recommendations on implementation of the transparency framework

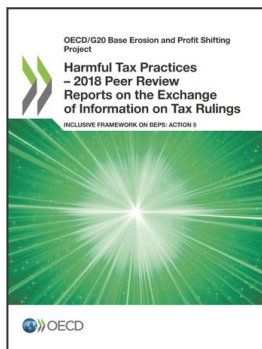
Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

## Notes

<sup>1</sup> Parties to the Convention are available here: [www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm](http://www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm). Qatar also has double tax agreements with Albania, Algeria, Armenia, Austria, Azerbaijan, Barbados, Belarus, Belgium, Bermuda, Bosnia and Herzegovina, Brunei Darussalam, Bulgaria, Chad, China (People's Republic of), Croatia, Cuba, Cyprus, Ecuador, Eritrea, Ethiopia, Fiji, France, Gambia, Georgia, Greece, Guernsey, Hong Kong (China), Hungary, India, Indonesia, Iran, Ireland, Isle of Man, Italy, Japan, Jersey, Jordan, Kazakhstan, Kenya, Korea, Kyrgyzstan, Latvia, Lebanon, Luxembourg, Malaysia, Malta, Mauritania, Mauritius, Mexico, Monaco, Morocco, Nepal, Netherlands, Nigeria, North Macedonia, Norway, Pakistan, Panama, Paraguay, Philippines, Poland, Portugal, Romania, Russia, San Marino, Senegal, Serbia, Seychelles, Singapore, Slovenia, South Africa, Spain, Sri Lanka, Sudan.

Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union. The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.



From:

## Harmful Tax Practices – 2018 Peer Review Reports on the Exchange of Information on Tax Rulings Inclusive Framework on BEPS: Action 5

Access the complete publication at:

<https://doi.org/10.1787/7cc5b1a2-en>

### Please cite this chapter as:

OECD (2020), “Qatar”, in *Harmful Tax Practices – 2018 Peer Review Reports on the Exchange of Information on Tax Rulings: Inclusive Framework on BEPS: Action 5*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/ddb16c6b-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.