

Competition Law in Qatar: A Closer Look

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The Competition Law introduced a new regime of jurisprudence to Qatar. It was enacted in response to obligations created by multilateral trade agreements and World Trade Organisation requirements. It applies to all business activities in Qatar within the private sector. However, it does not apply to governmental acts or acts of any entity controlled or supervised by the state.

The Competition Law forbids collusion, mergers and abusive conduct that would result in dominant market positions. It aims to: stabilise domestic markets and achieve social justice by removing any hurdles that restrict businesses from reaching local consumers; and, encouraging competition to assist economic growth and national development aims.

Article one states that it applies to both collective activities and unilateral activities in areas of control. Control is defined as 'the ability of a person or group of persons working together to control the market of products in order to affect prices or quantities without competitors having the ability to limit such effect.'

A mandatory notification of mergers creating or likely to create a so-called control situation is provided by Article 10. A merger is an acquisition of rights, assets or shares, or the creation of joint ventures or an amalgamation between two or more corporate entities. The Committee is responsible for receiving Article 10 notifications. It must make a decision on these notifications within 90 days, failing which acceptance of the merger is deemed to have taken place. Details of ways to lodge notifications can be found in the Resolution of the Minister of Economy and Commerce (No. (61) of 2008).

Mergers are excluded from the operation of Article 10 where they contribute to economic progress in a manner that compensates for any adverse effect on competition (Article 11). What comprises economic progress is yet to be determined.

Any member of the Committee, as well as properly appointed ministerial officials, are responsible for investigating breaches of the Competition Law. To that end, they are empowered to enter business premises and other places where activities are being undertaken and to inspect all books and other documentary records.

Under Article 15, the Committee can make stop orders against entities in breach of any collusive or abusive conduct or engaging in any unlawful mergers.

Article 17 provides for punitive fines ranging from 100,000 to 5,000,000 Qatari Riyals (approximately \$27,000 to \$1.4 million). It also grants the court the power to confiscate profits made as a consequence of the unlawful activity. Article 18 provides the same fines are applicable to any individual responsible for the management of an entity found to have committed an infringement provided that the individual had knowledge of and contributed to the infringement. However, it appears that such individuals are entitled to an indemnity for the fine from the corporate entity. The Minister for Economy and Commerce can agree a settlement without penal remedies, provided that the settlement contains a payment of between 100,000 to 5,000,000 Qatari Riyals.

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