

LICENSING REGULATIONS



Introduction

This document is intended to provide an overview of the Licensing Regulations ('Regulations'). It does not replace the Regulations in any way, nor does it remove the need for an investor to seek its own professional advice if it considers this to be prudent. It is not intended to be a comprehensive description of the Regulations.

Background

Law No. (34) of 2005, as amended by Decree-Law No. (21) of 2017 established the Free Zones Authority (the 'Authority') which in summary, is responsible for managing specific Free Zones within the State of Qatar.

The Free Zones are dedicated areas of land within the State of Qatar that have been identified as economic zones; these economic zones have been designed in 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 and 4 km² in size; this particular zone is some 6 km away 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.
- 2) Umm Alhoul – located near Hamad Port, this zone being 30 km² in size will primarily cater for maritime industries, polymers and plastics, advances manufacturing and logistics.

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PART 1

Preliminary Rules

ARTICLE 1

CITATION

These Regulations will be cited as the Licensing Regulations.

ARTICLE 2

DEFINITIONS

Article 2 prescribes a list of definitions which apply to the Regulations.

ARTICLE 3

INTERPRETATION

Article 3 provides guidance on references to some concepts and terms used in the Regulations.

ARTICLE 4

APPLICATION

Article 4 prescribes that, these Regulations govern the licensing of Free Zone Entities to carry out certain permitted activities in or from the Free Zone, the licensing, regulation, and incorporation of entities in the Free Zone and the carrying out of Permitted Activities in or from the Free Zone will be governed exclusively by the provisions of the Free Zones Legislation.

ARTICLE 5

OTHER STATE AUTHORITIES

Article 5 prescribes that any activity conducted in accordance with the Free Zones Legislation does not require an approval from any other State authority.

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PART 2

Licensing of Business Activities within The Free Zone

ARTICLE 6 CONDUCTING BUSINESS IN THE FREE ZONE

Regulation 6 prescribes that a Free Zone Entity cannot carry out any Permitted Activity unless it has been issued with a Licence in accordance with these Regulations. The Authority may issue specific licenses for support or ancillary services with specific rules.

ARTICLE 7 APPLICATION

Article 7 deals with the procedure governing the Application of a Licence. Article 7(1) provides that the Application must be in the prescribed form and prescribes the information that must be contained in the Application. The Authority is prevented from assessing an Application that does not comply with the requirements contained in Article 7(1) which is to be provided in a timely manner. Upon approval the Authority will issue a Letter of Intent whereupon the Applicant must form a Free Zone Entity and enter into a Lease, after which the Authority will issue the Free Zone Entity with a Licence.

ARTICLE 8 LICENSING CRITERIA

Article 8 requires that the Authority be satisfied with the Application and the Applicant fulfilled the relevant Licensing Criteria.

ARTICLE 9 INFORMATION CONTAINED IN THE LICENCE

Article 9 prescribes the information to be contained within the Licence.

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PART 2

Licensing of Business Activities within The Free Zone

ARTICLE 10 TERM OF THE LICENCE

Article 10 sets out the term of the Licence which will remain valid until and unless it is revoked, or until the Free Zone Entity is dissolved. The Free Zone Entity is required to pay the relevant applicable annual renewal fee at least 30 days before each anniversary of the issue of the Licence.

ARTICLE 11 CONDITIONS, RESTRICTIONS AND REQUIREMENTS FOLLOWING ISSUANCE OF A LICENCE

The Authority may by virtue of Article 11 impose any condition, restriction, or requirement it considers appropriate and prescribes the grounds upon which they are to be imposed, which may result revocation or suspension of a Licence in case of violation.

ARTICLE 12 REVOCATION OR SUSPENSION OF A LICENCE

Article 12 prescribes the procedure relating to the revocation or suspension of a Licence and places an obligation on the Free Zone Entity to immediately cease to carry out all activities and in and form the Free Zone and to notify all relevant third parties. Article 12(6) gives mandate to the Authority to take any other administrative action before suspending or revoking the Licence.

ARTICLE 13 ROLE OF THE MANAGER

Article 13 details the role of the Manager; and requires that at least one Manager must be appointed at all times, who is to act as Free Zone Entity's principal representative.

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PART 3

Benefits and Incentives

ARTICLE 14 BENEFITS AND INCENTIVES

Article 14 prescribes that the Authority may determine the benefits and incentives that may be available to an Applicant or a Free Zone Entity and the issued Licence may by a notice specify these.

PART 4

Powers of the Authority

ARTICLE 15 POWER TO REQUEST INFORMATION AND DOCUMENTATION

Article 15 prescribes the powers of Authority to request information and documentation from a Free Zone Entity.

ARTICLE 16 POWER TO INVESTIGATE

Under Article 16, the Authority may investigate Free Zone Entity's affairs.

ARTICLE 17 POWER TO REGULATE FORM AND CONTENT OF ADVERTISING

Article 17 describes the Authority's power to regulate the form and content of advertising. The Authority may object to a trading name used by a Free Zone Entity if it considers that the trading name is misleading to the public or is otherwise undesirable.

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PART 5 Register

ARTICLE 18 REGISTER

Article 18 prescribes the content of the Register that the Authority is to maintain in relation to the Free Zone Entities.

PART 6 General Provisions

ARTICLE 19 FEES

Article 19 requires the Free Zone Entities to pay the indicated fees set out in Schedule 1 immediately becoming due.

ARTICLE 20 SANCTIONS

Article 20 empowers the Authority to impose sanctions for violations of Licensing Regulations as set out in Schedule 2.

ARTICLE 21 SERVICE OF DOCUMENTS

Article 21 prescribes that the service of documents to the Free Zone Entity registered address will be deemed delivered.

ARTICLE 22 ALTERNATIVE CORPORATE TYPES

Article 22 provides that the Authority may issue Licenses to establish alternative forms of corporate structures or legal entities in the Free Zone and enables the Authority to determine which parts of the Free Zones Legislation will apply to these entities.

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ARTICLE 23 ENTITIES INCORPORATED OR REGISTERED WITHIN THE STATE

Article 23 allows an entity incorporated or registered in the State of Qatar may apply to establish a Free Zone Entity provided it complies with the Regulations and satisfies the requirements of the Authority.

ARTICLE 24 AMENDMENTS OF THE REGULATIONS

Article 24 clarifies the Authority's power to amend these Regulations and waive any requirements.

ARTICLE 25 REVOCATION AND REPLACEMENT

Article 25 prescribes that The Licensing Regulations 2018 revoked and replaced by these Regulations.

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