

Qatar Stimulates TMT Sector Growth

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In relation to technology, media and telecommunications, Qatar's commitment to support these sectors has seen the formation of the Ministry of Transport and Telecommunications and the Ministry of Culture and Sports. These two recently-established Ministries are intended to consolidate efforts and focus on the development of the technology, media, telecommunications and sports sectors, as well as securing various expertise required to meet market demands.

To further assist in the growth and development of these areas, an array of legislation has been issued, which aims at regulating these sectors and setting out related investment rules. While the general rule for foreign investment in Qatar is that a local Qatari partner must hold at least 51% of the shares of any business to be established in Qatar, the Qatar Foreign Investment Law No. 13 of 2000 as amended (the "Foreign Investment Law") exempts governmental projects from the application of this rule. In particular, the Foreign Investment Law permits a foreign investor to establish a branch office (the "Branch") that can be utilised in circumstances where a foreign investor is performing a specific governmental-related contract in Qatar in various sectors, including technology, media and telecommunications. Such a Branch shall be allowed to perform the specific contract for which it is registered and a Qatari partner is not necessary.

The Foreign Investment Law also exempts some sectors from the application of the general rule, one such sector being information technology services.

Furthermore, in response to substantial technological advancements, the Supreme Council of Information and Communications Technology drafted Qatar's first comprehensive e-Commerce law in 2010. The Electronic Commerce and Transactions Law No. 16 of 2010 (the "E-Commerce Law") was enacted with the aim of facilitating and providing a clear legal framework to address matters such as electronic transactions and electronic signatures.

The E-Commerce Law also allowed for electronic or data messages to be used where a law requires that information or documents be in writing. This is provided that the information or document is accessible so as to be used for subsequent reference by every person that has a right to access the information or document. This was considered as a considerable development in evidentiary requirements for courts in Qatar.

Although the application of some of these initiatives may face practical challenges, they reflect Qatar's vision to support the development of its economy and infrastructure and to develop the sectors including technology, media and telecommunications, by making it easier for foreign investors to do business in certain fields and modernising the ways in which commerce can be undertaken.