

QFC Overview and  
the Application Process



# AGENDA

## WHY QATAR?

- One of the fastest growing economies in the world
- Sustainable growth backed by strong fundamentals
- Best-in-class business environment

## QATAR FINANCIAL CENTRE (QFC)

- QFC overview and structure
- Tax in the QFC
- Benefits of QFC

## SETTING UP IN THE QFC

- Application process overview
- Requirements, fees and forms

# Introduction to Qatar

## **Qatar is one of the World's fastest growing economies**

- The world's leading exporter of liquefied natural gas
- One of the world's highest GDP per capita at over US\$ 75,000 (2015 est.)
- Significant infrastructural development with over US\$ 147bn in projects underway

## **Qatar National Vision 2030**

- Qatar National Vision 2030 is defined to lead Qatar towards becoming an advanced society capable of sustaining its development and providing a high standard of living.

## **Four development pillars central to the Vision**

- **Economic Development:** Development of a competitive and diversified economy capable of meeting the needs of its people
- **Human Development:** Development of human capital to enable them to sustain a prosperous society
- **Social Development:** Development of a just and caring society based on high moral standards, and capable of playing a significant role in global partnerships for development
- **Environmental Development:** Management of the environment such that there is harmony between economic growth, social development and environmental protection.

Favorable geographic location with excellent transport connectivity

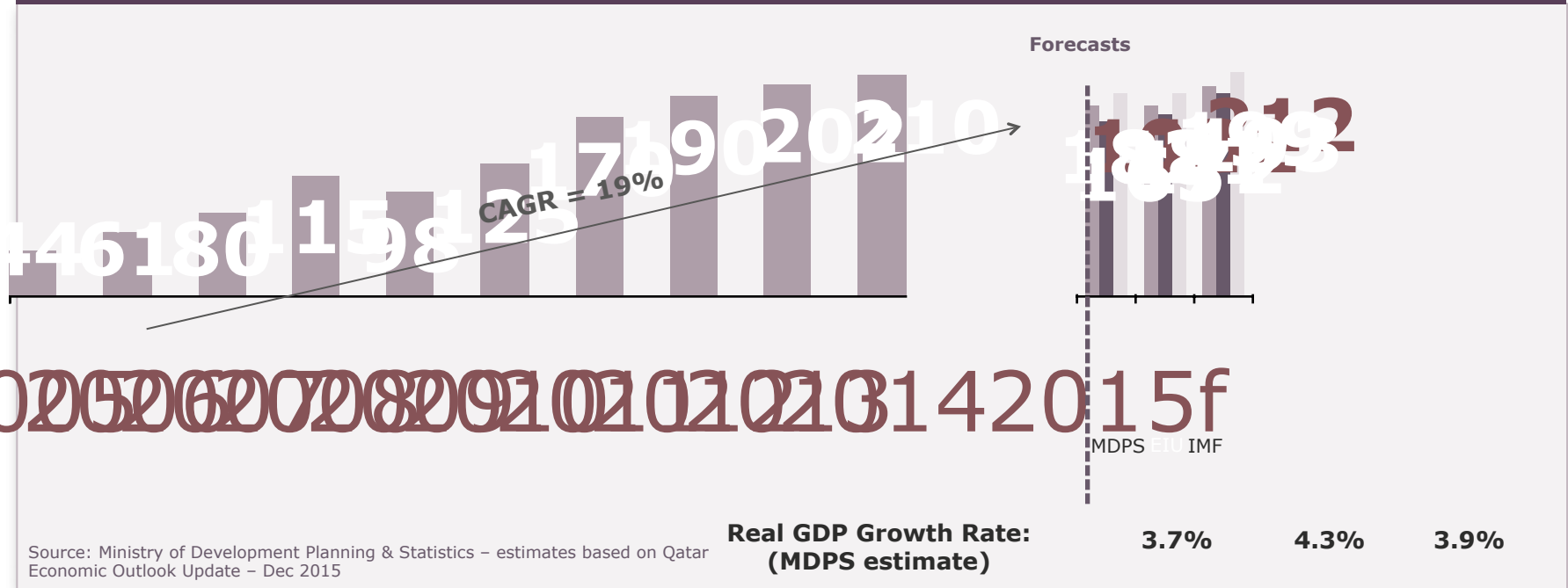


# 2017f, US\$

Qatar has achieved significant economic growth over the last decade

# Bn)

Qatar has been one of the fastest growing economies in the world since 2005

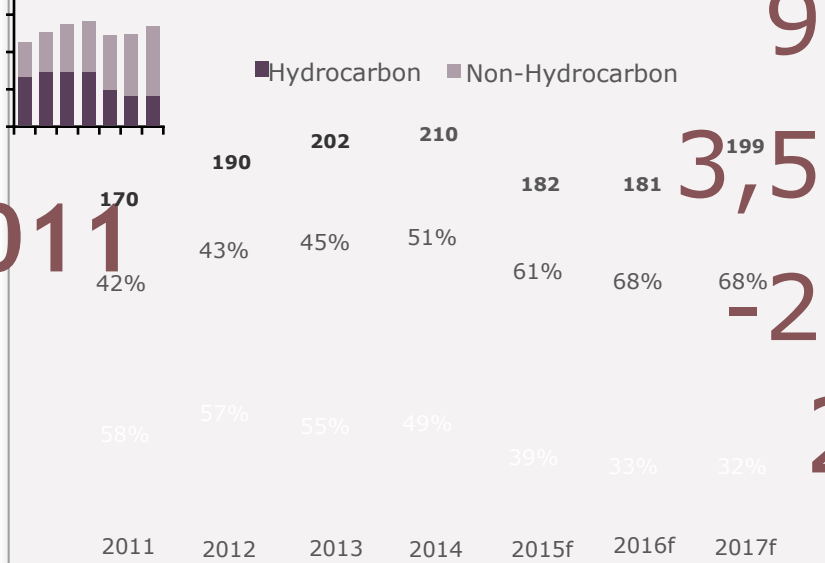


- During this period, Qatar has taken several steps including building up strong surpluses, encouraging economic diversification and development of the private sector, which now render Qatar's economy resilient and able to sustain real GDP growth

Qatar is now applying its hydrocarbon revenues towards diversifying its economy to fulfill Qatar National Vision 2030

Non-hydrocarbon sector forms an important component of Qatar's GDP, contribution to GDP rising from 42% in 2011 to 51% in 2014

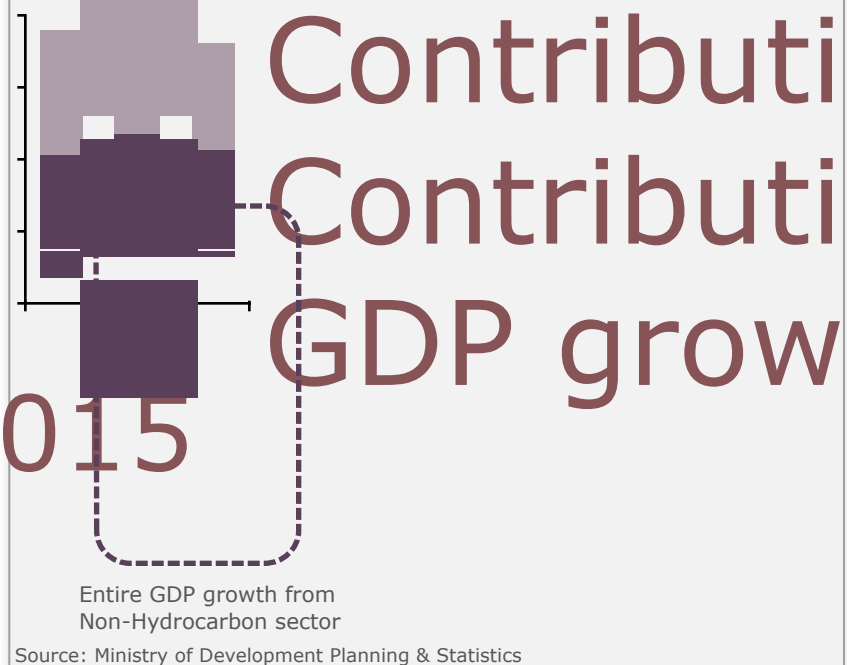
**Qatar Hydrocarbon vs. Non-hydrocarbon GDP (Total Nominal GDP US\$ Bn, % Split)**



Source: Ministry of Development Planning & Statistics

As Qatar progresses towards achieving its Vision 2030, growth in the non-hydrocarbon Sector is forecasted to play a significant role in Qatar's transformation

**Qatar real GDP growth – Hydrocarbon vs. Non-Hydrocarbon contribution**



Source: Ministry of Development Planning & Statistics

# Prominent Projects aimed at further upgrading Qatar’s infrastructure are already underway in Qatar



**Lusail City**

**TARGET INVESTMENTS US\$ 45BN**  
Estimated population 450,000



**Doha Metro**

**TARGET INVESTMENTS US\$ 21BN**  
212km of metro network across Doha



**Expressways Programme**

**TARGET INVESTMENTS US\$ 20BN**  
900km of new roads



**Hamad Port**

**TARGET INVESTMENTS US\$ 7.4BN**  
One of the world’s largest port developments



**National Rail System**

**TARGET INVESTMENTS US\$ 19BN**  
660km of rail across Qatar



**Local Roads and Drainage Program**

**TARGET INVESTMENTS US\$ 15BN**  
550km of road across 221 projects

6 Source: MEED Projects Database and Qatar Megaprojects 2015 Report

# The FIFA World Cup 2022 acts as a further catalyst to Qatar's already burgeoning projects market

Stadiums  
(US\$ 4Bn)



Al Bayt Stadium



Al Rayan Stadium



Al Wakrah Stadium

Accommodation  
(US\$ 12.4Bn)



Marsa Malaz Kempinski  
The Pearl



Shangri-La Hotel  
West Bay

Transportation  
(US\$ 71.1Bn)



Doha Metro



Expressways & Roads



Hamad Int'l Airport

7 Source: MEED Projects Database and Qatar Megaprojects 2015 Report



Qatar is ranked the 14<sup>th</sup> most competitive economy in the world and features a 'best-in-class' business environment

**Most Peaceful  
in the Middle East  
&  
30<sup>th</sup> in the World**

Global Peace Index  
2015

**14<sup>th</sup> Most Competitive  
Economy in the World &  
Most Competitive in the  
Middle East**

Global Competitiveness  
2015-2016 World  
Economic Forum

**Most Network  
Ready in the  
Middle East & 27<sup>th</sup>  
in the World**

Global Information  
Technology Report  
2015

**Top Stock  
Exchange  
of the Year in  
MENA**

Global Investor  
Magazine 2012

**Top Financial Centre  
in the Middle East &  
20<sup>th</sup> in  
the World**

Global Financial  
Centres Index  
March 2015

**Ranked 44<sup>th</sup> in the  
World and 3<sup>rd</sup> most  
innovative in the  
MENA region**

Global Innovation  
Index 2014



## Qatar also features a rapidly modernising financial services and support infrastructure



- Ownership stake by NYSE from 2009 to 2013: helped to migrate QE onto the Universal Trading Platform, change trading times and introduce bond and treasury bills
- QE Venture Market launched by QE for listing small and medium enterprises (SME)
- Membership of the World Federation of Exchanges (WFE)
- Qatar upgraded to Emerging Market Status by MSCI in 2013.



- Qatar Development Bank (QDB) was founded in 1997
- Promotes development and growth of SMEs in core economic realms.



- Seeks to support start-ups
- Offers a list of programmes in stages to incubate new start-ups by following a systematic incubation process.



- Commenced operations in 2011
- Aims to establish a credit information system in Qatar.



- Provides innovative, pragmatic and world-leading financial services education for financial services professionals at all levels.

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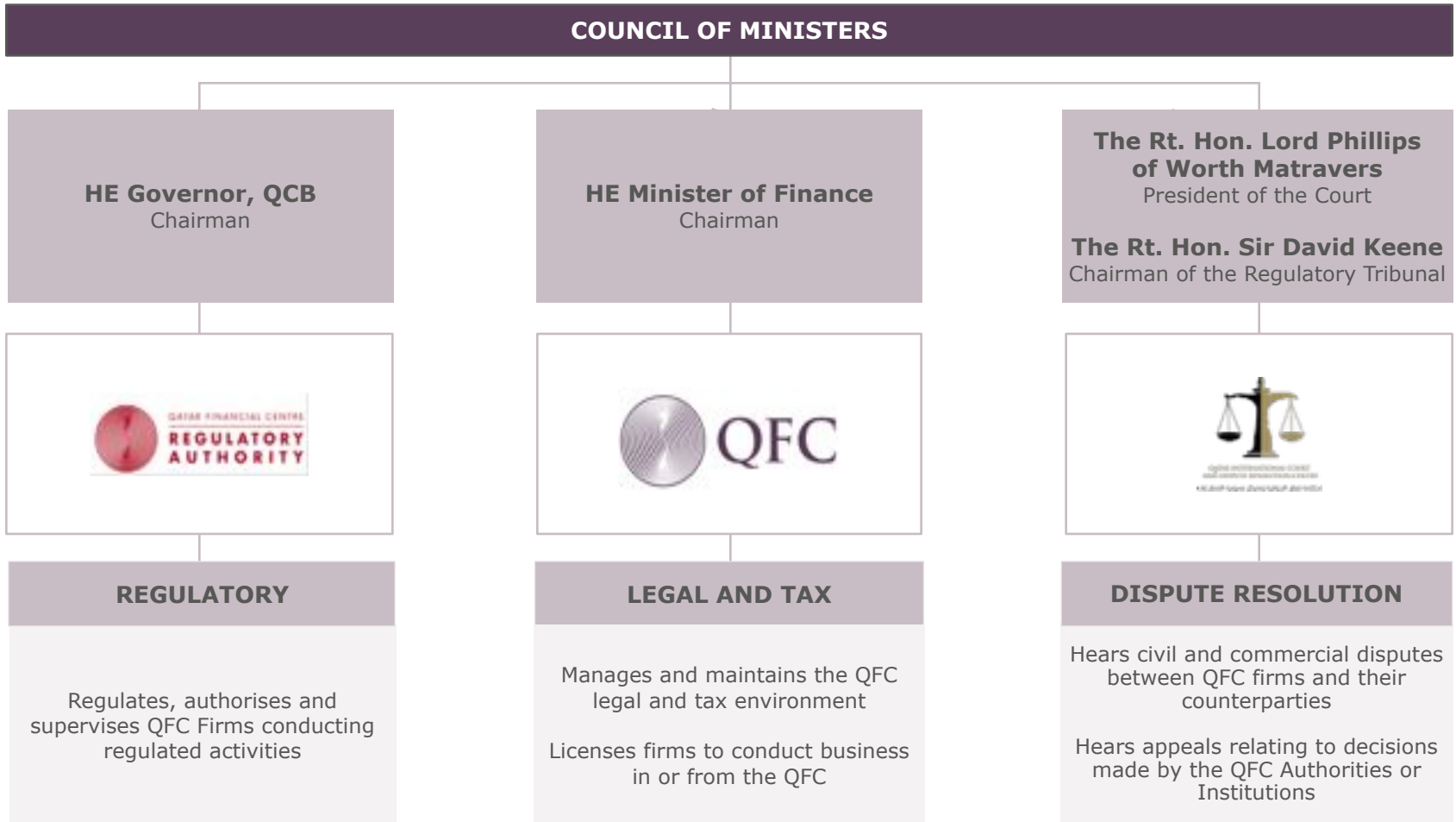
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# QFC comprises four independent entities



# QFC has developed a competitive legal & tax environment designed to attract a broad range of firms

## QFC Legal regime

- Provides businesses with a **transparent, accessible and predictable** operating environment based on English common law
- Incorporates a **consultative process** that enables all stakeholders, including QFC firms, to voice their opinions on particular legislation
- QFC firms also have access to an **independent judiciary** in the form of the Qatar International Court & Dispute Resolution Centre (QICDRC)
- The QFC Authority is committed to continually review and enhance its legislative framework
- **Main Rulebooks** that have been published by QFC for firms applying to carry out non-regulated activities:
  - QFC Companies Regulations & Rules
  - QFC Contract Regulations
  - QFC Insolvency Regulations & Rules
  - Data Protection Regulations & Rules
  - Limited Liability Partnerships Regulations & Rules
  - QFC Arbitration Regulations
  - QFC Authority Regulations & Rules
  - QFC Employment Regulations, etc.

## QFC Tax regime

- **Tax Rate:** Tax rate of 10% on locally sourced profits
- **No withholding tax, no personal income tax, wealth tax or Value Added Tax (VAT).**
- **Exemptions/attractive features:**
  - Exemptions for Company Headquarters & Holding Companies on most activities, dividends and capital gains
  - Most Special Purpose Companies (SPCs) not subject to tax
  - Qatari Single Family Offices (SFOs) – 0% concessionary tax rate for Qatari SFOs and tax exemptions for investment Holding Companies managed by them
  - Advance ruling service providing QFC licensed firms with a high degree of certainty
  - Tax losses can be carried forward indefinitely
  - Self-assessment regime for tax returns
  - Detailed tax guidance available in the QFC Tax Manual which is published online
  - QFC entities have the right to appeal a decision and can request that it be reviewed by an independent Regulatory Tribunal
- **Double taxation agreements (DTAs)** with over 60 different countries. Prominent partners include UK, Luxembourg, Switzerland, Netherlands, China, & India



## Why QFC: QFC offers firms several significant benefits

### LEGAL & JUDICIAL FRAMEWORK

- Best-in-class legal environment based on English common law
- Independent courts headed by The Rt. Hon The Lord Phillips of Worth Matravers
- Regulatory tribunal headed by The Rt. Hon. Sir David Keene.

### EASE OF SETUP

- One-stop-shop for licensing, commercial registration, immigration and related services
- Dedicated facilities team to support office setup, range of office premises available
- No restrictions on visas and employment.

### FULL OWNERSHIP

- QFC allows 100% ownership by foreign companies
- All profits can be repatriated with no withholding taxes.

### CLIENT COMMUNITY

- Continued engagement via a dedicated client relationship team
- Regular events, publications and QFC Intranet to support the QFC community.

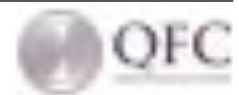
### ONSHORE ENVIRONMENT

- QFC firms can target regional and Qatar clients alike
- QFC firms can conduct business in any currency, including Qatari Riyals.

### TAX ENVIRONMENT

- QFC tax environment reviewed by OECD<sup>1</sup> independently of State of Qatar environment; awarded Qatar the 2nd highest possible mark of "largely compliant"
- Qatar ranked the simplest country in the world for paying taxes<sup>2</sup>.

13 Note 1: OECD = Organisation for Economic Cooperation and Development  
Note 2: Paying Taxes 2015 Report by PwC, the World Bank Group

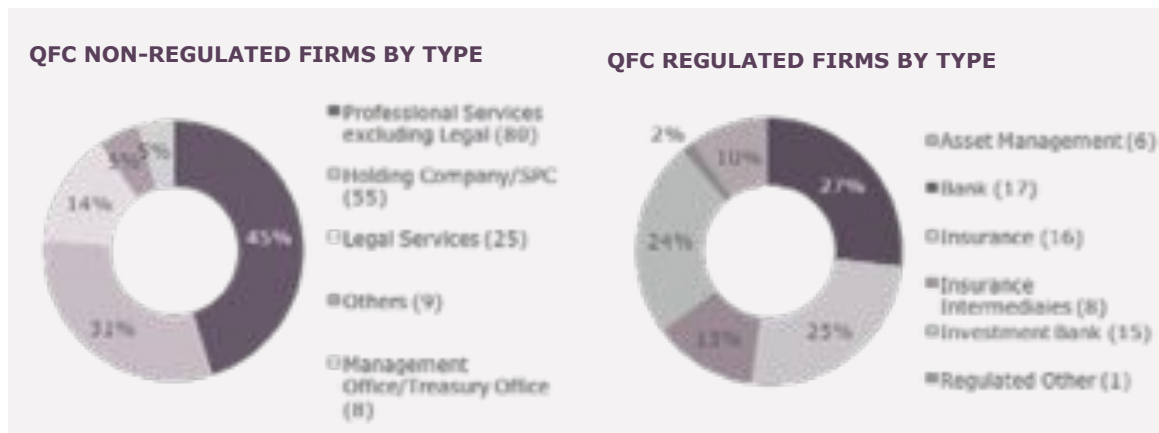


# Why QFC: QFC allows a wide range of activities

REGULATED ACTIVITIES			NON-REGULATED ACTIVITIES		
<p><b>Banking</b></p> <ul style="list-style-type: none"> <li>•Investment banking</li> <li>•Private banking</li> <li>•Corporate banking, etc.</li> </ul>	<p><b>Insurance/ Reinsurance</b></p>	<p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>•Retail scheme</li> <li>•Qualified investor</li> <li>•Private placement.</li> </ul>	<p><b>Professional &amp; Business Services</b></p>	<p><b>Treasury Operations</b></p>	<p><b>Holding Companies</b></p>
	<p><b>Captive Insurance</b></p>		<p><b>Company Headquarters</b></p>	<p><b>Single Family Office (SFO)</b></p>	<p><b>Special Purpose Company (SPC)</b></p>
		<p><b>Fiduciary Businesses</b></p> <ul style="list-style-type: none"> <li>•Fund administration</li> <li>•Fund advisory</li> <li>•Custodian services, etc.</li> </ul>	<p><b>Management Offices</b></p>	<p><b>Trust Services</b></p>	<p><b>Trusts</b></p>
<p><b>Islamic Finance</b></p>	<p><b>Insurance/ Reinsurance Broking</b></p>		<p><b>Companies Limited by Guarantee LLC(G)s</b></p> <ul style="list-style-type: none"> <li>• Business Councils</li> <li>• Professional Associations</li> <li>• Other non-profit professional organizations</li> </ul>		

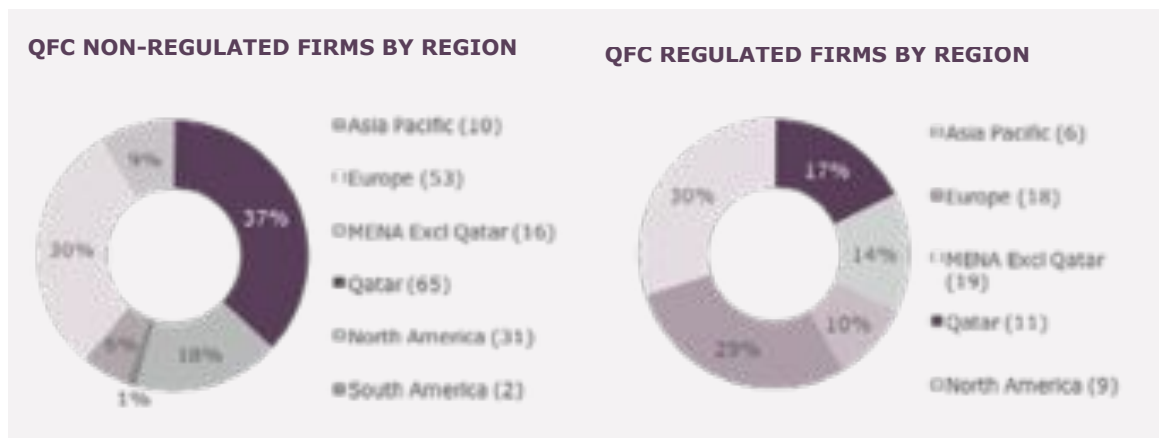
<sup>14</sup> Non-exhaustive list  
 1. Refer to Schedule 3 of QFC Law No. 7 of 2005 (as amended) for full list of permitted activities

# As a result, QFC has been able to attract a broad range of firms to Qatar



TYPE	#	%
Non-Regulated	177	74%
Regulated	63	26%
<b>TOTAL</b>	<b>240</b>	

Non-regulated companies are the companies which do not conduct financial services supervised by the Regulatory Authority



- QFC has been able to attract firms offering a broad range of service ranging from banking, asset management, insurance to professional services such as accounting, legal services etc.
- Over the past 2 years, QFC has witnessed strong growth in the non-regulated firms, including licensing of diverse businesses such as valuation firms and project management firms.

# Examples of leading global and regional firms based in Qatar

banks	Insurers / brokers	Law firms	PROFESSIONAL SERVICES
			



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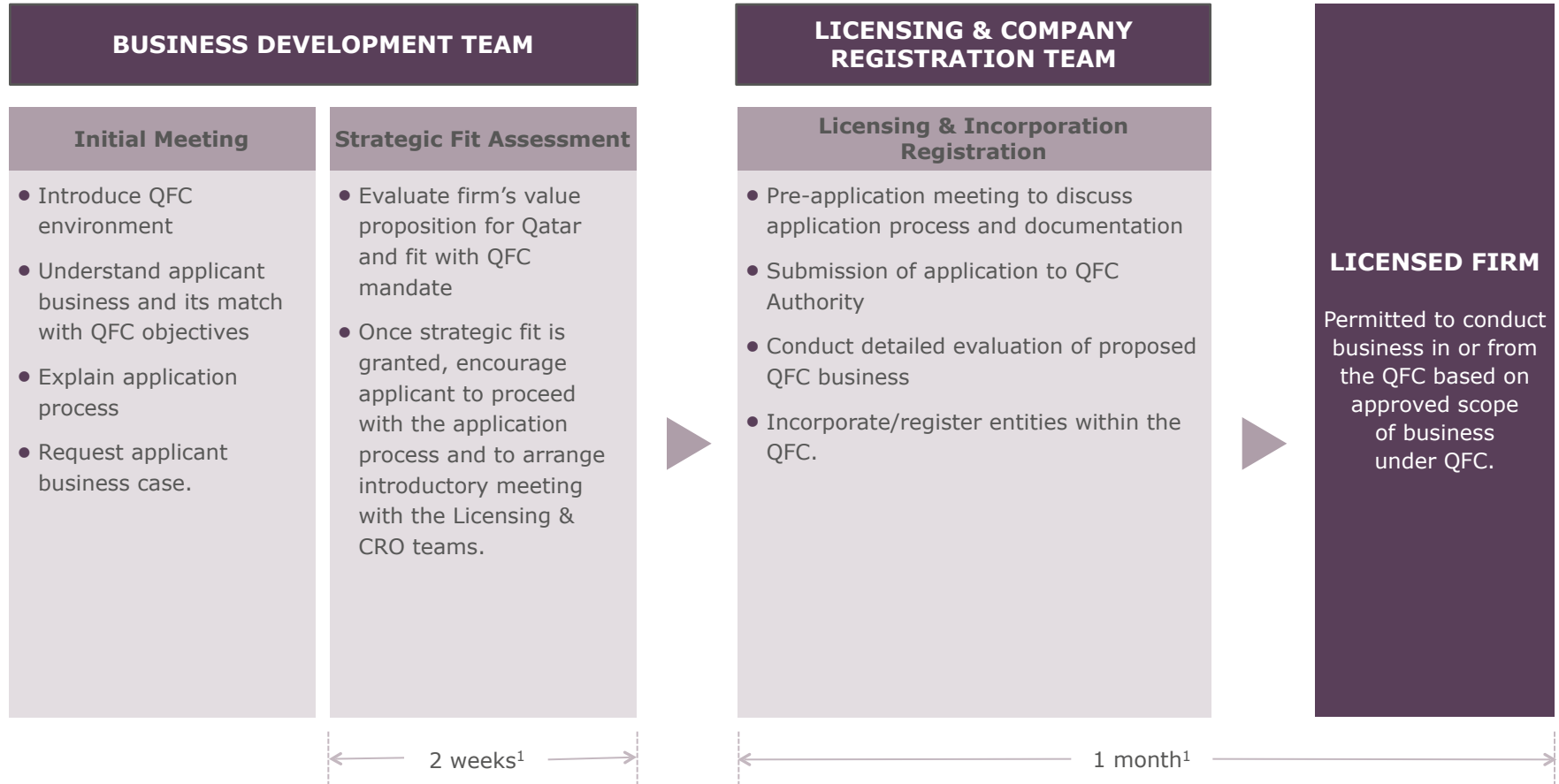
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# QFC Application Process Overview: Non-regulated Firms



18 1. Approximate turnaround-time after submission of all required documentation

# Requirements, Relevant Forms and Fees

## **BUSINESS CASE SUBMISSION (STRATEGIC FIT STAGE): SHOULD ADDRESS AT LEAST THE FOLLOWING AREAS:**

1. The firm/group in brief
  - a) Organisational overview
  - b) Organisational structure
  - c) Legal structure
2. Strategy going forward
  - a) Vision
  - b) Rationale & strategy
  - c) Activities in the Middle East
  - d) Value proposition
3. Business Plan for Qatar
  - a) Products and services
  - b) Current clients in the GCC and Qatar
  - c) Targeted clients
  - d) Intended activities
4. Organisation in Qatar
  - a) Proposed organisation chart
  - b) Financial and headcount projections.

## **RELEVANT FORMS:**

1. Form Q01
2. Relevant CRO form
  - a) Form CRO 1: Application for incorporation of a LLC in the QFC
  - b) Form CRO 2: Application for registration of branch by non – QFC Company
  - c) Form CRO 3: Application for incorporation of a LLP in the QFC
  - d) Form CRO 4: Application to register a branch of a LLP not incorporated in the QFC.

## **FEES**

- Application fee (all activities): US\$ 5,000
- Annual fee (all other activities): US\$ 5,000
- Annual fee (SPCs & Holding Companies): US\$ 500

**END**