

• • • • Entry Criteria & Permitted Uses

Dated 15 February 16

Contents

• • • •	1. Entry Criteria	1
	2. Licensee Approval Process	2
	3. Permitted Use	4
	4. Letting Policy.....	5
	5. Restricted Licensees and Service Licensees	6

1. Entry Criteria

It is intended that each Licensee will contribute to the achievement of the objectives stated above by undertaking one or more of the following functions as the predominant activity of the Licensee at its location in QSTP:

- R&D;
- technology (product and/or process) development;
- low volume, high value-added specialist manufacturing;
- education and/or training;
- technology-related consulting services; and/or
- new business creation and/or development.

The initial assessment of the suitability of prospective Licensees will be based on their level of investment in these functions. This assessment process is intended to ensure that QSTP maintains its market focus as an international centre of research, education, training and the creation of knowledge-based businesses.

The ongoing measures that will be applied to determine the “predominant activities” of the Licensee will be agreed in advance of issuance of each License on a case-by-case basis. However, as means of illustration, such measures may include:

- number of staff directly employed in R&D, technology (product and/or process) development or technology-related consulting services,
- plan of number of Qatari nationals involvement in R&D;
- level of financial investment in R&D, technology (product and/or process) development or technology-related consulting services; and
- number of individuals that are educated and/or trained at the Licensee’s premises at QSTP.

2. Licensee Approval Process

In order to most efficiently assess prospective Licensees, the Regulations set forth a two-step assessment process. Both the Initial Application and the subsequent Application will be submitted to the QSTP Management for consideration. However, the Application would not be submitted by the prospective Licensee unless and until its Initial Application is approved and the prospective Licensee has, in accordance with the Regulations, successfully incorporated as a limited liability company or registered as a branch of an overseas company.

In assessing the financial and other capital resources of each prospective Licensee, the QSTP Management would be provided with a development plan and other relevant financial information by the prospective Licensee with respect to the first three years of its operation at QSTP.

In selecting companies as Licensee, the QSTP Management will assess the prospective Licensee against the following factors, although it is acknowledged that the weight given to individual criteria in deciding any particular Initial Application and any subsequent Application will be a matter for the QSTP Management at its discretion, acting under the principles stated above:

1. Objectives: the objectives and proposed activities of the Applicant and their compatibility with the aims of QSTP.
2. Technical resources: the technical resources of the Applicant in relation to the work to be undertaken, in particular, the number and qualifications of its staff and contractors, its present and proposed areas of expertise, experience and operation, its technical, scientific and research facilities and equipment, and its information resources.
3. Financial resources: the financial and other capital resources of the Applicant and, in particular, its ability to fund its proposed activities out of its own resources, to manage, maintain, improve and fit out to an advanced technological standard its facilities within QSTP and to discharge its obligations under its lease agreement.
4. Potential: the potential of the Applicant to:
 - carry out R&D;
 - apply its intellectual property to local opportunities;
 - design, develop, produce prototypes in respect of, and sell new products, services, technologies and systems;
 - establish linkages and partnerships with the Education City Universities;
 - provide training and/or educational services to meet its own needs or those of other local companies/Licensees;
 - provide technical support services to other Qatari organisations and users of QSTP (including professional advisory services, technology transfer and the dissemination of information and data);
 - undertake manufacturing at another location, either themselves, or under manufacturing license (preferably through local suppliers);
 - create and preserve Qatari nationals employment opportunities and expand the scale and fields of its operations;

enhance the wealth and economic, scientific and technological well-being of the State of Qatar as a whole; and

enhance the development of QSTP and its environs.

5. Legal, moral and ethical criteria: in addition to the commercial and technical criteria set out above, the QSTP Management may wish to consider such legal, moral and ethical criteria as it considers relevant. In particular, the QSTP Management may wish to (so far as reasonably practicable to do so) satisfy itself that the Applicant's current and proposed activities do not and will not:

infringe any criminal, statutory or common law provisions, controls or regulations;

pose any hazard or danger to the facility or to other Licensees or users of QSTP;

infringe the requirements of any environmental, planning, health and safety, employment or other laws, regulations or directives in force in the State of Qatar;

infringe the intellectual property rights of any third party;

be inconsistent with the title conditions applicable to QSTP;

be insensitive to the social and cultural environment of Qatar; or

otherwise injure or damage the reputation of QSTP, the QSTP Management or the other Licensees or users thereof.

3. Permitted Use

Each prospective Licensee will agree the scope of the “permitted use” as part of the lease agreement to be entered into with the QSTP Management for premises at QSTP. Variations to the permitted use will be subject to approval of the QSTP Management.

For the purposes of guidance, the following activities are considered as appropriate for prospective Licensees:

- pure and applied research;
- software writing and related servicing related to high level programming languages and the development of embedded programmes, but not sales only operations;
- e-commerce services where the predominant activity meets QSTP entry criteria;
- technical consultancy excluding financial services (unless related to seed or venture capital for knowledge-based businesses);
- technical, product and process development/design for high technology applications;
- commercial exploitation of academic expertise, equipment or knowledge by businesses owned by universities, members of academic staff, related third parties, or a combination of these; and
- organisations whose presence would be of benefit to other Licensees in pursuit of their commercial interests (e.g., patent agents, product design specialists).

In addition, when determining whether a prospective Licensee meets one or more of the permitted uses, consideration would be given to the prospective Licensee’s development plans. For example, a company may wish in the first instance to establish a sales-led operation and move into R&D activities in the future. Such an approach would be considered as acceptable only when set against an agreed timetable for the establishment of R&D activities on site.

For the purposes of guidance, the following activities are considered as inappropriate for potential occupiers:

- operations primarily engaged in manufacturing and/or assembly;
- distribution or warehouse operations;
- operations that could cause operational interference of other tenants – excessive noise, noxious odours, emission of environmentally hazardous and toxic effluents and gasses, and combustible materials;
- operations that may have an adverse impact on the image or reputation of QSTP, for example, animal experimentation and e-commerce activities such as gambling; and
- all other Prohibited Activities as set forth in the Regulations.

4. Letting Policy

It is anticipated that prospective Licensees will fall into one of the following general categories:

- multinational companies establishing a new regional operation;
- overseas companies or SMEs undertaking their first international venture;
- indigenous companies expanding their operations; or
- new start companies, established as spin-offs from existing firms or spin-outs from academic groups, to exploit new business opportunities.

Letting policies for premises at QSTP will be based on lease terms of:

- 15-20 years for Licensees leasing premises in single user buildings;
- 3 to 5 years for Licensees of multi-occupancy buildings, with appropriate options to break thereafter to enable the Licensee to grow and/or adjust to market conditions; and
- 12 months (annually renewable) for start-up organisations located in the incubation facilities for graduation into multi-occupancy or other accommodation at QSTP.

5. Restricted Licensees and Service Licensees

Because it is anticipated that there may be:

- certain parties that are appropriate for inclusion in QSTP but which can not form the required corporate vehicle to qualify as a Licensee, or
- certain activities that are desirable for inclusion in QSTP but which are not of the nature described in the preceding sections,

The Regulations provide flexibility for approval of Restricted Licenses and Service Licenses (in addition to Licenses).

1. Restricted Licenses: Restricted Licensees would not be required to incorporate as a limited liability company or register as a branch of an overseas company. Otherwise, prospective Restricted Licensees would be considered for inclusion in QSTP on the same bases as prospective Licensees. Individuals or entities that might be considered for this category include:

- research institutes;
- charitable organisations involved in, for example, medical research;
- R&D functions of Qatari government agencies;

Unlike Licensees, Restricted Licensees would only receive the specific free zone benefits detailed in their respective Restricted Licenses.

2. Service Licenses: Service Licensees would be limited to individuals or entities which provide services (e.g. catering, banking) to Licensees, Restricted Licensees or other Service Licensees in QSTP. Service Licensees would not be eligible for any free zone benefits.