

The Minister of Finance,

After perusal of the Income Tax Law promulgated by Law No. (24) of 2018, in particular, Article No. (34);

The Commercial Companies Law, promulgated by Law No. 11 of 2015;

The Convention on Mutual Administrative Assistance in Tax Matters ratified by the Emiri Instrument of Ratification of 29/8/2018;

Decree No. 10 of 2019 ratifying the Competent Authorities Multilateral Convention on the Exchange of Reports of Individual States;

The Comprehensive Framework for Combating the Erosion of the Tax Base and the Profit Shifting, to which the State of Qatar acceded on 7/11/2017;

and the Minister of Finance's Decision No. 21 of 2018 on Reports of Individual States;  
the following has been decided:

## Articles

### Article 1

In the application of the provisions of this decision, the following words and expressions shall have the meanings assigned thereto, unless the context requires otherwise:

Competent Authority: General Tax Authority

Head: The Head of the Competent Authority.

Resident: Any entity deemed to be a resident of a country for tax purposes.

Residence: Residence in a country for tax purposes.

Report: The country-by-country report to be submitted in accordance with the provisions of this decision and the OECD guidance in its 2015 report entitled "Transfer Pricing Documents and Country-by-Country Reports," in Action 13 of the OECD / G20 Project on Combating Base Erosion and Profit Shifting, and other OECD guidance.

Group: The Group of Establishments related to each other, through ownership or control. Hence, it shall prepare consolidated financial statements for the purposes of financial disclosure, in accordance with the accounting principles in force, or which will make it required to do so, if the equity in any of those entities is traded in public financial markets.

Multinational Establishments Group is the Group that:

(1) Comprises two or more establishments, which reside in different States, or comprise an establishment residing in a State and is subject to taxes in respect of businesses carried through a permanent establishment in another State; and (2) is not a multinational establishment (MNE) Group exempt in accordance with the provisions of this decision.

Exempt MNE Group: MNE Group which, in respect of any fiscal year of the Group, has a combined total revenue of less than QAR 3,000,000,000 (three billion Qatari Riyals) in the fiscal year immediately preceding the reported fiscal year, in accordance with its consolidated financial statements for that preceding fiscal year.

Listed Entity: Any of the following units:

(i) Any separate business unit of MNE Group that is included in the consolidated financial statements of that Group for the purposes of financial disclosure, or that will be included in those statements if the equity in that unit is traded on public financial markets;

(ii) Any business unit excluded from the consolidated financial statements of MNE Group solely for reasons related to its size;

(3) Any permanent establishment of any business unit covered by the preceding two clauses, provided that the unit is required to prepare a separate financial statement for that permanent establishment for financial, regulatory, or tax disclosure purposes or for internal management control purposes.

**Reporting Entity:** The listed entity required to report in the country in which it resides on behalf of the MNE Group, whether the reporting entity is the Principle Parent Entity, the Alternate Principal Entity, or any entity stipulated in paragraph 2 of Article 2 of this decision, in accordance with the requirements of Article 4 hereof.

**Principle Parent Entity:** The entity included in MNE Group that meets the following criteria:

(I) To hold, directly or indirectly, sufficient interest in one or more other listed entities of that Group, in a way that obligates it to prepare consolidated financial statements, in accordance with the accounting principles generally applicable in the State in which it resides, or will be obligated to do so if its equity is traded on the public financial markets of the State in which it resides; and  
(ii) not to have another listed entity of that Group that holds, directly or indirectly, an interest in the listed entity mentioned in clause (1) above and as described therein.

**Alternate Principal Entity:** The entity included in the MNE Group, designated by that Group as the sole alternative to the Principle Parent Entity. Its tasks include preparing the report in the State in which it resides, on behalf of the MNE Group, when one or more of the conditions set forth in Clause (b) of paragraph (2) of Article 2 of this decision applies.

**The Fiscal Year:** An annual accounting period on the basis of which the Principle Parent Entity of MNE Group prepares its financial statements.

**Reported Fiscal Year:** The financial year whose financial and operational results are reflected in the report provided for in Article (4) hereof.

**International Convention:** The Convention on Mutual Administrative Assistance in Tax Matters, or any bilateral or multilateral tax agreement, or any agreement for the exchange of tax information, to which the State of Qatar is a party, provided that its provisions allow for the exchange of tax information between States Parties, including the automatic exchange of that information.

**Qualifying Competent Authorities Convention:** The Agreement is:

(1) Concluded between authorized representatives of States Parties to an international convention; and

(2) Requires an automatic exchange of reports between States Parties.

**Consolidated Financial Statements:** The financial statements of MNE Group in which the assets, liabilities, income, expenses and cash flows of the Principle Parent Entity and of the listed entities are presented as data relating to a single economic entity.

**Systematic Failure:** It refers to the country that has made Qualifying Competent Authorities Convention in force with the State of Qatar, but suspends the automatic exchange for reasons other than those that comply with the provisions of the Agreement, or is consistently failing to automatically provide the State of Qatar with the reports in its possession of MNE Group that have entities listed in the State of Qatar.

## Article 2

(1) As set out in Article 4 of this decision and other relevant decisions and circulars, every Principle Parent Entity of an MNE Group domiciled in the State of Qatar shall submit the report to

the Competent Authority, in respect of the reported fiscal year, on or before the date provided for in Article 5 hereof.

(2) As set forth in Article 4 of this decision and other relevant decisions and circulars, a Listed Entity that is not the Principal Parent Entity of an MNE Group shall report to the Competent Authority, in respect of the reported financial year, for the MNE Group in which that Entity is listed, on or before the date provided for in Article 5 hereof, if the following criteria are met:

(a) The listed entity is a resident of the State of Qatar; and

(b) One of the following conditions applies:

(i) The Principal Parent Entity of the MNE Group is not obliged to file a report in the State of which it is a resident; or

(ii) The State in which the Principal Parent Entity resides has an existing international convention to which the State of Qatar is a party but does not have an existing Qualifying Competent Authorities Convention to which the State of Qatar is a party by the date provided for in Article 5 hereof this decision for the submission of the report for the reported fiscal year; or

(iii) The competent authority shall notify the Listed Entity domiciled in the State of Qatar of a systematic failure in the country in which the Principal Parent Entity resides.

If more than one listed entity of the same MNE Group resides in the State of Qatar, and one or more of the conditions set forth in clause (b) above shall be applied, the MNE Group may designate one of these listed entities to submit the report to the Competent Authority, as set forth in Article 4 of this decision and other relevant decisions and circulars, in respect of any reported fiscal year, on or before the date set forth in Article 5 hereof. The Group shall notify the Competent Authority that the submission of the said report is intended to meet the reporting obligations of all entities listed for that Group that are resident in the State of Qatar.

(3) Notwithstanding the provisions of paragraph (2) of this Article, if a condition or more than one condition of the ones set forth in Clause (b) of that paragraph are met, the entity referred to therein shall not be required to report to the Competent Authority, in respect of any reported fiscal year, if the MNE Group in which that entity is listed delivers to the Competent Authority, in respect of that fiscal year, a report as set forth in Article (4) hereof through an Alternate Principal Entity that has submitted that report to the Tax Authority of the State in which it resides, on or before the date set forth in Article (5) hereof, provided that the following conditions are met:

(a) The State of residence of the Alternative Principal Entity has imposed the submission of reports as set out in Article(4) hereof;

(b) The State of residence of the Alternative Principal Entity shall have in force a Qualifying Competent Authorities Convention to which the State of Qatar is a party by the date provided for in Article 5 hereof to submit the report for the reported fiscal year;

(c) the State of residence of the Alternative Principal Entity shall not have notified the Competent Authority of a systematic failure;

(d) The Alternative Principal Entity shall have notified the State of residence that such Entity is the Alternative Principal Entity, as set out in Article(3) (1) hereof; and

(e)The Competent Authority shall have been notified as set out in Article(3) (2) hereof.

- (1) An entity listed for MNE Group that is a resident of the State of Qatar shall, not later than the last day of the fiscal year reported to the Group, notify the Competent Authority whether it is the Principal Parent Entity or an Alternative Principal Entity. By a decision of the Head, the aforementioned period may be extended for the fiscal year beginning on or after 1 January 2018.
- (2) If the listed entity of MNE Group resident in the State of Qatar is neither the Principal Parent Entity nor the Alternative Principal Entity, that entity shall notify the Competent Authority of the identity and place of residence of the reporting entity, not later than the last day of the fiscal year reported to that Group.
- (3) A particular form and manner of giving the notification provided for in this Article may be prescribed by a decision of the Competent Authority.

#### Article 4

- (1) With respect to the MNE Group, the report shall include the following :
  - (a) Aggregate information relating to the amounts of income, profit or loss before income tax, income tax paid, income tax due, authorized capital, accumulated profits, number of employees and tangible assets other than cash or cash equivalents, in respect of each State in which the Group operates; and
  - (b) Identification of each entity included in the Group, specifying the State in which it resides, the State whose laws govern the Entity in case they are different from the laws of the State in which it resides, and the nature of that entity's principal business or activities.
- (2) The report shall be prepared pursuant to the definitions and guidance contained in the standard form set out in Annex III of Chapter V of the 2015 OECD Report “Transfer Pricing Documents and Country-by-Country Reports”, Action 13 of the OECD / G20 Base Erosion and Profit Shifting Project.
- (3) The report stipulated in this Article shall be submitted electronically in the manner prescribed by the Competent Authority.

#### Article 5

The report shall be submitted no later than 12 months after the last day of the fiscal year reported to the MNE Group.

#### Article 6

- (1) The Competent Authority shall use the reports submitted thereto for the purposes of assessing the high level of transfer pricing risks and other risks related to the erosion of the tax base and profits shifting in the State of Qatar, including assessing the risks of non-compliance of the members of the MNE Group with the applicable transfer pricing rules, as well as for economic and statistical analysis. The Competent Authority shall not rely upon such reports in its adjustments to transfer pricing.
- (2) The Competent Authority shall maintain the confidentiality of the information contained in the reports to the same extent as it applies if such information is provided to it under the provisions of an international convention.

#### Article 7

Subject to the maximum penalty stipulated in paragraph (8) of Article (24) of the aforementioned Income Tax Law, the Head shall issue a list of the penalties that shall be imposed in the event of violation of any of the obligations stipulated herein.

#### Article 8

(1) With the exception of paragraphs (2) and(3) of Article 2 and paragraph (2) of Article 3, the provisions of this decision shall be applied to fiscal years reported for MNE, beginning on or after 1 January 2018 and subsequent years.

(2) The provisions of paragraphs (2) and(3) of Article 2 and paragraph (2) of Article 3 of this decision shall be applied to the fiscal year to be determined by a decision of the Head and the years thereafter.

#### Article 9

The Decision of the Minister of Finance No. (21) of 2018 on the reports for each individual country referred to herein shall be repealed, in addition to every provision contrary to the provisions stipulated hereof.

#### Article 10

All competent authorities, each within its competence, shall implement this decision. Such decision shall come into force and published in the Official Gazette.