

Decree Law No.21 of 2017
Amending Certain Provisions of Law no. (34) of 2005 On Investment Free Zones

We Tamim Bin Hamad Al Thani, Amir of the State of Qatar

Upon reviewing the constitution,

And Law no. (10) of 1987 in relation to Public and private property of the State, and its amended laws;

And Law No. (13) of 2000 in relation to regulating the investment of non-Qatari capital in economic activity, and the laws amending it,

And Labour Law no. (14) of 2004, and the laws amending it,

And Law no. (34) of 2005 in relation to the Investment Free Zones;

And Law no. (13) of 2012 in relation to Qatar Central Bank and the organisation of Institutions;

And Law no. (2) of 2015 in relation to the Financial System of the State;

And Law no. (21) of 2015 in relation to regulating by organising the entry and exit of expatriates and their residence, as amended by Law no. (1) of 2017

And Law no. (24) of 2015 on the organisation of tenders and auctions;

And Decree no. (64) of 2012 in relation to authorising the Economic Free Zones to use certain lands;

And Amiri Decree no. (21) of 2006 in relation to establishing a steering committee for the Manateq Investment Free Zones

Draft Law submitted by the Cabinet;

We decided the following:

Articles

Article (1)

The following terms “Free Zones” Registered Companies” and “Free Zone” shall replace the terms and word “Free Investment Zones”, “the Companies, Projects, Facilities, Other entities” and “Free Zone” to replace “Zone” respectively wherever it appears or refers to in Law No. (34) of 2005.

Article (2)

The following articles (1), (2), (4), (10), (11), (14), (16), (17), (19), (20 “3/4”), (21), (30), (32 “2”), (33), (42), (44), (45), and (48) should be replaced as follows:

Article (1):

While applying the provisions of this Law, the following terms and words shall have the respective meanings unless otherwise the context requires:

Free Zone: A geographic area at the State territory, surrounded by barrier, designated for the exercise of economic activities, and is exempted from the scope of customs in the State

The Authority: The Free Zones Authority

The Board: The Board of the Authority

The Chairman: The Chairman of the Board

The CEO: The CEO of the Authority

Economic Activity: Any commercial or industrial or agricultural or tourist or media or professional or artisan or logistic or technical, or service or goods storing activity.

The Registered Companies: The Companies and other Entities registered at the Authority that wish to practice economic activity within the Free Zone in accordance with the provisions of this Law and the executive decisions

The Regulations: The Regulations issued by the Board

Article (2):

Free Zones shall be established by a Decree based on a proposal of the Council of Ministers, and such Decree shall specify the borders and the coordinates of each zone in accordance with the plans and maps attached thereto.

Article (4):

Subject to The Regulations, limited liability companies, joint ventures or any other form of companies or entities, whether owned by one or more natural or legal persons, from among nationals, residents or others, may be incorporated within the Free Zone without restrictions regarding the non-Qatari capital percentage or increasing its own authorized capital as provided for in the Commercial Companies Law and other related laws. The Registered Companies shall practice their licensed Economic Activity in accordance with the provisions of this law, The Regulations and the agreements entered into between them and the Authority.

Article (10):

The Registered Companies are permitted to bring in and out foreign currencies via the banks operating within the Free Zone with no restrictions, in accordance with the respective instructions and decisions issued by the Qatar Central Bank.

Article (11)

Subject to the provisions provided in the International Treaties and labour regulations related thereto, the Registered Companies shall have the right to appoint employees, workers and set out their rights based on a specific hiring systems providing that it doesn't reduce the rights granted to them by the relevant Labour Law referred to herein.

Article (14)

It is not permitted to take a decision to terminate or suspend a license of the Registered Companies except in the event of violating the licensing requirements, and such decision shall be taken by the CEO. The Registered Company may appeal to the Board within (15) days from the date of being notified of such decision. The Board shall respond within one month and such response shall be justified. If the above period has passed with no response is received by the Board, the appeal is considered to be accepted and the Registered Company may within three months resort to the Dispute Resolution Center within the Free Zone.

Article (16)

The following goods/products are prohibited from entering the Free Zone:

- 1- Flammable substances, except the fuels necessary for operation and permitted by the Authority in accordance with the terms specified by the Authority.
- 2- Radioactive materials, except those materials excluded in accordance with the provision of the Law.
- 3- Weapons, ammunition and explosives whatsoever unless pre-authorized by the competent area.
- 4- Goods violating the provision of the Law concerning the protection of intellectual property
- 5- 5. Drugs of all kinds and derivatives, except for those are necessary for medicine industry and pharmaceutical materials.
- 6- Goods that are prohibited to enter the State

Article (17):

A Public Authority shall be established and called ((The Free Zones Authority), and shall have a separate legal personality, independent budget, and financial and administrative autonomy.

Article (19)

The Authority shall seek to develop and enhance the Free Zones in accordance with the best international standards, and it shall encourage and attract the investment in the sectors of scientific research, technology, production, exportation and others. To achieve the above purposes, the Authority has the right to exercise the following powers:

- 1- Conduct studies, specify locations to establish the proposed Free Zones and its activities and the ways to support such Zones, and submit necessary recommendations to the Council of Ministers.
- 2- Provide infrastructure and offices and facilities, and administrative services and any other services necessary for the implementation of the goals of the Authority.
- 3- Control and supervise the management of the Free Zones and follow up on its affairs and prepare plans and programs necessary to develop them.
- 4- Issue the licenses and approvals and permissions for the companies, facilities and entities that wish to carry out an Economic Activity with the Free Zone or through it as provided in the Regulations.
- 5- Specify the services fees.
- 6- Collect the State tax.
- 7- Facilitating working procedures between the Registered Companies operating within the Free Zone and entities outside of it.
- 8- Entering into arrangements with suppliers to provide information technology, communication and supplies services.
- 9- Establishing of companies and entering into arrangements necessary to develop the infrastructure of any Free Zone.
- 10- Put in place the Regulations relating to the Authority, the establishment and management and developing and operating the Free Zones.
- 11- Commence any permitted Economic Activities whether by establishing new Companies or entering into existing Registered Companies.

- 12- Appoint an advisory board with the experience in activities similar to those of the Authority to provide their advices regarding the strategy of implementing the goals of the Authority.
- 13- Appoint employees and consultants and other services providers.
- 14- Cooperate and enter into arrangements with authorities, entities, bodies and organizations with similar activities.
- 15- Undertake the tasks and duties assigned to it by the Council of Ministers to implement its goals.

Article (20/ Item 3 and 4)

“3-Controls on granting of licenses and the rights to use or lease of the lands within the Free Zone renting it to Registered Companies.

4-Prohibition of money-laundering and illegal financial conduct, in coordination with Qatar central Bank.”

Article (21):

“The Authority shall be managed by a" board of directors, which is constituted by a Chairman, a deputy chairman and members with expertise and competence from various relevant sectors, appointed by Amiri Decree, on the proposal of the Council of Ministers. The term of the Board shall be four years which may be renewed for one or more identical terms. An Amiri Decree shall be issued to determine the remuneration of the Chairman, deputy chairman and Board members. The Board shall have a Secretary appointed by the Board, who shall determine its scope and financial remuneration.”

Article (30):

The Authority shall have a CEO, "appointed by a decision of the Council of Ministers, upon the proposal of the Board, under his supervision, and within the overall policy of the Authority, he will take over the administrative, financial and technical matters in accordance with the provisions of this Law and the established regulations and rules, and within the limits of the annual budget, and the implementation of the Board’s resolutions, and in particular the following:

- 1- Proposing the Authority’s plans and programs.
- 2- Proposing the organisational structure of the Authority, the necessary regulations for its administration and the operation of the Free Zones.
- 3- Registering the companies that are willing to carry out Economic Activities within Fee Zones.
- 4- Issuing licenses and certificates relating to the exercise of economic activities in free zones.
- 5- Proposal for the annual budget of the Board and submitting it to the Board for adoption.
- 6- Preparing draft of necessary legislations and decisions for the work of the Authority and submitting it to the Board for appropriate action.
- 7- Preparing annual report on the Authority’s achievements and programs, and submitting them to the Board.
- 8- Preparation of final financial statements for the Authority’s’ financial year ended and submitting it to the Board.
- 9- Signing of contracts and agreements with others in respect of which the Chairman is delegated.
- 10- Proposing the fees and charges for services and the administrative and financial sanctions and the collection procedures.
- 11- Any other work assigned by the Board.

Article (32/Item 2):

“2-fees and charges for provided services.”

Article (33):

“the Authority may borrow, including funds in currency other than the currency of the State, following approval by the Council of Ministers. Any income, funds or property of the Authority may be provided as security for such loans or interest.”

Article (42):

The organisation of granting resident permits for employees and investors at the Free Zones and their families and the workers in projects established in the Authority upon a decision by the Minister of Interior containing the following:

- 1- Non-Qatari entry visas, including temporary entry visas granted directly by transit ports.
- 2- Recruitment of expatriate workers and organising their residence in the Free Zones.

Article (44):

“A dispute resolution center will be established with exclusive jurisdiction settle disputes related to the Free Zones through conciliation and arbitration. The Council of Ministers, upon the proposition of the Minister of Justice, shall decide on the organisation of the Center and its specialty and the method of adopting the implemented provisions and resolutions.”

Article (45):

The Authority shall be exempted from implementing the provisions of Law no. (2) of 2015 and Law no. (24) of 2015.

Article (48):

The Board shall issue the necessary Regulations and decisions for the implementation of the provisions of this Law.

Article (3)

To add to Law no. (34) of 2005 referred the following:

Article (15) bis:

By decision of the Council of Ministers, on the proposal of the Chairman, projects may be granted within the Free Zone, which works on increasing the local component of the products, and the projects that invests in food security, logistics or communication and information services, additional incentives and benefits.

Article (15) Bis 1:

Registered Companies, from the date of their registration, enjoy the following benefits and exemptions for their licensed economic activities within the Free Zones:

- 1- The profits of trade in transit goods in the Free Zone shall be exempted from all types of taxes, and transactions related to such trade shall be managed and carried out in public warehouses located in the Free Zones.
- 2- Exemption from restrictions contained in the law governing commercial agencies.

Article (42) bis:

Qatar Central Bank shall develop and follow up on the policies contributed to regulations, licensing, controlling, supervising all type of practices services, works and financial activities in the Free Zones, relating to the work of banks and financial institutions operating in the Free Zone.

Article (4)

Articles (3), (5), (22) and (31) (second paragraph) of Law no. (34) of 2005, referred to, are repealed. Also Amiri Decree no. (21) of 2006 referred to, shall be repealed.

Article (5)

The first and third economic zones, the borders and details of which are referred to in Decree No. (64) of 1012, shall be considered Free Zones for the purpose of Law no. (34) of 2005 referred to herein.

Article (6)

All concerned authorities, each within its jurisdiction, implement this law and shall be active from the date of its promulgation and will be published in the Official Gazette.