

Law No. (30) of the year 2004
Regulating Control of Accounts

We, Tamim Bin Hamad Al-Thani, Deputy Emir of the State of Qatar.

Having due regard to the Interim Amended provisional Constitution, particularly, articles (22), (23), (34) and (51) thereof, and

Law No. (11) of the year 1962 Concerning Commercial Register system and its amending Laws, and,

Law No.(7) of he 1974 Regulation control of Accounts, and

Law No. (7) of the year 1988 concerning regulations on GCC Countries nationals practicing free professions in the State of Qatar, and

Law No. 15 of the 1993 establishing Qatar Central Bank amended by Law No. (19) of the year 1997, and

Law Decree No. (22) of the year 1993 on organization of Ministry of Finance , Economy and Commerce and its mandates, and,

Law No. (4) of the year 1995 Concerning State Audit Bureau and its amending Laws, and

The Law of Commercial Companies issued by law No.(5) of the year 2002, and the Emiri Order No. (1) of the year 2002 on Council of Ministers resuffle, and the proposal made by Minister of Economy and Commerce, and the draft Law submitted by Council of Ministers, and after consulting the Advisory Council, we have decided the following Law

**Preliminary Chapter
General Definitions**

Article (1)

In application of this Law, following terms and expressions shall have the meaning shown next to them unless the text requires otherwise.

Ministry	:	Ministry of Economy and Commerce
Minister	:	Minister of Economy and Commerce
Competent Department of	:	Department of Commercial Affairs of the Ministry
Profession	:	Profession of accounts monitoring audit practiced by statutory accountant in accordance with provisions of this law.
License	:	Document issued in accordance with provisions of this Law authorizing bearer of the same to practice the profession.
Statutory Accountant	:	The natural or the judiciary person who owns the license in accordance with provisions of this Law
committee	:	Statutory Accountants Acceptance Committee.

Chapter One
Statutory Accountants Registers and Terms of Registration

Article (2)

The Ministry shall create the following registers :

- 1- Registers for working statutory accountants
- 2- Registers for non-working statutory accountants
- 3- Registers for statutory accountants trainees
- 4- Register for International Accountancy Bureaus.

Forms of registers and terms of registration therein shall be determined by Minister's decision based on the Committees proposal.

Article (3)

No natural or judiciary person shall be allowed to practice the profession unless he is registered in the Register of Statutory Accountants working for the Ministry.

Any statutory accountant, who for whatsoever reason, stops practicing the profession, shall be listed in the Register of non-working statutory accountants. Transferee in this case shall be made upon his request. Moreover, the accountant whose name is registered in the Register of non-working accountants may apply for transference of his name to the Register of working statutory accountants if he wants to practice the profession again or if

reasons that have prevented him from practicing the profession have been eliminated.

Article (4)

Any natural person, desiring to be registered in the Register of working statutory accountant shall meet the following requirements :

- 1- Must be Qatari National
- 2- Hold a university degree in the field of Accountancy from a recognized university or institute.
- 3- Enjoy full civil competency.
- 4- Must be of good conduct and reputation, and has never been convicted with any crime or freedom restraining penalty in connection with honor or honesty crime unless he has been declared innocent.
- 5- Has never been subjected to a disciplinary verdict for breach of profession decency, honour and ethics, unless such a verdict had been passed five years ago effective from date of verdict.
- 6- Consecutive practical experience after obtaining academic qualification for a period of not less than :
 - Three years for holders of Bachelor Degree.
 - Two years for holders of Masters Degree
 - One year for holders of PhD.
- 7- Ready to work on a full time basis. However, statutory Accountant may carry on other business which do not

prejudice profession rules, conduct, and ethics, all in accordance with stipulations prescribed in the executive bylaw of this Law.

Article (5)

Carrying out business in the following fields shall be deemed acceptable accountancy experience.

- 1- Accounts audit in any accountancy bureau
- 2- Handling of key issues in accountancy, accounts audit, or inspection of accounts in any ministry, institution, public or private authorities, or companies in accordance with stipulations of the bylaws of this law.
- 3- Teaching accountancy or review courses at any academic school or institute or any other educational or training body of acceptable level in accordance with stipulations of the bylaws.

Article (6)

Subject to provisions of the previous Article, there shall be registered in the Register of Statutory Accountant Trainees who practices Accounts Audit and Control for the first time provided that training period shall be as follows :

- 1- One year for PhD holders or Affiliate Certificate from Statutory Accountants Institutes, associations, and bodies determined by the bylaws.
- 2- Two years for holders of Masters Degree in accountancy
- 3- Three years for holders of Bachelor Degree the bylaws of this law shall determine training methods and conditions.

Article (7)

With the exception of item (1) of article (4) herein, non-Qatari natural persons may be registered in the Register of working Statutory Accountants as long as they meet the requirements stipulated in this law in addition to the following terms and conditions :

- 1- Valid legal residence permit in Qatar as long as his name is registered in the Register.
- 2- Partnership with a Qatari Statutory Accountant whose name is registered in the Register of working Statutory Accountant or working for him.
- 3- He must have affiliate certificate from Accountancy institutes, schools, or Associations, or he has been a member therein for a period of not less than 5 years.

Article (8)

Qatari's, other than Statutory Accountants, may establish partnership companies to practice the profession in the State with Qatari or non-Qatari Statutory Accountants. The company shall be registered in the register of working Statutory Accountants. The executive officer of the company shall have been registered in the Register of working Statutory Accountants. If a partner is a judiciary person established / existing out side the State, he must firstly be licensed to practice the profession in the State where he has been registered. Non of the partners shall be permitted to practice the profession except as a partner in the company and under its name and for its account. He also shall not be partner in more than one company.

Article (9)

Companies licensed to practice the profession shall not engage anyone who is not registered in the Register of working Statutory accounts in carrying out their business.

In all cases, such companies may not also engage anyone who has been disqualified, crossed out or stopped from practicing the profession in accordance with provisions of this Law.

Article (10)

Upon Prime Minister's approval of proposal submitted by the Minister, International Accountancy Bureaus may be licensed to practice the profession in the State of Qatar according to the following terms and conditions :

- 1- Office shall be a branch of a main bureau licensed to practice the profession in the Country which issued the license provided that such license should have been issued before a period of not less than ten years during which the bureau has practiced the profession without interruption.
- 2- The office applying for a license shall present an undertaking from the Main Bureau attested by concerned Qatari Embassy, whereby the main bureau commits to bear all obligations arising from branch offices practice of profession in the state. Moreover the branch office shall submit main offices official incorporation contract and statute, if available, in the origin country in addition to document proving its activities, financial competency, and accountancy work it has fulfilled.
- 3- The executive officer responsible about office management or the authorized signatory, must have full civil competency and holder of a degree from any recognized university, school of

accountancy practical experience of that responsible person shall not be less than 10 years. In case the person in charge is Qatar national, practical experience shall be disregarded.

Article (11)

In the event that a non-Qatari working statutory accountant passes away, and he is a partner in any of the companies established in accordance with provision of this Law, their of the demised shall have to adjust their position in the company during a period of one year effective from the date on which said person passed away. Their rights in the company shall be liquidated in agreement with the other partners.

CHAPTER TWO **Registration Procedures**

Article (12)

Applications for registration in Registers of Statutory Accountants shall be submitted on the relevant forms along with supportive documents to the competent Department.

Article (13)

There shall be formed in the Ministry a committee called "Statutory Accountants Admission Committee" as follows :

- | | | |
|---|---|---------------|
| 1- Ministry Undersecretary | : | Chairman |
| 2- Representative of Concerned Department | : | Vice Chairman |
| 3- " Ministry of Finance | : | Member |
| 4- " State Audit Bureau | : | Member |
| 5- " Qatar Central Bank | : | Member |
| 6- Accountancy expert selected by | : | Minister |

Each party shall nominate its representative in the said committee. Chairman, Vice Chairman, and members shall be nominated upon Minister's decision.

Membership shall be for a three-year period renewable for similar period/ periods. The Committee shall assume responsibilities mentioned in this Law. Committee shall have its own bylaws to regulate its business.

Article (14)

Applications for registration in Registers of Statutory Accountants shall be examined by committee according to order of their receipt. Applications will be decided on within 30 days effective from their in coming date. In the even that applicant is instructed to submit further information or document. The said period shall start effective from the date of data or documents completion.

Article (15)

The Committee shall notify applicant on its decision whether rejecting or accepting his application by registered mail within 30 days effective from the date on which decision was made. The notice shall indicate reasons of rejection. The party whose application has been rejected, may appeal to the Minister on Committees decision within 30 days from date of notice receipt. Minister shall have to decide on the appeal within 30 days effective from appeal submission date. In the event that no decision has been mad within this period, this implies rejection of appeal. Ministers decision on this regard shall be final.

Article (16)

On acceptance of Registration Application, the competent Department shall enter respective date into the Register. The bylaws shall determine Register form and the information to be

register therein. Applicant, whether an individual or a company, shall be granted a license approved by competent Department Including Applicants name, address, nationality, number and date of registration, license term, and type of Register in which registration is effected.

Article (17)

Statutory Accountant, whose name has been registered in the Register of working Statutory Accounts, shall be sworn before the Minister prior to assumption of his work. The text of the oath shall read as follows :

I swear Allah the Almighty, that I shall carry on my duties with honour and honesty, I shall preserve profession Confidentiality and honor its ethics and conducts. Minutes of this measure shall be written down and kept with Competent Department.

Article (18)

Renewal of registration shall take effect in accordance with application submitted by concerned parties 3 months before registration expiry date. Non-working Statutory accountants are excepted from this renewal. Non-payment of registration renewal fees mentioned in the above paragraph shall result in annulment of name from register. This annulment shall take place after notifying respective breacher by registered mail. In such an event, reinstatement of registration shall only be effected after payment of, new registration fees in addition to fees of delayed renewal.

Article (19)

Registration fees in respect to each category and periodic renewal fees shall be determined by the Minister's decision based on Committee's proposal in that regard.

CHAPTER THREE **Liabilities and Obligations of Statutory Accountants**

Article (20)

Upon Minister's approval, he, who is registered in the Register of working statutory Accounts may open an office of his own to practice the profession.

Article (21)

The Statutory Accountant shall have the right to practice the profession in the following fields

- 1- Review, audit and give an opinion on financial accounts in accordance with rules and principles of the profession.
- 2- Offer expertise, consultations and conduct studies in financial, economic administrative, and taxation on fields.
- 3- Carry out liquidation activities in accordance with applicable provisions of Law.
- 4- Any other assignments stated in the applicable Laws.

Article (22)

For the purpose of a\carrying out his business statutory accountant may ;

- 1- Examine books, records, document and other papers. He also has the right to demand information and clarifications that he deems necessary to help him carry out his duties properly and accurately.
- 2- Obtain all evidences that support his conclusions in accordance with professional criteria and rules. It is not allowed for any person to block, hide any documents or information that statutory accountant deems essential to carry out his duties.
- 3- Effect physical inventory, at anytime he deems suitable, on cabinets and warehouse of the party subject to audit. He also has the right to verify assets and obligations of said party as well as to visit its factories, workshops, warehouses, office work sites and projects and elicit information from concerned personnel in regard to issues he needs to perform his job in the best fashion.

Article (23)

It is not allowed for any company to terminate the statutory accountant in the fiscal year during which he is performing his duties unless it is ascertained that he has breached provisions of this law.

Article (24)

Rules and norms of the profession, and to accountancy and review criteria and other recognizes technical rules.

He shall also stick to duties and assignments defined by applicable Laws and regulations.

Article (25)

He, who obtains a license for practicing the profession, shall carry out the same through his own office or through any licensed office operating in the State within six months from the date on which he was registered in the Register. Said period is subject to renewal upon Minister's consent.

Article (26)

Statutory accountant shall not review account of institutions, public institutions, shareholding companies, insurance companies, or banks unless he has practiced the profession for 5 consecutive years after his registration in the Register of working statutory accounts.

Article (27)

Statutory accountant shall not engage in :

- 1- Trading
- 2- Initiating any work that contradicts professional conduct or prejudices professional dignity.
- 3- Obtaining any work relevant to his profession by means of advertisement or through any other channel that violates ethics of the profession.

- 4- Effecting audit on accounts of a company where he served as an officer unless such employment was terminated before a period of not less than 2 years.

Article (28)

Statutory accountant shall not audit company accounts in the following cases :

- 1- If he took part in the foundation of the company, or he is a partner therein, or member in the Board of Directors, or if he assumes any technical, administrative consultative position therein.
- 2- If he is partner with or representative of any founding party or partners in the company.
- 3- If there exists a first degree kinship between statutory accountant and an individual who runs company's management or its accounts.
- 4- Purchase or sell shares of a company he audits its accounts during audit period.
- 5- If he is creditor or debtor to the company.

Article (29)

Statutory accountant shall not audit account of companies or institutions in which he has direct or indirect personal interest.

Article (30)

Statutory accountant shall endorse his registration number and his name on any documents, correspondence, budgets, and reports that he signs. Registration license or certificate given to him shall be visibly placed in his office.

Article (31)

Statutory accountant shall have to use his personal name as a main constituent in the address of his office. In the event that the licensed party is a company, its address shall have to include the name of one or many partners in addition to inclusion of anything that signifies it as a company.

Article (32)

Statutory accountant is required to notify the competent Department on any change in his address within 30 days effective from the date of such change or amendment. Failing to act as such, means that all correspondence forwarded to his address available at the Department shall be regarded as delivered and received.

Article (33)

Statutory accountant shall have to sign all review reports initiated from his office by himself in case he is an individual. In case of companies such reports shall have to be signed by one of the directors or managers authorized to practice the profession. It is not permissible to assign any other party to sign on behalf of him.

Article (34)

Where statutory accountant abandons practicing the profession for whatsoever reason, whether temporarily or permanently, then, he shall have to notify the competent Department on the same within 30 days effective from the date on which he stops doing so. The license shall be deemed null and invalid in cases of permanent abandonment.

Article (35)

The competent Department shall have the right to invalidate the license of whoever abandons practicing the profession without giving the notice mentioned in the former article within the prescribed time. He shall be notified on this decision by registered mail.

The party, whose license has been invalidated in the above fashion, may appeal to the Minister within thirty day effective from the date on which he receives the cancellation notice. The Minister shall have to decide on the appeal within thirty days effective from appeal submission date Elapse of said period without making any decision on that regard, implies rejection of appeal. The Ministers decision on the appeal shall be final.

Article (36)

In the event that a statutory accountant abandons the profession for ever or for a period that would harm clients or other parties, then, all transactions and obligations arising there from shall be resolved in accordance with rates and procedures prescribed in the bylaw.

Article (37)

Statutory accountant shall be held responsible for the audit and validity or information mentioned in his report. He shall also be required to compensate the client or other parties for damages they incur as result of carelessness, negligence or professional mistakes made by the accountant while assuming his profession. Where there are many statutory accountants, they shall all be jointly responsible unless the damage is clearly attributed to carelessness and negligence on part of one of them. Where the audit is carried out by a company, them all partners shall be jointly responsible for any damage suffered by others because of professional errors or negligence.

Article (38)

Statutory accountant shall be held responsible for any negligence or professional error that caused damage to any third party who used the financial data reports, signed by the statutory accountant, to take financial decisions provided that such third party must be of good-will.

Article (39)

Statutory account shall be held responsible for any damage incurred by owner or other parties arriving from negligence or errors made by accountants assistants working under his supervision.

Article (40)

Statutory accountant shall maintain his clients files, records, and data for a period of not less than ten years effective from end of fiscal year during, which he was auditing or controlling their accounts.

However, abandoning the profession does not waive the statutory accountant obligation in respect to keeping the files, documents and data for the period mentioned in the above paragraph.

Article (41)

Statutory accountant shall present to competent official authorities the information that they may ask for about companies or institutions which assumes their accounts audit provided that such authorities shall provided that such authorities shall have had a permission to do so from concerned judiciary authority.

CHAPTER FOUR

Accountability of Statutory Accountants

Article (42)

The ministry may, voluntarily or upon a complaint submitted to it question the statutory accountant on immoral issues attributed to him, or issues that infringe profession decency or violates its traditions and norms or issues implying negligence in performing duties or breaching the provisions of this law and other respective regulations.

If, in the Ministry's belief, that the incident or the act committed by the accountant refer the case to the public prosecution. But if the incident or the act constitutes a disciplinary breach, then, the case shall be referred to the Disciplinary Board. Investigation shall be carried out by the Director of the concerned Department or by a person nominated by the Minister for that purpose.

Article (43)

Disciplining statutory accountants shall take place before disciplinary board formed upon Minister's decision and chaired by a

judge from the Supreme Civil Court or the like, selected by Minister of Justice based on nomination made by Chairman of Justice Courts. The board shall also comprise, as members, one of the Ministry's staff and an officer from State Audit Bureau selected by his director.

Article (44)

Statutory accountant who violates his professional duties, or who is in breach of profession principles, or recognized criteria and ethics of accountancy and audit, or breaches any of the provisions hereof or its respective regulations and rules, shall be subject the following disciplinary penalties:

- 1- Notification
- 2- Warning
- 3- Stoppage of business for a period of not less than a year.
- 4- Cancellation of registration .

Article (45)

Primary Disciplinary Board shall decide on the violations after notifying violator to stand before the Board 15 days before the date on which proceedings shall take place. Notification shall be effected through registered mail including summary of violations, time and venue of hearing session which shall be confidential.

Violator may defend himself verbally or in writing. He may also authorize any of his colleagues or an advocate to act on his behalf.

The Board may insist on the presence of the violator, himself. In the event that violator does not show up before the Board despite being notified to act as such, Board may take decision in his absence. Decision on the complaint shall be overt and illustrative.

Article (46)

Statutory accountant shall be notified on Disciplinary Board decision by registered mail a long with acknowledgement notice within fifteen days effective from decision date. Decision photocopy may replace the notice once it is delivered to statutory accountant and his signature acknowledging receipt of the same.

Article (47)

Statutory accountant against whom the disciplinary decision was made, may appeal to Disciplinary Board of Appeal within fifteen days after having been notified on the decision by registered mail or after the date on which he received decision photocopy.

The appeal shall be submitted to the Committee. It shall contain aspects of rejection in addition to the claims along with supportive documents. The timely submission of appeal shall lease implementation of decision till the appeal is being judged by Disciplinary Board of Appeal.

Article (48)

Disciplinary Board of Appeal shall be chaired by a judge from the Court of Appeal selected by Minister of Justice upon nomination made by Chairman of Courts of Justice. The Board shall also comprise, as members, one of the Ministry's staff and a statutory accountant licensed to practice the profession selected by the Minister. Those who are included in the primary Disciplinary Board shall not be represented in the Disciplinary Board of Cassation. Board's meeting shall not be valid unless all members are present therein.

The Disciplinary Board of Cassation may approve, ease, or cancel the disciplinary penalty. Decision shall be taken by majority of members and shall be final as well.

Article (49)

Abandonment or stoppage of practicing the profession on part of statutory accountant, shall not waive disciplinary trial of said accountant on violations he committed during practicing the profession.

Article (50)

Disciplinary complaint shall become void and null after three years effective from abandonment of profession or stoppage of business.

Article (51)

Disciplinary decisions shall be recorded in a special register kept for that purpose. Decision implication shall be recorded in the Register in which Statutory accountant is registered.

The commission shall be required to communicate final disciplinary decision to all Ministries and other governmental bodies, Authorities and public Institutions whether decisions demands invalidating registration or stoppage from carrying out business.

Article (52)

Statutory accountant, against whom a final disciplinary decision crossing out his name from the register has been taken, may ask the committee to reinstate his name in that register after a period of three years minimum effective from the date on which decision was issued within 30 days effective from the date on which the application was submitted, the committee shall have to issue its decision on the same whether rejecting or approving the reinstatement in the register. In case reinstatement has been declined, the statutory accountant may not claim renewal of the

application unless on one year period elapses effective from rejection dated. Committee's decision on this regard shall be final.

Re-registration application shall follow the same procedures stipulated or prescribed in this law.

Article (53)

In the event that a statutory account, registered in the register of Statutory Accountants has defaulted any of the conditions mentioned hereof, the Minister shall refer the case to the committee for further review, and if applicable, order invitation of accountant's registration. A statutory accountant, whose registration has been cancelled in the above fashion, may appeal to the Minister within thirty days effective from the date on which he was notified on the decision.

CHAPTER FIVE

Penalties

Article (54)

Without prejudice to any other severer penalty stipulated by any other law, any one, committing any of the following violation shall be subject to an imprisonment penalty for a period not exceeding two years and a fine not exceeding Q.R. 50,000 (Fifty thousand) or any of the two aforementioned penalties.

- 1- Practice the profession without being registered in the respective register in accordance with provisions of this law.
- 2- Practice the profession during the period of his stoppage from work or after cancellation of his name from the register of statutory accountants.
- 3- Register his name in the Register of Statutory Accounts through submission of inaccurate information or certificates contrary to reality knowingly.

- 4- Use newsletters, boards, signs or any other advertisement instruments that would make the public believe that he has the right to practice the profession, contrary to the truth.
- 5- Breach accountancy and review standards or any other profession criteria.
- 6- Sign on accounts reports not audited by him or personal working under his supervision.

The court may accordingly to given conditions and circumstances, order to close the office, remove signs, tear up brochures and any other propaganda materials and cross his name out from the register.

Article (55)

Anyone who breaches the provisions of Articles (27), (28), (29), (30), (31), (40), (41) hereof shall be subject to a fine of not less than QR. 10,000/- and not exceeding QR. 30,000/-

CHAPTER SIX

General and Transformational Provision

Article (56)

Statutory accounts working in the State, be they individuals or companies, upon application of this law, shall have to adjust their status in accordance with provisions of this law within one year effective from the date on which it come into force. The said period may, upon a decision made by Council of Ministers, be extended for another period not exceeding two years.

Article (57)

Personnel deputed under Public Prosecutor's decision issued on agreement with the Minister, shall have the authority of judiciary

investigation officers in seizing and proving crimes committed in violation of this Law.

Article (58)

This Minister shall promulgate the executive by laws of the law hereof in addition to any other decisions necessary for the application of its provisions. However existing decisions and regulations shall remain effective and applicable as long as they do not contradict provisions of the law hereof. Up till the above mentioned by laws and regulations shall come into force.

Article (59)

The above referenced law No. "7" of the year 1974 is hereby cancelled in addition to any consistent with provisions of the law hereof.

Article (60)

All competent parties each within its competency, shall execute this law which be published in the Official Gazette.

Tamim Bin Hamad Al Thani
Deputy Emir of the State of Qatar

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