

The Unified Economic Registrar in Qatar

by Ayman Raad - a.raad@tamimi.com - Doha
Masa Takriti - Doha, Qatar - m.takriti@tamimi.com

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H.H Sheikh Tamim bin Hamad Al Thani, Emir of the State of Qatar has issued Law No. 8/2019 regarding the Unified Economic Registrar ('Law'). The Law ambitiously aims to create an all-encompassing Unified Economic Registrar aimed at enhancing the transparency of economic and financial transactions, by collecting basic information, data and documents of:

1. **Economic Enterprises:** defined by the Law as establishment, company or entity that shall be operational in any economic sector;
2. **Legal Arrangements:** defined by the Law as direct trust funds or similar arrangements. The Law further defines a direct trust fund as a legal relationship that does not result in a legal personality, created by a written document whereby a person places assets under the direction of the trustee for the benefit of one or more beneficiaries or for a specific purpose;
3. **Non-Profit Organisations:** defined as any entity, organisation, legal arrangement that collects or disburses funds for charitable, religious, cultural, educational, social, or solidarity purposes, or for one or more public benefit purposes;
4. **Profession:** defined as activities that depend on the direct exploitation of mental or scientific human capabilities and pure mental talents, which depend on the personal skills of those who practise it, and their exercise shall be regulated by special laws; and
5. **Real Beneficiaries:** The natural person who effectively owns or controls a legal person, or a final legal arrangement, or a natural person on whose behalf the operations are performed, and which also includes a person who exercises effective and final control over a legal person or legal arrangement.

As stipulated in the Law, the Unified Economic Registrar aims to enhance the transparency of economic and financial transactions, by collecting basic information, data and documents of the Economic Enterprises, Legal Arrangements, Non-Profit Organisations, Profession, related to the Real Beneficiaries, and by maintaining and making them available to the public and stakeholders.

Basic information is defined in the Law as "*information that allows the identification of the applicant in the record maintained by each Competent Authority, to determine its legal form, to describe its basic features and purpose, and any other information provided by the law to which the applicant is subject*". Competent Authorities are any party that undertakes the licensing or registration of an Economic Enterprise, Legal Arrangement, Non-Profit Organisation, or Profession licence, in accordance with the Law.

As a centralised platform, the Unified Economic Registrar will accumulate information from the following existing records:

- commercial registrar;
- legal arrangements record;
- non-profit organisations record; profession record; and
- any other record similar to the aforementioned records maintained by the authorities.

The Unified Economic Registrar contains all the information and records existing in the databases of the records listed above. The Ministry of Commerce and Industry will enable Competent Authorities to enter the relevant record and update existing data and basic information through a

Standard Economic Number assigned to each economic entity.

To apply for a licence or renewal or amendment thereof, applicants are required by Article 4 of the Law to apply using the form prepared by the Competent Authority for this purpose, accompanied by all supporting documents, as specified the applicable law. If the applicant is a legal person or legal arrangement, it must attach a declaration of the Real Beneficiary to the requisite application form. This is a mandatory requirement and applications will not be accepted without such a declaration. Further, legal persons and legal arrangements must maintain up-to-date information regarding the Real Beneficiaries and provide copies to the Competent Authority as set out in the regulations.

The basic information on Economic Enterprises, Legal Arrangements, Non-Profit Organisations and Profession will be made available to the public by the Competent Authorities. Further, for the purposes of enhancing the transparency of economic and financial transactions, Article 7 of the Law prescribes that the required information by the Unified Economic Registrar with regards to Real Beneficiaries will be made available to law enforcement and judicial authorities, regulators, financial institutions, non-financial businesses and professions as specified in accordance with laws regulating Anti-Money Laundering and Terrorism Financing, the General Tax Authority and other authorities as may be requested. Such information may also be exchanged with foreign counterparts upon request in accordance with applicable laws or principles of reciprocity. Additionally, and notwithstanding applicable laws regulating the protection of personal data privacy, the Unified Economic Registrar shall also allow the information to be used by the Competent Department to produce statistics and analyses to be published in bulletins or annual reports. This will, indeed, be a very effective tool which the State can use to analyse and identify current economic needs and capacities.

It is important to note that under Article 13 of the Law, Competent Authorities that are subject to special legal regulations, are in compliance with the Law insofar as they provide the basic information required regarding Real Beneficiaries of the entities to which they are licensed or registered and are not subject to the duty of obtaining a standard economic number from the Competent Department, as those that are licensed or registered will be linked through the existing databases to the Unified Economic Registrar. The manner in which this data sharing and exchange shall be carried out will become more clear once regulations are issued in line with the Law. The regulations to be enacted will specify the mechanism for organising and preparing the Unified Economic Registrar and the manner in which databases of other bodies will be linked as specified by the Competent Department.

Article 12 of the Law prescribes a penalty of imprisonment for a period not exceeding two years and a fine not exceeding QAR 500,000 (US\$137,000) for violating the requirement under Article 5 of the Law for legal persons and legal arrangements to maintain a thorough, accurate and up-to-date record of the information required regarding the Real Beneficiaries, and provide a copy to the Competent Authority, as specified. Less severe penalties for violations of other articles of the Law are provided for in Article 11 which range from written warnings to the cancellation of the economic entity's licence. Such penalties may however, be appealed in accordance with the regulations to be enacted under the Law.

Finally, Competent Authorities will be required to regulate their records in accordance with the provisions of the Law, within six months from the date of their commencement, and such period may be extended by a decision of the Cabinet.

In the spirit of Qatar's Vision 2030 and the Emir's grand national plan for Qatar to become an advanced society capable of sustaining its development including economic growth, social development and environmental management, this Law is enacted with a view to further aid the State's efforts to achieve such aims and efficiently monitor growth, ensure transparency, and

regulate the private sector by offering an all-encompassing unified transparent platform reflecting the private sector.

For further information, please contact [Ahmed Jaafir \(a.jaafir@tamimi.com\)](mailto:a.jaafir@tamimi.com) or [Ayman Raad \(a.raad@tamimi.com\)](mailto:a.raad@tamimi.com).