NEW LAW ALLOWS 100% NON-QATARI INVESTMENT IN ALL SECTORS

Non-Qataris may invest up to 100 percent of the project capital in all the sectors of the national economy provided they have a Qatari services agent, according to a draft law approved by the Cabinet on Wednesday.

In the case of a Qatari partner, this partner is an agent for the services of that company. The draft law seeks to organise the investment of non-Qatari capital in the country's economic activity. The draft law, which will replace Law No. 13 of 2000, aims to keep pace with developments in the field of investment.

Non-Qatari investors may now own up to 49 percent of the capital of companies listed on Qatar Exchange, after the approval of the ministry on the proposed percentage in the article of association.

Foreign investors may obtain even more than 49 percent of a company, subject to the approval of the Cabinet and based on a proposal by the minister. Citizens of GCC countries are treated as Qatari citizens when it comes to the ownership of companies listed on the Qatari stock market.

The non-Qatari invested capital means whatever is invested by a non-Qatari citizen in cash and/or in kind and rights of monetary value in Qatar including cash transferred to the state through banks and licensed financial companies, assets in kind imported for investment purposes, profits, revenues and reserves accumulated from the investment of non-Qatari capital in any project if added to the capital of this project, moral rights such as licences, patents and trademarks registered in the country.

The law also defined the company as the one that has been founded as per the provisions of the Commercial Companies Law.

The provisions of the law are not valid for companies or individuals that the state provides the right to exploration, use or management of a natural resource based on a special agreement or a franchise, unless the new provisions do not contradict the special agreement or franchise. The law does not affect tax breaks or other incentives currently offered to companies. The Cabinet also approved the amendment to some provisions of Law No. 14 of 2004. The draft was prepared with a view of maintaining the rights of workers and simplifying the judicial procedures in case of labour-related disputes.

Some provisions of the new law include establishing a committee or more at the Ministry of Administrative Development, Labour and Social Affairs charged with settling labour-related disputes. The committee will have a judge from the court of first instance as the committee's chair. The judge is to be chosen by the Supreme Judiciary Council. The minister will nominate two ministry officials with experience in accounting to the committee. The committee is charged with settling all disputes related to the provisions of the labour law or a work contract within three weeks.