

Tax Alert

June 30, 2026

Qatar Introduces Excise Tax on Sweetened Drinks and Tiered Volumetric Excise Tax methodology from 6 July 2026

INTRODUCTION

Following the issuance of Law No. (2) of 2026, amending certain provisions of Law No. (25) of 2018 concerning Excise Tax, Qatar will introduce Sweetened Drinks as a new category of Excise Goods, effective from 6 July 2026. As part of this reform, following changes are envisaged:

- Sweetened beverages not subject to excise tax presently will also be brought within the scope of excise tax
- Existing Carbonated Drinks category will be replaced by a tiered volumetric taxation model, under which Excise Tax will be determined based on a product's sugar content rather than a flat percentage of 50% of excise price.

The change brings Qatar's Excise Tax framework in line with recent developments across the GCC and is expected to have significant implications for businesses involved in the import, manufacture, distribution, and sale of Sweetened Drinks. Affected businesses should begin assessing the impact of the new rules ahead of their implementation.

KEY HIGHLIGHTS

- Sweetened Drinks will become a new category of Excise Goods from 6 July 2026, covering both ready-to-drink beverages and products used to prepare such drinks.
- The existing Carbonated Drinks category will be abolished and brought within the Sweetened Drinks regime, which will apply a tiered volumetric tax based on sugar content.
- Products without the required laboratory certification confirming sugar content may be subject to the highest tax tier by default.
- Businesses holding significant quantities of Sweetened Drinks as at 5 July 2026 may be required to submit a Transitional Declaration and settle any resulting Excise Tax liabilities.

TAX TIERS AND RATES FOR SWEETENED DRINKS

Under the new regime, Sweetened Drinks will be taxed based on their Total Sugar Content (TSC) per 100 ml. TSC represents the sum of natural sugars, added sugars, and other sweeteners in a product. Products with higher sugar content will attract higher Excise Tax rates, while lower-sugar products may benefit from reduced or nil Excise Tax liability.

As part of this change, Carbonated Drinks previously subject to a 50% Excise Tax rate will now be taxed according to their applicable TSC tier. The table below outlines the Excise Tax rates effective from 6 July 2026.



Excise Tax Tier	Total Sugar Content	Applicable Excise Tax rate
High (total) Sugar Content	Greater than or equal to 8g / 100 ml	QAR 1.06 / Liter
Medium (total) Sugar Content	5g up to 7.99g / 100 ml	QAR 0.77 / Liter
Low (total) Sugar Content	Below 5g / 100 ml	Zero Rated (QAR 0.00)
Containing only artificial sweeteners without added sugar	Only added artificial sweetener	Zero Rated (QAR 0.00)

PRODUCTS EXCLUDED FROM SWEETENED DRINKS

While the volumetric Excise Tax framework applies broadly to Sweetened Drinks, certain products remain outside its scope, including:

- Naturally Sweetened Drinks (no added sugar/other sweeteners)
- Energy Drinks (which continue to be taxed at 100% of the Retail Sales Price)
- 100% natural fruit and vegetable juices with no added sugar or sweeteners
- Milk and dairy products and its related products
- Products intended for special nutritional or medical purposes
- Beverages prepared and served for immediate consumption in restaurants, cafés, and similar establishments

TESTING AND LABORATORY REQUIREMENTS

To determine the applicable Excise Tax tier, businesses must obtain laboratory reports from laboratories accredited by both the **Ministry of Public Health** and the General Tax Authority (“GTA”), confirming the total sugar and sweetener content of each registered product.

The GTA has clarified that products without a qualifying laboratory report submitted by 6 July 2026 will automatically be classified under the **High Total Sugar Content** tier until sufficient evidence supporting a lower sugar category is provided.

Businesses should therefore review their product registrations and commence the testing and certification process well ahead of the implementation date to avoid potential exposure to higher Excise Tax liabilities.





TRANSITIONAL DECLARATION REQUIREMENTS

Businesses holding 200,000 litres or more of Sweetened Drinks as at 5 July 2026 must submit a Transitional Declaration to the GTA, detailing the type and quantity of Sweetened Drinks held. The declaration must be submitted by 4 October 2026, with any resulting Excise Tax liability payable within 30 days of submission. This effectively provides taxpayers with up to 120 days from the implementation date to assess the impact of the new volumetric model and settle any Excise Tax due.

The Transitional Declaration must include the following information:

- Name, address, and tax registration number of the applicant.
- Tier of each Sweetened Beverage in accordance with the Tiered Volumetric Model.
- Total Excise Tax due and the applicable tax rate, as well as any tax eligible for refund.
- Supporting documents, including an audited stock inventory report confirming the volume of Sweetened Beverages held as on 5 July 2026.

Therefore, businesses holding significant inventories should begin reviewing stock positions, validating product classifications, and preparing supporting documentation well in advance of the implementation date.

THE ROAD AHEAD: WHAT BUSINESSES SHOULD DO NEXT?

- Review product portfolios and determine the applicable sugar tier for each product.
- Obtain laboratory certifications and update product registrations where required.
- Coordinate with the GTA on a regular basis to facilitate product registration, until the online product registration/re-classification facility is activated.
- Assess transitional stock obligations and prepare supporting inventory records.
- Update ERP and compliance processes to accommodate the new volumetric taxation model.
- Co-ordinate with the auditor to obtain the stock audit report as on 5 July 2026.
- Ensure all filings, declarations, and tax payments are completed within the prescribed deadlines.
- Keep a close watch on further developments regarding registration, refund, and other compliance requirement



Ranking 2026:

- Tier 1 – Indirect Tax
- Tier 2 – General CT, Transfer Pricing, Transactional Tax
- Other Notable: Tax Controversy



CONTACT US

NIMISH GOEL

Leader, Middle East
nimish.goel@dhruvaadvisors.com

BHAKTI THAKKER

Partner
bhakti.thakker@dhruvaadvisors.com

GEET SHAH

Partner
geet.shah@dhruvaadvisors.com

KAPIL BHATNAGAR

Partner
kapil.bhatnagar@dhruvaadvisors.com

RAKESH JAIN

Partner
rakesh.jain@dhruvaadvisors.com

SANDEEP KUMAR

Partner
sandeep.kumar@dhruvaadvisors.com

UJJWAL KUMAR PAWRA

Partner
ujjwal.pawra@dhruvaadvisors.com

VLAD SKIBUNOV

Partner
vlad.skibunov@dhruvaadvisors.com

FRAN WILHELM

Associate Partner
fran.wilhelm@dhruvaadvisors.com

MANISH BANSAL

Associate Partner
manish.bansal@dhruvaadvisors.com

MONIKA MINDSZENTI

Associate Partner
monika.mindszenti@dhruvaadvisors.com

SHIRAZ SALEEMI

Associate Partner
shiraz.saleemi@dhruvaadvisors.com

GOPAL AGARWAL

Director
gopal.agarwal@dhruvaadvisors.com

DHRUVA CONSULTANTS

Dubai

204, Emaar Square, Building 4,
PO Box 127165, Dubai, UAE
Tel: + 971-4240-8477

Abu Dhabi

1905, Addax Tower City of Lights,
Al Reem Island, Abu Dhabi, UAE
Tel : +971-2678-0054

Saudi Arabia

308, 7775 King Fahd Road, Al
Olaya, 2970, Riyadh 12212,
Saudi Arabia

DHRUVA ADVISORS

Mumbai | Ahmedabad | Bengaluru | Delhi/NCR | GIFT City | Kolkata | Pune

DHRUVA ADVISORS PTE. LTD.

Singapore

Disclaimer:

This information contained herein is in summary form and is therefore intended for general guidance only. This publication is not intended to address the circumstances of any particular individual or entity. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. This publication is not a substitute for detailed research and opinion. Before acting on any matters contained herein, reference should be made to subject matter experts and professional judgment needs to be exercised. Dhruva Consultants will not accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication.