

# Qatar: Outstanding balances in Dhareeba - Recent approach from the General Tax Authority

August 2024



## Outstanding balances in Dhareeba

In our ongoing efforts to keep you informed of significant tax and legal updates in Qatar, we wish to draw your attention to the recent steps taken by the General Tax Authority (GTA) concerning outstanding balances in Dhareeba.

The GTA has reached out to numerous taxpayers via email and phone calls, urging them to settle any outstanding tax liabilities and penalties recorded in Dhareeba. The GTA has emphasized that if the listed liabilities have already been settled, taxpayers should provide supporting documents to the GTA to ensure these amounts are accurately reflected in Dhareeba.

Furthermore, the GTA has issued a firm warning that failure to settle these amounts or to provide the necessary documentation within the specified deadline will result in the GTA taking all necessary legal actions as stipulated under the Tax Laws.

### Outstanding balances in Dhareeba

The outstanding balances in Dhareeba could be categorised into the following two types.

#### Type A - Non-assessment related balances

These are the outstanding amounts which did not result due to issuance of a formal tax assessment by the GTA. These amounts appear in Dhareeba for various reasons, such as income tax / withholding tax liabilities not yet settled by the taxpayer, amounts settled by the taxpayers but not yet reflected in Dhareeba by the GTA, and mistakes during the data migration process from the previous electronic system (TAS), etc. Type A liabilities can either be correct or incorrect and taxpayers should take appropriate actions depending on the nature of the liabilities.

#### Type B - Assessment related balances

Where the GTA issues a tax assessment imposing additional taxes and penalties, the amounts are reflected automatically on Dhareeba. Considering ongoing disputes with the GTA, there is a question regarding the timeline of payment of taxes and penalties imposed as a result of tax assessments.

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The GTA has initiated contact with taxpayers to address outstanding tax balances in Dhareeba and has issued warnings that legal action will be pursued if these liabilities are not resolved within the designated timeframe.

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## Type B - Assessment related balances (*continued*)

Article (20) of the Income Tax Law No. (24) of 2018 provides the timelines for settlement of taxes and penalties where the GTA issues amended or presumptive tax assessments. According to this Article, taxpayers are required to pay taxes and penalties to the GTA as follows:

- In case the taxpayer does not submit an objection against the GTA's tax assessment, the taxes and penalties should be paid within thirty (30) days after the expiry of the objection period.
- Where the taxpayer has objected against the amended / presumptive tax assessment, the taxes and penalties should be paid within thirty (30) days from the date of notification of the GTA's decision on the objection.
- If the GTA does not respond to the objection submitted by the taxpayer within the stipulated timeline (i.e., sixty (60) days from the date of objection), the taxes and penalties should be paid within thirty (30) days from the date of expiry of the sixty (60) days period.

There is no explicit provision in the Tax Law which states that the submission of an appeal to the Tax Appeal Committee would result in a suspension of settlement of taxes and penalties imposed under an amended / presumptive tax assessment.

Accordingly, the GTA may exercise their powers under the Laws in Qatar for the collection of taxes and penalties for disputed cases.

## Approach of the GTA

Given the ongoing 'collection campaign' by the GTA and the increased interaction with taxpayers on outstanding balances, it is evident that the GTA is focussed on ensuring all taxpayers address the outstanding balances in Dhareeba.

As the State tax authority, the GTA holds wide enforcement and punitive powers under the Laws in Qatar, including the power to seize assets and funds to enforce compliance. As such, due to the significant risks and potential exposure involved, it is crucial for taxpayers to promptly review their Dhareeba accounts, assess the nature of their outstanding balances, and take the necessary actions.

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# How can we help?

Given the nature of the notification from the GTA and the potential risk of legal actions, including possible seizure of funds or assets, it is crucial that taxpayers treat this matter with urgency and care. Even if the GTA has not contacted you till now, the recent developments signal their intent to collect all outstanding amounts reflected in Dhareeba. Therefore, it is essential for taxpayers to act promptly and take necessary steps required to address any outstanding liabilities.

Our team is well-equipped to support you in this process. We can provide expert guidance on managing liabilities related to dispute cases, exploring potential resolution, and navigating available options. For Type A balances, we can offer comprehensive assistance, including correcting erroneous tax records, applying for penalty waivers, engaging in dialogue with the GTA, and coordinating meetings with relevant stakeholders.

[www.pwc.com/me](http://www.pwc.com/me)

## Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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