

What are the challenges?

Challenges and risks when doing business in Qatar

The most successful companies are those who establish a business locally through one of the many options for local incorporation. In most cases local incorporation and registration is a must for any government contract work. Thankfully there are a number of flexible and cost effective solutions now available to companies who need to incorporate under local law.

Most businesses setting up in Qatar are obliged by law to have a local Qatari sponsor or business partner. Such partnerships normally take the form of a 51-49% split in favour of the Qatari partner (N.B. depending on the agreement however, profits can be split on a more favourable percentage to the foreign party).

It is also vitally important that UK companies consider carefully the choice of business partner before entering into any agreement. Disputes can often occur and the burden of risk in such contracts tends to lie solely on the foreign company. It is therefore imperative that UK companies commission local due diligence on their potential partners and take good local advice on the terms of any agreement.

Qatar is a highly-competitive market. UK companies need to check pricing is competitive as the Qatari Riyal is tied to the US Dollar.

A contract should be signed before undertaking any work or projects in Qatar.

Other things to consider when you are doing business in or with Qatar include:

- high levels of bureaucracy
- foreign investment is restricted in some sectors
- lack of transparency in the market, especially in relation to government procurement
- preferential treatment given to suppliers using local content in government procurement
- payment delays
- price, rather than quality, most important factor in the buying decision
- market not well regulated, especially on environmental matters
- rents for both business and private residences expensive and rising

[Source – DIT/FCO/gov.uk]

Business risk

Bribery and corruption

Bribery is illegal. It is an offence for British nationals or someone who is ordinarily resident in the UK, a body incorporated in the UK or a Scottish partnership, to bribe anywhere in the world. In addition, a commercial organisation carrying on a business in the UK can be liable for the conduct of a person who is neither a UK national or resident in the UK or a body incorporated or formed in the UK. In this case it does not matter whether the acts or omissions which form part of the offence take place in the UK or elsewhere.

The Qatar Rule of Law and Anti-Corruption Centre was inaugurated in December 2011. The centre was built as an independent organisation that works in partnership with the United Nations to strengthen the rule of law and fight corruption.

Transparency International ranked Qatar 29th out of 180 countries in the 2017-18 Corruption Perceptions Index (CPI). See: https://www.transparency.org/news/feature/corruption_perceptions_index_2017#table.

Visit the Business Anti-Corruption portal at: <http://www.business-anti-corruption.com/country-profiles/qatar> for procedures you can establish to protect your company from corruption risks.

You can also find information on the UK Government's website on bribery and corruption at: <https://www.gov.uk/anti-bribery-policy>.

Protecting your Intellectual Property (IP) in Qatar

IP rights are territorial, that is they only give protection in the countries where they are granted or registered. If you are thinking about trading internationally, then you should consider registering your IP rights in your export markets.

Intellectual Property policy in Qatar is led by the Ministry of Economy and Commerce. In June 2015, Qatar became the first GCC country to open a Patent Cooperation Treaty (PCT) Registration Office. Applicants can seek protection for an invention in 148 countries across the world.

Trade mark and copyright owners and patents holders in Qatar are dependent on Qatar's own national laws and regulations for protection.

You should register your trademarks at the Qatar Intellectual Property Department – Trademark Office at the Ministry of Economy and Commerce. See:

<https://www.mec.gov.qa/en/services/Services%20and%20Forms/Business-Service/Pages/Register-for-a-trademark.aspx>. Inventive designs or industrial models can also be registered under the Trade Mark Law.

Register at Qatar's Copyright Office to protect inventions and literary and artistic works. This includes computer programmes and databases which are creative in the selection and arrangement of their subject matter.

You should be particularly careful over translation of English language works into Arabic and put in place a legal agreement with the translator before any work is done. Direct translation is not possible between English and Arabic and therefore in the eyes of local law copyright could pass to the translator as it could be considered a new work.

A GCC patent covering all member states can be obtained by filing an application at the GCC Patent Office. See: <https://www.gccpo.org/DefaultEn.aspx>.

The World Intellectual Property Organization's (WIPO) Qatar webpage at: http://www.wipo.int/directory/en/details.jsp?country_code=QA can provide further information on Intellectual Property in Qatar.

Information is provided on the UK Government's Intellectual Property page at: <https://www.gov.uk/intellectual-property-an-overview>, and at the Intellectual Property Office – the UK Government agency providing free and impartial advice on protecting and registering your IP in the UK and abroad. See: <https://www.gov.uk/government/organisations/intellectual-property-office> and: <https://www.gov.uk/guidance/exporting-your-intellectual-property>.

Qatar's Intellectual Property Rights Index (IPRI) score decreased by -0.17 to 7.178 placing it 2nd in the Middle East and North Africa (MENA) region and 25th in the world. See: <https://www.internationalpropertyrightsindex.org/country/qatar>.

[Source – FCO Overseas Business Risk/gov.uk]

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