

Commercial Companies in Qatar



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Introduction

In the State of Qatar, commercial companies serve as pivotal players in both local and international markets. The foundation of a company typically involves a group of natural persons pooling their capital to establish a joint project. When at least two partners come together, they agree to share the profits and losses. Once formed, this collective enterprise takes on a separate legal identity—recognized as a "company."

Below is an overview of how companies gain and lose their legal status, focusing specifically on dissolution under Law No. (11) of 2015 (the "Companies Law").

1. Formation and Legal Personality

Legal Concept & Separate Entity

A company is not merely a business venture—it is a legal concept that shields the underlying economic project by granting it separate legal personhood. This means the company has its own rights and obligations, independent of the individual personalities of its founders. Just like a natural person, a company has a lifespan: it is "born" at incorporation and ends upon dissolution.

2. Definition of Dissolution

Under Qatari law, "dissolution" refers to the termination of a company's legal status for any reason prescribed by the Companies Law. Essentially, it is the end of the legal bond that unites the company's founding partners, causing the company's legal personality to cease—much like a natural person's death.

3. Grounds for Dissolution in Qatar

Article (291) of Law No. (11) of 2015 details the circumstances under which a company may be dissolved. These include:

1- Expiration of Term

The duration specified in the company's contract or articles of association comes to an end.

2- Purpose Fulfilled or Becomes Impossible

The core objective for which the company was established is either accomplished or can no longer be achieved.

3- Transfer of All Shares Below the Legal Minimum

All shares or stakes end up with fewer shareholders or partners than required by law. The company may avoid dissolution if, within six months:

- It converts into another type of company, or
- It increases the number of partners or shareholders to meet the legal minimum.

4- Destruction of Assets

All or most of the company's assets are lost or damaged such that the remaining assets cannot be feasibly invested.

5- Unanimous Agreement

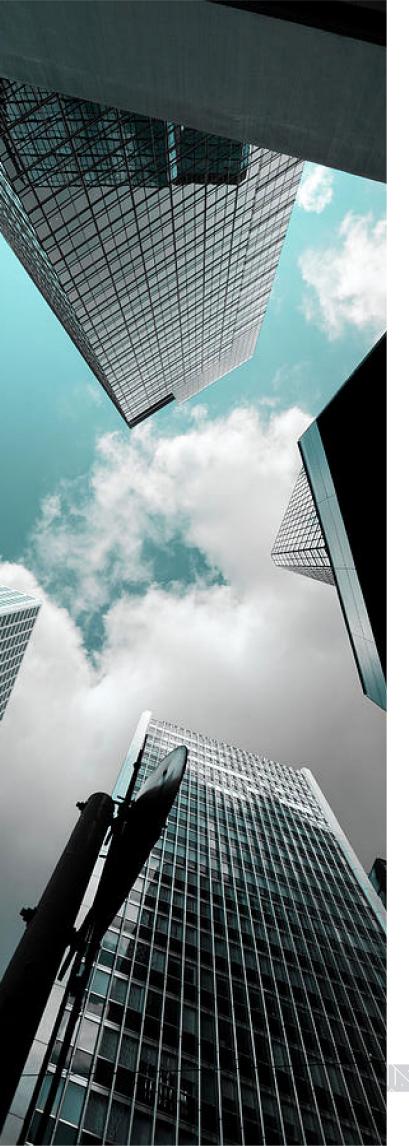
All partners decide to dissolve the company before its term ends (unless a specific majority requirement is stated in the company's contract).

6- Merger

The company merges with another, resulting in a new entity or absorption into the existing entity.

7- Court Judgment or Bankruptcy

A final court ruling orders the company's dissolution or declares it bankrupt.



4. Consequences of Dissolution

Once dissolution is triggered, the company must halt all commercial activities and enter a liquidation phase. During this phase, any remaining assets or capital are distributed among the partners in accordance with the law and the company's governing documents.

Conclusion

The Companies Law in Qatar provides a well-defined framework for dissolving commercial entities, ensuring that the legal and economic interests of all parties—and the state's commercial environment—are safeguarded. By clarifying the scenarios that mandate dissolution, Qatari legislation promotes transparency and stability within the business community.

Disclaimer:

This article is for informational purposes only and does not constitute legal advice. For specific guidance on dissolving a company or any related matter, please do not hesitate to contact us.

Under Law No. (11) of 2015, a company's existence can end by law, agreement, or court judgment.

In Qatar, the liquidation phase ensures fair distribution of a dissolved company's assets.

From creation to dissolution, a company stands as a distinct legal entity.

ABOUT US

A Qatari law firm with a regional reach and a global outlook

Over the course of its twenty-year history, Al Sulaiti Law Firm has built a reputation as one of Qatar's most prominent and reputable firms. As a result of our broad range of experience, our clients benefit from not only the geographical and substantive diversity of our work, but also the broad range of industries we serve. Providing a wide range of services from simple legal services to more complex, multijurisdictional matters, we are dedicated to protecting and serving the interests of our clients.

Al Sulaiti Law Firm prides itself on having one of the largest litigation and dispute resolution departments in Qatar. Our industry expertise includes but is not limited to: Civil Litigation, Criminal Litigation, ADR, Construction, Energy, Corporate, Intellectual Property, Sports, Media and Telecommunications, Employment, Banking and Finance and Tax. We handle a range of high-value and complex disputes representing high end and prominent clients, one of our primary objectives is to resolve our clients' disputes in a timely and efficient manner with as little disruption to their business as possible. In addition to the benefits and cost efficiency of our services, we provide tailored advice to meet the requirements and challenges of each of our clients. We ensure that the right team is involved to offer reliable insights and advice. Our firm understands that the importance of a good relationship based on trust cannot be overstated for a successful outcome.

Our diverse, multilingual, multicultural, and qualified lawyers are able to bridge linguistic and cultural differences between clients and their legal needs. The team consists of lawyers and consultants from Qatar, Egypt, France, Italy, and the United Kingdom. We offer our services in French, English, Arabic, and Italian and are therefore able to provide a level of service that exceeds local expectations. Our business involves becoming intimately familiar with the markets, industries, and organizations of our clients. This level of knowledge and understanding enables us to work through a solution-oriented approach, we strive to provide excellent customer service. Due to our highly experienced, innovative team of attorneys who adhere to the highest standards of professional integrity, we are able to provide the highest level of legal services.







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Maintain a high standard of excellence in providing high quality client service.

Invest in the development of long-term, trusting relationships with colleagues as well as clients.

Keep integrity, professionalism, cooperate as a team, and uphold the reputation of the firm.

Respect the rule of law, one another, support one another, and embrace diversity.



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