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عيسى السليطي للمحاماة
ESSA AL SULAITI LAW FIRM

MODERN LAW

LEGAL COMMENTARY ON LAW NO.
(4) OF 2022 REGULATING THE USE
OF CASH IN TRANSACTIONS



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LEGAL COMMENTARY ON LAW NO. (4) OF 2022 REGULATING THE USE OF CASH IN TRANSACTIONS

INTRODUCTION

The cashless economy trend is already underway in many developed countries, so it's not impossible that banknote transactions will be a thing of the past soon.

Some countries such as India and the European Union, have stopped dealing with a large denomination of banknotes to reduce corruption, drug trafficking and tax evasion.

Therefore, we are going to shed some light on Law No. (4) of 2022 regulating the Use of Cash in Transactions and clarify its controls, requirements, resulting benefits and risks, and its impact on the economic growth and development of countries striving hard to reach the peaks of glory.

PROS OF CASHLESS TRANSACTIONS

Reduction of cash transactions certainly has pros and cons, however the pros outweigh the cons by far, which encouraged most of the developed world to introduce cashless transactions into their legislation and internal laws. The pros can be summarized as follows:

1. Elimination of money laundering activities.
2. Elimination of tax evasion crimes.
3. Reduction of shop robbery due to lack of cash.
4. Elimination of the sale and purchase of prohibited items such as drugs and the like.
5. Making it easier for banks to block and cancel stolen bank cards, as it is impossible to recover stolen cash.
6. Reduction of terrorism financing and suspicious donations.
7. Reduction of corruption and theft of public funds.

CONS OF CASHLESS TRANSACTIONS

1. Violation or complete loss of individual privacy as any purchase is recorded and associated with the consumer's name.
2. May be targeted by cyberattacks, leading to chaos and unrest.
3. Digital systems are sometimes prone to failure and downtimes, unlike cash. For example, power outages can bring electronic payments to a halt while cash remains available in the pocket at any time.
4. Keeping cash is safer, especially during disasters and wars.



COMPARISON BETWEEN THE PROS AND CONS OF THE LIMITATION OF USE OF CASH IN TRANSACTIONS LEGISLATION

When taking a closer look at the pros and cons of the application of the Cash Transactions Law and its benefits from a legal and economic view, we are certain that its pros outweigh its cons in the long term and for the public interest, especially since technology is currently controlling the most part of economic movement and contributes effectively to the growth and development of countries. Therefore, a number of countries hastened to implement this law, such as India and some European Union countries, in their internal national legislation to reduce corruption, drug trafficking and tax evasion, which is the right thing due to its great economic benefits.

Note: Before examining Law No. (4) of 2022 regulating the Use of Cash in Transactions, it was necessary to take a look at some of the

related laws such as, Law No. (9) of 1979 regarding documentation and amendments thereof, Law No. (11) of 2004 issuing the Penal Code and amendments thereof, Law No. (23) of 2004 issuing the Criminal Procedure Code and amendments thereof, Law No. (23) of 2006 enacting the code of Law Practice and amendments thereof, Law No. (27) of 2006 promulgating the Trading Regulation Law as amended by Law No. (7) of 2010, Law No. (13) of 2012 promulgating the Qatar Central Bank Law and regulating Financial Institutions, and Law No. (20) of 2019 on Combating Money Laundering and Terrorism Financing.

The Cash Transactions Law was published in the Official Gazette No. 7 of 2022 dated 03 July 2022 under the name "Law No. (4) of 2022 regulating the Use of Cash in Transactions"



ARTICLES OF LAW NO. (4) OF 2022 REGULATING THE USE OF CASH IN TRANSACTIONS

The law consists of (8) articles as follows:

1. Article (1): Definitions

The following words and expressions, wherever mentioned in this Law, will have the meaning indicated below, unless the context otherwise requires:

- ♦ **Cash:** Banknotes, coins, and other monetary instruments issued by the Qatar Central Bank, or foreign currencies in circulation.
- ♦ **Transactions:** Transactions stipulated by Article (2) of the present Law.
- ♦ **Paraprofessionals:** Individuals of various occupations who assist professionals in their field. .
- ♦ **Competent Authorities:** Every public authority vested by law with the specific competencies to certify, authenticate, register, or control the parties' signatures in transactions.
- ♦ **Alternative Methods of Payment (AMOP):** Means of making a payment other than cash in transactions that are processed through the banking system, such as checks, bank transfers, bank cards and other banking products and services.

2. Article (2):

Cash may not be used in the transactions defined by a Council of Ministers decision, when their value exceeds fifty thousand Riyals (50,000 QAR). By a Council of Ministers

decision, this sum may be adjusted.

3. Article (3):

The outlets and shops in which any of the defined transactions takes place must keep the invoice and the transaction documents, indicating the AMOP, and provide it to the competent authorities at request.

4. Article (4):

The competent authorities and paraprofessionals must verify compliance with refraining from using cash in transactions, and include documents proving payment, such as contracts or other documents.

The competent authority shall not provide services in the event that the Parties to the transaction fail to provide evidence of payment by an AMOP, and shall inform them of the same.



5. Article (5):

Without prejudice to any harsher penalties provided for by another law, a fine not exceeding thirty per cent (30%) of the value of the amount paid in cash shall be imposed on anyone who uses cash in violation of the provisions of Article (2) of this Law.

The penalty stipulated in the previous paragraph shall be doubled, in the event that the transaction value is deliberately divided or portrayed as less than its real value for the purpose of evading the prohibition provided for in Article (2) of this Law.

6. Article (6):

Without prejudice to any more severe penalty stipulated by another law, a fine not exceeding one million Riyals (1,000,000 QAR) shall be imposed on anyone violating the provisions of Article (3) of this Law.

7. Article (7):

Those concerned by this Law must ensure compliance with its provisions, within a period not exceeding six months from the date of its enactment.

By a Council of Ministers decision, the period stipulated in the previous paragraph may be extended for a similar period(s).

8. Article (8):

All competent authorities, each within its jurisdiction, shall implement this Law.

After examining the provisions of this Law, it laid out the definitions in its first article and prohibited the use of cash in the defined transactions.

Article (1) of The Council of Ministers has issued Decision No. (10) of 2022 states:

1. Cash may not be used in the following transactions, whenever its value exceeds fifty thousand Riyals (50,000 QAR):
2. Sale, purchase and rental of properties of all kinds, and modifying them.
3. Sale, purchase and rental of vehicles of all kinds and their distinctive plate numbers.
4. Sale, purchase and rental of maritime transportation vessels.
5. Sale, purchase and rental of all precious metals, gemstones and jewelry.
6. Sale, purchase and rental of camels, horses, livestock and falcons, whether single or flocks.

Article (2) of The Council of Ministers has issued Decision No. (10) of 2022 states:

All competent authorities, each within its jurisdiction, shall implement this Decision, which shall enter into force from the date of implementation of Law No. (4) of 2022, and shall be published in the Official Gazette.



CONCLUSION

Following a legal review of the provisions of “Law No. (4) of 2022 regulating the Use of Cash in Transactions” and its executive regulations, we became sure that the introduction of this Law was the right action, especially since it will have a significant impact on the overall economy of our beloved State of Qatar and will push it forward to be among the developed countries. This Law regulates vital commercial activities that represent the backbone of the

economic movement in the State, such as the sale, purchase and rental of properties of all kinds; the sale, purchase and rental of vehicles of all kinds and their distinctive plate numbers; the sale, purchase and rental of maritime transportation vessels; the sale, purchase and rental of all precious metals, gemstones and jewelry; and the sale, purchase and rental of camels, horses, livestock and falcons, whether single or flocks.



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