



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: [2024] QIC (F) 34**

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

Date: 28 July 2024

**CASE NO: CTFIC0024/2024**

QATAR FINANCIAL CENTRE AUTHORITY

**Claimant**

V

AWAN MEDIA INTERNATIONAL LLC

**Defendant**

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**JUDGMENT**

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**Before:**

**Justice George Arestis**

**Justice Fritz Brand**

**Justice Dr Yongjian Zhang**

## **Order**

1. Pursuant to rule 4.2.4 of Part 5 of the Qatar Financial Centre Authority Rules (the ‘**Rules**’), the Defendant is ordered to pay the financial penalty imposed upon it by the Claimant’s Decision Notice dated 20 March 2023, in an amount of \$3,000, forthwith.
2. Pursuant to article 142 (2) of the QFC Tax Regulations 2019 (the ‘**Regulations**’), the Defendant is ordered to pay a further amount of QAR 32,000, comprising unpaid financial sanctions forthwith to the Claimant.
3. The Defendant is ordered to pay all reasonable costs incurred by the Claimant in pursuing this claim, the quantum of such costs to be assessed by the Registrar if not agreed.

## **Judgment**

1. The Claimant, the Qatar Financial Centre (‘**QFC**’) Authority, was established by article 11 of the QFC Law, Law No. 7 of 2005 to supervise entities established and licenced to operate in the QFC. The Defendant, Awan Media International LLC, is an entity so established and was licenced on 19 April 2018. Although the Defendant’s licence was withdrawn on 4 February 2020, it remains an entity registered in the QFC.
2. Because of the sum and the nature of the issues involved, the claim was allocated by the Registrar to the Small Claims Track of this Court under Practice Direction No 1 of 2022. Where cases have been allocated to the Small Claims Track, it is important that such cases be determined as quickly and efficiently as possible and that, where as happened in this case, the matter then goes undefended, it is in keeping with the Practice Direction for the Court to go on to determine the claim, usually on the papers, without the need for any application for summary judgment to be made. The aim is to ensure that the objective of the Practice Direction – to deal with Small Claims quickly and efficiently – is met. Accordingly, we have decided to determine this case on the basis of the written material before us and without hearing oral evidence or argument. We are satisfied that the Defendant has been duly notified about the claim and served with the relevant material before us on 3 July 2024 by email with permission.

3. In accordance with the allegations in the Claim Form and supporting documents, which are uncontroverted:

- i. The Defendant was required, in terms of rule 8A.9 of Part 2 of the Rules, to submit a report on its Beneficial Owners to the QFC Companies Registration Office by 31 December 2021.
- ii. The withdrawal of the Defendant's licence on 4 February 2020 did not detract from its reporting obligation, because the obligation is imposed upon a QFC Entity which, by the definition in rule 8 A.1 of Part 2 of the Rules, includes a body corporate registered or licenced in the QFC.
- iii. The obligation to provide the information envisaged in the obligatory report is an important obligation in that it enables the QFC to ensure compliance with legislation combating money laundering and the financing of terrorism as well as the imposition and enforcement of financial sanctions necessary for the maintenance of a strong regulatory regime.
- iv. The Defendant did not file the required report on the due date and to this day it is still in default of doing so. In consequence, the Claimant issued the Defendant with a Decision Notice pursuant to rule 5.2.1 of Part 5 of the Rules on 20 March 2023, which imposed a financial penalty of \$3,000.
- v. Despite the Decision Notice being properly served on the Defendant on 20 March 2023, it did not take the matter on review to the QFC Regulatory Tribunal within the 60-day period contemplated by paragraph 8 of Schedule 5 to the QFC Law (No. 7 of 2005), nor has it paid the financial penalty imposed.
- vi. In terms of Rule 5.3 (Implementation of a Decision Notice) of Part 5 of the Rules:

*If a licenced or Authorised Firm or Person who has received a Decision Notice does not refer the matter to the Relevant Review Body [that is the QFC Regulatory Tribunal] within the time specified in the notice, the QFCA may take the action specified in the Decision Notice.*

- vii. The Defendant was required by the Decision Notice to pay the financial penalty imposed by no later than 18 May 2023, but to date it has failed to do so.
- viii. In terms of rule 4.2.4 of Part 5 of the Rules, any penalty that is not paid within the period stipulated, may on application by the Claimant be recovered as a debt.
- ix. Article 2(2) of the Regulations provides that they apply to all QFC Entities. Article 153 of the Regulations defines a QFC Entity to include a body corporate which has been granted a licence to operate within the QFC and continues to hold such licence. The Defendant was therefore a QFC Entity for the purposes of the Regulations from 19 April 2018 until 4 February 2020.
- x. By virtue of article 109(1) of the Regulations, every QFC Entity is required to file a tax return in respect of each annual accounting period with the tax department of the QFC Authority within 6 months from the end of each accounting period.
- xi. Article 119(2) of the Regulations provides that a QFC Entity who fails to comply with article 109(1) is liable to pay a flat rate penalty of QAR 6,000 and it may also be liable for an additional flat rate penalty of QAR 10,000 under article 119(4) if it fails to file its tax return within 12 months of the expiry deadline.
- xii. The Defendant's accounting period for the tax year 2019 ended on 31 December 2019. Hence it was obliged, in terms of article 109(1), to file its tax return for that period by 30 June 2020. To date, the Defendant has however failed to do so. Since more than 12 months had lapsed from the expiry deadline, the Defendant became liable for the flat rate penalty of QAR 6,000 as well as an additional flat rate penalty of QAR 10,000 in respect of that year.
- xiii. Since the Defendant's licence was revoked on 4 February 2020, its accounting period for 2020 ended on that date. Accordingly, the expiry deadline for the filing of its tax return for that period was 4 August 2020. Since more than 12 months had elapsed from that expiry deadline, the Defendant became liable for

the flat rate penalty of QAR 6,000 as well as an additional flat rate penalty in an amount of QAR 10,000 in respect of that year.

- xiv. In terms of article 142(2) of the Regulations, any tax or financial sanctions payable by a QFC Entity under the Regulations constitutes a “*debt*” in favour of the Claimant. In the result, the Defendant is indebted to the Claimant in the form of financial penalties in an aggregate amount of QAR 32,000.
4. The Defendant entered no appearance to defend the action and on the face of it, it has no answer to the claim. In consequence, judgment is awarded to the Claimant (i) in the sum of \$3,000, and (ii) in the sum of QAR 32,000.
5. In addition, the Claimant is the successful party, and we can find no reason why the Defendant should not be held liable for the reasonable costs incurred by the Claimant in pursuing these claims, the quantum of such costs to be assessed by the Registrar if not agreed.
6. These are the reasons for the order we proposed to make.

**By the Court,**



**[signed]**

**Justice Fritz Brand**

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

Representation

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

The Defendant was not represented and did not appear.