

Qatar Free Zones Authority

Consolidated Enabling Law

(Law No. (34) of 2005 as amended by Decree-Law No. (21) of 2017)

Frequently Asked Questions (FAQ)



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Part One: Introduction

This document is intended to address commonly asked questions regarding Law No. (34) of 2005, as amended by Decree-Law No. (21) of 2017 (the '**Enabling Law**').

1.1 Background

Article 17 of the Enabling Law established the Free Zones Authority¹ (the '**Authority**') which in summary, is responsible for managing specific Free Zones within the State of Qatar.

These Free Zones are dedicated areas of land that have been identified as economic zones; these economic zones have been designed in a way that enables investors to benefit from economic incentives over and above those available to companies investing within the State of Qatar.

Currently, there are two (2) Free Zones:

- (1) **Ras Bufontas** – known as an 'Airport Free Zone' is about four (4) km² in size; this particular zone is approximately five (5) minutes drive from Hamad International Airport. This zone is intended to provide for industries such as logistics, consumer products, light manufacturing, services, technology and applications, and pharmaceuticals, and
- (2) **Umm Alhoul** – located near Hamad Port, this zone is about thirty (30) km² in size and will primarily cater for maritime industries, polymers and plastics, advanced manufacturing and logistics.

1. The establishment of the Authority arose by virtue of the amendments to the Enabling Law by Decree Law No. (21) of 2017, the original text of the Enabling Law is to be found [\[here\]](#) and Decree Law No. (21) of 2017 [\[here\]](#).

Part Two: Establishment of Free Zones and their Granted Privileges, Exemptions and Guarantees

2.1 How are Free Zones established?

Free Zones are designated by virtue of a decree upon a proposal from the Council of Ministers.

2.2 What entities can operate within Free Zones?

Currently, an entity which has either been incorporated or registered as a branch by the Authority can operate within the Free Zones; commonly known as a Free Zone Entity ('FZE').

2.3 Who can own the FZE?

The FZE can be owned by a natural or legal person which are either based within or outside of the State of Qatar; it is therefore possible for foreign nationals to own the FZE.

2.4 Are there any restrictions regarding the FZE's activities?

The FZE can only undertake the activities listed in its License; the list of Permitted Activities can be found [\[here\]](#).

2.5 Where can the FZE operate?

Article 6 provides that the FZE is licensed to work within the Free Zones or on the mainland in accordance with the Enabling Law.

2.6 Are the Free Zones subject to tax?

The Free Zones are not subject to the provisions of the Income Tax Law or any other laws imposing any type of direct or indirect taxes for twenty (20) years, which is renewable.

2.7 Are there any nationalization or private ownership restrictive procedures in relation to the assets and activities of FZE's?

No, not for the duration of the FZE's operation in the Free Zones.

2.8 How is the FZE's license revoked or suspended?

A decision of the CEO is required to revoke or suspend a license upon a violation of the licensing conditions.

2.9 Can the FZE be granted additional incentives and advantages?

Additional incentives and advantages may be granted to FZE's investing in economic sectors or projects that are considered strategic or lead to increasing the local component ratio in its products.

2.10 Are any goods prohibited from entering the Free Zones?

The following are prohibited:

- flammable substances, excluding the fuels necessary for operation which are allowed by the Authority and pursuant to the terms it determines,
- radioactive materials, except those materials excluded in accordance with the provisions of the law,
- military weapons, ammunition and explosives of whatsoever type unless with prior authorization by the competent bodies,
- goods violating the provisions of legislations and international treaties relating to the protection of intellectual property,
- hazardous psychotropic substances and narcotics of all types and their derivatives, except for those necessary for the manufacturing of medicine and pharmaceutical materials, and
- goods prohibited from entering the State.

Part Three: Qatar Free Zones Authority

Chapter One: Establishment, Objectives and Powers of the Authority

3.1 What are the Authority's powers and authorities?

Article 19 prescribes the Authority's powers and authorities in managing and developing the Free Zones in accordance with best international standards, whilst encouraging and attracting investment.

Chapter Two: Management of the Authority

3.2 Who manages the Authority?

The Authority is managed by a Board comprising of a Chairman, Vice-Chairman and members with relevant expertise and competence. The Board is to be supported by a Board appointed Secretary.

3.3 Who represents the Authority?

The Chairman represents the Authority before the judiciary and in its relations with third parties.

Part Four: General and Final Provisions

4.1 Do the mainland criminal laws apply in the Free Zones?

Article 39 prescribes that the criminal laws and the penalties applicable in the State will apply, subject to the provisions of the Enabling Law.

4.2 Do the mainland civil laws apply in the Free Zones?

Article 40 prescribes that the civil rules applicable in the State will apply, where they are not inconsistent with the provisions of the Enabling Law and its Regulations.

4.3 What is the consequence of the FZE operating in the mainland?

FZE's operating in the mainland will be treated as if they were carrying out the business outside the State.

4.4 Who is responsible for banks and financial institutions operating in the Free Zones?

The Qatar Central Bank are responsible for the development and monitoring of policies relating to the regulation, licensing, controlling and supervising of the business of banks and financial institutions operating in the Free Zones.

4.5 How are disputes to be settled?

A dispute resolution centre will be established which will have exclusive jurisdiction to settle all disputes related to the Free Zones.

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