



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) 45

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

Date: 29 October 2024

CASE NO: CTFIC0030/2024

QFC EMPLOYMENT STANDARDS OFFICE

Claimant

V

MEINHARDT BIM STUDIOS LLC

Defendant

JUDGMENT

Before:

Justice Fritz Brand

Justice Helen Mountfield KC

Justice Dr Yongjian Zhan

Order

1. The Defendant is to pay the Claimant \$10,500 forthwith.
2. The Defendant is to pay the Claimant interest on the sum in (1), above, calculated at the rate of 5 % per annum from 19 May 2024, and at an enhanced rate of interest of 7% per annum from a date 30 days after this Order, to date of actual payment.
3. 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.

Judgment

1. This is an application for summary judgment by the Applicant who is the Claimant in the main case (the '**Claimant**'). The Claimant is the QFC ('**QFC**') Employment Standards Office ('**ESO**'), a body established by the QFC Authority pursuant to the provisions of article 6 of the QFC Law (Law No. 7 of 2005). The Respondent in the application and the Defendant in the main case (the '**Defendant**') is Meinhardt BIM Studios LLC, an entity established and licenced to do business in the QFC. This Court's jurisdiction in the matter derives from article 9.1.3 of its Regulation and Procedural Rules (the '**Rules**') in that it is a civil dispute arising between a QFC Institution and an entity established within the QFC.
2. The procedural history of the matter started on 18 August 2024 when the Claimant's Claim Form was issued and duly served on the Defendant. The Defendant did not file any defence within the period of 28 days contemplated in article 20.1 of the Rules nor did it do so at any time thereafter. The Claimant thereupon brought an application for summary judgment under article 22.6 of the Rules, which was served on the Defendant on 6 October 2024, but which likewise remains unopposed. The application is accompanied by a witness statement, deposed to by the Claimant's solicitor, Mr Alexander Whyatt of the firm Eversheds Sutherland (International) LLP as contemplated by Practice Direction No. 2 of 2019 (the '**Practice Direction**') and is compliant with the procedural requirements of the Practice Direction in all material respects. In the circumstances we decided that the matter can be decided on the papers before us without a formal hearing
3. In terms of paragraph 3 of the Practice Direction, summary judgment may be granted if the Court (i) considers that the Defendant has no prospect of successfully defending

the claim; and (ii) there is no other compelling reason why the case should be disposed of at a trial. The factual basis on which these questions are to be considered are those appearing from the uncontradicted averments in the Claim Form, comprehensively supported by documentation served on the Defendant and confirmed on oath in the summary judgment application.

4. Accordingly, the matter can be decided on the following facts alleged in the Claim Form on the basis that they are common ground:

- i. Between June 2022 and June 2023, numerous cases were commenced against the Defendant by its employees for non-payment of contractual remuneration arising from their employment, salaries and end of service benefits among other things. The cases were considered by this Court which handed down judgments against the Defendant in no less than 14 individual cases, involving some 18 Claimants (see Annex 1):
- ii. These were employees whose employment had terminated in a variety of circumstances over a period of time. In all these judgments the Court found that despite the fact that the amounts owing to the employees were not in dispute, they remained unpaid for several months and the Court ordered the Defendant to pay the employees all the outstanding amounts that they claimed, plus interest.
- iii. In some of these judgments, the Court expressed its displeasure at the Defendant's practice which clearly was to use the effluxion of time associated with debt collection through court proceedings for its own benefit and at the expense of its employees who were dependant on their salaries and other benefits for their livelihood (see e.g. *Sujan Guchhait v Meinhardt Bim Studios LLC* [2023] QIC (F) 25 at paragraph 6).
- iv. For such a practice to continue without penalty by an entity which continues to be registered as licensed to do business in the QFC brings the standards of business practice in the QFC into disrepute. In an attempt to curb the Defendant's undesirable practice, the Court directed in some of these cases that the matter be referred to the Claimant to consider the imposition of a penalty pursuant to article 57 (2) of the QFC Employment Regulations 2020 (the '**Regulations**') which the Claimant then did.

- v. After considering the judgments of this Court, the Claimant found that the Defendant had contravened the provisions of article 25 of the Regulations (by delaying the payment of end of service benefits) and article 26 (by delaying the payment of salaries). Accordingly, the Claimant decided to impose financial penalties under article 57(2) in accordance with Schedule 1 to the Regulations in aggregate amounts of \$7,000 for the contraventions of article 25 and \$3,500 for contraventions of article 26, respectively.
 - vi. On 14 December 2023, the Claimant issued a Notice of Imposition of Financial Penalties which was served on the Defendant on the same day (the ‘**Notice**’). The Notice informed the Defendant of the imposition of these penalties. It also informed the Defendant (i) that the penalties were payable by no later than 27 December 2023; and (ii) of its right to appeal against the Claimant’s decision to the QFC Regulatory Tribunal in terms of article 62 of the Regulations within 60 days.
 - vii. The Defendant did not file an appeal, but served a notice of objection on the Claimant in April 2024 instead, in which it sought a reduction of the penalties imposed. The Claimant considered the objection but decided that the Defendant had failed to make out a case as to why the penalties should be reduced. Hence, the Defendant was notified on 5 May 2024 that the amount of the penalties were not reduced and afforded the Defendant a further 14 days (that is until 19 May 2024) to make payment of the amount of \$10,500 imposed.
5. As the legal basis for its case, the Claimant relies on article 57(4) of the Regulations which provides that:

A person on whom the Employment Standards Office imposes a requirement under this Article shall comply with such requirement.

6. The Claimant’s position is that, on a proper interpretation of article 57(4), upon non-payment, the amount of the penalty became a debt enforceable against the Defendant by the Claimant. We agree with that interpretation.
7. A similar situation arose in *Qatar Financial Centre Authority v Ali Bin Yousef Holdings LLC* [2024] QIC (F) 33. In that case, the Court granted judgment in favour of the QFC Authority on the basis of an unpaid penalty imposed by it in terms of its Rules. That case was somewhat different in that the Rules of the QFC Authority pertinently provide,

in terms of Rule 4.2.4, that an unpaid penalty can be recovered as a debt by the QFC Authority, whereas the Regulations are silent as to how the ESO can recover unpaid penalties.

8. The rhetorical question thus arises whether the absence of a pertinent provision such as the one contained in Rule 4.2.4 of the QFC Authority Rules renders a penalty imposed by the Claimant unenforceable. We think the answer is “no”. Since the times of classical Roman Law, it is recognised that “*ubi ius ibi remedium*”; that ‘where there is a right there must be a remedy’. Conversely stated, that an unenforceable obligation amounts to no obligation at all. To say that non-payment of a penalty results in a debt between two parties subject to the jurisdiction of this Court must imply that such debt must be enforceable by order of this Court.
9. Additional considerations pointing in the same direction are that the Claimant plays an important role in the administration of the Regulations and all aspects of employment within the QFC. Article 57(2) clearly recognises that in the exercise of these functions the Claimant must have the power to impose penalties as a measure of control. But a penalty without an enforcement mechanism would hardly serve as a measure of control. That is why the payment of a penalty becomes a statutory obligation under article 57(4) of the Regulations. But again, a statutory obligation without any means of enforcement would hardly serve its purpose. Hence, we are satisfied that the penalties imposed by Claimant became a statutory debt when they remained unpaid, enforceable by way of a judgment of this Court.
10. The Claimant also claims interest on the aggregate amount of the penalties, that is \$10,500, calculated at the rate of 5% per annum and at the enhanced rate of 7% from a date 30 days after this judgment. Since the claim is not opposed and we can think of no reason why it should be refused, we propose to grant the order sought. As to the date from which interest should be calculated, we believe it is fair to stipulate 19 May 2024, which was the final date on which the Defendant was instructed to pay after its request for a reduction of the penalty had been refused.
11. Finally, there is Claimant’s claim for the costs incurred by it in pursuing this claim. Again, we can find no reason why the order should not be granted.
12. We therefore conclude that the Defendant has no prospect of successfully defending the claim and that there is no compelling reason why the issue should be disposed of at

a trial. On the contrary we find that referring the matter to trial will be wasteful of the resources of the Court and of both parties and that will serve no purpose other than to cause further delay in the finalisation of the matter.

13. These are the reasons for the Order we propose 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 Eversheds Sutherland (International) LLP (Doha, Qatar).

The Defendant was unrepresented and did not appear.

Annex 1

1. *Srinivas Patta and others v Meinhardt BIM Studios LLC and another* [2022] QIC (F) 9.
2. *Dilip Kuman Kundu v Meinhardt BIM Studios LLC* [2022] QIC (F) 16.
3. *Samee Asghar Azhar Ali Khan v Meinhardt BIM Studios LLC* [2022] QIC (F) 18.
4. *Shahina Sultana Priyanka v Meinhardt BIM Studios LLC and others* [2022] QIC (F) 28.
5. *Megha Anand v Meinhardt BIM Studios LLC* [2022] QIC (F) 30.
6. *Shaikh Akhil Omar v Meinhardt BIM Studios LLC* [2022] QIC (F) 31.
7. *Saravan Vaithiyananathan v Meinhardt BIM Studios LLC* [2023] QIC (F) 12.
8. *Kiran Kumar Parisa v Meinhardt BIM Studios LLC* [2023] QIC (F) 17.
9. *Abdul Kameel Muhammed v Meinhardt BIM Studios LLC* [2023] QIC (F) 18.
10. *Faisal Hameed v Meinhardt BIM Studios LLC* [2023] QIC (F) 19.
11. *Umar Riaz v Meinhardt BIM Studios LLC* [2023] QIC (F) 20.
12. *Sabir Abdulsalam v Meinhardt BIM Studios LLC and another* [2023] QIC (F) 21.
13. *Sujan Gucchait v Meinhardt BIM Studios LLC* [2023] QIC (F) 25.
14. *Irfan Qureshi v Meinhardt BIM Studios LLC* [2023] QIC (F) 26.