

A FIRST OF ITS KIND—QFC JUDGEMENT SUCCESSFULLY ENFORCED BY THE QATAR CENTRAL BANK

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On 4 August 2016, the Civil and Commercial Court of the Qatar Financial Centre First Instance Court (QFC Court) issued a judgment, which was subsequently enforced by the Qatar Central Bank (QCB), without the need for court intervention.

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In case no. 6/2016, Justices Robertson, Al Sayed and Kirkham granted the Claimant's application for summary judgment and held that the Defendant was liable to pay to the Claimant an amount of QAR 2,752,000.00, together with its costs in the matter.

The Claimant, a company established by the QFC, entered into a property transaction with the Defendant. The Defendant provided the Claimant with a cheque in the amount of QAR 2,752,000.00, which was later rejected by the bank, because the signature on the cheque did not match that of the account holder. The Claimant filed a claim with the QFC Court on 23 June 2016 in an attempt to recover its money. About a month later, and in the absence of any communications from the Defendant, the Claimant filed an application for Summary Judgment at the QFC Court. After considering all the evidence in the matter, the Court was satisfied that the parties had entered into a property transaction in which the Defendant had agreed to pay the Claimant the amount of QAR 2,752,000.00. It was also clear on the evidence that the payment, which was made by cheque, had not been honoured by the Defendant's bank. The Defendant acknowledged this via a text message and promised to send a new cheque, but failed to deliver on this promise. Accordingly, the Court held that the Claimant was entitled to the sum claimed, together with its reasonable costs.

We understand that the Court subsequently directed the QCB - as the ultimate regulator of all financial institutions operating in Qatar - to freeze the Defendant's Qatar based bank accounts up to the value of the debt owed to the Claimant. That the QCB was willing to take this step without the intervention of the local courts is considered ground-breaking in Qatar. It shows that the QICDRC has taken steps to establish proper enforcement protocols with both QCB and the local courts, and demonstrates not only that the QICDRC is a jurisdiction that has "teeth" to get their judgments enforced through major state entities, but also highlights how user-friendly a forum the QICDRC is – by quickly, effectively, and cost-efficiently ensuring implementation and enforcement of its judgments. The judgment itself, coupled with the decisive action of the QCB, is strongly welcomed by dispute resolution practitioners based in the QFC, in Qatar more widely, and elsewhere in the GCC.

As a brief overview, the QFC was established in 2005 with the enactment of the QFC Law no. 7 of 2005 (amended by Law no. 2 of 2009). It was created as part of the national vision of the then Emir of the State of

Qatar (now the Father Emir) to attract international businesses to Qatar. With its independent statutory regulatory body, the QFC provides a platform for companies to conduct business in Qatar. It also has its own set of laws and regulations, which provide for an efficient and effective business hub in Qatar and the wider GCC region. The QFC comprises of the QFC Authority, the QFC Regulatory Authority and the QFC Civil and Commercial Court, also known as the QICDRC. The QICDRC, which operates as a first instance and appellate court, has jurisdiction to hear civil and commercial disputes between companies who are registered with the QFC, or disputes with the QFC itself. Offering first-class services and high-quality decision making by world renowned judges, the QICDRC - operating as the judicial arm of the QFC - is ideally placed to become one of the most-recognised judicial forces in the region. Since its inauguration, the QICDRC has presided over a variety of commercial disputes and continues to be a key player in the advancement of the laws in Qatar.

Commenting on the outcome of its most recent landmark decision, QICDRC Chief Executive Officer, Mr Faisal Al-Sahouti noted that this judgment “acts as a reassurance for people doing business in Qatar and the region and is an important development that reiterates the QFC’s strong and transparent legal environment.”

We enthusiastically agree with this remark and are hopeful that this judgment will mark the start of a trend of decisions that will further promote investor and stakeholder confidence in the QFC and its judiciary - the QICDRC.

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