



# Qatar introduces tax-neutral treatment for corporate restructuring transactions

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## In brief

The Council of Ministers issued Decision No. (3) of 2026, published in the Official Gazette on 1 March 2026, introducing a **tax relief for capital gains arising from corporate restructuring transactions**. The Decision entered into force on the day following its publication in the Official Gazette (i.e. with effect from 2 March 2026).

Under the Decision, capital gains or losses arising from the transfer or exchange of assets by juridical persons will not be taken into account for Qatar income tax purposes, provided that the transaction forms part of a qualifying corporate restructuring and the prescribed conditions are satisfied. In addition, capital gains realized by resident natural persons in connection with qualifying restructuring transactions may be exempt from income tax.

The measure effectively introduces a **tax-neutral regime for certain internal group restructuring transactions**, enabling companies to reorganize their structures, transfer assets within the group, or undertake mergers and capital restructuring transactions without triggering immediate tax consequences.

Importantly, the Decision also clarifies that the tax relief may apply to multinational enterprise (MN) groups subject to the OECD Pillar Two framework, including entities subject to the **Income Inclusion Rule (IIR)** and the **Domestic Minimum Top-Up Tax (DMTT)**.

## In detail

### Scope of the tax relief

The Decision provides that capital gains or losses arising from qualifying corporate restructuring transactions between companies will not be taken into account for income tax purposes.

### Qualifying transactions include

- Exchange of assets within internal group restructuring arrangements in Qatar
- Revaluation of assets contributed as in-kind capital to another resident company
- Transfers of assets in the context of mergers or corporate divisions
- Transfers of assets for the purpose of contributing to the capital of a resident holding company
- Transfers of assets undertaken to facilitate listing on a stock exchange in Qatar

### Key eligibility conditions

The application of the tax relief is subject to several conditions, including:

- Both the transferor and transferee must be resident in Qatar (i.e., companies) and subject to the Income Tax Law No. 24 of 2018 ("Income Tax Law").
- The entities must have been members of the same group or related parties for at least 12 months prior to the transfer.
- The restructuring must be undertaken for a bona fide commercial or economic purpose.
- A minimum ownership threshold of 75% must exist between the entities, either directly or through a common parent.

Please note that additional considerations may apply in certain situations, including: (i) where the immediate shareholders are natural persons; (ii) where the group structure involves multiple 'ownership tiers', in which case; and (iii) where the restructuring is undertaken for the purpose of listing on the stock exchange.

### **Ongoing compliance requirements**

Taxpayers benefiting from the relief must comply with additional conditions, including:

- The transferor and transferee must remain related for at least two years following the transfer.
- Certain transferred assets must be retained for at least two years.
- In merger transactions, the capital increase of the transferee must be completed within two years.
- Holding company contributions and listing restructurings must be completed within the prescribed timelines.

To benefit from the relief, taxpayers must submit an application to the General Tax Authority (“GTA”) together with supporting documentation. The GTA will notify the taxpayer of its decision within 30 days of submission, the absence of which is considered as deemed approval.

The relief is also subject to additional controls, including IFRS-based recognition of transferred assets (in the books of the transferee), compliance with the Income Tax Law in determining any surplus value, and a two-year restriction on the disposal of registered shares issued in exchange for in-kind contributions.

The standard eligibility conditions and controls do not apply to multinational enterprise groups subject to the IIR or DMTT. Please refer to the below.

### **Application to Pillar Two taxpayers (IIR and DMTT)**

The Decision explicitly confirms that the tax relief may also apply to MNE groups subject to the OECD Global Anti-Base Erosion (GloBE) Model Rules, including entities subject to the IIR and DMTT.

In such cases:

- Asset transfers must generally occur in exchange for equity interests issued by the transferee or a related entity.
- Any subsequent gain or loss on the transferred assets must be calculated using the historical net book value of the transferor.
- The transferee must maintain adequate accounting records supporting the computation of future gains or losses based on that historical value.

## PwC's observation

Council of Ministers Decision No. (3) of 2026 represents an important development in Qatar's tax framework by introducing a mechanism that effectively allows tax-neutral corporate restructuring within qualifying groups in line with global best practices.

The relief is expected to facilitate internal reorganizations, group simplification exercises, mergers, and capital restructuring transactions, particularly for multinational groups and large corporate groups operating in Qatar.

The explicit inclusion of entities subject to the IIR and DMTT also demonstrates Qatar's intention to ensure that domestic restructuring relief remains compatible with the OECD Pillar Two global minimum tax framework.

Taxpayers considering restructuring transactions should carefully assess the eligibility conditions, ownership thresholds, holding period requirements, and procedural obligations, including the need to obtain GTA approval before benefiting from the relief.

It should be noted that the relief appears to apply only to transactions between entities that are resident in Qatar. As such, transfers involving non-resident group companies may not fall within the scope of the provisions. Multinational groups should therefore carefully assess the tax implications where restructurings involve the transfer of assets or shares in Qatar entities held directly by non-resident group companies without a local holding company structure.

## Key takeaways

- Qatar has introduced a tax relief for corporate restructurings, under which capital gains or losses arising from the transfer or exchange of assets by juridical persons will not be taken into account for income tax purposes, subject to certain conditions.
- The relief is intended to facilitate internal group reorganizations, mergers, and asset transfers by allowing qualifying restructuring transactions to be undertaken on a tax-neutral basis.
- Multinational groups subject to the IIR and DMTT under the OECD Pillar Two framework may also benefit, provided the relevant requirements are satisfied.
- If the prescribed conditions are not satisfied, or are subsequently breached, the tax relief may be withdrawn and the capital gains arising from the restructuring transaction will become subject to income tax from the year in which the relief was granted.

## Contact us

For a deeper discussion or in case of any queries, please contact our below colleagues or visit our [website](#).



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# Thank you

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