

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

Neutral Citation: [2024] QIC (F) 3

IN THE QATAR FINANCIAL CENTRE CIVIL AND COMMERCIAL COURT FIRST INSTANCE CIRCUIT

Date: 21 January 2024

CASE NO: CTFIC0067/2023

HKA GLOBAL LIMITED

<u>Claimant</u>

v

SETTA WA ESHROON SOLB WLL (IN LIQUIDATION AND REPRESENTED BY ITS JUDICIAL LIQUIDATOR, MR MAREHI ABDULAZIZ ABDALLA)

Defendant

JUDGMENT

Before:

Justice Fritz Brand

Justice Ali Malek KC Justice Dr Muna Al-Marzouqi

Order

- 1. The Defendant is to pay the Claimant an amount of QAR 1,211,752 together with interest on the said amount calculated at the rate of 1.5 % per month from 24 October 2023 until the date of payment.
- 2. The Defendant is to pay the reasonable costs incurred by the Claimant in pursuing this claim, to be assessed by the Registrar if not agreed upon between the parties.
- 3. The Claimant's claim for summary judgment for damages in an amount of QAR 500,000 is refused. Should the Claimant intend to proceed with this claim in the ordinary course, it is to file a notice of such intent on the Registrar and the Defendant within 14 days of the date of this judgment whereupon further procedural directions will be issued by this Court.

Judgment

- The Claimant, HKA Global Limited, an international company incorporated in the British Virgin Islands, has been established and licenced through its Qatar Financial Centre ('QFC') Branch to do business in the QFC. The Defendant, Setta Wa Eshroon Solb WLL (in liquidation) is a company incorporated, and subsequently in the process of liquidation under, the company laws of the State of Qatar – Law No. 11 of 2015 – and is represented herein by its duly appointed Judicial Liquidator, Mr Marehi Abdulaziz Abdallah.
- 2. The Claimant's business is to provide expert and advisory services in the construction and manufacturing industry. The dispute arose from a written contract between the parties which was concluded on 31 May 2020 when the Defendant accepted a proposal by the Claimant (the 'Agreement'). In terms of the Agreement, the Claimant undertook to provide its services as an independent delay and quantity expert on behalf of the Defendant in arbitration before the ICC Court of Arbitration as between the Defendant as the contractor and Alu Nasa Company WLL as subcontractor in the construction of the Multipurpose Hall at the Lusail Sports Club. Hence, this Court has jurisdiction in

terms of article 9.1.3 of its Regulations and Procedural Rules (the '**Rules**') to determine the dispute.

- 3. The Agreement stipulated the scope of work and rates of remuneration proposed by the Claimant which were subsequently accepted by the Defendant. The Claimant's case is that it rendered the services and invoiced the Defendant for these services in accordance with the terms thus agreed upon in terms of the Agreement. Subsequently, so the Claimant contends, various payments were made by the Defendants in settlement of these invoiced amounts. But at the time of liquidation of the Defendant, so the Claimant contends, there was an amount of QAR 1,211,752 outstanding, which despite repeated demands, remains unpaid by the Defendant.
- 4. Procedurally, the Claimant adopted the somewhat unusual approach by combining an application for summary judgment with the original claim instead of bringing the application for summary judgment after the Claim Form had previously been served on the Defendant Accordingly, its Claim Form incorporating an application for summary judgment was served on the liquidator in his representative capacity on 4 November 2023.
- 5. Applications for summary judgment are governed by article 22.6 of the Rules as supplemented by Practice Direction No. 2 of 2019. Although the procedure adopted by the Claimant is unusual, it is not precluded by article 22.6 read with the Practice Direction. The only additional procedural requirement for summary judgment is the witness statement stipulated by paragraph 4 of the Practice Direction. That requirement has since been satisfied by a witness statement duly served on the liquidator on 21 December 2023.
- 6. Another feature which renders the case somewhat unusual is that the Defendant is in liquidation. Hence, it is cited as being represented by its Judicial Liquidator as opposed to those formerly in control of its corporate affairs. As we see it, that is the correct approach dictated by law. Since the Defendant is incorporated in the State of Qatar and outside the QFC, its liquidation process is regulated by the laws of the State of Qatar, which for present purposes are embodied in article 304 and following of the Commercial Companies Law, Law No. 11 of 2015 (the 'Companies Law'). Of relevance in the present context are (i) article 305 of the which provides that the authority of the board of directors of a company shall terminate upon liquidation; and

(ii) article 310(5) which grants the authority on the liquidator to represent the company in litigation.

- 7. It is true that article 312 of the Companies Law provides for the submission of their claims by the creditors to the liquidator. But we can find nothing in this provision which precludes a creditor from suing the company, represented by its liquidator directly in court without waiting for the formal rejection of its claim. It goes without saying that, if successful the judgment will not elevate the Claimant to the status of a secured creditor. It will have to enforce the judgement as a concurrent creditor in the normal course of the winding up proceedings, but it does not bar the court proceedings. Of course, if the liquidator raises the defence that, upon formal submission of the claim under article 312 of the Companies Law, he or she would have conceded the claim, it may affect the Claimant's entitlement to recover costs. But again, it is not an answer to the merits of the claim. It is also the case that the liquidator may seek to stay the Court proceedings if the claim is being processed in the liquidation. But in the present case the liquidator, although duly served, declined to participate in the proceedings and did not contend that the proceedings had been improperly brought or were unnecessary since claim was undisputed.
- 8. Because it was not clear to the Court why it was necessary to bring proceedings rather than to claim in the liquidation, the Court, through its Registrar, sought further information from both parties on 4 January 2024 to which the liquidator did not respond. The Claimant's response appears from the following email by its legal representative:

On the Court's questions, we have the following response:

The Court would welcome an explanation from the Claimant and/or the Judicial Liquidator as to why Court proceedings are required...:

Since the current status of the Defendant – "under liquidation" – came to the knowledge of the Claimant only very recently, the latter decided to initiate the present Court proceedings in order to seek recovery of its dues <u>before</u> the cancellation of the Defendant's Commercial Registry. It is common practice for council in Qatar to initiate legal action against companies under liquidation, provided such action is (i) initiated prior to final liquidation, and (ii) directed at the Judicial Liquidator.

In addition, we make the Court aware that the Claimant contacted the Judicial Liquidator telephonically prior to initiating the proceedings. During this communication, the Judicial Liquidator informed the Claimant that the liquidation proceedings would draw to a close soon and advised that the Claimant (one of the creditors) should finalise its claim without delay. Subsequently, an official letter was sent on 29 October electronically by the Claimant to the liquidator regarding the outstanding debt.

In answer: The Claimant filed the present case to expedite a favourable final judgement – that is legally enforceable – for the purpose of being considered in disbursement of the Defendant's funds currently reserved by the Civil Court.

The Court notes that it appears from the papers before the Court that the Judicial Liquidator has not served any acknowledgement or response to the current proceedings:

Although no formal acknowledgement or response was received from the Judicial Liquidator directly, the Q-Post Advice of Receipt (as evidence of collection of the original case file served by the Claimant) serve as evidence of acknowledgement and awareness of the current proceedings.

- Annexed to the email by the Claimant's representative was a letter of demand to the liquidator, dated 29 October 2023, claiming payment of the amount of the claim on the basis of the supporting documents enclosed.
- 10. Upon receipt of this information, we concluded that the summary judgment application can be decided on the papers without a formal hearing. But, because we are dealing with a claim for summary judgment (i) not brought separately but in conjunction with the claim; (ii) for a substantial amount; and (iii) against a company in liquidation, the following additional communication was addressed to both parties by the Registrar on 8 January 2024:

Unless the Court receives a reasoned objection from either party in the next three days, the Court proposes to determine the application for summary judgment on the papers in the coming days without the need for an oral hearing

- 11. Since no response was received from either party, we proceeded to decide the application without a formal hearing.
- 12. With regard to the merits of the summary judgment application, the jurisdictional requirements as stipulated in article 3 of the Practice Direction, are that the Court be persuaded that (i) "the defendant has no prospect of successfully defending the claim"; and (ii) that "there is no other compelling reason why the case or the issue should be disposed of at a trial".
- 13. The Claimant served its detailed Claim Form and summary judgment application comprehensively supported by documentation upon the Defendant's liquidator on 4

November 2023. In accordance with article 20 of the Rules, the liquidator then had 28 days to oppose. Despite the period of time considerably in excess of the 28 days which elapsed since then, the liquidator has failed to indicate any intent to oppose. Accordingly, the Claimant's case in support of its claim must be accepted as uncontroverted. On the basis of these uncontroverted facts, we are satisfied that the Defendant has no prospect of successfully opposing the main claim and we can find no compelling reason why the case or any issue should go to trial. Accordingly, the Claimant is in our view entitled to summary judgment in an amount of QAR 1,211,752.

- 14. In addition, the Claimant is entitled to the interest expressly agreed upon in terms of the Agreement at the rate of 1.5% per annum from the date of stipulated payment (which was 30 days after the date of invoice) to the date of actual payment. Strictly speaking interest would therefore have to be calculated with reference to the date of every individual invoice but for the sake of clarity, we propose to accept the date of the final statement of account, which was 24 October 2023 as the determining date for the commencement of the interest period.
- 15. Apart from these claims, the Claimant also seeks an order for payment of an amount of QAR 500,000, "*as damages caused by the Company's refusal to pay the outstanding sum*", as well as a costs order in an amount of QAR 90,000. With regard to costs, we can see no reason in principle why the Defendant should not be held liable for the costs incurred by the Claimant in pursuing its claim. The practice of this Court is not to grant costs orders for specified amounts, but to award reasonable costs to be determined by the Registrar if not agreed upon between the parties. That is the order we propose to make.
- 16. The damages claim has not in our view been established, at least not for the purposes of summary judgment, since the legal basis for the claim is not stated. Hence the claim for summary judgment under this heading is to be refused. Should the Claimant wish to proceed with this claim in the ordinary course, it will be directed to file a note of such intent on the Registrar and the Defendant whereupon further procedural directions will be issued by this Court.
- 17. These are the reasons for the Order we propose to make.



[signed]

Justice Fritz Brand

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

Representation

The Claimant was represented by the Al Mushiri Law Office (Doha, Qatar).

The Defendant did not appear and was not represented.