

Law No. 13 of 1972 for the Establishment of Qatar National Petroleum Corporation 13 / 1972

Number of Articles: 27

Table of Content

Articles (1-27)

We, Khalifa bin Hamad Al Thani, Emir of the State of Qatar,
Having perused the Amended Provisional Constitution in Qatar, in particular articles 23 and 37 thereof,
Law No. 2 of 1962 regulating the fiscal policy in Qatar, and
The bill of the Council of Ministers,
hereby promulgate the following law:

Articles

Article 1

Under this Law a Qatari company with an independent legal personality called «Qatar National Petroleum Corporation» shall be founded and shall have a legal stamp

Article 2

The company's shall be based in the city of Doha. It may establish branches, offices or agencies in Qatar or abroad.

Article 3

The term of the company is unlimited. It may only be dissolved or liquidated by a law.

Article 4

The objectives of the company are to engage in the petroleum industry in Qatar or abroad, and in all phases of this industry including research, exploration for oil, natural gas and other hydrocarbons, production, purification, transport and storage of the mentioned materials and any of their derivatives, preparations and by-products, as well as trading in these materials and their distribution, sale and export.
The company shall be generally responsible for the administration of all petroleum investment enterprises, owned in whole or in part by the State, that are entrusted to it.

Article 5

The company, in order to realize its objectives, may do the following:

- 1 - Found companies on its own or with others.
- 2 - Acquire existing companies or shares in them.
- 3 - It may have an interest with bodies engaged in similar business activities or which may assist it to realize its objectives. It may also become involved in any manner with the bodies mentioned, or to purchase or acquire them.

Article 6

- The company's capital is one hundred million Qatari riyals which shall be discharged by the State in full. It shall be paid to the company in instalments the amount of and dates which shall be determined by the Board of Directors in accordance with the needs of the company and the approval of the Minister of Finance and Petroleum. The company's capital may only be increased or decreased by a law issued based on the submission of the Minister of Finance and Petroleum pursuant to a resolution issued by the Board of Directors for increasing or decreasing the capital.
- 2- The State shall, on the effective date of this Law, deliver and transfer ownership of the following to the company as part of its capital specified in the preceding paragraph of this Article:
- a- The net financial liability of the National Petroleum Company for Distribution
- b- The State's portion of the capital of Qatar Fertilizer Company.
- 3- The State may pay the remainder of the capital or part of it in kind.

Article 7

The liability of the company shall be limited to its capital.

Article 8

- The net profits of the company shall be distributed as follows:
- 1- 10% of the net profit shall be deducted annually to form the compulsory reserve. This deduction shall be suspended when the total of the reserve reaches 50% of the company's capital.
- 2- The company shall pay to the State annually 55% of remaining net profits.
- 3- The company may, with the approval of the Minister of Finance and Petroleum, retain the remaining profits as a general reserve for purposes of expanding its operations. In the event the approval of the Minister is not obtained, the company shall pay this remainder to the State.

Article 9

- The company shall be administered by a Board of Directors that consists of at least five members including the Chairman. The members and the Chairman shall be appointed by a resolution of the Minister of Finance and Petroleum. The Board of Directors shall be responsible to the Minister for carrying out the operations of the company.
- The Minister of Finance and Petroleum may appoint one or more managing directors from amongst the members of the Board.
- 2- The period of membership of the Board shall be four years which may be renewed or extended for a shorter period determined by the Minister of Finance and Petroleum.
- The board of directors shall exercise all the powers necessary to administer the company. Its resolutions of shall come into effect from the date of their issuance. Resolutions related to the following matters shall be excluded from the above and shall only take effect after approval by the Minister of Finance and Petroleum:
- a- Local and foreign loans obtained by the company.
- b- The company's founding of companies on its own or with others, or acquiring shares in existing companies.
- c- The company's engaging in research and exploration operations for oil and natural gas.

Article 10

The Minister of Finance and Petroleum may, after consultation with the company's Board of Directors and approval of the Cabinet, issue to the Board of Directors general directives with respect to what it must follow in matters relating to public interest.

Article 11

The Minister of Finance and Petroleum may, at any time, request the Board of Directors to submit reports to him on the financial or administrative position of the company, its activities or any information related to it in general.

Article 12

- 1- The Board of Directors shall meet by invitation of its Chairman at least once every two months. It may also meet whenever at least three of its members request a meeting.

2- The meeting of the Board shall not be valid unless attended by more than half of its members.

3- The Board shall elect from amongst its members a chairman for the session if it is convened in the absence of the Chairman.

Article 13

The resolutions of the Board shall be issued by a majority vote of the members present, and in the case of an equality of votes the Chairman shall have a casting or second vote.

Article 14

The minutes of the sessions of the Board of Directors shall be recorded in a special register signed by the Chairman and the members present.

Article 15

The Chairman of the Board of Directors shall represent the company in cases before the court whether the company is the plaintiff or defendant.

Article 16

The Chairman of the Board of Directors, the members of the Board of Directors delegated and any other member delegated by the Board of Directors for this purpose shall have the right to sign on behalf of the company individually.

The Board of Directors shall have the right to appoint one or more managers or agents and to also grant them the right to sign on behalf of the company individually or jointly.

Article 17

The stamp of the company on documents shall only be valid if accompanied by the signature of the Chairman of the Board of Directors or the authorized signatory.

Article 18

The Chairman of the Board of Directors or any of its members may not have any direct or indirect personal interest in the contracts entered into with the company or on its behalf or the projects it is undertaking.

Article 19

The Minister of Finance and Petroleum, by means of a resolution, shall determine the amount of the remuneration for members of the Board of Directors.

Article 20

The company's financial year shall begin on the first of January and end at the end of December of each year provided that the first year shall include the period from the date this Law comes into effect until 31 December of the following year.

Article 21

The Board of Directors must prepare, for each financial year, and at a date not later than six months after the date of its end, the company's balance sheet and profit and loss account containing all the details stated in the resolution issued by the Minister of Finance and Petroleum for regulation of the preparation of the company's balance sheet and profit and loss account.

The Board must also prepare its report regarding the company's activity during the financial year and its financial position at the end of the same year.

Article 22

The company shall have an auditor, who is a chartered accountant, appointed by the Minister of Finance and Petroleum annually.

Article 23

The auditor shall, at all times, have the right to access all the books, records and documents of the company, and to request the details that he deems necessary to discharge his duty properly. He may also verify the company's assets and liabilities. In the event of the auditor's not being allowed to exercise those rights, he shall submit a report to the Minister of Finance and Petroleum.

Article 24

The auditor shall submit his annual report to the Minister of Finance and Petroleum. He shall also provide a copy of it to the Board of Directors.

Article 25

The company's Board of Directors shall lay down the financial and administrative bylaws necessary for its administration. These bylaws shall only take effect after their approval by the Minister of Finance and Petroleum.

Article 26

The founding of the company under this law shall not result in any obligation or any liability of any kind in relation to the government towards third parties.

Article 27

All relevant authorities, each within its own jurisdiction, shall implement this law which shall be effective from the date of its publication in the Official Gazette.