



Qatar Tax Alert:

Qatar Introduces “Trusted Entity**” Framework for Treaty Relief at Source**

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Qatar Introduces “Trusted Entity” Framework for Treaty Relief at Source

The Qatar General Tax Authority (GTA) has introduced amendments to the Executive Regulations of the Income Tax Law through Cabinet Resolution No. (4) of 2026, enhancing the application of Double Taxation Avoidance Agreements (DTAAs) in Qatar.

The amendments introduce a new “Trusted Entity” (Approved Debtor) framework, enabling eligible taxpayers to apply treaty benefits at source on cross-border payments. Under the previous system, taxpayers were generally required to apply withholding tax and subsequently submit a claim to obtain treaty relief. The new framework allows eligible entities to apply relief at source, subject to meeting the relevant conditions.

Overview

This development represents a significant shift in Qatar’s withholding tax (WHT) regime, moving from a refund-based system to a relief-at-source mechanism for qualifying transactions.

The changes are expected to reduce administrative burdens for both taxpayers and non-resident recipients, while increasing compliance responsibilities and potential exposure for Qatari payers applying treaty relief.

Trusted Entity Framework – Eligibility and Application

The amendments introduce a new “**Trusted Entity**” (Approved Debtor) framework, allowing eligible Qatari payers to apply treaty benefits at source when making cross-border payments to non-residents. The framework is expected to apply to withholding tax categories under the Income Tax Law, including payments such as royalties, interest, and certain service fees. To access the regime, taxpayers must obtain prior approval from the Qatar General Tax Authority (GTA).

In order to apply treaty relief at source, non-resident recipients will be required to provide supporting documentation, which is expected to include:

- A **valid tax residency certificate** issued by the relevant foreign tax authority
- **Confirmation** of beneficial ownership of the income
- Declarations **supporting eligibility** under the applicable tax treaty

The approval is expected to be granted for a defined period and may be subject to renewal, ongoing monitoring, and revocation where the applicable conditions are no longer satisfied. The duration remains subject to further clarification by the GTA.





1.

Compliance Obligations for Approved Entities

Approved (Trusted) Entities will be required to implement and maintain robust processes to ensure that treaty relief is applied correctly at source.

This is expected to include maintaining appropriate documentation, validating treaty eligibility, and ensuring that all relevant conditions are satisfied prior to applying reduced withholding tax rates.

2.

Due Diligence Requirements

Approved Entities will be required to perform appropriate due diligence on non-resident recipients, including verifying:

- Tax residency status
- Beneficial ownership of the income
- Eligibility under the applicable tax treaty

Failure to adequately assess these conditions may result in incorrect application of treaty relief.



3.

Potential Exposure and Risk

Where treaty relief is incorrectly applied, the Approved Entity may be exposed to:

- Liability for under-withheld tax
- Interest and potential penalties
- Increased scrutiny from the GTA

This represents a shift in responsibility from the tax authority to the payer.

4.

Governance and Controls

To manage risk effectively, businesses should consider implementing:

- Formal internal review procedures for cross-border payments
- Standardized documentation requirements
- Clear governance over treaty application decisions

Strong internal controls will be critical to maintaining Trusted Entity status.

Practical Implications and Next Steps

OPERATIONAL READINESS

Businesses making cross-border payments from Qatar should assess whether they are eligible to apply for Trusted Entity (Approved Debtor) status.

This will require evaluating existing withholding tax processes, internal controls, and the ability to support treaty relief positions with appropriate documentation.

REVIEW OF EXISTING STRUCTURES

Groups should review their current cross-border payment arrangements to determine how the introduction of relief at source may impact cash flow, tax positions, and existing compliance procedures.

Particular focus should be placed on treaty eligibility, beneficial ownership, and documentation frameworks.

OPERATIONAL READINESS

Given the increased responsibility placed on Qatari payers, businesses should consider strengthening internal governance processes, including:

- Standardized documentation requirements
- Clear review and approval procedures for treaty relief
- Ongoing monitoring of compliance with GTA requirements



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