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Dispute resolution

The FIFA World Cup increases potential for disputes

International contractors and consultants are descending upon Qatar in droves in hopes of winning a share of the World Cup work. With great opportunity, however, often comes great risk. The size and complexity of the anticipated projects coupled with the immovable deadlines, lead to strong potential for disputes.

In Qatar, as in all other Gulf countries, the first stop along the dispute resolution path should be a sincere effort at amicable dispute resolution, whether party to party or with the assistance of a mediator or other facilitator. Assuming amicable resolution efforts are unsuccessful, the overwhelmingly most common dispute resolution mechanism in Qatar is litigation in the local courts. Other mechanisms are viable, however, namely QFC Court litigation and arbitration (domestic and international).

As in other GCC countries, the local courts in Qatar are the traditional venue for resolving disputes. Commercial and civil matters are initially heard in the Court of First Instance. The proceedings are conducted in Arabic, and all documentary evidence must be translated into Arabic. Generally parties can be represented only by local Qatari lawyers. Parties may appeal judgments of the Court of First Instance to the Court of Appeals. Further, the Court of Cassation, Qatar's highest court, has the power to review

judgments passed by the Court of Appeal. The local judges are respected among the Qatari bar as fair and unbiased in applying the law, however, local lawyers are increasingly concerned about the ability of the courts to handle a substantial increase in complex matters quickly and efficiently, especially given the technical issues and reams of documents that often accompany construction disputes.

The Qatar Financial Centre houses the QFC Civil and Commercial Court (QFC Court), which was established as a court of the State of Qatar in 2009. The QFC Court comprises two divisions: First Instance and Appellate. QFC Court proceedings are conducted in English and follow common law procedures. The judiciary comprises highly-regarded common law judges. The QFC Court originally had jurisdiction to deal only with disputes among QFC registered entities; however, its jurisdiction was recently expanded to permit parties unaffiliated with the QFC to bring their disputes to the QFC Court by agreement. The expansion of the QFC Court's jurisdiction is a positive development for companies more comfortable with dispute resolution in English and conducted in accordance with common law traditions, but whether this option will "catch on" within the Qatari employer community remains to be seen.

Efficient and freely-conducted arbitration before a panel of industry

experts still provides the best forum for resolving large construction disputes. Arbitration, while certainly permissible in Qatar, is immature. The Commercial and Civil Procedure Code contains specific articles addressing the enforcement of arbitration agreements and arbitral awards, but a modern arbitration law is needed. In 2006, the Qatar Chamber of Commerce established the Qatar International Center for Arbitration (QICA) with its own set of arbitration rules, but the QICA is not yet a preferred forum for resolving disputes in Qatar.

Significantly, Qatar is a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and has thus removed some of the traditional barriers to enforcement of a foreign arbitral award. From an arbitration perspective, the most predictable option for those doing business in Qatar would be to request international arbitration in a neutral country that is a signatory to the New York Convention. Nonetheless, arbitration cannot be fully successful for Qatar until Qatar employers decide for themselves that arbitration is the best mechanism for resolving large construction disputes because of what is at stake if they fail to complete their projects on time. [ENR](#)

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