



# COVID-19: Qatar Briefing Note

**KPMG Qatar**  
**Corporate Services**

—  
May 2020

# Table of contents

| <b>Section</b>                      | <b>Page</b> |
|-------------------------------------|-------------|
| <b>Impact of COVID-19 in Qatar</b>  | 3-4         |
| <b>Key Considerations</b>           | 5-6         |
| <b>The Path Forward</b>             | 7           |
| <b>KPMG Corporate Services</b>      | 8-9         |
| <b>KPMG Corporate Services Team</b> | 10          |

# Impact of COVID-19 in Qatar (1/2)



Qatar Central Bank issued circular no. 5 of 2020 implementing the following, without limitation:

- All banks shall postpone payments of due installments for sectors negatively impacted by COVID-19 for a period of 6 months from 16 March 2020.
- QAR 50bn REPO facility made available to banks in order to cover their liquidity and to provide loans to private entities operating within impacted sectors.
- Removing all Point of Sale and ATM withdrawal fees.
- Closure of exchange offices until further notice.

Qatar Development Bank implemented Supreme Crisis Committee measures by implementing a National Guarantee Scheme, making QAR 3bn available as guarantee for impacted private companies.



Law No. 17 of 1990 regarding the protection from infectious diseases was amended to include the obligation to report to the competent authority any person who is suspected to be infected with an infectious disease. Non-compliance carries a penalty of a fine of up to QAR 200,000 and/or up to three years' imprisonment.



# Impact of COVID-19 in Qatar (2/2)



The Ministry of Commerce and Industry implemented the shutdown of all shops and retail on Fridays and Saturdays, and from 6am until 7pm on weekdays until further notice.

Food retail stores, chemists and delivery services (including food) are excluded from the lockdown.

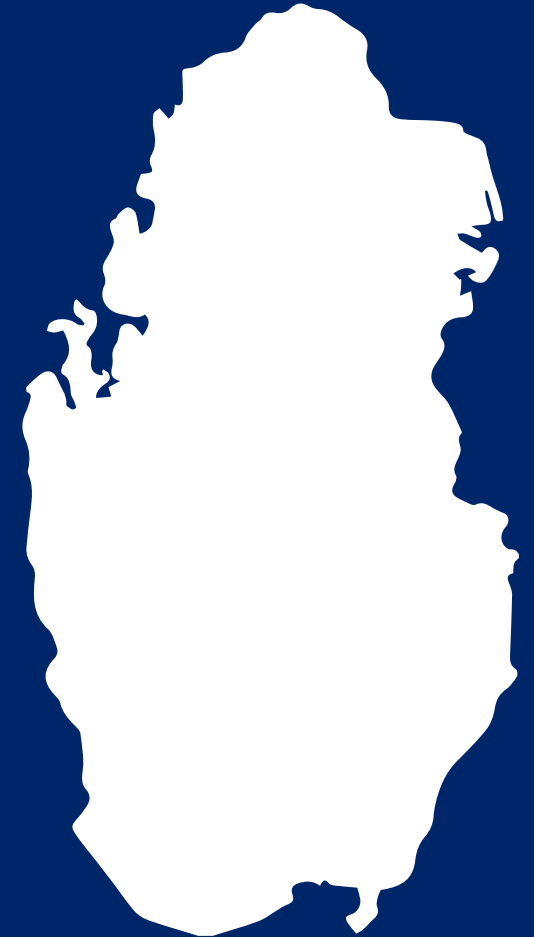
All commercial licenses and records expired in March 2020, and expiring by June 2020, have been automatically renewed for six months, subject to fees payable at a later date.



The Ministry of Interior extended the entry visas for those whose entry visa has expired as a result of the suspension of some outbound and all inbound flights. Such extension may be applied for through METRASH.



The Ministry of Administrative Development, Labour and Social Affairs issued guidance which, among other things, reduced office hours to six hours per day until further notice.



# Key Considerations (1/2)

## Commercial Contracts

&

## Finance Documents

Review Material Adverse Effect and Force Majeure clauses in order to assess termination/suspension options;

Review Event of Default and Cross-Default clauses in order to assess the extent of liability and ripple effects of defaults;

Review Provisions restricting additional indebtedness in case additional financing is required;

Review Provisions restricting disposal of assets in case asset liquidation is necessary to meet liquidity needs;

Review Change of Law provisions;

Consider Frustration/Impossibility options for the termination of contractual arrangements.

## M&A and Corporate

Review of current company structure and cashflow considerations and determination of distressed M&A opportunities.

Review Material Adverse Effect and Force Majeure clauses in M&A transactions not yet fully completed in order to assess termination/suspension options.

Review of the state of any current proposed transactions, including impact on due diligence.

Review of the terms of completed M&A transactions including default clauses, pricing adjustments and floating currency and exchange rates.

Review conditions precedent provisions, consider whether third-party consents and approvals are required. Ensure long-stop dates are set.

Consider best methods for shareholder fund injection in case of liquidity requirements.

Review provisions relating to disclosure, warranties (and relevant limitations) and indemnities.

# Key Considerations (2/2)

## Insurance

Review current insurance policies to determine scope of coverage.

If required, negotiate with insurance providers to expand scope of coverage.

Determine whether there is a legitimate basis to make an insurance claim.

Consider whether consent of the insurer is required before taking any mitigation steps.

## Labor & Employment

Review local governmental advice, decisions, notifications and legislation and determine whether temporary policy should be implemented in order to comply with the foregoing.

Consider whether restructuring is necessary.

Develop a legally compliant action plan in case terminations, furlough or forced annual leave is necessary.

Ensure compliance is maintained in relation to non-discrimination, victimization, harassment and data privacy.

Consider eligibility for financial support from the authorities in case of business shutdown due to the virus.

## Insolvency & Liquidation

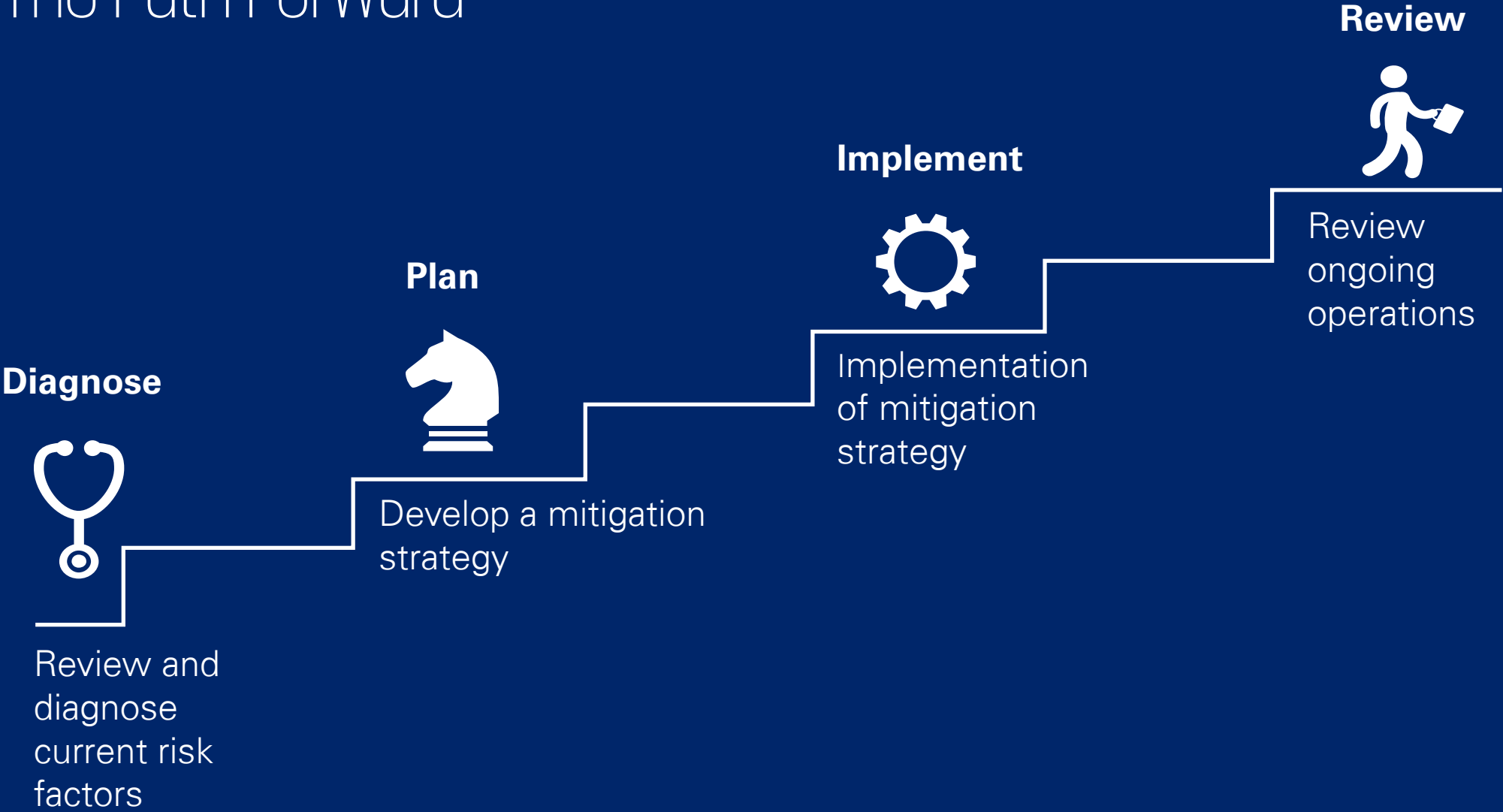
Determine whether filing for insolvency or committing to a voluntary liquidation is the right course of action.

Negotiate with key creditors.

Consider renegotiation with key suppliers.

Review exit/termination provisions of current supply contracts in case of insolvency of suppliers

# The Path Forward



# KPMG Corporate Services

Our Corporate Services team supports clients in their needs and requirements throughout the COVID-19 crisis.

1

## Commercial Contracts

- Commercial contracts.
- Supply contracts.
- Finance documents



2

## Regulatory Advice

- Structuring advice.
- Immigration advice.
- Employment advice.



KPMG Corporate Services

3

## Corporate Agreements

- Shareholder Agreements.
- Joint Venture Agreements.
- Articles of Association.
- Employment Contracts.
- Share transfers.



4

## Structuring Advice

- Branch or LLC considerations.
- Onshore or offshore.
- Qatar Financial Centre, Qatar Science and Technology Park (QSTP) or State incorporation.





# KPMG Corporate Services

Our Corporate Services team supports clients in their needs and requirements throughout the COVID-19 crisis.

5

## M&A

- Due diligence.
- Structuring advice.
- Sale of shares.
- Sale of assets.
- M&A documentation.
- Merger



6

## Company Establishment

- State Establishment.
- Qatar Free Zone.
- Qatar Financial Centre (QFC).
- Qatar Science and Technology Park (QSTP).



## KPMG Corporate Services

7

## Corporate Licensing

- Ministry and Chamber of Commerce.
- Municipality Licenses.
- Ministry of Interior.
- Ministry of Labour.
- QFC, QSTP and Free Zone.



8

## Insolvency & Liquidation

- Insolvency advice.
- Liquidation resolutions and appointments.
- Liquidation execution.



# KPMG Corporate Services Team

Our Corporate Services team supports clients in their needs and requirements throughout the COVID-19 crisis.



**Barbara Henzen**  
Partner - Head of Tax  
& Corporate Services

T: +974 4457 6444

E: [bhenzen@kpmg.com](mailto:bhenzen@kpmg.com)



**Sevil Yucekayali**  
Manager

T: +974 4457 6444

E: [syucekayali@kpmg.com](mailto:syucekayali@kpmg.com)



**Amin Mohamed**  
Assistant Manager

T: +974 4457 6444

E: [aminmohamedi@kpmg.com](mailto:aminmohamedi@kpmg.com)



**Carl Kesserwani**  
Senior Executive

T: +974 4457 6444

E: [ckesserwani@kpmg.com](mailto:ckesserwani@kpmg.com)



[kpmg.com/socialmedia](https://kpmg.com/socialmedia)

© 2020 KPMG LLC, a limited liability company registered with Qatar Financial Centre Authority (QFCA), State of Qatar and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurately and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.