

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

Neutral Citation: [2025] QIC (F) 38

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

Date: 26 August 2025

CASE NO: CTFIC0016/2025

JUDGMENT	
	<u>Defendant</u>
${f E}$	
v	
	<u>Claimant</u>
D	

Before:

Justice Ali Malek KC Justice Dr Georges Affaki Justice James Allsop AC

Order

- 1. The jurisdiction challenge brought by the Defendant is dismissed.
- 2. The parties are directed within 14 days of the date of this judgment (i.e. no later than 16.00 on 9 September 2025) to file and serve submissions, not to exceed 5 pages of A4, together with any supporting material, on the question of whether the Claimant has waived his rights under clause 6.4 of the SPA.
- 3. The parties shall have liberty to serve reply submissions, not exceeding 3 pages, no later than 16.00 on 16 September 2025.
- 4. Costs are reserved.

Judgment

Introduction

1. The Claimant and the Defendant are parties to a contract and are in dispute. These proceedings concern the proper forum for the resolution of that dispute and whether the Court has jurisdiction to appoint a sole arbitrator. This judgment deals principally with that issue. The Court is not concerned, at this stage, with the merits of the underlying dispute, and nothing in this judgment should be taken as expressing any view on them.

Factual Background

- 2. The background to the dispute is as follows. It arises under a share purchase agreement dated 30 May 2024 (the 'SPA') between the Defendant as seller of shares and the Claimant as buyer. The Defendant is the owner of 49 shares of a limited liability company incorporated under the law of Qatar (the 'Company'). Its principal place of business is Doha, Qatar. This shareholding represents 24.5% of the issued and outstanding shares of the Company.
- 3. The SPA has terms dealing with governing law and dispute resolution.
 - i. Clause 6.3 provides:
 - Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Qatar, without regard to its conflicts of law principles.
 - ii. Clause 6.4 provides:

Dispute Resolution. Any disputes, claims, or counterclaims arising out of or relating to this Agreement, or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, should be determined by arbitration in Doha, Qatar, before one arbitrator. The arbitration shall be administered by the Qatar International Court and Dispute Resolution Centre (QICDRC) pursuant to its rules.

- 4. Pursuant to the SPA, it is alleged that the Defendant sold shares to the Claimant for the price of QAR 450,000 (the 'Shares').
- 5. On 3 October 2024, the Claimant's lawyers (Qatar International Law Firm) wrote a letter to the Defendant contending that the Defendant had failed to comply with his obligations under the SPA. In the letter, it was alleged that the Claimant had made payment for the Shares but that the Defendant had not transferred them.
- 6. The letter requested that the Defendant transfer the Shares within 14 days and, failing this, "our client will be forced to take the necessary legal action to protect his rights".
- 7. On 23 December 2024, the Claimant's lawyers wrote a further letter to the Defendant, in which they stated:

Furthermore, while Qatar International Court and Dispute Resolution Center (QICDRC) was referenced in Clause 6.4 of the Agreement, we believe that QICDRC does not have jurisdiction over this dispute. Therefore, we propose referring the matter to the Qatar International Center for Conciliation and Arbitration (QICCA) as an alternative.

Proceedings before the other national courts

- 8. As noted in paragraph 3 above, the SPA contains an arbitration clause. However, as indicated in paragraph 7 above, the Claimant considered that this Court lacked jurisdiction to appoint an arbitrator. He therefore filed proceedings in the other national courts to appoint an arbitrator.
- 9. The proceedings were recorded before the Civil and Commercial Arbitral Disputes Circuit in the Court of Appeals (Case No. [***] of [***]). On [***] 2025, the case came before Justices [***], [***], and [***].
- 10. On that date, that court held that under article 73 of the Civil and Commercial Procedures Law (Law No. 13 of 1990), an application for lack of jurisdiction of the court for want of competence or because of the subject matter of the claim or its amount, is a matter of public policy, and can be raised by the court itself at any stage

of the proceedings. Having found that the SPA provides for an arbitration agreement in clause 6.4 which stipulates that any dispute between the parties shall be determined by arbitration in Doha, Qatar, before one arbitrator, with the arbitration to be administered by the QICDRC pursuant to its rules, that court held that the claim should be dismissed, with each party bearing its own costs.

QFC Court proceedings

- 11. Following the decision of the Court of Appeal mentioned above, on 27 March 2025, the Claimant brought proceedings seeking an order that this Court should appoint the sole arbitrator as agreed in the SPA. In short, he submits the Court should accept jurisdiction to do this. He relies on clause 6.4 of the SPA and on the above decision of the Court of Appeal which dismissed his claim for lack of jurisdiction in consideration of the arbitration agreement in clause 6.4 in the SPA.
- 12. In his Defence filed on 28 June 2025, the Defendant, represented by the Salah Al Jalahma Law Firm, requests that the claim be dismissed because the Claimant has waived his right to have recourse to arbitration after it petitioned the courts. To that end, the Defendant makes the following contentions (in summary):
 - i. First, that this Court lacks substantive jurisdiction because: (i) the arbitration clause contains no agreement on the appointment of the arbitrator or the arbitral panel; and (ii) the Claimant admitted the lack of jurisdiction of this Court in its notice letter addressed to the Defendant.
 - ii. Second, referring to article 8(1) of the Qatar Arbitration Law (Law No. 2 of 2017), the Defendant contends that the case is currently pending before the Appellate Division of the Investment and Trade Court (Appeal No. [***] of [***]), with the court having appointed a panel of three banking and accounting experts scheduled to deliver their report at a hearing on [***] 2025, without the Claimant having raised the arbitration agreement before the court or the panel of experts to bring the court to decline jurisdiction (Exhibit 1 to the Defence). The Defendant has produced as Exhibit 2 a copy of the expert report dated [***] 2025.
 - iii. Third, the SPA is void due to fraud, in that the Claimant allegedly misrepresented Company losses and concealed undistributed profits (for the

- period 2019–2023), leading to a sale at undervalue. The Defendant contends that the expert report confirms the existence and non-distribution of profits.
- iv. Fourth, citing articles 6, 7 and 237 of the Commercial Companies Law (Law No. 11 of 2015) and article 163 of the Qatar Civil Code (Law No. 22 of 2004), the Defendant relies on formal invalidity in that it is alleged that the SPA was neither notarised nor registered in the Commercial Register as required by the Commercial Companies Law, making it legally non-existent and unenforceable.
- v. Fifth, and subsidiarily, he contends that even if the SPA is valid, the claim should be dismissed for lack of evidence.
- 13. In his Reply, the Claimant denied the allegations made by the Defendant, relying essentially on three arguments. First, the Claimant acknowledges that it assumed that this Court had no jurisdiction and therefore sought to petition the other national courts. However, when the Court of Appeal ruled that this Court had jurisdiction, the Claimant commenced the present proceedings. Second, the Claimant contends that Appeal No. [***] of [***] pending before the Investment and Trade Court is different from the present proceedings and does not relate to the Shares. Accordingly, the arbitration agreement in the SPA was inapposite. Third, the Claimant rejects the Defendant's claim of invalidity of the SPA as lacking evidence.

Legal Framework

- 14. Before turning to the specific issues, it is appropriate to summarise the framework for arbitration in the State of Qatar, which forms the backdrop to the SPA and which the parties may reasonably be taken to have had in mind when agreeing to arbitration in clause 6.4.
- 15. In the State of Qatar, there is a dual legal framework governing arbitration:
 - i. Qatar Arbitration Law: in 2017, the State of Qatar enacted an arbitration law, Law No. 2 of 2017 Promulgating the Civil and Commercial Arbitration Law (the 'Qatar Arbitration Law').
 - ii. QFC Arbitration Regulations: in 2005, the Qatar Financial Centre ('QFC'), which has its own legal, financial, and administrative independence from the

State of Qatar, issued the QFC Arbitration Regulations (as amended in 2024) (the 'QFC Arbitration Regulations').

The jurisdiction of the QICDRC

- 16. As a preliminary matter, it is worth recording precisely the composition of the QICDRC. The QICDRC comprises the QFC Civil and Commercial Court, the QFC Regulatory Tribunal, and other services. The "QICDRC" is the umbrella name under which all of these services fall. The "QICDRC Court", therefore, is a reference to the QFC Civil and Commercial Court. Parties should bear these distinctions in mind when dealing with and referring to the QFC Civil and Commercial Court or QFC Regulatory Tribunal. As the parties have used the "QICDRC" as a reference to this Court rather than "QFC Civil and Commercial Court", where the "QICDRC" or "QICDRC Court" is referred to in this judgment, it is a specific reference to the QFC Civil and Commercial Court.
- 17. The principal issue before the Court with which this judgment deals is whether it has jurisdiction to appoint a sole arbitrator under clause 6.4 of the SPA. This question involves the construction and interpretation of that contractual provision to ascertain the juridical seat of the arbitration in the context of the Qatar Arbitration Law and the QFC Arbitration Regulations.
- 18. Depending upon the answer to this question, two other questions arise in the circumstances: whether the Claimant has waived the right to invoke the arbitration clause, and whether there are any grounds for contending that there is no valid agreement to arbitrate.
- 19. The starting point in the analysis as to the jurisdiction of the Court is that the SPA contains an arbitration clause. This is set out in paragraph 3ii above. Clause 6.4 of the SPA is clearly an agreement to arbitrate which refers, on its face, to the QICDRC.
- 20. The Defendant, in his Defence, "pleads for the inadmissibility of the arbitration clause due to the Claimant's waiver of the right to resort to arbitration by previously resorting to the ordinary judiciary".
- 21. In his Reply, the Claimant asserted as follows:

Although the contract concluded between the two parties stipulated the jurisdiction of your honourable court, the Claimant believed it lacked jurisdiction and that jurisdiction was vested in the Court of First Instance to

appoint an arbitrator. He therefore filed the case before such court. However, the honourable Court of First Instance issued its decision confirming the jurisdiction of your honourable panel, and the honourable Court of Appeal upheld this. This led the Claimant to turn to your honourable panel in search of justice.

- 22. The Court is satisfied that the Claimant's decision to start court proceedings before the other national courts was based on an erroneous understanding of the legal position concerning this Court's jurisdiction. The decision of the Court of Appeal dated [***] 2025 in Case No. [***] of [***] binds the parties that an arbitration clause exists. This Court accepts that finding made prima facie and will give it effect. This Court concludes that clause 6.4 is an arbitration clause that requires disputes between the parties to be resolved by arbitration.
- 23. The resolution of the issue of jurisdiction before the Court flows from the proper construction and interpretation of clause 6.4 of the SPA in the context of the operation of the law of Qatar and of the QFC, specifically the Qatar Arbitration Law and the QFC Arbitration Regulations.
- 24. The proper construction and interpretation of a commercial arbitration clause must give effect to the practical purpose it serves. Arbitration represents the parties' chosen method for resolving disputes and that choice should be supported in a robust and commercially sensible way consistent with the language they have used. Fine distinctions of text, semantics or legalism should be eschewed if the words of commercial people are tolerably clear or bear a meaning which gives efficacy to their bargain. Where alternative interpretations are possible, the interpretation that sustains the parties' agreement to arbitrate is to be preferred over one that undermines its effectiveness or casts doubt upon its enforceability.
- 25. Clause 6.4 of the SPA provides for "arbitration in Doha, Qatar". Ordinarily, that identification of place (the word "place" being used in the UNCITRAL Model Law) will carry with it a conclusion that the place is the juridical seat of the arbitration with a corresponding lex arbitri. But Doha and Qatar have the QFC within them, not as a geographical enclave, but as a functional and jurisdictional body, including the QFC Civil and Commercial Court (i.e. this Court) as a Court, separate from the other national courts.

- 26. The reference to "arbitration in Doha, Qatar" must be read with the words of the whole clause, which includes the last sentence: "The arbitration shall be administered by the Qatar International Court and Dispute Resolution Centre (QICDRC) pursuant to its rules."
- 27. The last sentence should be read as one drafted by commercial people. It provides for the "QICDRC" as a Court (i.e. the QFC Civil and Commercial Court), to "administer" the arbitration.
- 28. As a practical matter, it could be argued that clause 6.4 of the SPA can be seen to identify Doha as the place of an arbitration which is to be governed and supervised by the "QICDRC" (i.e. the QFC Civil and Commercial Court) under its regulations and rules as controlling the arbitration. Read together, then, the purposive intent of the parties may be seen as agreeing on arbitration in Doha and the regulations (that is, the law) administered by the QICDRC (i.e. the QFC Civil and Commercial Court) to control the arbitration as lex arbitri. In effect, the seat of the arbitration would then be the QFC. It is, however, an argument that the Court does not accept.
- 29. The difficulty with this construction of Clause 6.4 is that it puts in doubt the efficacy of the arbitration agreement, since neither party to the arbitration clause is a QFC entity (see paragraph 44, below).
- 30. This is, however, not the only possible meaning of clause 6.4. It is necessary at this point to refer to article 1 of the Qatar Arbitration Law which defines the phrase "Competent Court" for the purpose of that Law as follows:

The Civil and Commercial Arbitration Disputes Division of the Court of Appeal, or the First Instance Chamber Circuit of the Civil and Commercial Court of the Qatar Financial Centre, based on the agreement of the parties.

- 31. Thus, by this law, in a Qatari-seated arbitration, the parties have the option of choosing either the Civil and Commercial Arbitration Disputes Division of the Court of Appeal *or* the QFC Civil and Commercial Court as the Competent Court of their arbitration.
- 32. Another construction, and thus meaning, of clause 6.4 is that the QICDRC has been chosen by the parties by clause 6.4 to be the supervising court of the arbitration in a manner of a seat court: that is, the Competent Court under the Qatar Arbitration Law.

- 33. It follows from this that the effective contractual choice of the parties is the QICDRC in clause 6.4 of the SPA as the Competent Court for an arbitration in Doha governed by the Qatar Arbitration Law in a Doha-seated arbitration.
- 34. Such a construction and interpretation conforms with the words of the clause, recognises the QICDRC as a court, not as an arbitral institution or authority (an "Other Authority") for the purposes of article 1 of the Qatar Arbitration Law, supports the plain choice of the parties for arbitration, and underpins the legal efficacy for that commercial choice made by the parties, without any doubts created by the fact that the parties are not QFC entities.
- 35. For these reasons, the preferable construction is not that the seat of the arbitration is the QFC, but that the seat of the arbitration is Doha and the parties have chosen the QICDRC (i.e. the QFC Civil and Commercial Court) as the Competent Court under the Qatar Arbitration Law.
- 36. The present case can be distinguished from A v B [2023] QIC (F) 16 ('A v B'). In that case, this Court considered an application for the appointment of an arbitrator under the Qatar Arbitration Law. The issue before the Court was whether it had jurisdiction to entertain the application, where neither party was a QFC entity and where no express agreement had been reached to confer jurisdiction on the QFC Court.
- 37. The Applicant in A v B relied on an ambiguity said to arise from a discrepancy between the official Arabic text and the unofficial English translation of article 1 of the Qatar Arbitration Law—specifically, the absence of a comma in the Arabic text. On the Applicant's case, the provision could be read as allowing either the Court of Appeal or the QFC Court to serve as the "Competent Court", without the need for party agreement in the latter case.
- 38. The Court rejected that submission. It confirmed that, as a matter of Qatari law, the official Arabic version prevails over any unofficial translation. On a proper reading of the Arabic text, the Court held that the phrase "based on the agreement of the parties" qualifies only the reference to this Court, the QFC Court. The Court further held that, in the absence of such agreement, jurisdiction lies by default with the Civil and Commercial Arbitration Disputes Division of the Qatari Court of Appeal.

- 39. Accordingly, the Court in *A v B* concluded that it lacked jurisdiction to appoint an arbitrator in the absence of an agreement between the parties to confer such jurisdiction, and that the Competent Court was necessarily the Civil and Commercial Arbitration Disputes Division of the Qatari Court of Appeal.
- 40. The present case can be distinguished from *A v B* on the basis that, here, there *is* an agreement between the parties in clause 6.4 of the SPA that the QICDRC act as the court to administer (that is, to supervise) the arbitration, in effect as the seat court, and so to act as the Competent Court under the Qatar Arbitration Law.
- 41. The significance of this finding is that, by agreement of the parties to the SPA, the QFC Civil and Commercial Court (viz. QICDRC) is the Competent Court within the meaning of the Qatar Arbitration Law and may be seen to have the power conferred by Chapter Three, article 11.5(a) of that Law to appoint a sole arbitrator. That provision states that, where there is no "Arbitration Agreement" (as defined in article 7):

If the Arbitral Tribunal is to comprise one arbitrator, and the Parties do not agree on the arbitrator within thirty days of the date of the written notification from the Claimant to the other Parties that they must do so, any Party may request such an appointment to be made by the Other Authority or the Competent Court, as the case may be (emphasis added).

- 42. For the corresponding provision in the QFC Arbitration Regulations, see article 14(3)(B).
- 43. The question arises, however, whether in acting as the Competent Court under the Qatar Arbitration Law, the QICDRC (i.e. the QFC Civil and Commercial Court) applies Chapter 3, article 11.5(a) of the Qatar Arbitration Law, or article 14(3)(B) of the QFC Arbitration Regulations. Having regard to the terms of article 1 of the Qatar Arbitration Law, the status of the Qatar Arbitration Law as primary legislation and Doha as the seat, it may be difficult to escape the conclusion that this Court, as the Competent Court, applies the Qatar Arbitration Law as part of the lex arbitri, and as the law providing for it as the Competent Court. On the other hand, the Qatar Arbitration Law, by the choice it gives to the parties by article 1, may thereby be interpreted as giving to the parties the choice of the QFC Arbitration Regulations by the choice of this Court as the Competent Court, rather than the Civil and Commercial Arbitration Disputes Division of the Court of Appeal. Given the substantive identity in effect between the above article 11.5(a) of the Qatar Arbitration Law and article

- 14(3)(B) of the QFC Arbitration Regulations, it is unnecessary for present purposes to decide this question.
- 44. For completeness, the Court notes that under primary legislation—namely, the Qatar Arbitration Law—it may act as the Competent Court for arbitrations seated in Qatar where the parties so agree. This jurisdictional basis makes the present decision consistent with *The Chancellor, Masters and Scholars of the University of Cambridge v The Holding WLL* [2025] QIC (A) 6.

Waiver and other issues

- 45. As to waiver, there may be some force in the contention that there has been a waiver of clause 6.4. That the acts that give rise to that possible waiver (the original choice of the other national courts and associated matters) may have arisen from the mistake of a party may not undermine the legal effect otherwise of those acts. The parties should give attention to these matters in submissions that the Court will order. For now, it is sufficient to say that the Court has jurisdiction to act as the Competent Court to appoint an arbitrator if the parties, as bound by the clause, fail to fulfil their good faith obligations to seek to agree on an arbitrator or if they fail in the exercise of those good faith obligations to appoint an arbitrator, unless the right to enforce the clause containing the arbitration agreement has been waived.
- 46. The final issue is the Defendant's contention that the Court should not appoint an arbitrator because of the matters raised in the Defence involving fraud and challenges to the validity of the SPA.
- 47. The Court considers that the Defendant has not identified any basis for impugning the agreement to arbitrate. It will be for the arbitrator to rule on the Defendant's defences identified above and not for this Court.
- 48. This is the effect of article 16 of the Qatar Arbitration Law that provides:

The Arbitral <u>Tribunal</u> may determine pleas related to its lack of jurisdiction, including pleas based on the non-existence of an Arbitration Agreement, its validity, nullity, expiry or its inapplicability to the subject-matter of the dispute. The arbitration clause shall be considered as an agreement independent of the other clauses of the contract. The nullity, rescission or termination of the contract shall have no effect on the arbitration clause contained therein, as long as the clause is itself valid (emphasis added).

- 49. The corresponding provision in the QFC Arbitration Regulations is article 21.
- 50. Article 16 of the Qatar Arbitration Law and article 21 of the QFC Arbitration Regulations codify the principle of compétence-compétence. Both provisions are consistent with article 16 of the UNCITRAL Model Law and reflect a fundamental tenet of international arbitration: that it is for the arbitral tribunal to determine its own jurisdiction, including any challenge to the existence or validity of the arbitration agreement. In addition, the doctrine of separability, expressly affirmed in both instruments, reinforces the autonomy of the arbitration clause and ensures that disputes as to the validity or performance of the underlying contract do not of themselves call into question the parties' agreement to arbitrate.
- 51. It follows from this that none of the matters identified by the Defendant in the Defence and listed above constitute reasons for refusing to give the Claimant the relief sought without in any way ruling on the merits of the Defendant's arguments of fraud, illegality or unenforceability of the arbitration agreement, all of which fall within the arbitrator's jurisdiction.

Conclusion and orders

- 52. For the above reasons, the Court is satisfied that it has jurisdiction (that is, curial authority) to appoint an arbitrator under clause 6.4 of the SPA in the absence of the parties doing so, provided the Claimant has not waived the contractual right to rely upon that clause.
- 53. The parties have not addressed this issue and should have the opportunity to do so.
- 54. The parties are directed within 14 days of the date of this judgment (i.e. no later than 16.00 on 9 September 2025) to file and serve submissions, not to exceed 5 pages of A4, together with any supporting material, on the question of whether the Claimant has waived his rights under clause 6.4 of the SPA. The parties shall have liberty to serve reply submissions, not exceeding 3 pages, no later than 16.00 on 16 September 2025.
- 55. The Court will reserve the question of costs pending determination of the waiver issue. The costs of this part of the proceedings are accordingly reserved.

By the Court,



[signed]

Justice Ali Malek KC

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

Representation

The Claimant was represented by Mr Ahmed Bin Mohammed Al Thani of Qatar International Law Firm (Doha, Qatar).

The Defendant was represented by Mr Salah Al-Jalahma of the Salah Al Jalahma Law Firm (Doha, Qatar).