

# Decree Law No. 10 of 1974 on the Establishment of Qatar Petroleum 10 / 1974

Number of Articles: 32



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We, Khalifa Bin Hamad Al?Thani, Emir of the State of Qatar,  
Having considered the Amended provisional constitution, particularly Articles 23, 27 and 34 thereof;  
Law No. 13 of 1972 establishing Qatar National Petroleum Corporation;  
Law No. 5 of 1973 establishing the Audit Bureau;  
The proposal of the Minister of Finance and Petroleum; and  
The Draft Decree?Law submitted by the Council of Ministers;  
Hereby promulgate the following decree?law:

## **Chapter One: Establishment of the Corporation and Its Purposes**

Article 1 (Amended By Law 5/2012) (Amended By Act 18/2001)★

A general corporation under the Supreme Council for Economic Affairs and Investment and with an independent juristic personality shall be established and shall be called "Qatar Petroleum".

Article 2 (Amended By Act 18/2001)★

The headquarters of Qatar Petroleum shall be in the city of Doha, and the Corporation may establish branches, offices or agencies in Qatar or abroad.

Article 3

Without prejudice to the provisions of Article 28 of this Decree?Law, the Corporation may not merge with another entity or be liquidated except by law.

Article 4 (Amended By Law 5/2012)★

1. The purpose of the Corporation shall be to conduct its business in the petroleum industry in Qatar and abroad, including:
  - a. Exploring and drilling for oil, natural gas and other hydrocarbons;
  - b. Producing, refining, transporting and storing such substances and any of their derivatives and by-products;
  - c. Trading, distributing, selling and exporting such substances.
2. The Corporation may conduct its business in any manner that leads to the fulfillment of its purposes.

Article 4 - BIS (Amended By Act 18/2001)★

1. The exploration and drilling for oil, natural gas and other hydrocarbons, as well as the negotiation of contracts in relation thereto, in the State of Qatar shall be limited to Qatar Petroleum alone.
  2. The Corporation shall replace the Department of Petroleum Affairs in its rights and liabilities in all previously signed agreements related to exploration and drilling for oil, natural gas and other hydrocarbons in the State of Qatar, and the aforesaid agreements shall be referred to the Corporation for execution.
  3. The provisions of agreements signed with other parties in this regard and which are currently in force shall be observed, and the rights of such parties shall be protected.

Article 5

- In order to achieve its purposes, the Corporation may carry out the following:

  1. Establish companies on its own or with third parties.
  2. Own or participate in existing companies.
  3. Contract with companies engaged in business similar to its own or with companies that may help the Corporation achieve its objectives, as well as participate in, buy, or merge with them.
  4. Institute any legal action required to preserve the business and reputation of the Corporation.

**Chapter Two: Capital, Profits and Reserves**

Article 6 (Amended By Law 5/2012)★

- Amended in accordance with Decree No. 39 of 1985 – *Official Gazette* No. 4 of 1985 referring to Decree No. 11 of 1998 regarding the capital increase.
1. The Corporation’s capital shall be five thousand million Qatari Riyals provided in full by the State and paid progressively to the Corporation in amounts determined by the board of directors and at intervals that meet the Corporation’s needs. The Cabinet shall issue the payment order based upon a submission from the Minister of Finance and Petroleum, while the increase or decrease of the Corporation’s capital may not occur except by a decree issued under a submission from the Minister of Finance and Petroleum, and based upon a decision from the board of directors regarding the increase or decrease.
  2. On the effective date of this Law, the State shall take a share with the Corporation in the companies listed hereunder as a part of the capital defined in the preceding paragraph of this Article:
    - a. Qatar Petroleum Company Ltd.
    - b. Shell Company of Qatar Ltd.
    - c. The Arab Maritime Petroleum Transport.

- d. Arab Company for Oil Pipelines SUMED.
- e. National Petroleum Corporation for Distribution.
- f. Arab Company for Building and Repairing Ships.

3. The Cabinet may decide to pay in kind the remainder of the capital or any part thereof.
4. After approval by the Ministerial Cabinet, the Corporation shall have all future petroleum investment projects relevant to its purposes, whether fully or partially owned by the State.

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Article 7 (Amended By Law 5/2012)★

Net profits are defined for each financial year after deducting all the current and expenditures, and particularly:

1. Doubtful and bad debts, depreciation of assets and retirement funds.
2. Funds needed for any other purposes adopted by the Corporation and approved by the Cabinet.

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Article 8 (Amended By Law 5/2012)★

1. The Corporation shall have a general reserve fund in which fifty (50) percent of the annual net profit shall be deposited until the balance is equal to the capital. An increase in the reserve shall be permitted up to the amount and percentage that the Corporation deems appropriate and the Cabinet approves.
2. The State shall thereafter take the net profits in full.

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**Chapter Three: Managing the Corporation**

Article 9 (Amended By Law 5/2012)★

1. The Corporation shall be managed by a board of directors comprising between seven and eleven members, including the chairperson and his deputy. They shall be designated by a decision issued by the Emir. The board of directors shall be liable for the business of the Corporation before the Supreme Council for Economic Affairs and Investment and the Emir may designate one or more full-time managing directors from among the members of the board.
2. Board membership shall be for four years subject to renewal or extension.
3. The board of directors shall oversee all the activities of the Corporation and its decisions shall be binding and effective from the date of their issue, unless otherwise stipulated.

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Article 10 (Amended By Law 5/2012)★

The Council of Ministers may issue general instructions to the board of directors regarding what ought to be followed in matters of public interest.

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Article 11 (Amended By Law 5/2012)★

The Council of Ministers may, at any time, request reports from the board of directors regarding the Corporation's financial, administrative or activity status, or any information related to the Corporation in general.

Article 12 (Amended By Law 5/2012)★

1. The board of directors shall, at the invitation of the chairperson or his deputy in the absence of the chairperson, convene at least once every month or whenever requested by at least three of its members.
2. Such meeting shall not be deemed legitimate unless attended by more than half of the members.
3. The board shall elect from among its members a chairperson for the meeting when held in the absence of the chairperson or his deputy.

Article 13

The board shall issue its resolutions by majority vote of the members present. Where there is a deadlock, the chairperson shall have a casting vote.

Article 14

Resolutions of the board of directors shall be recorded in a special register signed by the chairperson and the members present.

Article 15

The chairperson of the board of directors shall represent the Corporation before the courts and in its relations with third parties.

Article 16

1. The chairperson, deputy chairperson, delegated members and every member designated by the board shall each have signatory power to sign on behalf of the Corporation.
1. The board of directors shall have the right to appoint one or more directors or representatives and may authorise them to sign, individually or jointly, on behalf of the Corporation in any business affairs determined by the board.

Article 17

The Corporation's seal on any document shall have no value unless accompanied by the signature of the chairperson or the person authorised to sign.

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## Article 18

Neither the chairperson nor any member of the board of directors shall be permitted to have a direct or indirect personal interest in contracts concluded with the Corporation.

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## Article 19

The Emir shall issue a decision to determine the amount of remuneration for members of the board of directors.

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## Chapter Four: Accounts

## Article 20

The Corporation's financial year shall commence on the first day of January and end on the thirty-first day of December of each year, provided that the first year shall include the period from the date on which this Law becomes effective until the thirty-first day of December of the following year.

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## Article 21 (Amended By Law 5/2012)★

1. The board of directors shall, for each financial year and no later than six months prior to its end, prepare the Corporation's budget and statement of profit and loss, including all data stated in the decision issued by the Council of Ministers to organize the preparation of the Corporation's budget and its profit and loss.
2. The board of directors shall prepare a report on the Corporation's activities during the financial year and its financial position for the same year.

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## Article 22 (Amended By Law 5/2012)★

The Corporation shall have one or more approved auditors appointed by the Emir, who may also issue a decision to entrust the auditing of the Corporation's accounts to the State Audit Bureau, either on its own or in collaboration with an auditor.

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## Article 23 (Amended By Law 5/2012)★

An auditor may, at any time, check the entire books, records and documents of the Corporation, as well as request all necessary data that he deems appropriate in order to perform his duty properly. He may also investigate the Corporation's assets and liabilities. Where the auditor is unable to perform his duty properly, he may send a report thereon to the Emir.

Article 24 (Amended By Law 5/2012)★

The auditor shall send his annual report to the Emir and submit a copy thereof to the board of directors.

Article 25 (Amended By Law 5/2012)★

The Corporation's board of directors, without being restricted by government systems, shall develop the necessary financial and administrative bylaws for its management, including the specific bylaws related to the Corporation's staff and their retirement fund. The said bylaws shall not be in force prior to the Cabinet's approval.

Chapter Five: General Provisions

Article 26 (Amended By Act 14/1998) (Amended By Act 36/1995)★

1. The Corporation's movable and fixed assets shall be deemed the property of the State and controlled thereby.
  2. Notwithstanding the preceding paragraph, the State shall not, however, be permitted to seize such property to satisfy any debt or to obtain it by prescription, regardless of the duration thereof.
  3. Nevertheless, and without prejudice to the terms and conditions of existing agreements and obligations in this regard, the Corporation's board of directors may agree, in cases and within limits that the board deems necessary, to waive a provision not to seize the Corporation's property in any agreement to which the Corporation is a party or in the obligations the Corporation may incur to achieve its purposes.

Article 27 (Amended By Law 5/2012) (Amended By Law 10/2007)★

1. The prescribed tax laws and fees shall apply to the Corporation and its affiliates.
2. Subject to the prescribed texts for exemption stated in special laws, it shall be allowed, under a decision issued by the Council of Ministers based upon a submission of the Minister of Finance and Petroleum, to exempt the Corporation and its owned companies alone from all taxes and fees or part thereof

Article 27 - BIS (Added By: Law 10 / 2007)

The determination and collection of fees for the shipping of hydrocarbons, as well as the consideration for other services performed by Qatar Petroleum in the ports and berths assigned thereto for management and supervision, shall be issued by a resolution of the Board of Directors”.

Article 28

The provisions of this law may be amended by a decree, whenever the public interest so requires.

Article 29

Law No. 13 of 1972 establishing Qatar National Petroleum Co. shall be abrogated.

Article 30

All competent authorities, each within its jurisdiction, shall implement this Decree-Law which shall be effective from the date of its publication in the *Official Gazette*.