

ATOZ ALERT

Qatar introduces mechanism for direct application of treaty withholding tax relief

18 March 2026

On 16 March 2026, Decision of the Council of Ministers No. 4 of 2026, published in [Official Gazette No. 5 of 2026](#), entered into force (the “**Decision**”). The Decision amends certain provisions of the executive regulations of the Income Tax Law (“ITL”) to introduce a mechanism allowing the direct application of withholding tax rates under double tax treaties.

Under the previous practice, withholding tax was generally applied at the domestic rates set out in the ITL, with non-resident recipients subsequently required to claim treaty relief through a refund procedure. The new provisions allow treaty benefits to be applied at source, subject to specific conditions and procedural requirements detailed below.

Conditions for the direct application of treaty benefits

Direct application of treaty withholding tax rates is available only where payments are made by an “Approved Debtor” to a qualifying non-resident recipient.

Status of Approved Debtor

Only taxpayers that obtain the status of Approved Debtor from the General Tax Authority (“GTA”) may apply treaty provisions directly at source.

To obtain this status, an application must be submitted to the GTA using the prescribed form and accompanied by supporting documents and information. The applicant must:

- be registered with the GTA;

- complete a questionnaire on its administrative, human, technical and financial resources demonstrating its capacity to comply with the obligations of an Approved Debtor; and
- demonstrate an increase in the number of withholding-taxable transactions or in the amounts withheld at source compared with the preceding tax year, based on thresholds to be determined by a decision of the President of the GTA.

The GTA must decide on the application within 60 days of submission. Failure to respond within that period is deemed to constitute an implicit rejection.

The status is granted for three years and may be renewed upon application submitted at least 60 days before its expiry. The President of the GTA may withdraw the status in case of non-compliance; the status may only be reinstated one year after the withdrawal decision.

Submission of a request by the non-resident recipient

A non-resident wishing to benefit from treaty relief must submit a request to the Approved Debtor before receiving the payment subject to withholding tax.

The request must confirm that:

- the recipient is resident in the treaty partner jurisdiction, is the beneficial owner of the income, and is eligible for treaty benefits at the time they are granted;
- the income is not attributable to a permanent establishment in Qatar, and is not paid as part of an arrangement the main purpose of which is to obtain treaty benefits; and
- all additional conditions provided under the relevant treaty are satisfied.

The request must identify the relevant treaty provisions under which the benefits are claimed and must be supported by appropriate documentation, including a tax residency certificate issued by the treaty partner jurisdiction.

Review of the request

The Approved Debtor must exercise due diligence when reviewing the request, may request additional documentation, and must decide whether to approve or reject the request within 60 days.

- If accepted, the Approved Debtor may apply the treaty withholding tax rate directly to payments made to the foreign recipient. The Approved Debtor must notify the GTA of payments made under such approval, including the nature and amount of the payment and the identity of the recipient. It must also provide the GTA with any requested information within 30 days.
- If the Approved Debtor rejects the request or fails to respond within the 60-day period, the request is deemed rejected and, in such cases, the non-resident recipient has no right of appeal against the decision.

Conclusion

The introduction of a direct, source-based mechanism for applying treaty withholding tax relief represents a significant procedural shift in Qatar. While the reform aligns Qatar's framework with international practices and is expected to streamline treaty relief for eligible non-resident recipients, it also places substantial compliance, verification, and reporting responsibilities on Approved Debtors. Practical implementation will depend on further GTA guidance, particularly on thresholds for Approved Debtor status and the required application forms. Taken together, these reforms offer an opportunity for businesses to reduce administrative burdens and expedite treaty benefits, provided that they proactively adapt their compliance frameworks to meet GTA expectations.

What businesses should do now

To prepare for the new mechanism and mitigate operational or tax-compliance risks, businesses should:

- **Assess their eligibility for Approved Debtor status:** Entities with recurring withholding-taxable transactions should evaluate whether applying for this status is beneficial and feasible, given the three-year validity period and the associated compliance obligations.
- **Review internal systems and documentation processes:** Businesses should ensure they have robust administrative, technical, and financial processes in place to meet GTA expectations-especially regarding due-diligence reviews, information retention, and timely reporting.
- **Prepare for increased documentation from non-resident recipients:** Businesses should standardize procedures for collecting tax residency certificates, beneficial ownership confirmations, and treaty-eligibility documentation before making treaty-relieved payments.
- **Monitor forthcoming guidance from the GTA:** Key aspects, such as thresholds for eligibility, will depend on further decisions by the President of the GTA. Companies should remain alert to updates that may affect their ability to apply the mechanism.
- **Revisit contractual arrangements with non-resident service providers or suppliers:** Payment terms, gross-up clauses, and tax provisions may need to be updated to reflect the new relief-at-source system.

Do you have any questions?



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