

## **Understanding Qatar's Law will assist stakeholders to deliver the World Cup 2022 and QNV 2030**

### **1. Introduction**

- 1.1 In 2008 the State of Qatar (**Qatar**) published its National Vision 2030 (**QNV 2030**). The QNV 2030 defines several long-term objectives and provides a framework within which national development strategies and implementation plans may be formulated. In summary, the QNV 2030 sets out Qatar's principal objective as diversifying its economy from reliance on hydrocarbons to being "knowledge based" with a highly skilled workforce.
- 1.2 In 2010, two years after producing QNV 2030, Qatar was awarded the FIFA World Cup for 2022 (**World Cup 2022**) which will be the first time that the event is hosted in the Middle East.
- 1.3 Qatar has made significant progress towards both reaching its objectives set out within QNV 2030 and delivering the infrastructure, hotels and stadia to host, in approximately three years, the World Cup 2022.
- 1.4 The Construction & Engineering Industry (**C&E Industry**), therefore, is fundamental to Qatar continuing to progress towards reaching its objectives. It is essential, therefore, that all stakeholders have a good understanding of Qatar's law, and how it may affect their construction and engineering contracts, to operate to the best of their ability and assist Qatar in delivering an unforgettable World Cup 2022 and QNV 2030.
- 1.5 Given the above this note provides an overview of Qatar's system of law and its civil code, including the section which governs a *Muqawala* contract i.e. a Construction and Engineering contract, and the Arabic doctrine of "delict" which, relates to liability for acts causing harm/loss to others, is sometimes compared to the law of tort within common law systems.

### **2. Qatar's System of Law / Civil Code**

- 2.1 Qatar adopts a civil law system of law and its principal feature is that the country's law is set out within several written "codes". These are drafted to deal with specific legal issues together with setting out the country's general legal rules and principles.
- 2.2 Many commentators, however, contest that codified systems of law are both vague and ambiguous which leads to a lack of clarity. Further, because judgments of high-ranking courts within a civil law system of law are not binding, unlike those within common law systems of law, the courts apply the "codes" inconsistently. Such criticism, however, is arguably misguided!
- 2.3 Qatar's civil law system of law, which is based on the French (Napoleonic) civil code, Islamic law and jurisprudence from Egypt, adopts the fundamental characteristics that are common to all civil law systems of law. Specifically, its courts are required to interpret and apply the law in an inquisitorial fashion on a case by case basis. For instance, Article 1 of Law No.22 of 2004 Promulgating Qatar's Civil Code (**Civil Code**) states that its provisions apply to matters it addresses, expressly and/or implicitly.
- 2.4 Clearly, therefore, Qatar's judiciary has a broad discretion, unlike the judiciary in common law systems of law that are bound to follow earlier binding authorities, to reach a decision and hand down a judgment - arguably beneficial as it adopts a "realist" approach to dispute resolution.

### **3. Muqawala**

3.1 Qatar's Civil Code, like most states in the Middle East, includes a section which governs a *Muqawala* contract which Article 682 defines as:

*"A contracting agreement shall be defined as a contract under which each party undertakes to make a thing or perform any work for the other party in consideration of a wage, without being an agent or representative of such party."*

3.2 A *Muqawala* contract, therefore, is a contract for materials and services and akin to a construction and engineering contract.

3.3 Qatar's Civil Code's section applicable to *Muqawala* contracts runs from Article 682 to 715 and cover specific issues that apply to the delivery of a project from the "*Provision of Materials*" to the "*Contractor's and Employer's Obligations*".

3.4 Specifically, a *Muqawala* contract is deemed a "special contract" and is, therefore, subject to the Civil Code's provisions in their entirety, not merely Articles 682 to 715 section of the Civil Code, and less likely to be considered open to judicial interpretation.

3.5 In addition, a *Muqawala* contract may be subject, depending on the circumstances, to other "codes". For instance, Qatar's Commercial Code 2006 sets out the statutory limitation periods, known as "*prescription periods*", applicable to raising a claim for breach of contract (see Art.87) and would apply to claim for breach of a *Muqawala* contract.

### **4. Delict / Unlawful Acts**

4.1 In addition, the parties to a *Muqawala* contract may also be liable in delict – a civil law doctrine which renders a party liable for conduct/acts, where no contractual relationship exists, which cause harm and loss to another party. This is often compared to the law of tort under common law systems.

4.2 Specifically, Article 199 of Qatar's Civil Codes provides:

*"Any person who commits an act that causes damage to another party shall be liable to indemnify such damage."*

4.3 Further, Article 201 (1) provides:

*"Damages payable by a person responsible for any unlawful act shall be limited to the loss incurred and profit forfeited by the aggrieved party, provided that the loss resulted from the unlawful act."*

4.4 Liability under delict is known as "strict liability" which means that it is not fault based and a claimant, therefore, is merely required to prove that the unlawful act directly caused the damage/loss it incurred.

4.5 Consequently, liability for delict is broad and overlaps with contractual liability which means it may be used to support a contractual claim under a *Muqawala* contract.

### **5. Way Forward**

5.1 Stakeholders' within the Construction & Engineering Industry in Qatar should ensure, as with any jurisdiction and "governing law", that they understand how the law of Qatar impacts their *Muqawala*/Construction and Engineering Contracts. This knowledge will assist in protecting their position and facilitate delivering their construction and engineering projects in accordance with their initial expectations.



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