



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: [2021] QIC (F) 14

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

10 June 2021

CASE No: CTFIC0006/2020

QATAR FINANCIAL CENTRE AUTHORITY

Claimant/Applicant

v

ENCRYPTICS DATA SECURITY LLC

Defendant/Respondent

JUDGMENT

Before:

**Justice Frances Kirkham
Justice George Arestis
Justice Ali Malek QC**

ORDER

1. The Respondent must pay to the Applicant the sum of USD 48,000.

JUDGMENT

1. The Applicant, QFCA, is the Authority of the Qatar Financial Centre. It manages and maintains the QFC legal and tax environment, and licenses firms to conduct business in or from the QFC pursuant to Article 11 of the QFC Law No. 7 of 2005.
2. On 26 June 2016, the Respondent, Encryptics Data Security LLC (Encryptics), was licensed by the QFCA to undertake permitted IT consultancy activities. Encryptics is registered in the QFC and, at relevant times, had its registered office address in Doha.
3. QFCA claims against Encryptics the sum of USD 48,000 pursuant to a Decision Notice number 16-2019 issued on 11 September 2019 following an investigation into Encryptics. The investigation is said to have been conducted under Rule 3.3.1 of the QFCA Rules and the Decision Notice issued pursuant to Rule 5.2.1 of the QFCA Rules, on the ground that Encryptics had contravened a number of the formal requirements of the QFCA Compliance and Enforcement Rules (“CER”).
4. The Decision Notice imposed on Encryptics a financial penalty of USD 48,000. It required payment by no later than 31 October 2019 and noted that, if the penalty were not paid by that date, the QFCA would apply to the Court to recover this sum as a debt.
5. The Decision Notice drew to Encryptics’ attention its right to appeal the Decision Notice to the QFC Regulatory Tribunal.
6. The Notice was accompanied by an invoice requiring payment of the USD 48,000 by 31 December 2019.
7. Encryptics has not appealed against the Decision Notice and time for doing so expired in 2019.

8. QFCA has issued two other Decision Notices which are related to that issued against Encryptics. This order and judgment make no findings and reach no conclusion in relation to those other two notices.
9. On 1 June 2020, QFCA applied to this Court for an order that, pursuant to Rule 4.2.4 of Part 5 of the CER, the financial penalty accompanying the Decision Notice of 11 September 2019 against Encryptics is a debt payable to and recoverable by QFCA. Rule 4.2.4 states:

“Any penalty that is not paid within the period stipulated by the [QFCA](#) may on application to the [Relevant Review Body](#) be recovered by the [QFCA](#) as a debt.”

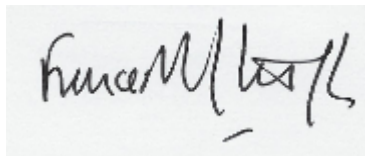
10. The Court is the Relevant Review Body in this context.
11. QFCA served their claim on Encryptics by sending this to Encryptics’ registered office, as permitted by Article 18.2 of the Court Rules. However, it appears that, by then, the premises were no longer occupied by Encryptics and thus did not, in fact, operate as their registered office, though still thus registered. QFCA applied for an order for substituted service. On 5 August 2020 the Court made an order permitting (though not requiring) QFCA to serve its claim by way of substituted service.
12. Encryptics have not served any defence to QFCA’s claim.
13. On 11 April 2021, QFCA applied for summary judgment against Encryptics. In that application they stated that, in September 2020, they had served the claim form on Encryptics, as the Court had permitted, namely by (a) publication in local newspapers and (b) through the police.
14. On 11 April QFCA confirmed service of their summary judgment application by delivery to the premises which were still recorded as Encryptics’ registered office. It appears that Encryptics have not taken action to deal with the registration of their registered office or to respond to the substituted notice given in September 2020 of the claim issued against them. The Court concludes that it would not be proportionate to require QFCA to effect substituted service of the application for summary judgment and that substituted service of the application is not necessary, the QFCA having served the application as required by Article 18 of the Court’s Rules.

15. The Court is satisfied that

- a. the financial penalty of USD 48,000 imposed on Encryptics by the Decision Notice is due and payable and thus, pursuant to CER Rule 4.2.4, may be recovered by QFCA as a debt; and
- b. pursuant to Article 22.6 of the Court's Rules, justice requires that an order be made that Encryptics pay that sum now on the basis that Encryptics has no prospect of successfully defending the claim. It follows that there is no compelling reason why the case should be disposed of at trial.

16. QFCA make no application for payment of interest or costs.

By the Court,

A handwritten signature in black ink, appearing to read "Frances M. Kirkham", written on a light grey rectangular background.

Justice Frances Kirkham

