

Qatar Financial Centre Broadens the Interpretation of “Professional Services”

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That is no longer the case, and QFC licensed entities now serve a wide array of businesses.

The permitted activities that can be undertaken in or from the QFC are prescribed by Qatari Law No. 7 of 2005, as amended (the QFC Law) and are termed “Permitted Activities”, which include regulated and non-regulated activities.

The QFC Law provides six permitted non-regulated activities, the first being “The business of providing professional services, *including but not limited to* provision of audit, accounting, legal, tax or consultancy services”.

In order to help promote the non-regulated side of businesses and following a review of professional services in 2014, the Board of the QFC Authority approved 17 additional activities which it considered could fall within the realm of professional services, namely:

- information technology consultancy activities
- advertising agencies
- architectural activities
- engineering design activities for industrial process and production
- engineering related scientific and technical consulting activities
- media representation services
- translation and interpretation activities
- urban planning and landscape architectural activities
- accreditation
- logistics planning and consulting
- project management
- marketing and brand management
- specialised design activities
- event management services
- estate planning and will writing
- activities of patent and copyright agents

- other legal activities (not elsewhere classified).

Accordingly, professional services as a permitted activity are not limited to audit, accounting, legal, tax or consultancy services but can extend much wider. This means that any business which provides “qualified business-to-business services” can fall within this category and is therefore permissible. By way of example, services such as advisory/consulting, human resources consultancy, corporate secretariat, compliance and risk management, public relations, third party administration, and other business-to-business services could potentially be permissible professional activities.

This list of approved additional professional services is not intended, in any way, to be limiting or exhaustive, but rather to serve as examples of the types of the professional services that the QFC will consider to fall within its interpretation of the professional services category and therefore permissible activities. However, the QFC has indicated that business activities where the firm will be directly involved in any construction, manufacturing, import/sale of goods or any labour intensive services are not considered as professional services within the non-regulated activities, and are therefore not permissible.

The permissibility of the activity can be considered by the QFC on an informal basis and upon approach by any interested business. The QFC simply needs to have an understanding of the business. At this high level, the QFC Authority will determine if the activity is permissible or not.

However conducting, or proposing to conduct, what is considered a permitted (professional services) activity is not sufficient in itself to establish a business in the QFC. There are two key formal stages which any applicant (of a non-regulated activity) must comply with in order to be established in the QFC: (1) Strategic Fit; and (2) Licensing and CRO incorporation/registration.

At the first stage (Strategic Fit Assessment), the QFC Authority must consider (upon submission by the applicant of an application) whether the proposed professional service business has “Strategic Fit”. The Strategic Fit Committee of the QFC Authority makes an evaluation of the “Strategic Fit” based upon four categories of criteria. There is no definitive list of qualifying criteria that must be met, but rather the application (together with its business case) is assessed and evaluated by the Strategic Fit Committee as a whole. Part of this evaluation will look at the extent to which the business “adds value to the State of Qatar”.

The QFC Authority may consider any of the licensing criteria set out in Schedule 5 of the QFC Authority Rules of 2014, as well as any other criteria, which in its sole discretion it considers relevant, in order to further the QFC Authority’s objectives as set out in Article 5 of the QFC Law (being to establish, develop and promote the QFC as a leading location for international finance and business with a legal and regulatory structure that complies with international best practice).

So simply carrying out an activity which the QFC Authority deems “permissible” is not sufficient. The proposed business must also meet the “Strategic Fit” criteria and based on the legislation, it would appear that the QFC Authority has been given fairly wide discretion in determining the Strategic Fit criteria and qualifying requirements.

The second stage simply involves the licensing by the QFC Authority and incorporation or registration by the Companies Registration Office (CRO).

With this widening of approach, the QFC Authority has indicated that it has already licensed firms within its approved list of 17 additional activities and is looking to continually extend the scope of current professional services being considered and approved.

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