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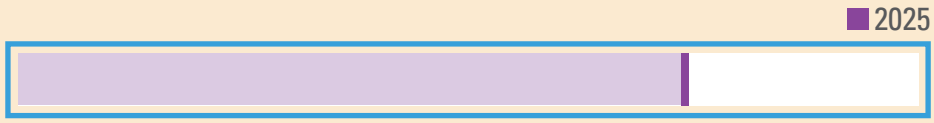
Shared Prosperity Dignified Life

Country profile
QATAR

ARAB BUSINESS LEGISLATIVE FRAMEWORKS

FOREIGN DIRECT INVESTMENT

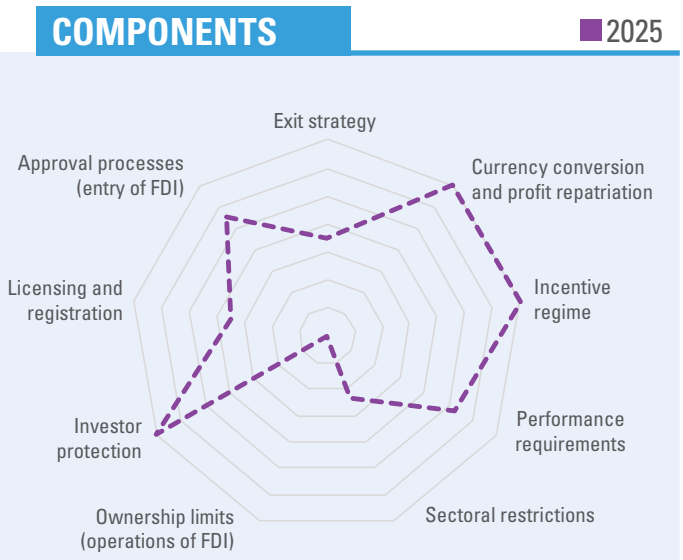




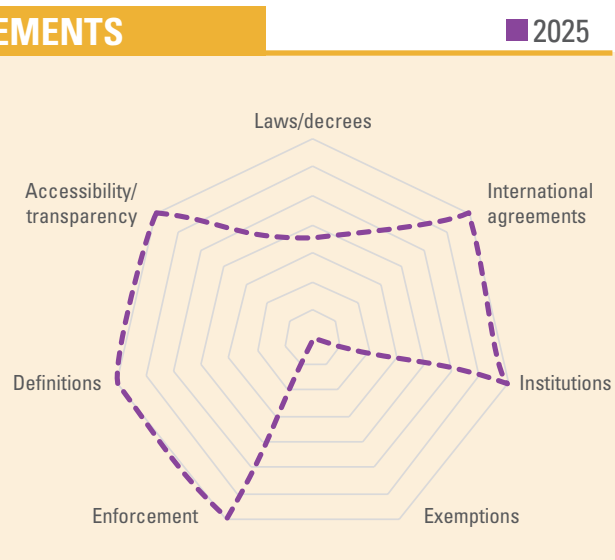
Very weak | Weak | Basic | Moderate | Developed | Strong | Very strong

COMPONENTS	2025
Approval processes (entry of FDI)	5.60
Licensing and registration	3.50
Investor protection	7.00
Ownership limits (operations of FDI)	0.00
Sectoral restrictions	2.33
Performance requirements	5.25
Incentive regime	7.00
Currency conversion and profit repatriation	7.00
Exit strategy	3.50

COMPONENTS



ELEMENTS



Note on methodology: The foreign direct investment (FDI) pillar was fully revised in 2023 following a legal and methodological review and first applied in the 2025 assessment. The 2020 edition assessed the macroeconomic enabling environment for investment. The revised methodology shifts to a business-conducting perspective, assessing the regulatory treatment of foreign investment.

2020 EDITION

Moderate

Foreign direct investment framework assessment

Macroeconomic enabling environment lens

The 2020 assessment examined whether the country's **macroeconomic policies** provided a stable foundation for investment, whether the **investment regulatory framework** set clear rules of engagement, how far **incentivization schemes** attracted foreign capital, the extent to which **bilateral treaties** offered investors legal certainty, and whether **banking regulations** enabled the financial operations required for investment.



Macroeconomic policies



Investment regulatory framework



Incentivization schemes



Bilateral treaties



Banking regulations

This country profile is prepared based on the legal and regulatory framework in force as at April 2025.

This country profile assesses the foreign direct investment (FDI) framework of Qatar based on the nine FDI assessment components adopted under the Arab Business Legislative Frameworks methodology. The analysis is structured to ensure that each component is examined against its specific definition and indicators, supported by relevant legal and regulatory evidence.

The main legislative framework controlling the entrance of foreign investors into the Qatari market is the Foreign Investment Law of Qatar (Law No. 1 of 2019 on the Regulation of Investment of Non-Qatari Capital in Economic Activity). This law repeals the provisions of Law No. 13 of 2000 and seeks to promote economic diversity and attract international investment. It provides for full foreign ownership of businesses in most sectors without requiring a Qatari partner.



Approval processes

This assessment component examines the mechanisms and institutional arrangements governing the authorization of FDI, the applicable regulatory requirements, and the legal basis for international investment commitments and access to bank financing.

The Ministry of Commerce and Industry serves as the competent authority responsible for regulating, supervising and enforcing the admission and operation of foreign investment in Qatar, including licensing, approvals and compliance with applicable legislation.

In practice, the Investment Promotion Agency Qatar (Invest Qatar) complements this framework by facilitating investor services and streamlining administrative procedures. Article 3 of the Minister of Commerce and Industry's Decision No. 44 of 2020 on the Implementing Regulation of Law No. 1 of 2019 on the Regulation of the Investment of Non-Qatari Capital in Economic Activity assigns the competent department within the Ministry of Commerce and Industry the responsibility of receiving investor applications, reviewing supporting documentation, coordinating with relevant authorities to

obtain required approvals, and processing requests in accordance with the applicable regulatory requirements. Furthermore, article 23 of Law No. 1 of 2019 provides the legal basis for determining and imposing service fees by ministerial decision.

At the international level, Qatar has ratified several multilateral agreements and bilateral investment treaties that regulate foreign direct investment. These consist of the Gulf Cooperation Council (GCC) framework treaties, the Unified Agreement for the Investment of Arab Capital in the Arab States, and bilateral investment treaties with over 50 countries.



Licensing and registration

This assessment component reviews the legal and regulatory framework for the licensing and registration of foreign investment projects in Qatar, with particular attention to transparency and predictability in administrative procedures, land use and ownership conditions, and streamlining of registration processes.

Regarding real estate legislation, Law No. 16 of 2018 on the Regulation of Non-Qataris' Ownership and Usage of Real Estate establishes the legal framework governing the ability of foreign investors to own or usufruct real estate. Article 2 of this law provides that non-Qataris may own and use real estate only within designated zones and in accordance with the conditions, controls, advantages and procedures determined by a decision of the Council of Ministers upon the proposal of the competent committee. This limitation is further operationalized through Council of Ministers Decision No. 28 of 2020, which specifies the areas in which non-Qataris may own or use property and defines their boundaries through regulatory and cadastral maps. Article 2 of the decision confirms that ownership and use are restricted to the areas listed in the tables attached to the decision.

From an administrative perspective, the Ministry of Commerce and Industry functions as the central registration authority and has implemented an integrated electronic "single window" platform consolidating incorporation, licensing, fee payments and inter-agency approvals within a unified digital interface, thereby streamlining establishment procedures and reducing administrative burdens. Regarding capital requirements, applicable thresholds are generally determined according to the legal form of the company under the relevant company legislation rather than through a specific foreign investment statute. Notably, no statutory minimum capital requirement applies to limited liability companies.

However, no provisions were identified in the reviewed legislation that mandate a formal cost-benefit or economic impact analysis as a statutory prerequisite for the approval of foreign investment projects, although competent authorities may assess proposals in light of national development priorities on a discretionary administrative basis.



Investor protection

This assessment component reviews the legal protections available to foreign investors in Qatar, including statutory guarantees, access to dispute resolution mechanisms, and the role of domestic courts and arbitration frameworks in ensuring the enforcement of investor rights and investment-related obligations.

Investor protection in Qatar is anchored in statutory guarantees and dispute resolution safeguards established under the Investment Law.

The law provides legal and operational guarantees to non-Qatari investors, including the right to import the machinery, equipment and materials necessary for the establishment, operation or expansion of their investment projects in accordance with applicable legislation (article 9), as well as the possibility of exemption from income tax in accordance with the controls, procedures and periods prescribed under the Income Tax Law (article 10). These measures operate as investment facilitation and protection mechanisms aimed at reducing operational and financial burdens on foreign investors.

The law further permits investors, except in labour disputes, to agree to arbitration or other recognized dispute settlement mechanisms for disputes related to their investments pursuant to article 16, thereby providing a statutory basis for alternative dispute resolution mechanisms outside domestic courts.

At the international level, Qatar has ratified key conventions that strengthen investor protection and the enforceability of awards, including the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), acceded to by Decree No. 29 of 2003, and the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID), ratified by Decree No. 5 of 2011, which facilitate the recognition and enforcement of foreign arbitral awards and the settlement of investor-State disputes.

Article 68 of the Constitution of the State of Qatar provides that treaties and agreements concluded by decree shall acquire the force of law upon ratification and publication in the Official Gazette, thereby ensuring their direct domestic applicability and reinforcing the legal certainty of international investment protections.



Ownership limits

This assessment component examines the extent to which Qatari legislation imposes ownership limits, foreign equity restrictions, or screening and prior approval mechanisms on foreign investment operations, including restrictions related to acquisition of real estate or participation in certain economic activities.

The foreign investment framework of Qatar generally adopts a liberal approach while maintaining targeted equity restrictions and approval mechanisms in specific contexts. Article 2 of Law No. 1 of 2019 on the Regulation of the Investment of Non-Qatari Capital in Economic Activity permits non-Qatari investors to invest in most economic sectors, including ownership of up to 100 per cent of the capital, in accordance with the implementing regulations, thereby supporting competition and broad market participation.

However, certain ownership limitations and prior approval requirements remain applicable. In particular, non-Qatari investors may own up to 49 per cent of the capital of Qatari public shareholding companies listed on the stock exchange, subject to approval by the Ministry of Commerce and Industry of the proposed ownership percentage reflected in the company's articles of association. Ownership exceeding this threshold requires approval by the Council of Ministers upon the proposal of the Minister of Commerce and Industry, thereby establishing a screening and authorization mechanism for higher levels of foreign participation.

Real estate ownership by non-Qatari investors remains subject to territorial limitations under the applicable real estate legislation.



Sectoral restrictions

This assessment component reviews sector-specific regulations that affect foreign direct investment in Qatar, focusing on market access limitations, competition-related considerations, and exceptions justified on grounds.

Qatar maintains a general policy of market openness while combining competition safeguards with limited sector-specific restrictions. A competitive business environment is supported under the national competition framework, which enforces market competition rules aimed at preventing monopolistic practices, abuse of dominance, and anti-competitive agreements, thereby promoting fair market access and creating a level playing field conducive to both domestic and foreign investment.

Article 25 of Law No. 1 of 2019 provides exceptions for activities related to the extraction, exploitation or management of natural resources under special concessions or agreements, as well as for certain State-owned or State-controlled enterprises and petroleum operations. These exclusions reflect considerations linked to strategic sectors and national sovereignty.

Accordingly, while the legal framework of Qatar generally encourages foreign participation across most sectors, entry into certain financial, commercial agency and natural resource activities remains restricted or subject to special governmental authorization on public interest or national security grounds.

Performance requirements

This assessment component examines whether Qatari investment legislation or policies impose performance-related obligations on foreign investors, such as requirements related to employment, skills development, export promotion, or compliance with social and labour standards.

In terms of labour and social requirements, Qatar has introduced several national initiatives aimed at enhancing workforce skills, promoting human capital development, and fostering knowledge transfer, particularly within the framework of the Qatar National Vision 2030. These measures contribute to strengthening the domestic labour market and supporting investment sustainability. However, they operate as general socio-economic policies rather than mandatory performance conditions specifically imposed on foreign investors.

Pursuant to article 14 of Amiri Decision No. 34 of 2023 on the Reorganization of the Qatar Investment Authority, the Board of Directors is mandated to evaluate investment performance based on defined and clear criteria, in light of approved long-term strategies and plans. This provision establishes institutional oversight and systematic monitoring of investment outcomes, thereby enabling assessments of effectiveness and efficiency at the strategic level.

However, the legislation does not provide explicit statutory cost-benefit analysis methodologies or formal opportunity-cost evaluation tools within the investment approval or review process.

Incentive regime

This assessment component reviews the legal framework governing investment incentives in Qatar, which includes defining incentive schemes in legislation, specifying the adopted incentive regime, and identifying the competent authorities responsible for administering and implementing these incentives.

The Foreign Investment Law of Qatar (Law No. 1 of 2019) provides a legal framework for investment incentives meant to attract foreign capital, subject to limitations specified by the Council of Ministers upon the Minister of Commerce and Industry's advice. Article 10 of the law grants income tax exemptions for non-Qatari investment projects in accordance with the controls, procedures and periods stipulated in the Income Tax Law. Article 11 provides for exemptions from customs duties on imported machinery and equipment required for establishing the investment as well as on necessary raw and semi-processed materials for industrial projects lacking appropriate local alternatives. Article 12 grants the Council of Ministers the authority to provide additional incentives and benefits to investment projects based on ministerial recommendations.

Currency conversion and profit repatriation

This assessment component examines the legal provisions governing currency conversion and the repatriation of profits by foreign investors in Qatar, including guarantees for capital transfers, the role of financial and banking authorities, and applicable capital control measures.

Article 14 of Law No. 1 of 2019 provides for the free transfer and conversion of capital by foreign investors. The law guarantees the right to transfer investment returns, profits and proceeds in and out of the country in any convertible currency, thereby facilitating capital mobility. Oversight of financial flows, compliance with applicable financial rules, and the protection of monetary stability are ensured by the Qatar Central Bank.

Exit strategy

This assessment component assesses the legal framework governing the exit of foreign investors from the Qatari market, focusing on provisions related to divestment, liquidation, mergers and acquisitions.

Pursuant to article 15 of Law No. 1 of 2019, a foreign investor may transfer ownership of their investment to another investor or relinquish it to their Qatari partner, in the case of joint ventures, provided that such transfer is conducted in accordance with the applicable laws and regulations. In such instances, the investment shall continue to be governed by the provisions of the Foreign Investment Law, with the new investor assuming all rights and obligations of the previous investor and continuing the operation of the project.

RECOMMENDATIONS

- Introduce objective, legally defined evaluation criteria for projects benefiting from incentives (e.g., employment, sectoral contribution).
- Define, by regulation, the legal criteria and the competent authority governing approvals in restricted or strategic sectors to ensure consistent and transparent application of screening measures.
- Establish a legal basis for periodic monitoring and evaluation of incentive-supported investments using measurable performance indicators to assess effectiveness and efficiency.
- Establish clear administrative procedures and timelines for the repatriation of liquidation and divestment proceeds.