



## Selling shares in a Qatari LLC?

Here is what every investor needs to know before they sign.



## A practical guide to Qatar's Capital Gains Tax framework and the No Objection Certificate process for share transactions.

Qatar's investment landscape has matured significantly over the past few years. With a growing number of M&A transactions, private equity activity, and family business restructurings taking place across the country, more investors, local and international, are finding themselves navigating a regulatory process that many encounter for the first time:

**Obtaining a No Objection Certificate (NOC) from the General Tax Authority (GTA) before a share transfer can legally take effect.**

If you are buying or selling shares in a Qatari-registered entity, or advising someone who is, this is a process, you cannot afford to underestimate. The good news? Once you understand the structure, it is entirely manageable. The challenge is that many transactions stall, or face penalties, simply because the parties did not know what was coming.

Here is what you need to know.

### Why does this process exist?

**Qatar** introduced **Capital Gains Tax (CGT)** as part of the Income Tax Law No. 24 of 2018, subsequently enhanced by Law No. 11 of 2022. In practical terms, CGT at a rate of 10% applies on gains arising from the disposal of shares or ownership interests in Qatari resident entities.

#### **The GTA's No Objection Certificate process:**

Is the mechanism through which the government ensures that CGT obligations are assessed, declared, and, where applicable, settled before any change in ownership is formally registered with the Ministry of Justice or the Ministry of Commerce and Industry.

Think of it as a tax clearance gate built into the share transfer process itself. You cannot legally complete the transfer without it.



### Who does this apply to?

The short answer: anyone selling shares in a company registered or resident in Qatar, whether they are:

- A Qatari individual or family
- A Qatari corporate entity
- A GCC national resident in Qatar
- A foreign investor or non-resident entity

One of the most common misconceptions we encounter is the assumption that if a transaction is tax-exempt, for example, because the seller is a Qatari national, the process can be skipped or simplified. This is not the case. Even where no CGT is payable, a formal CGT declaration must still be filed with the GTA through the Dhareeba portal. The exemption removes the liability; it does not remove the filing obligation.

## The four stages every investor should understand

### 1 Stage 1: Get your valuation right before anything else

The CGT calculation is based on **the higher of the agreed sale price or the fair market value** of the shares being transferred. This means that even if the parties agree on a price, the GTA will assess whether that price genuinely reflects fair value.

The GTA requires a valuation report covering, at minimum: the valuation methodology and rationale; three years of historical financial information; assumptions used; and a clear reconciliation between approaches. If the report is inadequate, the GTA can — and does — request further information or reassess the valuation independently. For any transaction involving unlisted shares (which is the majority of private M&A in Qatar), this valuation exercise needs to start early. It is frequently the longest-lead-time item in the entire process.

### 2 Stage 2: The CGT Pre-Filing Form the step most people miss

Before a CGT declaration can be submitted on Dhareeba, a **mandatory CGT Pre-Filing Form must be completed first**. This is a distinct step that is separate from the CGT return itself, and it is one of the most commonly overlooked requirements. The Pre-Filing Form requires the seller to categorize the transaction:

- **Direct exemption** — for qualifying Qatari resident individuals
- **Application-based exemptions** — for other exemption claims, including those arising under group restructuring decisions
- **Taxable transaction** — where CGT is expected to apply

Where an exemption application is required, the GTA has up to 30 days to review and respond. Importantly, this 30-day GTA review period is **excluded from the 30-day deadline** that the seller has to file and settle their CGT return. In other words, the clock is paused while the GTA deliberates — but only if the pre-filing form is submitted correctly and on time.

### 3 Stage 3: File the CGT declaration and settle any liability

The CGT declaration must be **filed within 30 days of the date the contract is concluded**, or the date of disposal, whichever is earlier. If CGT is payable, it must be settled within the same window.

Late filing carries a penalty **of QAR 500 per day**, up to a maximum of QAR 180,000. Late payment attracts a penalty **of 2% of the outstanding amount per month**, up to 100% of the unpaid tax. These are not trivial numbers — a transaction that stalls for 90 days after signing could generate significant penalty exposure before the parties are even aware.

One further point that is often overlooked: **the buyer is jointly and severally liable** for the seller's CGT obligations. If the seller fails to file or pay, the GTA can look to the buyer. This is a material contractual risk point that needs to be addressed in the Share Purchase Agreement.

### 4 Stage 4: The NOC application submitted by the target, not the seller

Here is another detail that regularly surprises transaction teams: the NOC application on Dhareeba is submitted by the target company (the entity whose shares are being sold), not by the seller. Both the buyer and the seller will receive notifications through the Dhareeba system and must each confirm their approval of the transaction electronically before the GTA processes the request.

All parties — the seller, the buyer, and the target entity — must be registered on the Dhareeba portal before this process can begin. Where any party is not yet registered, that registration needs to happen first.

Before the NOC will be granted, the GTA also requires that the **target entity has filed all of its tax returns and settled all outstanding tax liabilities**. A single unfiled return or an unresolved tax balance can block the NOC, regardless of how smoothly everything else has gone. This is a point that deserves early diligence, especially in transactions involving entities with multi-year operating histories.



## Key practical takeaways for investors

Whether you are a first-time seller or a seasoned investor in the Qatari market, the following principles will save you time, money, and unnecessary friction:

**1 Start early.**  
The NOC process is not a formality that can be completed in a few days. Build several weeks, potentially longer, into your transaction timeline between signing and completion.

**2 Commission the valuation report before you sign.**  
By the time you have an executed agreement, the 30-day clock is already running.

**3 Verify the target's tax compliance before you transact.**  
This applies equally to buyers (as part of due diligence) and sellers (to avoid a last-minute NOC block).

**4 Do not assume an exemption removes your filing obligation.**  
It does not. File regardless.

**5 Ensure all parties are registered on Dhareeba.**  
This is a prerequisite that is easily overlooked for buyers or sellers who are not currently active on the portal.

**6 Address CGT risk allocation in your SPA.**  
The joint and several liability rule means buyers need contractual protections if the seller does not perform their CGT obligations.

## A final word

Qatar's CGT and NOC framework reflects the country's commitment to a structured, transparent investment environment. For investors who understand the process, it is a well-defined pathway. For those who do not, it can become an expensive and time-consuming obstacle.

The process has become significantly more structured since the GTA published its updated CGT Taxpayer Guide in April 2026, and the GTA's enforcement posture has clearly sharpened. Transactions that might previously have been processed informally are now subject to a rigorous, portal-driven workflow with documented audit trails at every step.

We have had the privilege of supporting clients through transactions of varying complexity under this framework — from straightforward single-entity share sales to multi-party restructurings involving exempt sellers, valuation disputes, and relief applications. The process rewards preparation and expertise in equal measure.

If you are contemplating a transaction involving Qatari-registered shares — whether as a buyer, a seller, or an adviser — and would like to understand how the CGT and NOC framework applies to your specific circumstances, we would be happy to have an initial conversation.



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