



محكمة قطر الدولية
ومركز تسوية المنازعات
QATAR INTERNATIONAL COURT
AND DISPUTE RESOLUTION CENTRE

**In the name of His Highness Sheikh Tamim bin Hamad Al Thani,
Emir of the State of Qatar**

Neutral Citation: [2022] QIC (F) 22

**IN THE QATAR INTERNATIONAL COURT
FIRST INSTANCE CIRCUIT**

Date: 22 November 2022

CASE NO: CTFIC0019/2020

QATAR FINANCIAL CENTRE AUTHORITY

Claimant

v

HORIZON CRESCENT WEALTH LLC

1st Defendant

LOGISTIC HORIZON LLC

2nd Defendant

CRESCENT CAPITAL INVESTMENT LLC

3rd Defendant

STALLWAY LLC

4th Defendant

OA INVESTMENT LLC

5th Defendant

NEW HORIZON INVESTMENT LLC

6th Defendant

JUDGMENT ON APPLICATION FOR SUMMARY JUDGMENT

Before:

Justice William Blair

Justice Frances Kirkham

Justice Rashid Al Anezi

ORDER

1. The first Defendant, Horizon Crescent Wealth LLC, shall forthwith pay the Claimant the sum of QAR 9,691,013.
2. The second Defendant, Logistic Horizon LLC, shall forthwith pay the Claimant the sum of QAR 26,000.
3. The third Defendant, Crescent Capital Investment LLC, shall forthwith pay the Claimant the sum of QAR 20,000.
4. The fourth Defendant, Stallway LLC, shall forthwith pay the Claimant the sum of QAR 42,000.
5. The fifth Defendant, OA Investment LLC, shall forthwith pay the Claimant the sum of QAR 42,000.
6. The sixth Defendant, New Horizon Investment LLC, shall forthwith pay the Claimant the sum of QAR 20,000.

7. Each Defendant shall pay the Claimant interest at an annual rate of 5% from the date of this judgment until payment.

JUDGMENT

1. By a claim made on 29 October 2020, the Qatar Financial Centre Authority (the “**QFCA**”) claims unpaid corporation tax, penalties, and late payment charges from each of the six Defendants pursuant to Article 142(2) of the QFC Tax Regulations (the “**Tax Regulations**”).
2. The second to sixth Defendants are all wholly-owned subsidiaries of the first Defendant, Horizon Crescent Wealth LLC (“**HCW**”).
3. Each of the Defendants is a QFC entity. Accordingly, each is subject to the tax regime in Qatar.
4. We have jurisdiction to deal with this claim.
5. The QFC Tax Department (the “**Department**”) was established by the QFCA pursuant to Article 6 of the QFC Law. By Article 101(5) of the Tax Regulations, the Department’s functions include investigation of any contravention and enforcement of the Regulations and Tax Rules. The Department has carried out investigations into each of the Defendants and has made determinations and imposed penalties as set out below.
6. The relevant legislation includes the following.
7. Article 142 of the QFC Tax Regulations provides that the Tax Rules may make provisions regarding the collection and recovery of tax payable under the Tax Regulations, and that any tax, charge, financial sanction or other amount payable by a QFC Entity under the Regulations or the Tax Rules is a debt due to the QFCA.
8. Article 9 of the QFC Tax Regulations requires every QFC entity to pay corporation tax. That tax is payable at an annual rate of 10% for each accounting period.

9. Article 119 of the QFC Tax Regulations provides that financial sanctions may be imposed for failures to comply with the requirement to file a tax return by the filing date. The Article sets out the detailed provisions for such sanctions. The Article also makes provision for sanctions to be imposed if a QFC entity fraudulently or negligently files a return which is incorrect.
10. Article 125 of the QFC Tax Regulations deals with the situation where the Department has given a Notice of Enquiry to a QFC entity under Article 121(1). That Article gives the Department powers to require production of documents and information. It also includes an appeal procedure. If a QFC entity fails to comply with a notice to produce documents or information, the Article provides that it may be liable for financial sanction.
11. By Article 140 of the QFC Tax Regulations, corporation tax for an Accounting Period is due and payable on the day following the expiry of 6 months from the end of that period.
12. Article 148 of the QFC Tax Regulations permits the Department to make a determination imposing financial sanctions.
13. We have considered the Particulars of Claim dated 27 October 2020 and the Witness Statement of Caroline Marie Stuart dated 27 October 2020 and exhibits thereto. We conclude that each of the QFCA's claims in this case is made in accordance with the relevant Regulations.

Horizon Crescent Wealth LLC

14. HCW filed a tax return for the financial year ended 31 December 2016. The Department gave HCW a Notice of Enquiry on 4 April 2018. It issued an Enquiry Closure Notice on 11 December 2018; this stated that QAR 1,011,782 was due and payable.
15. The Department formed the view that information in the tax return had been provided either fraudulently or negligently.
16. The Department concluded that HCW's liability was as follows:

- (1) QAR 438,648 in respect of tax due and payable for the year ended 31 December 2016, plus
- (2) financial sanction of QAR 438,648 for failure to file a correct tax return, plus
- (3) financial sanction of QAR 102,000 for failure to provide documents, plus
- (4) late payment charge of QAR 58,526 for the period 1 July 2017 until 29 February 2020, plus
- (5) a fixed rate fine of QAR 1,000 for failure to provide documents.

Total: QAR 1,038,822.

17. HCW failed to file a tax return for the financial year ended 31 December 2017. On 29 January 2019, the Department issued a determination that the amount of tax payable by HCW for the year ended 31 December 2017 was QAR 6,724,345.

18. The Department issued financial sanctions under Article 119, namely:

- (1) QAR 6,000 for failure to file a tax return, plus
- (2) QAR 1,344,870 for failure to file a tax return, plus
- (3) Late payment charge of QAR 560,976 on unpaid tax of QAR 6,724,345.

Total: QAR 8,636,191.

19. The Department issued a financial sanction of QAR 16,000 in respect of late filing of a tax return for the 2018 tax year.

20. Total claimed in respect of HCW: QAR 9,691,013.

OA Investment LLC

21. OA Investment LLC (“**OA Investment**”) failed to file a tax return for the year ended 31 December 2017.

22. The Department issued:

(1) a fixed penalty sanction of QAR 6,000, plus

(2) two tax-related financial sanctions of QAR 10,000 each for failure to file a tax return.

Total: QAR 26,000.

23. OA Investment also failed to file a tax return for year ended 31 December 2018. The Department issued:

(1) fixed financial sanctions amounting to QAR 6,000 for failure to file a tax return, plus

(2) a tax-related financial sanction of QAR 10,000 for failure to file a tax return.

Total: QAR 16,000.

24. The total of financial sanctions and penalties imposed on and payable by OA Investment for the tax years 2017 and 2018 is QAR 42,000.

Stallway LLC

25. Stallway LLC (“**Stallway**”) failed to file a tax return for the year ended 31 December 2017. The Department imposed fixed financial sanctions as follows:

(1) QAR 3,000 fixed rate penalty for failure to file a tax return by 30 June 2018, plus

(2) QAR 3,000 for failure to file a tax return within 60 days of the due date, plus

(3) QAR 10,000 for failure to lodge within 12 months, and an additional QAR 10,000 for failure to lodge within 18 months.

Total: QAR 26,000.

26. The Department imposed financial sanctions for Stallway's failure to file a tax return for the year ended 31 December 2018, as follows:

(1) a fixed rate for late filing penalty of QAR 3,000, plus

(2) QAR 3,000 for failure to file a tax return within 60 days of the due date, plus

(3) QAR 10,000 for failure to lodge within 12 months.

Total: QAR 16,000.

27. The total amount of all financial sanctions and penalties imposed on and payable by Stallway for the tax years 2017 and 2018 is QAR 42,000.

Logistic Horizon LLC

28. Logistic Horizon LLC ("**Logistic**") failed to file a tax return for the year ended 31 December 2017.

29. The Department imposed:

(1) QAR 3,000 fixed rate penalty for failure to file a tax return by 30 June 2018, plus

(2) QAR 3,000 for failure to file a tax return within 60 days of the due date, plus

(3) QAR 10,000 for failure to lodge within 12 months and an additional QAR 10,000 for failure to lodge within 18 months.

Total: QAR 26,000.

New Horizon Investment LLC

30. New Horizon Investment LLC (“**New Horizon**”) failed to file a tax return for the year ended 31 December 2017.

31. The QFCA imposed tax-related financial sanctions as follows:

(1) QAR 10,000 for failure to lodge within 12 months, plus

(2) QAR 10,000 for failure to lodge within 18 months.

32. The total financial sanctions and penalties imposed on and payable by New Horizon for the tax year 2017 is QAR 20,000.

Crescent Capital Investment LLC

33. Crescent Capital Investment LLC (“**Crescent**”) failed to file a tax return for the year ended 31 December 2017.

34. The QFCA imposed tax-related financial sanctions as follows:

(1) QAR 10,000 for failure to lodge within 12 months, plus

(2) QAR 10,000 for failure to lodge within 18 months.

35. The total financial sanctions and penalties imposed on and payable by Crescent is QAR 20,000.

The application

36. The QFCA submits that the total amount due and payable to the QFCA by the HCW group is QAR 9,841,013. It seeks judgment in that sum. The QFCA also asks for an order for the payment of post-judgment interest at such rate as the Court thinks fit.

37. The QFCA issued an application for summary judgment in respect of these claims with supporting evidence on 24 August 2022. We are satisfied that the claim itself and the summary judgment application were duly served on each Defendant.
38. Practice Direction 2 of 2019 provides that, in accordance with Article 22.6 of the Rules, the Court may, if it considers that justice so requires, give summary judgment on a claim or defence or on any issue. The Court may give summary judgment against a defendant on the whole or part of a claim or counterclaim or a particular issue if it considers that the defendant to the claim has no prospect of successfully defending the claim and there is no other compelling reason why the case or issue should be disposed of at a trial.
39. We are satisfied that none of the Defendants has any prospect of successfully defending the QFCA's claims and there is no other compelling reason why this case should be disposed of at a trial. The QFCA is entitled to judgment in the sums claimed, and justice so requires.
40. We consider that orders should be made against each Defendant individually, as each is a separate legal person. It is not appropriate to make an order that HCW be liable for the total of the sums payable by it and the other Defendants.
41. The QFCA is entitled to judgment against the Defendants as follows:
- HCW in the sum of QAR 9,691,013.
- OA Investment in the sum of QAR 42,000.
- Stallway in the sum of QAR 42,000.
- Logistic in the sum of QAR 26,000.
- New Horizon in the sum of QAR 20,000.
- Crescent in the sum of QAR 20,000.

42. The QFCA is also entitled to post-judgment interest calculated at an annual rate of 5%. We order each Defendant to pay interest at the rate of 5% on any unpaid sum from 14 days after the date of this Order until date of payment.

By the Court,



[signed]

Justice Frances Kirkham

A signed copy of this Judgment has been filed with the Registry

Representation:

The QFCA was represented by its in-house legal department.

The Defendants were not represented.