



Qatar

Expert: Haneen Khatib and Naila Farouky

Institutional Affiliation: Arab Foundations Forum

With contributions from staff at the Indiana University Lilly Family School of Philanthropy

QUICK FACTS

Legal forms of philanthropic organizations included in the law: Association, Foundation

Five main social issues addressed by these organizations:

No philanthropic foundation or organization has agreed to take part directly in answering questions regarding the Qatari law, due to their royal decree affiliation. So the narrative and the scoring is based on the Qatari Law itself

Average time established by law to register a philanthropic organization: 30-60 days

This depends on the approval of the Minister of Civil Service and Housing Affairs and the decision of the Council of Ministers. It is supposed to be a 30 day process for approval and denial and an additional 30 days for appeal in the case of rejection. Afterward, the decision of the Council of Ministers is considered as final according to the Qatari Law of Associations and Private Institutions (2004).

Average cost for registering a philanthropic organization: US \$5,495

According to the Qatari Law of Associations and Private Institutions, POs are subject to the same regulations as associations and the registration fees as stated by the Law (Chapter 1 Article 2 Section 2) are approximately US \$5,495 to be paid by the 20 founding members.

Government levels primarily regulating the incorporation of philanthropic organizations:
Local Government

Philanthropic Environment Scores:

Year	Ease of Operating	Tax Incentives	Cross-Border Flows	Political Environment	Socio-Cultural Environment	OVERALL SCORE
2018	1.8	2.3	2.3	1.0	3.0	2.07

I. Formation/Registration, Operations, Dissolution of a Philanthropic Organization (PO)

The three questions in this section pertain to the laws and regulations governing philanthropic organizations (POs). The scoring questions for this category cover three aspects of regulations: (A) formation and registration, (B) operations, and (C) dissolution.

Question 1: To what extent can individuals form and incorporate the organizations defined?

Score: 1.5

The Qatari Law of Associations and Private Institutions does not permit the operation of non-registered groups. The law is clear that philanthropic organizations must be registered and monitored by the Ministry of Civil Service and Housing Affairs, and the Ministry has the right to dissolve an organization. While individuals are free to submit a registration application to the above mentioned ministry, some of the requirements for founding members of organizations are not very clear, including Chapter One, Article 2, Section 2 (D) of the law, "Founding or joining member shall: have good conduct and reputation." There is no available explanation on what defines "good reputation and conduct."

As for the nationality, only a Minister's exceptional decision can allow non-Qatari nationals to join as members, and the percentage of founding and joining non-Qatari members shall not exceed 20 percent of the total number of members. As for legal entities and minorities, there is no such reference in the law except for organizations with political aims that are not allowed to register.

In reference to the required documentation for registration, the number of documents required is reasonable and includes bylaws, the structure, and internal policies of the organization. The length of the process depends on the approval of the Minister and the decision of the Council of Ministers. The process for approval is supposed to last 30 days; in the case of rejection, it will take additional 30 days for appeal, and afterward the decision of the Council of Ministers is considered final. The registration fees stated by the Law are approximately US \$5,495 to be paid by the 20 founding members. The number of founding members shall not be less than 20 people, according to the law, which means that the amount can increase by the number of founding members. For Professional Associations the fees are US \$13,736 and associations must pay an annual subscription fee of approximately US \$2,747.

Question 2: To what extent are POs free to operate without excessive government interference?

Score: 2.0

Associations are expected to manage their organizations and form their bylaws per Article 16 of Chapter 3 of the Qatari Law of Associations and Foundations. Article 16 states that associations "shall be managed by a board of directors formed of not less than five members and not more than eleven to be elected by the general assembly from among its members for a term of three years." As for professional associations – under Qatari law – the licensing of a professional association is valid for 3 years, renewable for one or more terms.

There are no legal protections for contact or cooperation with colleagues in civil society, business, and government sectors, or for the use of the Internet and social media. As for international collaboration, Qatari law is clear regarding receiving foreign collaboration or funding for Qatari associations and for subscribing to international (cross-border) networks. Article 31 of the Qatari Law on Associations and Private Institutions, establishes prohibition to participate in or become annexed to any Association, organization or club based outside the State unless approved by government. Associations are also prohibited to send or receive any loans, gifts, donations, bequests, endowments or other funds, to or from a person, Association, body or club based outside the State without approval. Associations are also prohibited by the law from participating in activism or politics, as per The Qatari Law of Associations and Private Institutions, which states that “The professional association and its members shall not strike, call for a strike, instigate it or participate in it. It shall not issue statements on issues not related to the profession.”

Reporting requirements are clear, predictable, and are largely articulated in Article 18. Qatari associations are required to submit, among other things, an annual report of the board of directors, the final budget of the previous year, a draft budget of the next financial year, and the report of an auditor. There is no clause regarding social media communication.

The Qatari Law of Associations and Private Institutions states that fundraising requires the approval of the Ministry of Civil Service Affairs and Housing. Article 29 of Chapter 4 states that associations “shall not raise funds for a certain purpose and a certain period without a prior approval from the Minister and in the way that does not contradict with the laws and decisions in force.” At the same time, associations are allowed to invest funds inside the country and use any generated proceeds to finance activities. This is explicitly provided in Article 27 of Chapter 4, which states that associations “after obtaining the approval of the Ministry, and without violating its aims, may invest the surplus of its funds inside the state to finance its activities.” Associations may also be eligible to receive financial assistance from the government, with Article 30 of Chapter 4 stating, “The Council of Ministers may, upon a suggestion by the Minister, grant the association a financial assistance”.

Question 3: To what extent is there government discretion in shutting down POs?

Score: 2.0

Voluntary termination, dissolution, and liquidation decisions can be made by an association, as per Article 34 of the Qatari Law of Associations and Private Institutions. The law also provides the mechanism to do so, stating that an association “may be dissolved by a decision to be taken by the general assembly in an extraordinary meeting attended by one third of the members. The decision of dissolving the association shall be taken with the approval of the majority of attending members.” The law also makes provisions for the winding-up process, and states that associations must have a process in their bylaws and adhere to that process if needed.

As for involuntary termination, the Minister of Civil Service and Housing Affairs has the authority to dissolve an association, and may do so even without evidence of extreme violations. The Minister is also not obligated to provide a prior notice for the correction of violations according to Article (35) of Chapter 5. Qatari law outlines three possible grounds for dissolution: (1) membership falls below 20; (2) it violates the provisions of Qatari law; or (3) if the organization engages in political activities. However, the Minister does have a few alternatives to dissolution, most notably the ability to expel

an offending organization's board of directors. In an effort to improve accountability, such unilateral decisions are required to be published in Qatar's official gazette, and organizations maintain the right to appeal their decision to the Council of Ministers. The decision of the Council of Minister with regard to the complaint is final. However, these laws can be occasionally arbitrary because they limit the ability of associations to fix violations or make changes in a timely manner, as associations are given only a short period of time to appeal. Furthermore, while the possibility of appeals is granted, its process is not clear.

II. Domestic Tax and Fiscal Issues

The two questions in this section pertain to laws and regulations governing the fiscal constraints of giving and receiving donations domestically.

Question 4: To what extent is the tax system favorable to making charitable donations?

Score: 2.5

As Qatar does not levy an income tax, it is unsurprising that Qatari Law of Associations and Private Institutions does not articulate any tax incentives that may be claimed on donations.

Question 5: To what extent is the tax system favorable to POs in receiving charitable donations?

Score: 2.0

Article 30 of the Qatari Law of Associations and Private Institutions establishes that on the proposal of the Minister of Civil Service Affairs and Housing, the Council of Ministers may grant a subsidy or a loan to an Association and may also exempt an Association from any taxes or fees in order to help it achieve its goal. However, it does not clearly articulate the process for receiving tax exemptions, nor the type of domestic funds or donations that POs can receive. The only kind of funding that is explicitly recognized in the law is funding from the Ministry of Civil Service and Housing Affairs.

III. Cross-Border Philanthropic Flows

The two questions in this section concern laws and regulations governing the fiscal constraints of giving and receiving cross-border donations. The scoring for these questions pertains to the donor and receiving entities.

Question 6: To what extent is the legal regulatory environment favorable to sending cross-border donations?

Score: 2.5

This question is not easily answered objectively, as the Qatari Law of Associations and Private Institutions possesses neither explicit language on which association can send cross-border donations or funding, nor an article on tax deductions for the types of associations mentioned in the Qatari law. However, the Qatari Law on Associations and Private Institutions, Article 31 prohibits

associations from sending or receiving any loans, gifts, donations, bequests, endowments, or other funds, to or from a person, association, body, or club based outside the State unless the approval of the Ministry has first been obtained.

Question 7: To what extent is the legal regulatory environment favorable to receiving cross-border donations?

Score: 2.0

According to the Qatari Law of Associations and Private Institutions, associations are not allowed to raise funds without the supervision and approval of the Ministry of Civil Service and Housing Affairs. The Minister may, however, offer a grant or loan to the association, and may or may not exempt the association from any customs or fees.

The legal status of receiving funding or subscribing to external (regional or international bodies) support is similarly opaque. Technically, Qatari law prohibits such actions without prior approval, supervision, and proven documentation of such a process. More specifically, Article 32 of Chapter 4 states, “no society shall be allowed to subscribe, join or enroll in any other association or body or club which are located outside the State. It shall not receive or send any loans, grants, donations, Awqaf money, or any other kind of funds from a person, association, body, or club which is located outside the state prior to obtaining a written approval from the Ministry.”

Should the Ministry permit an association to receive outside funding, the association must then send a record of the transaction to the Ministry, as well as information on the identity of the donor and the recipient. As for private institutions, according to Article 40 of Chapter 2 "private institutions, in practicing its activities, shall depend on self-generated funds. It shall not receive assistance from the government. It may accept grants and donations." In summary, Qatari Law is not clear on cross-border donation and funding, nor on tax exemptions. As for accepting donations, associations are prohibited from fundraising and/or receiving funds prior to the approval of the Ministry. At the same time, private institutions are allowed to fundraise and receive grants.

IV. Political and Governance Environment

The three indicator questions in the next two sections concern the political and governance context, socio-cultural characteristics, and economic conditions that influence the environment for philanthropy.

Question 8: To what extent is the political and governance environment favorable for philanthropy?

Score: 1.0

None of the information reflects actual experiences of POs due to the following:

- The lack of research and reporting on the subject;
- Most associations and organizations in Qatar have high-level patronage; and

- The sensitivity of CSO laws in the country, as the law is restrictive.

If we select a royal decree foundation as a case study for governmental relations, it will not reflect the experience of other philanthropic foundations. Again, philanthropic foundations are not considered agents of political change; they are, rather, seen as development agents in other sectors, perhaps advocating for policy change that does not include politics. In Qatar, the economic conditions are affecting philanthropy positively, as in an oil-rich country there are lots of Arab donors and philanthropic foundations funding and implementing development programs.

Question 9: To what extent are public policies and practices favorable for philanthropy?

Score: 1.0

The government facilitates and supervises the work of POs; however, at the same time government does not provide either technical or financial support to philanthropic organizations. The government also imposes strict rules regarding foreign funding and donation, except for private institutions who are allowed to accept funding and donations. The government monitors associations closely and has the legal premises to confiscate funding, impose penalties, and, in some cases, dissolve a PO if they implement activities and receive funding for causes that have not been pre-approved by the government. With the government's monitoring mechanism as per the law, corruption is supposed to be caught easily, but it is unclear if that is the case.

V. Socio-Cultural Environment

Question 10: To what extent are socio-cultural values and practices favorable for philanthropy?

Score: 3.0

There is a religious and cultural heritage that has grounded what is now strategic philanthropy, especially that of Islam as a religion that encourages giving through Sadaqah and Zakat. Social values also support the culture of giving. As for the public perception of POs, there is lack of research on the matter. Women's participation in philanthropy is very high; many POs are founded and governed by women.

VI. Future of Philanthropy

These questions are used to provide a general picture of the future of philanthropy in this country as well as recommendations to improve the philanthropic environment.

Current state of the philanthropic sector

There is need to draft a legal framework specifically for philanthropic organizations, as POs operate in the general legal framework for nongovernmental organizations (NGOs). The driving force of the sector in this country is the royal support of these organizations, but, in order to open up the space for the private sector, family foundations, and community foundations, there is a need for a legal framework, as well as the need for lobbying in order to support the philanthropic sector.

Three major recent events affecting the philanthropic landscape between January 2014 and December 2016

- Geopolitical situation in the region; and
- The recent 2017 Qatar diplomatic crisis (Qatar blockade).

Future development trends in the philanthropic landscape

Social enterprises will start to emerge as a driving force of the sector in the coming five years, both in the region and the country, besides the growth of family foundations.

Three key recommendations to improve the environment for philanthropy

- Focus on collaboration and networking, knowledge sharing, and data collection and dissemination to highlight the impact of the philanthropic sector in the country and its impact on development; and
- Advocacy for policy change in the NGO law to add a legal framework for POs and to open up the space for new forms of philanthropic organizations.