REGULATING THE DIGITAL MARKETPLACE IN QATAR: A LEGAL ANALYSIS OF MINISTERIAL DECISION NO. 25 OF 2026



شرق للمحاماة
Sharq Law Firm

www.sharqlawfirm.com



I. THE RISE OF DIGITAL COMMERCE IN QATAR

Over the past decade, Qatar's commercial landscape has undergone a quiet but decisive transformation. What was once a market defined by physical storefronts and traditional retail channels has increasingly shifted toward digital platforms, where commercial activity is conducted through screens rather than spaces. This shift is not confined to conventional e-commerce websites. It is most visible in the everyday use of social media platforms, particularly Instagram, WhatsApp, and TikTok, as primary tools for marketing, selling, and delivering goods and services.

This evolution has been driven by a combination of structural and behavioral factors. High internet dissemination, widespread smartphone usage, and sustained investment in digital infrastructure have created the technical foundation for online commerce to expand. At the same time, consumer habits have adapted rapidly. Social media is no longer used solely for communication or entertainment; it has become an active commercial environment in which transactions are initiated, negotiated, and completed. The COVID-19 pandemic accelerated this transition, normalizing remote transactions and reducing reliance on physical premises as a condition for doing business.

As a result, a growing segment of the market now operates outside the traditional commercial model. Individuals and small enterprises increasingly conduct business through social media accounts and messaging applications, often without maintaining a licensed physical establishment. These micro-businesses benefit from minimal start-up costs and immediate access to consumers, allowing them to enter the market with relative ease. Their presence is no longer marginal. Market estimates indicate that social commerce in Qatar is projected to generate approximately USD 1.2 billion in revenue in 2026, reflecting both the scale of participation and the level of consumer engagement in digital transactions.



This rapid expansion, however, has exposed a structural limitation in the existing legal framework. Commercial regulation in Qatar has historically been built around the concept of a physical place of business, with licensing, registration, and oversight mechanisms tied to that premise. Digital-only activity does not fit neatly within that model. As a result, a significant portion of online commercial activity has developed in a space that is only partially regulated, raising questions relating to consumer protection, market fairness, and enforceability.

The Minister of Commerce and Industry's Decision No. 25 of 2026 (the "Decision") must be understood against this backdrop. Rather than introducing an entirely new regulatory system, it addresses a specific gap: the absence of a clear framework governing commercial activity conducted exclusively through electronic websites. By requiring licensing, defining the scope of permissible activity, and imposing baseline compliance obligations, the Decision brings digital commerce within the reach of formal regulation. In doing so, it reflects a shift in regulatory focus, from where business is conducted to how it is conducted, while leaving open questions as to how this framework will operate in practice.

II. SCOPE AND KEY FEATURES OF THE DECISION

The Decision establishes a framework governing commercial activity conducted through electronic means where no physical premises are required. Its starting point is Article (1), which adopts a deliberately broad definition of an "electronic website." Rather than limiting the concept to conventional websites or applications, it extends to any technological means facilitating interaction or transactions, expressly including social media platforms. This formulation captures the practical reality of how commerce is conducted in Qatar today. Activities carried out through Instagram accounts, WhatsApp channels, or similar informal mediums fall squarely within scope, regardless of how such activity is presented or structured.

The operative provision is found in Article (2), which introduces a general prohibition on conducting commercial activity through electronic websites without obtaining an e-commerce license from the competent department. This requirement is not standalone. Article (3) ties it directly to commercial registration by requiring the applicant to be duly registered. The result is an integrated framework in which digital activity is treated as an extension of regulated commercial activity, rather than as a parallel or informal sphere.





The licensing process itself follows a controlled model. Applicants must specify the nature of the activity, identify the website through which it will be conducted, and obtain any additional approvals required from relevant authorities. Article (2) further contemplates that permitted activities will be defined through an approved list, reflecting the continued relevance of sector-specific regulation. E-commerce is therefore not insulated from existing regulatory regimes; it operates alongside them.

A notable feature appears in Article (4), which requires a separate license for each electronic website used. A business operating through a website, a mobile application, and multiple social media accounts must obtain individual licenses for each channel. This approach enhances traceability and regulatory clarity but introduces a degree of administrative burden, particularly for smaller operators whose business models depend on multi-platform visibility.

Taken together, these provisions establish a framework that is both expansive in scope and structured in application. The Decision does not attempt to redefine commercial activity; it brings digital forms of that activity within an existing regulatory logic.





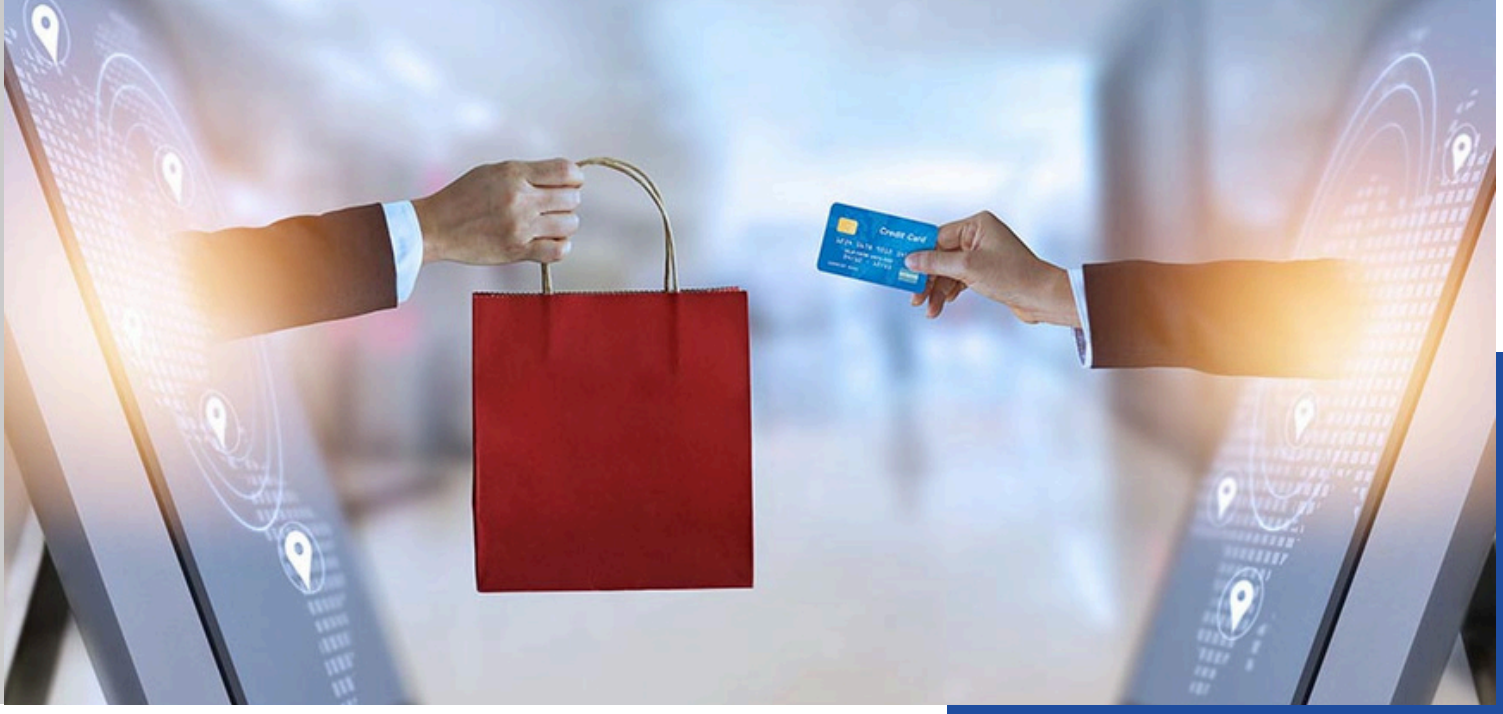
III. FORMALIZING DIGITAL-ONLY BUSINESSES: A REGULATORY SHIFT

The Decision reflects a shift in regulatory focus rather than a departure from existing principles. Commercial regulation in Qatar has traditionally been anchored in the existence of a physical establishment. Licensing, inspection, and compliance have all been tied, directly or indirectly, to a place of business. Digital commerce challenges that premise. A significant portion of economic activity now occurs without any physical interface between the business and the consumer.

By recognizing and regulating activity conducted through electronic websites, the Decision acknowledges this shift. It brings within scope home-based businesses, freelancers, and small-scale operators who previously functioned outside the formal system. Many of these actors rely on social media and messaging platforms as their primary commercial tools, operating with minimal overhead and direct access to consumers.

The effect is to move the point of regulation from the location of the business to the existence of the activity itself. Where commercial activity is carried out, even in the absence of a physical presence, regulatory obligations arise. This approach aligns with the broader direction of Qatar's economic policy, which emphasizes digital transformation and the development of a diversified, technology-driven economy.

At the same time, the transition is not without consequence. Formalization introduces compliance requirements that may alter the entry dynamics for small operators. Businesses that previously operated with minimal regulatory friction must now navigate licensing processes and ongoing obligations. Whether this shift supports or constrains entrepreneurial activity will depend on how the framework is applied in practice.



IV. ENHANCING CONSUMER PROTECTION IN E-COMMERCE

The Decision introduces a set of baseline obligations aimed at addressing the inherent risks of online transactions. Article (5) requires businesses to disclose essential information, including their commercial registration details, contact information, and clear descriptions of goods and services. In an environment where transactions often occur without direct interaction, these requirements serve to reduce uncertainty and provide consumers with a verifiable point of reference.

The same provision requires businesses to adopt defined policies for returns, refunds, and complaints. This is not merely procedural. It establishes a minimum standard of accountability, ensuring that consumers are not dependent on the discretion of individual sellers. The existence of clear post-transaction mechanisms contributes to a more predictable transactional environment.

The requirement to provide electronic payment solutions further reinforces this structure. Transactions conducted through traceable channels are easier to verify and, where necessary, to dispute. This reduces reliance on informal payment arrangements and strengthens both consumer protection and regulatory oversight.

The combined effect of these measures is to limit the operation of anonymous or untraceable sellers, particularly within social media-based commerce. By requiring identification and disclosure, the Decision shifts the balance toward transparency and places responsibility on the seller to operate within a defined legal framework.



V. INTERACTION WITH QATAR'S EXISTING LEGAL FRAMEWORK

The Decision operates within an established legal structure rather than alongside it. Its provisions are closely connected to the Commercial Register Law (2005), which forms the basis of business registration. The requirement to obtain a commercial registration prior to licensing ensures continuity between digital and traditional forms of commercial activity.

The Commercial Law (2006) continues to govern the substance of commercial relationships, including contractual obligations and liability. The mode through which the transaction is conducted does not alter these underlying principles. Similarly, the E-Commerce Law (2010) provides the legal recognition of electronic transactions, while the Decision regulates the conditions under which such transactions may be carried out as a business.

The interaction with the Law on Commercial and Industrial Premises (2015) is more direct. That law assumes the existence of a physical establishment as a condition of licensing. The Decision addresses the absence of such a requirement in digital contexts by creating a parallel mechanism for businesses that operate without a physical location.

The result is not a new system but an extension of the existing one. The Decision functions as an implementing instrument, adapting established legal concepts to digital forms of commerce while maintaining continuity with the broader framework.



VI. ENFORCEMENT AND PRACTICAL IMPLEMENTATION CHALLENGES

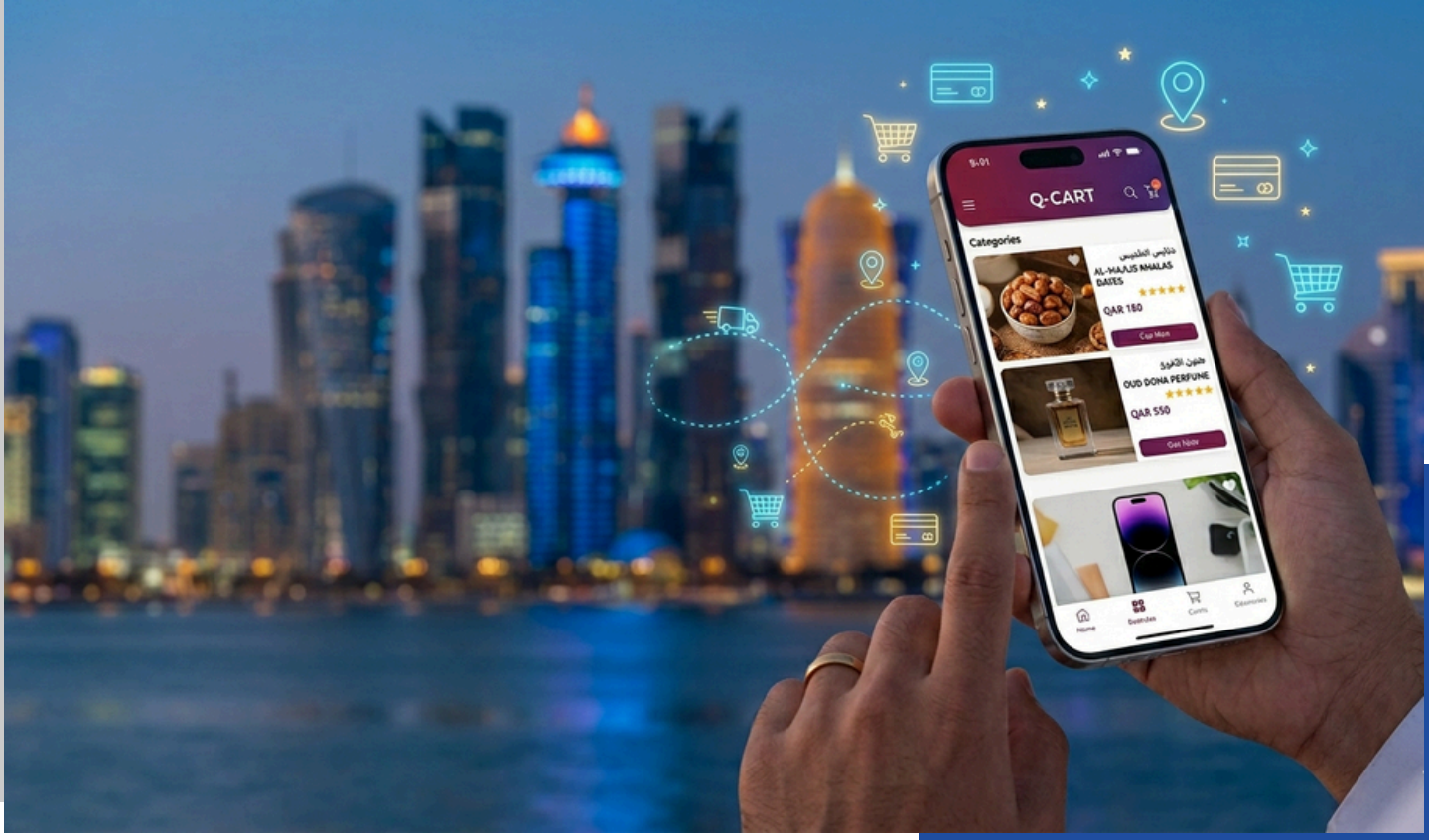
The effectiveness of the Decision depends on its application in a digital environment that is inherently difficult to monitor. Unlike traditional businesses, online sellers can operate across multiple platforms, change identities, or cease and resume activity with minimal visibility. Identifying unlicensed operators therefore presents a practical challenge.

Enforcement is likely to extend beyond direct regulatory action. Payment providers may serve as a point of visibility, as commercial transactions conducted through formal channels create identifiable records. Digital platforms may also play a role, whether through cooperation with regulatory authorities or through their own internal policies on commercial activity.

Institutional capacity remains central. Effective implementation requires not only the processing of licenses but also the ability to monitor compliance and respond to violations in a timely manner. This may necessitate the use of technological tools and coordination between relevant authorities.



A gap remains between the framework as drafted and its practical enforceability. The extent to which that gap can be reduced will determine the effectiveness of the regulatory approach.



VII. CONCLUSION: FUTURE DIRECTIONS FOR E-COMMERCE REGULATION IN QATAR

The Decision introduces a structured approach to the regulation of digital commerce, addressing a gap that has become increasingly apparent with the growth of online business activity. By extending licensing requirements and introducing defined compliance obligations, it brings digital transactions within the scope of formal regulation.

Further development will be required to ensure consistent application. Clarification through executive guidance, proportionate licensing models, and clearer thresholds for commercial activity would contribute to greater certainty.

The framework's effectiveness will depend less on its scope than on its application. Its ability to adapt to evolving business models while maintaining clarity and enforceability will determine its role in shaping the future of digital commerce in Qatar.

شرق للمحاماة
Sharq Law Firm

Sharq Law Firm
Alfardan Office Tower, Level 22nd, Al Funduq St
Tel: +974 4021 2444 | E-mail: info@sharqlawfirm.com