

Tourist Industry Licensing in Qatar

Samy El Sheikh
s.elsheikh@tamimi.com

June – July 2015

The award of the 2022 FIFA World Cup has given a greater impetus to infrastructure development and has served to create a timeline for delivery. The numbers are staggering (particularly given the size and current population of Qatar): USD \$35 billion for a new rail project, USD \$20 billion for upgrading the road network, USD \$11 billion on further upgrades to the Doha International Airport, USD \$5 billion on a new deepwater sea port, new and refurbished sports stadia and 170 hotels comprising over 70,000 hotel rooms.

Of particular relevance to the operators of those new hotels, the hotel industry in general and other tourism sectors in Qatar is Law number 6 for the year 2012 ("Tourism Licensing Law"), which was put into place to regulate business activities in the tourism industry in Qatar to which the Tourism Licensing Law applies. Those business activities fall under two main categories as follows:

- "Tourist establishments", which means places operating mainly to accommodate tourists, such as entertainment establishments and specialised clubs, and other places allocated to provide services for tourists, such as tourism offices, offices offering tourist transport, tourist guide offices and time-sharing places, and any other establishment deemed to be a tourist establishment in accordance with a decision of the Minister of Economy and Commerce on the proposal of the President of the Authority.
- "Tourist activities", which means any activity of transport of tourists including transport of tourists on trips onshore or offshore, the activities of tour guides, time-sharing and any other activity deemed to be a tourist activity in accordance with a decision of the Minister of Economy and Commerce on the proposal of the President of the Authority.

Pursuant to Article 2 of the Tourism Licensing Law:

"Establishing, using or managing a hotel or tourist establishment or the practicing of any tourist activity shall be prohibited unless a licence has been obtained from the Authority in accordance with the requirements and regulations established by this Law and the implementing regulations thereof".

The concerned authority mentioned above is the Qatar Tourism Authority ("Authority"). Article 3 of the Tourism Licensing Law provides that where any person intends to carry out an activity requiring a licence from the Authority, an application must be made on the form provided by the Authority. Once the applicant has completed the form, attached any documentation required by the form and submitted the application, a committee within the Authority will review the application and issue a response within thirty days from the date of submission of the application. If the Authority does not respond before expiry of this period, it is deemed to be a rejection of the application. If the application is approved, a preliminary approval will be issued under Article 5 of the Tourism Licensing Law setting out certain pre-requisites to be met by the applicant.

When the applicant has met these requirements, it must deliver a written notification to the Authority. Within fifteen days of the notification, the Authority's inspectors will carry out an inspection to verify compliance and, based on this inspection, the Authority can issue a licence.

Pursuant to Article 6 of the Tourism Licensing Law, a three-year licence will be issued for hotels and a one-year licence will be issued for tourist establishments and other tourism activities. On expiry, the licence

can be renewed for further or similar periods.

Under Article 12 of the Tourist Licensing Law, licensees must to provide adequate opportunities for the training, preparation and development of Qatari nationals at various levels and provide the Authority with information concerning the licensee's annual training programmes. The Article does not expressly refer to the hiring of Qatari nationals, so it can be interpreted as being aimed at ensuring that knowledge and expertise within the industry is being imparted to Qatari nationals.

For any new business requiring a licence, once the applicant has obtained the preliminary approval, it can carry out the procedures for incorporation the business in parallel with meeting the pre-requisites required by the Authority, however final incorporation will not occur until all the requirements of the Authority are met.

It is important that all hotel and tourism operators, regardless of whether they are already established in Qatar or are planning on entering the Qatar market to take advantage of the opportunities expected from the 2022 FIFA World Cup, are aware of the licensing requirements and the procedure for obtaining a licence under the Tourism Licensing Law.