



Tax Alert

**Qatar Introduces Tax Relief
on Capital Gains arising from
Corporate Restructuring**

March 2026

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KPMG in Qatar

The State of Qatar has issued **Cabinet Decision No. (3) of 2026** (hereinafter called 'Decision') regarding the establishment of a framework providing **tax relief on capital gains arising from corporate restructuring**. The Decision outlines the transactions which would be considered exempt from capital gains tax implications and sets out conditions, eligibility criteria for the beneficiaries of the tax relief, post-transaction obligations and administrative / compliance requirements.

Eligible Taxpayers and Transactions for Tax Relief on Capital Gains

The Decision has introduced an exemption from capital gains tax implications arising from the sale, transfer or exchange of shares between the following taxpayers provided the afore said sale, transfer or exchange occurs within the framework of the restructuring of parent & subsidiary companies or companies within the same group:

- Juridical persons; and
- Resident Natural persons.

The Decision has specified the Tax Relief for the following intra-group restructuring transactions:

1. Intra-group exchange of assets for internal restructuring.
2. Revaluation of assets provided as an in-kind contribution for shares in the capital of another resident company.
3. Disposal of Assets pursuant to intra-group mergers or divisions.
4. Disposal of Assets for the purpose of contributing to the capital of another resident holding company.
5. Disposal of Assets pursuant to corporate restructuring for the purposes of listing on the Qatar Stock Exchange.

Conditions to be fulfilled for Tax Relief

The Eligible Taxpayers need to fulfill the following conditions to benefit from the Tax Relief on Capital Gains:

- Both the transferor and transferee must be **resident in Qatar** and **subject to the Income Tax Law** and corresponding Executive Regulations.
- Both the transferor and transferee must be:
 - members of the **same group**; or
 - have been **associated for at least 12 months** before the transaction.
- The transaction must be executed **for a genuine economic reason**, not solely for tax relief.
- The entities must share a **minimum direct or indirect ownership of 75%** at the primary (first ownership level within the group). However, this condition **does not apply** to resident natural persons.
- The value of the assets must be recognized in the financial statements of the transferee at "**market value or net book value**" in accordance with the conditions determined by **International Accounting Standards**.
- The transferor needs to **calculate the surplus value** arising from the disposal as per the provisions of the Income Tax Law and corresponding Executive Regulation and **declare while submitting the tax return**.
- The shares related to the in-kind contribution **must be nominal** and must not be disposed off **before two years**.

Post Transaction Obligations for the Beneficiaries

The Eligible Taxpayers benefiting from the Tax Relief must comply with following post-transaction obligations:

- The transferor and the transferee must remain associated for **at least two years** post transaction.
- The transferee must retain the transferred assets for **at least two years** for cases relating to transfer of assets.
- For intra-group mergers and capital contribution to another holding company, the process of increasing the capital of the company must be completed within a **maximum period of two years**.
- For listing preparation on the Qatar Stock Exchange, the listing process must be completed **within the year in which the tax advantage was granted** (extendable by decision of the General Tax Authority (GTA) President based on Qatar Financial Markets Authority (QFMA) recommendation.

Administrative Procedure for Obtaining Approval of the GTA to claim Tax Relief

- The Eligible Taxpayers must **submit an application** to the GTA with all required documentation.
- The GTA must notify the applicant of its decision **within 30 days** of submission.
- Failure of the GTA to respond within the afore said time limit shall be considered an **implicit acceptance**, however, the GTA retains the right to issue the tax assessment in accordance with the provisions of the Income Tax Law. The GTA also reserves the right to revoke the tax advantage should it subsequently be determined that the applicable conditions have not been met.
- The GTA may request further information or clarifications; failure to provide it within 30 days from the date of being notified of the GTA's request would result in **automatic rejection** of the exemption request.

Specific Rules for Multinational Enterprise Group (MNE)

For the MNE groups subject to the **Income Inclusion Rule (IIR)** or the **Qualified Domestic Minimum Top-Up Tax (QDMTT)** under the Global Minimum Tax (Pillar Two framework), the tax relief shall be applicable subject to the following modified conditions:

- Transfers must be executed **in exchange for equity**, either through direct ownership in the transferee or via a related party.
- The future gains or losses from the disposal must be determined based on the **transferor's historical net book value**.
- The transferee must **maintain accounting records** supporting the calculation of profit or loss based on afore mentioned transferor's historical net book value.

The “Conditions to be fulfilled for Tax Relief” narrated above shall not be applicable for the MNE groups.

Practical considerations

The incentives outlined above are a welcome step for Eligible Taxpayers, as they:

- Enable tax-neutral reorganizations, mergers, and IPO preparations
- Enhance flexibility for corporate groups and investor structuring.

However, these incentives come with strict conditions and requirements that must be satisfied in order to benefit from them. It is therefore strongly recommended to review each specific case in detail before proceeding with such transactions.

KPMG would be pleased to assist with this analysis as well as with preparing and submitting the relevant exemption applications. Please feel free to contact us with any questions.



Contact Us

If you have any questions or would like to discuss this further, please contact us.



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