

The background of the entire page is a photograph of a man and a woman in business attire. The man, on the left, has a beard and is wearing a dark suit over a light blue shirt. He is pointing with his right index finger at a document held by the woman. The woman, on the right, has blonde hair tied back and is wearing a dark blazer over a light blue shirt. She is holding a large black folder or binder. They are standing in front of a large window that looks out onto a city skyline. The bottom right corner of the image is covered by a dark grey diagonal overlay where the title and date are located.

Qatar TAX UPDATE

APRIL 2025

Qatar implements Global Minimum Tax: Law No. 22 of 2024 is now officially published

The official publication of Law No. 22 of 2024 marks a pivotal moment in Qatar's tax landscape.

The 15% global minimum tax rate is now formally adopted, aligning Qatar with the global tax reform initiatives under Pillar Two. It is now considered fully enacted for financial reporting purposes in accordance with IAS 12.

The amendment introduces two key provisions for multinational groups: the local income inclusion rule (IIR) and the local supplementary minimum tax rule, also known as the domestic minimum top-up tax (DMTT). The law amendment applies exclusively to the amendments in the ITL, rather than the full ITL, and covers all regions of Qatar, including entities licenced by the Qatar Financial Centre (QFC), the Qatar Free Zones Authority (QFZA), Qatar Science & Technology Park (QSTP) and Qatar Media City (QMC).

On 27 March 2025, the State of Qatar issued Law No. 22 of 2024 (2024 Law Amendment) in the Official Gazette, amending the provisions of Income Tax Law No. 24 of 2018 (as amended by Law No. 11 of 2022) (ITL).

The key observations are as follows:

01

The amendment introduces the DMTT to ensure that multinational enterprise (MNE) groups operating in Qatar pay a minimum effective tax rate of 15% on their excess profits, in alignment with the Global Anti-Base Erosion (GloBE) model rules (GLoBE rules). The amendment introduces the IIR, which facilitates the collection of taxes by the ultimate parent entity (UPE) or intermediate parent entity (IPE) based in Qatar, for foreign constituent entities (CEs) of MNEs that are subject to low taxation.

02

The amendment applies to fiscal years starting on or after 1 January 2025. It impacts MNEs operating in Qatar with a consolidated annual revenue of €750 million or more in two of the last four fiscal years. The amendment refers to the GloBE rules, integrates the accompanying Commentary to the GloBE rules and adopts any relevant administrative guidance issued by the OECD, unless otherwise determined by the Council of Ministers. This includes applying the ordering rules and any safe harbours outlined in the commentary and administrative guidance.

03

The amendment introduces financial penalties for noncompliance, which are consistent with the existing penalties in the ITL. It also includes provisions for a 'Transitional penalty relief regime,' alongside other penalties not covered by the transitional relief regime.



If you would like further information or advice on this topic,
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You will also find additional information on our web site: www.bdo.com.qa

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