

Establishing a Medical Institution in Qatar

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For any Medical Centre to operate in Qatar, it must be incorporated as an entity with specific medical activities included on its commercial registration. In addition, the Medical Centre will have to meet the requirements and procedures set out by the Supreme Council of Health (the "SCH"). Such requirements vary depending on the nature of the Medical Centre i.e. whether it is a hospital, a polyclinic, a laboratory or otherwise. This article aims to shed light on some of the key procedures required to establish a Medical Centre in Qatar.

Entity Incorporation Requirements - The Ministry of Economy and Commerce's Approval

Article 4 of Law No. 11 of 1982 promulgating the Law Regulating Medical Institutions requires 51% of any Medical Centre's capital to be held by Qatari nationals. However, under Law No. 13 of 2000, concerning Foreign Capital Investment, there are a number of fields in which foreigners may be permitted to hold up to 100% of the capital of the enterprise, subject to the approval of the Ministry of Economy and Commerce (the "MEC"), and investment in the health sector is one of these fields. However, the process for granting such an exemption is discretionary and is a very time consuming process.

Foreign-owned enterprises must be limited liability companies, whether 49% owned or higher, unless it is a joint venture with a Qatari government company in which case registration as a private joint stock company under Article 207 of Law No. 11 of 2015, promulgating the Commercial Companies Law, is permissible.

For a limited liability company, there is no minimum capital requirement; however, the MEC has in the past required certain enterprises to incorporate with specific levels of capital. The entity's articles of association must be in Arabic, or bilingual, and provide details of the company's trade name, members, head office, business objectives, capital amount, number of shares, conditions to share transfers, duration, managers and methods of distribution of profits and losses.

Registration fees at the MEC are dependent upon the specific activities which are registered for each entity. Information on these fees can be obtained from the MEC.

Before the MEC approves the name of any Medical Centre and its related activities, it requires a letter from the Facilities Licensing Department of the SCH establishing the SCH's initial approval for the incorporation.

SCH Licensing Procedures

Stage A- As a pre-requisite for the SCH to provide an approval letter to the MEC, the applicant, who must hold a Qatari ID, is required to complete an SCH form specifying the applicant's personal details (i.e. name, nationality, Qatari ID, profession, address and contact numbers) along with the details of the proposed entity's owners, who do not need to necessarily possess a Qatari ID. If satisfied, the SCH will then provide a provisional approval for the incorporation, usually within 1 to 3 days. This provisional approval is valid for a period of 6 months, in which period the applicant is required to finalise the incorporation of the Medical Centre and obtain the final medical licence.

After receipt of the letter from the SCH, the applicant can proceed with the incorporation process at the MEC. Once the MEC approves the name of the Medical Centre, the related activities and the articles of association (as signed and authenticated by the parties), it will then issue a commercial registration certificate.

Stage B- As a second step, the SCH will inspect the Medical Centre's premises. If the SCH determines that the premises meet certain requirements, it will grant preliminary approval for the premises. For the applicant to obtain such preliminary approval, the applicant will have to file an application with a copy of the interior design of the Medical Centre describing the size and structure. Each medical centre should maintain the following as a minimum:

- Administration room;
- Waiting room;
- Separate male and female waiting rooms not less than 12sqm with separate washrooms;
- Rooms compatible with the provided services; and
- Appropriate store room for medical and related equipment.

The SCH will not approve the premises if it is attached to commercial or residential premises. It must be maintained as stand-alone premises. All Medical Centres are required to adhere to the international and architecture standards for Medical Centres which are adopted by the SCH from time to time.

The preliminary approval of the premises usually takes up to 5 business days. Once obtained, the applicant will need to continually provide details regarding the staff and equipment so that the SCH can maintain this on its file for the Medical Centre.

Stage C- Any entity established in Qatar is required to hold a trade licence, a valid tax card and an immigration card. The trade licence can be obtained from the MEC. The immigration card entitles the entity to hire local or expatriate personnel.

The SCH will have to approve the credentials of the recruited staff as a preliminary procedure to the SCH's final approval for the Medical Centre's operation. The SCH offers an online registration system for registering medical practitioners.

The SCH's final approval will be granted only after a final inspection of the premises. During this inspection, the SCH verifies, among other things, the Medical Centre's (i) compliance with required safety and security procedures, (ii) the manner determined for disposal of waste; (iii) telecommunication connections, (iv) internal and external signage, (v) cleaning facilities, and (vi) room sizes and equipment.

When the SCH's final approval is obtained, the Medical Centre may commence its operations. The Medical Centre is required to display at the premises its licence, the licence of the practitioners and the price list of the services provided. Only after obtaining the operation licence, may the Medical Centre advertise its activities.

Licence Term and Fees

Each Medical Centre's licence is valid for one year. The licence can be renewed at the SCH subject to payment of required fees. Depending on the medical services provided at the Medical Centre, the Medical Centre is required to hold valid licences (annual in duration) for each of its practice units (e.g. x-ray, laboratory etc).

Management Requirements

The manager of the Medical Centre should be a general medical practitioner licensed to practice medicine inside Qatar. In the event the manager's position becomes vacant for any reason, the licence holder is required to notify the SCH within a period of two weeks and to appoint a new manager within a period of

sixty days from the date the position becomes vacant. In the event a manager is not appointed within that sixty day period, the licence holder is required to close the premises, failing which the SCH may order its closure until a new manager is appointed.

Conclusion

The procedures for establishing a Medical Centre in Qatar are fairly straight forward, particularly when the entity is incorporated with 51% Qatari ownership. However, when the MEC's approval for 100% foreign ownership is required, the process is expected to be much more complex and time consuming. Where it typically takes about four weeks for an application to reach stage B and obtain the SCH's preliminary approval on the premises, obtaining the final licence for the operations will be much longer because, apart from the time it may take to have the premises physically meet the required standards, there is also the necessity to obtain approvals from various other government authorities concerning such premises (e.g. Civil Defence's approval, electricity approval, etc.) before the SCH can conduct its final inspection and grants the licence.