

Qatar Financial Centre provides platform for international hospitality enterprises

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The Qatar Financial Centre

('QFC') is now celebrating its 15 year anniversary in Qatar.

When the QFC was first established, firms that provided professional and business services to the financial service industries only were permitted to be established. That is no longer the case and QFC-licensed entities can now serve and support a broader array of businesses. A wide range of companies and entities are active in the QFC under the permitted Non-Regulated Activity of 'professional and business services'. Professional and business service providers are firms that actively provide business to business services. Professional and business services is a wide concept and is not limited to 'auditing, accounting, tax, and legal services' as referred to specifically in the QFC Law, but extends to and includes such activities: as human resources consulting; marketing and brand management; event management services; management operations; business and professional education; public relations; accreditations consulting; logistics planning and consulting; and many other business-to-business services.

Obviously a number of the aforementioned activities will be applicable to the hospitality industry, especially for offshore consultants in that field. An entity can now be established to carry out such activities and be 100 per cent foreign owned allowing such consultants to undertake business activities in Qatar without fear of breaching either foreign investment laws or 'doing business' laws. A staffed office will

be able to be located in Qatar permanently in a jurisdiction that carries no labour quotas or wage protection systems.

Equally important for the hospitality industry is the fact that a Non-Regulated Activity can also include that of a 'company headquarters'. This term is not defined as being a regional HQ company or holding entity, but rather as an entity that supports other companies within a corporate group. Thus for a hotel management company, it can have staff located in Qatar that can consult with hotels under its operational umbrella and assist with marketing and promotional activities as well as management and operational consulting. Instead of relying on one of the hotels in its group sponsoring staff who are then answerable to the owner, the hotel manager can have its own staff dedicated to supporting all hotels under the same operational umbrella. Obviously this is not meant for staff who are involved in the day-to-day operations of a particular hotel but more for staff involved at a strategic level.

The FIFA World Cup is scheduled to kick off on 21 November 2022 with the final being contested on 18 December 2022. Expectations are for 1.6 million spectators to visit during the month-long competition with around 160,000 requiring accommodation. Some estimates have stated that Qatar, by that date, will have 70,000 hotel rooms with even 1,600 rooms to be made available as floating hotel rooms on Qetaifan Island North which is close to the iconic Lusail International Stadium, where the opening and final games of the tournament will be played. For a country of its size, Qatar already has a significant number of hotels and other hospitality venues, with most major international operators being represented. The fact that the QFC is offering a corporate structure that will suit the interests of major hotel operators could see a boom in hospitality companies utilising the QFC as a base for operations not only in Qatar but throughout the region.

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