QFC HOLDING COMPANIES

مركـــز قطـــر للمـــال
Qatar Financial Centre

ABOUT QFC

As one of the leading onshore business and financial centres, the QFC offers both domestic and international firms a world-class platform to establish and operate their business in Qatar, providing access to a broad range of services, regulated and non-regulated, under a legal and regulatory regime based on international best practices. Whether you are a start-up or a large company seeking to establish or expand your presence in the region, the QFC provides a transparent and flexible environment for your business to flourish and grow in Qatar and beyond.

BENEFITS OF SETTING UP IN THE QFC

- Onshore Jurisdiction
- 100% Foreign Ownership
- English Common Law
- 10% Tax on Locally Sourced Profits
- 100% Repatriation of Profits
- No Minimum Capital
- One Stop Shop
- Trade in any Currency

A Holding Company (HC) in the Qatar Financial Centre (QFC) is incorporated as a limited liability company under the QFC Companies Regulations 2005 and the Special Companies Regulations 2017 and registered with the QFC Companies Registration Office (CRO) as an HC. An HC has the capacity, rights, and privileges of a natural person and can perform a variety of activities. Primarily established for holding and managing assets, an HC may also grant loans and financing to entities within the Holding Company Group.

What is a Holding Company?

- An HC is a legal entity with its own distinct attributes and legal personality, allowing it to enter into contracts and arrangements directly while, at the same time, limiting the liability of its shareholders.
- An HC can perform a variety of activities, from holding shares in subsidiaries to granting loans and financing to any entity within the Holding Group.
- There are no restrictions on the types of activities or business carried out by the subsidiaries of an HC.
- There is no minimum share capital requirement for an HC.
- An HC must not engage in Regulated Activities 'by way of business' (as that term is defined in the QFC Financial Services Regulations) with third parties without authorisation from the QFC Regulatory Authority (QFCRA).

QFC Benefits for Holding Companies

- A non-QFC company may migrate to the QFC as an HC.
- The subsidiaries or other companies that may be established by an HC within the Holding Group are not required to be incorporated in the QFC.
- The other operations carried out by the HC's group do not have to be located in Qatar.
- An HC that is "Passive" (as defined in the QFC Special Company Regulations) or ultimately wholly owned by the government of the State of Qatar does not have to appoint auditors or submit their accounts to the QFC CRO unless directed by the QFC Authority (QFCA) and is exempt from submitting annual returns.
- A QFC HC is eligible for all the QFC benefits associated with being established in the QFC.

Features of a Holding Company

Purpose and Activities

The purpose of the HC must be specified within its Articles of Association, and the Activities of the HC must be limited to the HC activities.

An HC can only carry out the following activities:

- Holding and maintaining one or more subsidiaries.
- Granting any type of security interest over its assets for its own benefit or for the benefit of any of its subsidiaries.
- Providing an indemnity, guarantee or similar support to any third party for its own benefit or for the benefit of any of its subsidiaries.
- The acquisition, holding or disposal of any interest in any asset, whether tangible or intangible, for its own benefit or for the benefit of any of its subsidiaries.
- Providing any type of loan or other form of financing to any other member of its group.
- Any activities which are ancillary to the activities set out above.
- Any other activity approved by the QFCA that falls within the permitted activities, being the business activities of company headquarters, management offices and treasury operations or the business of provision, formation, operation and administration of companies, as outlined under Schedule 3 to the QFC Law, or which qualifies as an exemption under Schedule 3 to the QFC Financial Services Regulations.

Support Service Provider

An HC may appoint a QFC-approved Support Service Provider (SSP) to provide them with one or more of the following services:

- Management and administrative services.
- Services as a registered agent, director or similar officer (including, where permitted, the Senior Executive Function).
- Provision of a registered office, place of business or address.

Member

An HC should have at least one (1) member who may be either a natural person or a body corporate.

Director

An HC must have at least one (1) director who may be a natural person or a body corporate.

Note: The function of the director may be provided by an appointed SSP.

Unless the HC engages an SSP to be the director, at least one of the directors must be a natural person who is ordinarily a resident in the State of Qatar or a body corporate with a registered office in the State of Qatar.

Senior Executive Function (SEF)

An HC must appoint a Senior Executive Function (SEF).

Note: The director and secretary and the SEF may be the same natural person. The function of the SEF may be provided by an appointed natural person from the Support Service Provider.

Secretary

An HC must always have a secretary who may be a natural person, a body corporate or an SSP, or a subsidiary of the SSP.

Unless the HC engages an SSP to be the secretary, the secretary must be a natural person who is ordinarily resident in the State of Qatar or a body corporate with a registered office in the State of Qatar.

Note: The director and secretary may be the same body corporate.

Registered Office

An HC must have a registered office situated in the QFC. It may use the registered office of the Support Service Provider.

Examples of how a QFC Holding Company can be used

- An ideal choice for multi-national organisations looking to expand into the region or local corporates looking for a base from which to expand overseas.
- Individuals can leverage an HC for holding intangible assets, e.g., shares, as part of their private wealth management solution.

Application for Establishment of Holding Company

- Complete the online application form for registration and licensing of an entity to conduct HC activities.
- The application must be accompanied by:
  - A written undertaking from the Incorporator that:
    - Sets out the purpose for which the HC is being established, and
    - Confirms that the HC shall only undertake HC activities.
  - Articles of Association that comply with the QFC Special Company Regulations/Rules.*
  - Such additional information as may be required by the QFCA, including details of the Beneficial Owner(s).

*A Standard Holding Company Articles of Association is available to adopt.

Compliance & Disclosure Requirements

All QFC-registered entities are required to maintain certain documents at their registered office.

Holding Companies are required to:

- Notify the QFCA, with no less than 21 days' written notice, of any intended change in its purpose or activities and whether the HC continues to be Passive.
- Active HCs (other than those that are ultimately wholly owned by the Government of the State of Qatar) are required to file Annual Returns, hold an Annual General Meeting (AGM), submit to the QFC CRO annual accounts and auditors report approved during its recent AGM (note Passive Holding Companies are not required to prepare or lodge an annual return).
- In addition, HCs are required to make certain periodic and event-driven filings to the CRO/QFCA, such as:
  - Pre-approval for amendment of Articles of Association or transfer of shares.
  - Annual Ultimate Beneficial Owner (UBO) Report.
  - Notice of any change in the registered office etc.
  - Notice of any change in director(s), SEF, secretary or shareholder(s).
  - Notice of any change in the Support Service Provider.

For the full and detailed compliance and disclosure requirements, please refer to the QFC Special Company Regulations and the QFC Special Company Rules.

Fees

Purpose	Fee USD
Application to conduct HC activities	500
Application for the incorporation and Registration of an HC	Nil
Annual fee for an HC	500
Alteration of Articles of Association	200
Application for non-objection to a transfer of shares in an HC	Nil
Application by an entity established outside the QFC for approval as nominee shareholder	Nil
Application for the revocation of the status of an HC	Nil
Change to the Directors or secretary of an HC	200
Change concerning Special Service Provider, where appointed	200
Change concerning shareholders (not including changes in Beneficial Owner(s))	200

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