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1 Quick Facts

Here you find general information about Qatar.

Key Strengths

- Standard local version since SAP S/4HANA 1511, EC 1605, EC Payroll 1605
- Large customer base in Qatar.
- Supports legal compliance features for various business transactions, enabling businesses to run better.
- Local version for Qatar is now operational at most of the top corporations in Qatar, including global business giants across various industries such as public sector, private sector, retail, and banking.
- SAP is also the software of choice in the Public sector.

Challenges

- Qatar has a relatively stable regulatory framework; however, several laws apply to specific business sectors such as public and private.
- Legal changes: The Announcement of Legal Change
  - Legislative reforms are often planned, applied on short notice and in some cases applied retroactively.
  - Interpretation of the law is sometimes open and often the technical specification is not always available for development on time.

Legal Compliance

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Language

- Arabic is the official language for Qatari courts.
- All core modules are translated into Arabic.
2 Recommendations and General Information

- Qatar is a member of Cooperation Council for the Arab States of the Gulf (GCC).
- Currency: Qatari Rial (QAR) is the legal reporting currency
- Exchange Rate: Fixed exchange rate against USD (1 USD = 3.64 QAR)
- Accounting Principles/Financial Statements: Qatar requires all listed companies to prepare consolidated and separate company financial statements “in accordance with the accounting principles approved internationally”. Regulations of the Qatar Financial Markets Authority have defined this to mean IFRS Standards.
- Bank Master Data: IBAN & Account number are mandatory for all payment methods.
- The tax year is generally the same as the calendar year, and a taxpayer must use this accounting period unless approval is obtained for a different year-end (in exceptional cases only). The first accounting period may be more or less than 12 months, but it should not be less than six months or more than 18 months.
- Government Report: Arabic is the official language for Qatari courts.
- Date Format: DD.MM.YYYY
- Decimal Format: 1,234,567.89
3 Supported Legal Requirements

3.1 Financial Accounting (FI)

3.1.1 General Ledger Accounting

Withholding Tax

- Withholding payments made for services performed wholly or partly in Qatar are subject to withholding taxes in the case of taxpayers not registered in the Commercial Register or registered for an activity or a project which lasts less than one year. You have to define Qatar tax details in vendor master (WHT Liability Status, Temporary Branch Status, Residency Status, Commercial Registration Details).
- The tax amount withheld from various service providers during a month is remitted to the tax authorities on or before the sixteenth day of the following month. Therefore, all open withholding tax line items are cleared on a monthly basis. You can reverse the withholding tax for any reason.
- Interest is subject to 5% withholding tax, with certain exceptions. Royalties are subject to 5% withholding tax. The rates may be further reduced under a tax treaty.
- All accounting books, registers, and documents relating to activity in Qatar are required to be retained in Qatar for a ten-year period.
• SAP provides withholding tax returns statement based on the tax payment code created during monthly clearing cycle.
• SAP provides withholding tax certificate that contains details on the tax amount withheld from vendors for their services, under a specific contract or purchase order. Company issues a withholding tax certificate to a vendor only if a vendor requests for it. A vendor can use this certificate as a proof for tax payment.
• SAP provides a request form for the refund of tax amount paid to the tax authorities if the amount withheld from you is more than the actual applicable tax rate.
  
  SAP Note 1973623
  
  For more information, see Withholding Tax for Qatar

3.1.2 Accounts Receivable / Payable

Postdated Checks “PDC”

• Post-dated check is a check that has a maturity date in the future.
• In the United Arab Emirates (UAE), postdated checks are a common form of payment. You can enter postdated checks receivable in the SAP system as they arrived and process them as they become due.
• Unlike bills of exchange or promissory notes, postdated checks normally cannot be endorsed. Typically, companies keep them until the maturity date.
• The postdated checks are processed using the bill of exchange functions.
  
  SAP note 1683781
  
  For more information, see Postdated Checks
Vendor Certificate

- This functionality enables you to capture the various certificate validity periods of your vendors. Vendors with expired certificates can be blocked from being involved in business activities within the system and can be unblocked when they have submitted a valid certificate.
- For more information, see Vendor Certificate.

Tax Card Validity Check

- The system checks the validity of tax cards for each vendor. The validity checking occurs during the payment process. The blocking of last payment is applied if the tax card has expired and the branch is permanent in Qatar. But if the tax card has expired and the branch is not permanent in Qatar and the period of its activity is at least one year, the system will block all payments for this vendor.
- For more information, see Tax Card Validity Check.

Retention Calculations

- As per Qatari law, retention shall apply only to the last payment or 3% of the contract value mentioned above if higher. The solution handles this checking by blocking the last payment or 3% of the contract value, if the vendor is non-resident of Qatar and has a temporary branch and the period of its activity is at least one year.
- For more information, see Retention Check.

Payments Payable Processing for Public Sector

- In Qatar, the Government declares certain number ranges as reserved number ranges.
- SAP provides the function of generating the MoF serial numbers that are to be printed on payment forms and journal vouchers.
- The MoF serial number printed on legal forms contains slashes and checksum digit. However, while specifying the reserved MOF number ranges in this transaction, you ignore the slashes and the checksum digit, and only maintain the 14-digit numerical value.
- For more information Processing of Vendor Payment.

Payments Receivable Processing for Public Sector

- In Qatar, the Ministry of Finance (MoF) declares certain number ranges as reserved number ranges.
- SAP provides the function of generating MoF serial numbers that are to be printed on receipt forms and journal vouchers.
The MoF serial number printed on legal forms contains slashes and checksum digit. However, while specifying the reserved MoF number ranges in this transaction, you ignore the slashes and the checksum digit, and only maintain the 14-digit numerical value.

For more information, see Processing of Customer Payment.

3.2 Material Management (MM)

Letter of Credit and Bank Guarantee

The product covers the incoming and outgoing LC processes for MM, as well as the outgoing BG processes for SD.

The scope of the product is very limited to cover the requirements in companies where they want to track only the LC and BG operations in small and medium size.

The features:
- Letter of Credit Request (or without request)
- Assign to one POs/SOs
- Manage the LC/BG amount limit for each user
- Maintain the essential dates and validity
- Maintain the shipment information
- Assign to a cost object (cost/profit center)
- Maintain the bank information (advising and issuing bank)
- Manage the Bank Facility amount
- Maintain the required documents from bank
- Maintain the payment terms (at sight or deferred)
- Print out the LC/BG request (bank format)
- Workflow on LC/BG request approval process.
- Refer to LC request
- LC/BG information (LC/BG bank number, bank charges, ... etc.)
- Manage many times of amendments
- LC/BG margin (retention amount)

### 3.3 Funds Management

#### 3.3.1 Master Data

**Commitment Items and Commitment Item Groups**

- The list of commitment items is unique to all Public Sector organizations and remains unchanged over the years. The list of preconfigured commitment items is specified by the Ministry of Finance.
- Some fields are available in addition to the standard fields in the commitment item master record. These fields are a legal requirement and they are used in the following business processes: master data definition, budget creation, and reporting. The fields are available in the budgeting process, for displaying and searching for commitment items when posting budget.
- For more information, see [Commitment Item Master Data](#)

[Diagram of Funds Management Processes]
3.3.2 Budget Preparation & Consolidation

- During the budget preparation process, budget requests must be approved by the relevant departments.
- The local version for Qatar provides specific reports for Budget Preparation Process and help the end user in making decisions about budget creation.
  - Budget and Expenditure by Funds Center
  - Summary of Budget Proposals for Main Projects
  - Budget Estimation and Consolidation
- Budget Document Validation is triggered for the following Budgeting Processes:
  - Supplement (SUPL)
  - Return (RETN)
  - Transfer (TRAN)
For more information, see Budget Preparation Process: Overview.

3.3.3 Budget Execution

Budget Transfer and Additional Provisioning

- Manage authorizations for transfers between different chapters to get an overview of budget transfers at commitment item-level for a specific fiscal year
- Using Extended Budget Rules to validate budget transfers in the Budgeting Workbench (transaction FMBB). Currently two types of validations can be defined:
  - Sender Limits for Transfers Between Commitment Items
  - Bidirectional Restriction: Imposes a limit for which a Commitment Item cannot be used both as a Sender and as a Receiver.
- Budget enhancement for all budget transactions (Transfer, Supplement, or Return).
- For more information, see Budget Transfer and Additional Provisioning

Earmarked Funds Reporting

- Funds Reservation report with appropriate header and item information. You execute the report in the foreground. After generating the funds reservation, you can print it in either English or Arabic.
- Agreement Order report with appropriate header and item information. You execute the report in the foreground. After generating the agreement order, you can print it in either English or Arabic.
- For more information, see Earmarked Funds Reporting.
Obligation Reporting

- Obligation Order report with appropriate header and item information, created from the vendor invoice. You execute the report in the foreground. After generating the obligation order, you can print it in either English or Arabic.
- For more information, see Reporting for Obligations.

Budget Reporting

- Budget and Expenditure by Period to compare the expenditure to the current budget.
- Budget and Expenditure by Quarter to compare the expenditure to the current budget.
- Detail of Obligations for Commitment Items
- Statement of Account for Commitment Items
- Account Level Budget Transfer
- Summary of Budget and Expenditures
- For more information, see Budget Reporting
4 Human Capital Management Requirements and Payroll for Qatar

4.1 Personal Administration

Country specific fields added:

- Persona Data like Full Arabic Name, Sponsor ID, Legal Profession, Home Airport, 2nd&3rd nationalities, blood group, profession, academic degree, sponsor ID
- Personal IDs like Qatari ID Card, Driven License, Health Card and Work Permit
- Original Personal IDs. Kept by like the original passport or any other ID’s is kept by whom
- Leave Passage like Tickets Class and No. of Tickets for Employee and Dependents
- Social Insurance like General Retirement & Pension Authority (GRPA) start contribution date and Social Insurance Number
- Others like IBAN generation in Bank Info and Address details, Petty Cash, settlement, Occupational Hazard and Sanction.
- Pension Service Payment to store the payment information for employees who intend to extend their pension contribution period.

Personal Actions

- Actions templates for Hiring, Termination, Organization Re-Assignment, Rehiring, Promotion
- All actions are also available as HR Processes based on Roadmap Forms

4.2 Time Management

Absences

- Leave Types
○ Pre-defined leave types
○ Leave conditions check, to set rules for leaves eligibility

- Annual Leave
  ○ Accruals starting from probation period end
  ○ Annual Leaves provisions calculation every month based on accruals and usage

- Sick Leave
  ○ Employee shall be entitled to sick leave with pay for each year of his service. For more details, please refer to SAP Note 2311435.
  ○ Absence distribution predefined rules (paid and partial paid)

- Maternity Leave
  ○ Half-paid or paid based on seniority rule
  ○ Customization is delivered to control payment based on seniority

- Delivered other absence types as well like Hijri Leave, Work Injury.
- Leave Conditions Check that can help in setting validation rules for any absence type in general.

**Leave Passage**

Cover contractual part related to tickets entitlement for the employee and his dependents having the following features.

- Flight tickets provisioning based on ticket fare
- Ticket fare is per class and destination to home airport
- Flight tickets value can be issued or in-cashed
4.3 Payroll

- Standard wage types defined as per Qatar norms such as: Basic pay, Housing allowance, Transportation allowance
- Payroll rounding and rounding recovery
- End of service calculation per Qatar labor law including provisioning calculation on monthly regular payroll
- Overtime calculation with different rates based on the day type on monthly regular payroll (working days or weekends, etc.)
- Net deductions and Arrears to applying net deductions limits and Arrears carryover are also supported
- General Retirement & Pension Authority (GRPA) Social Insurance deduction calculation for Qatar and GCC nationals
- Off-cycle payroll, including for advance leave payments, including all recovery options and scenarios
- Petty Cash maintains and settlement calculation against all spent records type.
- New Country Version on Employee Central Payroll (June 2016) – The new country version includes the replication of country specific employee master data from EC to EC Payroll and country-specific mashups.
- Provision for EOS and Annual Leave (February 2016) – Enhancements for provisioning calculation functionality related to EOS and Annual Leaves. For more details, please refer to SAP Note 2277779.
- Enhancements for WPS functionality such as ALV output for WPS data. For more details, please refer to SAP Note 2249057.

Teacher Assistant: How can I assist you further with this information?
4.4 Reporting

Legal Forms

- Ministry of Labor
  - Labor statistics for a period
  - Injuries and occupational diseases data
  - Application for family visa
  - Job title change form
- Occupational Hazards used for reporting to Ministry of Labor and Occupational Hazards as well
  - Form (1) – Notification for a serious incident or occupational disease
  - Form (2) – Communication for work injury
  - Form (3) – Work injuries statistics
  - Form (4) – Serious incidents statistics
  - Form (5) – Occupational diseases statistics

Report Generation Utility

Report Generation Utility is a new utility that helps in creating HCM reports in very easy steps and display output in an ALV or PDF format. For more details, please refer to SAP Note 2174367.

Other

- Remuneration Statement used for payroll slip
- Qatariization Report is used to monitor percentage of Qatari nationals employed in the organization
- Document Expiry Report to monitor critical documents before they get expired like residence visa and labor card

Qatar Q-Companies Localization

- Includes more functionalities, more flexibility and new features for HR and Payroll (HCM) as extension for Qatar public sector solution. This product is an extension to the Qatar public sector localization delivered in 2013 and will be the base for HCM solutions for any Q-company subsidiary.
- Benefits & Allowances applicable, Benefit Eligibility Report for processing multiple employees (for processing allowances) Advances Claims Solution: new solution for Qatar Public Sector
The set of functionalities available in February 2017: Termination of Service, Settlement, Job Elements and Salary Structure (Part of Public Sector). Time Management, Training and Development (Part of Public Sector)

For more technical details and documentation, please refer to the following SAP Notes:
- SAP Note 2345602 – Allowances & Benefits
- SAP Note 2372123 – Down port of allowances & Benefits
- SAP Note 2400472 – Updates
- SAP Note 2426193 – Settlement Workbench

Employee Central Payroll

New local version on Employee Central Payroll (June 2016) – The new local version includes the replication of country specific employee master data from EC to EC Payroll and country-specific mashups.
5 Information Repositories

- MENA Localization Special Interest Group - [SIG Jam Page](#)
- SAP Globalization Services Local and Language Versions for SAP Products
- The latest legal changes delivered under [The Announcement of Legal Change](#)
- Qatar local version documentation [SAP S/4HANA, SAP ERP HCM](#)
- SW components
  - FIN Incidents: FI-LOC-FI-QA
  - Payroll Incidents: PY-QA
  - HR Incidents: PA-PA-QA
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