



Simplified Guide on Capital Gains Exemption for Corporate Restructuring



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1 | Purpose of this Simplified Guide

The purpose of this Guide is prepared to provide guidance for small taxpayers and natural persons on the taxation of Capital Gains under Income Tax Law no. 24 of 2018 as amended by Law no. 11 of 2022 (the “Income Tax Law”), the Executive Regulations of Law no. 24 of 2018 as amended by Cabinet Decision no. 3 of 2023 (the “Executive Regulations”) and related implementing decisions.

2 | How to use this Guide

This Guide explains how Capital Gains are calculated and taxed under the Income Tax Law and Executive Regulations. The purpose of this Guide is to provide clarification on some of the key Capital Gains Tax (CGT) concepts that are relevant to small taxpayers and valuation methodology. However, it does not constitute a replacement of the main CGT Taxpayer Guide issued by the GTA, which serves an explanatory guide for taxpayer’s obligations and includes accompanying practical examples [The Taxpayer Guide can be found on the General Tax Authority's website under the Capital Gains Tax page.](#)

3 | Disclaimer

The information contained in this Guide is provided for general guidance purposes only and must not be interpreted as legal or tax advice. It is not legally binding on the General Tax Authority (“GTA”) or any other governmental body. This document reflects the interpretation of the applicable tax laws and implementing decisions as of the date of publication.

This Guide is not intended to be comprehensive in nature and does not provide a definitive answer in every case. It is intended to clarify and assist a reader in understanding their compliance and reporting obligations with respect to the taxation of capital gains in Qatar. This Guide does not override, alter, or replace any provisions or requirements of the Income Tax Law, the Executive Regulations nor the related implementing decisions. Each person’s own specific circumstances should be considered.

Any future amendments to the Income Tax Law, the Executive Regulations and the related implementing decisions that have an impact on the taxation of Capital Gains and related compliance and reporting obligations would prevail over this Guide.

In applying published tax procedures and guidance in Qatar, the effect of subsequent legislation, regulations, court decisions, and procedures shall apply accordingly. This document is subject to change without notice.

4 | Application Scope of the Simplified Capital Gains Tax Guide

- For resident legal persons and non-resident permanent establishments entities: CGT is reported within the annual income tax return, and a standalone CGT declaration is not required
- For non-resident legal persons and entities: CGT is reported through the submission of a standalone CGT declaration.
- For natural persons: CGT is reported through the submission of a standalone CGT in respect of disposal of shares in companies registered in Qatar, or disposal of tangible and intangible assets associated with taxable activity, in case where such assets are not included or reported in the balance sheet.

5 | CGT Rates

The tax rate is ten percent (10%).

6 | How Capital Gains Are Calculated

The capital gains arising from disposal of tangible and intangible assets are calculated as follows:

1. Non-depreciable assets (i.e. Land) - the higher of the consideration received or market price, reduced by the cost of the Asset.

2. **Depreciable assets** (i.e. Tangible assets - machinery & equipment) – the higher of the value of consideration received or market price, reduced by the net book value.

3. **Real Estate owned by the non-resident** (i.e. property located in Qatar) - selling price or market price, whichever is higher, reduced by the cost of acquisition.

4. **Shares** (i.e. listed shares and private owned Company) - the higher of the selling price or fair value, reduced by the consideration for the seller's share in the capital.

Note – you may refer to the main Taxpayers CGT Guide *The Taxpayer Guide* can be found on the General Tax Authority's website under the Capital Gains Tax page. to see some examples related to the calculation of each category for more information.

7 | Valuation for CGT Purposes

7.1 Valuation Methodology for Small Taxpayers

The valuation approach refers to the permitted method or methodology framework for natural persons and small taxpayer, allowing them to use the simplified approaches such as the **Net Asset Value Approach (NAV)**.

It is important to note that the Net Asset Value Approach does not represent the sole methodology applicable. The GTA understands that the most suitable valuation approach can differ based on the type of asset, the availability of information, and the specific circumstances of the transaction. Therefore, the GTA may accept a valuation based on a different approach, as long as the taxpayer provides a reasonable explanation and supporting evidence showing why that method was appropriate.

The GTA has identified several valuation approaches to determine the fair value which are indicated in the main Taxpayers CGT Guide *The Taxpayer Guide* can be found on the General Tax Authority's website under the Capital Gains Tax page.

Valuation methodology

Application of the Approach

Net Asset Approach (NAV)

- NAV = fair value of total assets – fair value of liabilities on the valuation date.
- Valuation date: date of contract or disposal of the assets.
- Determine the fair value of assets: equals to all company's assets after making the necessary adjustments to convert book values of assets to fair values
- Determine the fair value of liabilities: equals all liabilities of the company which are identified and measured at the amount expected to be settled at the valuation date, with adjustments - where necessary.
- Allocate NAV to shareholding disposed of (seller): allocation of NAV to shareholders based on their respective percentage ownership.

Example 1

Ahmad, a shareholder owns 40% of the shares in Restaurant Q, a small private restaurant incorporated in Qatar. Restaurant Q is compliance and prepares annual financial statements and submits its tax return to the GTA.

On 30 June 2025, Ahmad decided to dispose of his 40% shareholding in Restaurant Q. The Restaurant applies the Net Asset Approach to determine the fair value of the shares for CGT purposes.

As of 31 December 2024, the available balance sheet of Restaurant Q shows the following:

- Book value of total assets: QAR 8.5 million
- Book value of total liabilities: QAR 3.0 million

The valuation date is determined to be 30 June 2025. Restaurant Q reviews its assets and liabilities, making reasonable adjustments where book values do not reflect fair value at that date, including:

- The restaurant premises (owned by the company) are adjusted to estimated market value based on recent comparable property sales.
- Trade receivables are reviewed and adjusted for amounts expected to be collected.
- Liabilities are reviewed and taken at the amounts expected to be settled at the valuation date.

After these adjustments:

- Fair value of total assets: QAR 9.2 million
- Fair value of total liabilities: QAR 3.1 million

The NAV of Restaurant Q is calculated as follows:

$$\rightarrow \text{QAR 9.2 million} - \text{QAR 3.1 million} = \text{QAR 6.1 million}$$

The fair value of the shares disposed of by Ahmad is therefore:

$$\rightarrow \text{QAR 6.1 million} \times 40\% = \text{QAR 2.44 million}$$

7.2 Valuation Report

A valuation report submitted to the GTA shall, at a minimum, cover the following information:

- Valuer details (i.e. Company name, address, contact details)
- The purpose and basis of the valuation
- Details of assets being valued
- The valuation assessment date
- The date the report is issued
- Valuation approaches and methodologies chosen, including reasons for selection and any assumptions

- Financial Information – provide historical financial information and normalization adjustments for the last three years
- Valuation conclusion

If the valuation report does not provide the above information, the GTA may reassess the asset's value based on what it considers appropriate.

8 | CGT Pre-Filing Requirement

Before submitting a standalone CGT declaration, the taxpayer must first complete a CGT pre-filing form through the Dhareeba system. This step ensures the valuation information are shared by the GTA for their review and assess whether any exemption may apply.

The pre-filing form is not the CGT declaration itself. It is a preliminary step that helps prepare the original filing.

9 | Filing Deadline and Payment

The CGT declaration and any tax due must be submitted within 30 days from the date of concluding the contract or the disposal assets date, whichever occurs first. A CGT declaration on the system is only considered submitted once any tax due has been settled.

Taxpayers who are not already registered with the GTA must register on the Dhareeba system in order to proceed with the CGT filing process.

10 | No Objection Certificate (NOC)

A NOC is required whenever shares in a company registered in Qatar are disposed or transferred. The NOC is necessary to complete the change of ownership with the Ministry of Justice (MOJ) and the Ministry of Commerce and Industry (MOCI).

It is important to note that an NOC is required even if the company is tax-exempt, as it is needed to complete the administrative share-transfer process and update official shareholder records in MOJ and MOCI.

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