



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 (C) 8

**IN THE QATAR FINANCIAL CENTRE
CIVIL AND COMMERCIAL COURT
COSTS ASSESSMENT**

Date: 19 August 2024

CASE NO: CTFIC0055/2023

STEPHEN FERRIS

Applicant

V

SANGUINE INVESTMENT MANAGERS LLC

1st Respondent

AND

CHRISTOPHER JOHN LEACH

2nd Respondent

JUDGMENT

Before:

Mr Umar Azmeh, Registrar

Order

1. The Respondents are jointly and severally liable to pay the Applicant the sum of \$40,000 forthwith.

Judgment

Introduction

1. On 14 February 2024 the Enforcement Judge – Justice Dr Muna Al-Marzouqi – made declarations that the Respondents were in contempt of court for failing to comply with an asset disclosure order and for making various false representations to the Court. The Court imposed a financial penalty of QAR 25,000 on each Respondent by way of sanction.
2. The Court also ordered that the Respondents be jointly and severally liable for the Applicant’s reasonable costs of the contempt application, to be assessed by me if not agreed.
3. The Applicant submitted its costs claim and the Respondents were given an opportunity to respond. In keeping with the conduct of the Respondents throughout the course of this case, they did not acknowledge the invitation, let alone file and serve any response.

Approach to costs assessment

4. Article 33 of the Court’s Regulations and Procedural Rules reads as follows:

33.1 The Court shall make such order as it thinks fit in relation to the parties’ costs of the proceedings.

33.2 The general rule shall be that the unsuccessful party pays the costs of the successful party. However, the Court can make a different order if it considers that the circumstances are appropriate.

33.3 In particular, in making any order as to costs the Court may take account of any reasonable settlement offers made by either party.

33.4 Where the Court has incurred the costs of an expert or assessor, or other costs in relation to the proceedings, it may make such order in relation to the payment of those costs as it thinks fit.

33.5 In the event that the Court makes an order for the payment by one party to another of costs to be assessed if not agreed, and the parties are unable to reach agreement as to the appropriate assessment, the necessary assessment will be made by the Registrar, subject to review if necessary by the Judge.

5. In *Hammad Shawabkeh v Daman Health Insurance Qatar LLC* [2017] QIC (C) 1, the Registrar noted that the “... *list of factors which will ordinarily fall to be considered*” to assess whether costs are reasonably incurred and reasonable in amount will be (at paragraph 11 of that judgment):

- i. Proportionality.
- ii. The conduct of the parties (both before and during the proceedings).
- iii. Efforts made to try and resolve the dispute without recourse to litigation.
- iv. Whether any reasonable settlement offers were made and rejected.
- v. The extent to which the party seeking to recover costs has been successful.

6. *Hammad Shawabkeh v Daman Health Insurance Qatar LLC* noted as follows in relation to proportionality, again as non-exhaustive factors to consider (at paragraph 12 of that judgment):

- i. In monetary ... claims, the amount or value involved.
- ii. The importance of the matter(s) raised to the parties.
- iii. The complexity of the matters(s).
- iv. The difficulty or novelty of any particular point(s) raised.

- v. The time spent on the case.
 - vi. The manner in which the work was undertaken.
 - vii. The appropriate use of resources by the parties including, where appropriate, the use of available information and communications technology.
7. One of the core principles (elucidated at paragraph 10 of *Hammad Shawabkeh v Daman Health Insurance Qatar LLC*) is that “*in order to be reasonable costs must be both reasonably incurred and reasonable in amount.*”

Submissions

8. The Applicant has submitted a comprehensive costs application which includes the following:
- i. Written submission.
 - ii. Invoices.
 - iii. Authorities.
9. The Applicant’s case on costs is, in short, that he has incurred costs in the sum of \$42,290.50. These sums were incurred in favour of the Applicant’s previous representatives. The partner leading that case left the original firm but retained the client relationship, appeared on the Applicant’s behalf at the hearing of the contempt application, and now applies for those costs on his behalf.
10. The Applicant’s written submissions address the criteria in *Hammad Shawabkeh v Daman Health Insurance Qatar LLC*, and goes further by claiming costs on the indemnity basis. The argument goes that in cases of contempt, indemnity costs are the usual order in England and Wales (*JSC Mezhdunarodniy Promyshlenniy Bank v Pugachev* [2016] EWHC 258 (Ch) at paragraph 56 per Rose J (as she then was) and *Kea Investments Ltd v Watson* [2022] EWHC 5 (Ch) (per Nugee LJ at paragraph 18).

These cases are persuasive but not binding. That said, in *Bank Audi LLC v Al Fardan Investment Company LLC* [2023] QIC (C) 4, I noted as follows in relation to indemnity costs:

- i. The Court has the jurisdiction to award indemnity costs pursuant to articles 10.3 and 33.1 of the Court's Regulations and Procedural Rules and when a Court orders costs on the indemnity basis, it does so without taking into account considerations of proportionality (paragraph 19).
- ii. The threshold for indemnity costs is significantly unreasonable conduct which is case specific (paragraphs 22 and 23).

11. The Applicant further submits that the conduct of the Respondents is such as to warrant an order of indemnity costs separately from the fact that findings of contempt were made.

Analysis

12. This was a novel and difficult case. This was the first time that the Court received a standalone application for contempt of court before the Enforcement Judge. There were complex legal issues concerning civil contempt versus criminal contempt, the jurisdiction of the Court to make a finding of contempt of court, the potential range of penalties, the applicable legal tests, the interaction of and the relationship between Qatari civil law and QFC law, and the interplay between a contempt of court application and the standard enforcement process. An already complex case was rendered more difficult given lack of participation of the Respondents which increased the burden on the Applicant's lawyers. Helpfully, the Applicant's lawyers produced a lengthy and comprehensive skeleton argument and a valuable bundle of authorities.

13. The Respondents' conduct was deplorable. They repeatedly violated court orders, misrepresented matters to the Court including in an affidavit, significantly prolonged proceedings, and declined to participate in the hearing despite being given ample opportunity to engage. The Enforcement Judge found them in contempt of court and commented, inter alia, at paragraph 56:

It is also clear that the culpability in this case is high: the contempts of court have come at the end of a long pattern of deliberate non-compliance and flouting of court orders; and the harm caused to the Applicant is also significant as he has been kept out of significant sums of money lawfully owed to him. The high culpability coupled with the significant degree of harm renders this a serious case. The complete lack of any explanation or defence in relation to the submissions of the Applicant means that the Court has no mitigation in favour of the Respondent (including good character and lack of antecedents). Indeed, there has been minimal cooperation from the Respondents. There certainly has been no apology or purging of contempt on the part of the Respondents.

14. Taking account of the matters above, I am of the view that a reasonable and proportionate sum for the costs of the enforcement proceedings is **\$40,000**. Although the Respondents' behaviour has been utterly lamentable, the question of indemnity costs does not arise as I find this sum to be proportionate. The Respondents are jointly and severally liable to the Applicant in that sum forthwith.

By the Court,



[signed]

Mr Umar Azmeh, Registrar

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

Representation

The Claimant was represented by Mr Thomas Williams of Counsel, formerly of Sultan Al-Abdulla & Partners (Doha, Qatar) and now of King's Chambers (United Kingdom).

The Respondents were not represented and did not appear.