The Qatar Government has approved a draft law to impose a tax on selective goods and beverages. The tax to be imposed will be an excise tax levied at the import stage or at the production stage of the products within Qatar. The tax will be applied to a narrow base of goods which are primarily seen to have a level of harm associated with their consumption. These goods include tobacco and sugar sweetened beverages.

The draft law is in accordance with the Gulf Cooperative Council (GCC) unified agreement for selective tax and a GCC Supreme Council decision issued recently in Bahrain. The Supreme Council decision stipulated the imposition of selective tax uniformly by the GCC countries according to a schedule of goods and percentages set in the resolution.

Under the Qatari draft law, the selective tax will be imposed at specific rates on “goods harmful to human health and environment, and on luxury goods produced domestically or imported at specific tax rates as set forth in the Table to the law.” The Council of Ministers may issue a decision for an amendment to the list of goods and the tax rates. The draft law includes provisions concerning:

- Application dates for the selective tax
- Conditions where selective goods are presented for consumption
- Value of selective goods
- Persons in charge of application of the provisions of this law
• Registration for tax purposes
• Maintenance of books and records for recording the movement of selective goods
• Tax assessment on the basis of the recognition of tax and installed data
• Cases of suspension of tax and its recovery and exemption
• Confidential information and financial sanctions

The selective tax is different and separate from the value-added tax (VAT) of 5% that is to be implemented across the GCC countries in 2018. The introduction of the selective tax will meet two fundamental Government policy objectives, namely to raise Government revenues and also to discourage the consumption of goods that are considered harmful to health or the environment.

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