



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) 19**

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

**Date: 5 May 2024**

**CASE NO. CTFIC0035/2022**

**RUDOLFS VEISS**

**Claimant/Applicant**

**v**

**PRIME FINANCIAL SOLUTIONS LLC**

**1<sup>st</sup> Defendant**

**AND**

**INTERNATIONAL BUSINESS DEVELOPMENT GROUP WLL**

**Proposed Defendant/Respondent**

**CASE NO. CTFIC0040/2023**

**RUDOLFS VEISS**

**Claimant/Applicant**

**v**

**YOUSIF AL-TAWIL**

**1<sup>st</sup> Defendant**

**AND**

**PRIME FINANCIAL SOLUTIONS LLC**

**2<sup>nd</sup> Defendant**

**AND**

**INTERNATIONAL BUSINESS DEVELOPMENT GROUP WLL**

**Proposed Defendant/Respondent**

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**JUDGMENT**

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**Before:**

**Justice Her Honour Frances Kirkham CBE**

**Justice Fritz Brand**

**Justice Helen Mountfield KC**

## Order

1. The Claimant's application of 1 March 2024 for this Court, in exercise of its case management powers under article 10 of the Qatar Financial Centre Civil and Commercial Court Regulations and Procedural Rules (the '**Rules**') to join International Business Development Group WLL as an additional Defendant in case CTFIC0035/2022 be dismissed. The Court declares that this application is wholly without merit.
2. The Claimant's application of 19 December 2023 for this Court, in exercise of its case management powers under article 10 of the Rules, to join International Business Development Group WLL as an additional Defendant in case CTFIC0040/2023 be dismissed. The Court declares that this application is wholly without merit.
3. The Claimant shall pay the costs of and occasioned by these applications, on the indemnity basis, to be assessed if not agreed.

## Judgment

### Introduction and background to the applications

1. Mr Veiss has brought two separate claims – CTFIC0035/2022 against Prime Financial Solutions LLC (the '**Prime Claim**') and CTFIC0040/2023 against Mr Yousif Al-Tawil and Prime Financial Solutions LLC (the '**Tawil Claim**').
2. We have before us in each case an application to join International Business Development Group WLL ('**IBDG**') as an additional Defendant.
3. Although these are separate claims, with different causes of action, the basis upon which Mr Veiss seeks to join IBDG in each claim is the same – namely, that IBDG is liable pursuant to a letter of comfort to indemnify him against his losses and costs, and the sums he claims against Mr Al Tawil and Prime Financial Solutions LLC in each case.
4. Since the legal arguments advanced in favour of joinder appeared to be the same in each case, on 16 April 2024 the Court Registry notified Mr Veiss that the applications would be listed together before us and set out an order requiring Mr Veiss to disclose any documents upon which he relied in order to support his claim for a joinder, as well as a skeleton argument setting out the basis for his applications.

5. The matter came before us for a remote hearing on 28 April 2024. Both Mr Veiss and IBDG were represented by counsel. We are grateful to Mr Lionel Nichols and Mr Muhsin Mohammed Rafee for their assistance.
6. The background to the claims is as follows. Mr Veiss is a resident of the State of Qatar. He was employed by Prime Financial Solutions LLC (**'Prime'**), which he describes as a company offering insurance mediation services, as its Head of Business, between 26 January 2020 and 3 August 2022. Mr Al-Tawil served as the Executive Director of Prime from 14 March 2021 to date. Prime was and remains licensed to operate within the Qatar Financial Centre (**'QFC'**), but Mr Veiss says that its regulatory authority to operate in the financial services sector has been withdrawn.
7. IBDG is the sole shareholder of Prime. It is a company incorporated in the State of Qatar, but operates outside the QFC. Mr Al-Tawil is its Vice-Chairman and Group Director.
8. It is common ground that, in or around March 2021, Mr Veiss gave Mr Al Tawil a cheque dated 23 March 2021, payable to Mr Al-Tawil in the sum of QAR 365,000. Mr Veiss says that this was in the form of a loan intended to support Prime through a period of restructuring, and that while Mr Al-Tawil repaid three instalments totalling QAR 40,000, he has made no further repayments since October 2021, leaving a sum of QAR 325,000, which Mr Veiss describes as the **'Security Deposit Sum'**, outstanding.
9. Mr Veiss faces certain difficulties in relation to his period of employment with Prime. On 16 September 2021, the QFC Regulatory Authority (**'QFCRA'**) issued a proposed action notice against him in relation to his alleged conduct while an employee of Prime, and those proceedings are ongoing. Later in 2021, criminal proceedings were commenced against Mr Veiss seemingly in relation to similar matters, which resulted in his acquittal. Mr Veiss says that he has suffered significant legal expenses in respect of these two matters, in excess of QAR 2,000,000, a sum he describes as the **'Indemnity Sum'**. He says that he has the benefit of an indemnity from Prime in relation to these costs, which Prime has refused to honour.
10. Mr Veiss commenced proceedings:
  - i. against Prime to recover the Indemnity Sum in the Prime Proceedings, lodged on 14 October 2022; and

- ii. against Mr Al-Tawil and Prime to recover the Security Deposit Sum in the Tawil Proceedings, lodged on 27 July 2023.
11. It is not necessary for the purpose of these applications, which are to join IBDG to the Prime Proceedings and the Al-Tawil Proceedings, to reach any determination on the merits of those claims. However, it is necessary to set out what the underlying issues are.
  12. Mr Veiss's case in relation to the cheque which he describes as a 'Security Deposit' was that it was a loan from him to Mr Al-Tawil during a period of financial restructuring of Prime, and that Mr Al-Tawil promised him as 'interest' that he would take or support action to procure that the travel ban imposed on him would be lifted.
  13. He also avers that this cheque was intended by him to be security to both Mr Al-Tawil and Prime that he would not "*run away*" from Qatar if the travel ban was lifted (which in the event it was not). He claims that both Mr Al-Tawil and Prime were in breach of duty in respectively requesting and accepting funds from Mr Veiss (in the case of Mr Al-Tawil) and in failing to take reasonable steps to prevent him from doing so (in the case of Prime).
  14. Mr Al-Tawil does not appear to dispute that he received the cheque from Mr Veiss. In a statement lodged for the purposes of this hearing, however, he avers that this was a personal transaction between Mr Veiss and Mr Al Tawil, which Mr Al-Tawil describes variously in his statement as a personal gift (in paragraph 1) and a loan. It was not, says Mr Al-Tawil, anything to do with Prime.
  15. The other aspect of Mr Veiss's claim against Prime only is that he alleges that Prime had some legal obligation to indemnify him for legal costs arising from the proceedings described in paragraph 9 above.
  16. Mr Veiss says his legal representatives apparently became concerned that Prime may have solvency issues, since he understood them to have unpaid legal fees of approximately QAR 1,700,000. On 8 May 2023, they wrote to Prime expressing this concern.
  17. On 29 May 2023 and 5 June 2023, IBDG, the sole shareholder of Prime, sought to place Prime into voluntary liquidation. Mr Veiss claims that this application was contrary to articles 97, 97A and 98 of the QFC Insolvency Regulations 2005. In any event, the liquidation process has

not formally commenced and Prime's licence to operate is currently frozen pursuant to a court order.

**The basis upon which Mr Veiss seeks to join IBDG as a party to his claims against Mr Al-Tawil and Prime**

18. If Mr Veiss is to have an indemnity claim against IBDG, he must set out the basis upon which such a cause of action is founded. Initially his case was that there must be in existence a letter of indemnity similar to that which was the subject of cases in this Court, namely *Tarek Choudhury v Prime Financial Solutions LLC*; *Twanette Murray v International Business Development Group WLL and Prime Financial Solutions LLC*; and *Nancy Kilany v International Business Development Group WLL and Prime Financial Solutions LLC* [2023] QIC (F) 44 (the 'Murray Case'; as explained below, the basis for the current applications has changed).
19. In support of the basis on which Mr Veiss initially put this application he sought, on 25 March 2024, and obtained disclosure of the 'letters of comfort' which were referred to in the Murray Case, which he said (in correspondence with the Court) would demonstrate that IBDG had given him an indemnity against any claims which he may have against Prime. At paragraph 3 of his application for disclosure of those letters, he claimed that "*IBDG has confirmed the commitment to support the Defendant to meet its all (sic) obligations...*".
20. On 31 March 2024, the Murray Case so-called 'letters of comfort' were disclosed to Mr Veiss by the Court Registry. This was a letter on Prime headed paper, and were noted as an amendment to the employment contracts of the specific individuals to whom they were addressed. Mr Veiss was not among them, and the letters simply noted that the full remuneration of the addressees would be paid directly to them jointly and severally by the shareholder (i.e. IBDG). Clearly those documents provided no ground upon which Mr Veiss could claim an indemnity against IBDG on the basis of a binding commitment to help Prime, still less Mr Al-Tawil, to meet any obligations which they might have towards Mr Veiss. In the wake of the provision of this letter, the Court wrote to Mr Veiss on the same day asking him, inter alia, carefully to consider his position in respect of IBDG in respect of the two cases with which we are concerned here.
21. In the Order of 16 April 2024, in which the Court joined Mr Veiss's two applications, the subject of this judgment, to join IBDG as a Defendant in the Prime and Al-Tawil proceedings, Mr Veiss was ordered to lodge a skeleton argument by 21 April 2024 setting out the full legal basis upon which he asserted that IBDG owed him an indemnity, and to lodge and serve any

documents which he said formed the basis of such an indemnity. A skeleton argument dated 21 April 2024, prepared on Mr Veiss's behalf by Mr Lionel Nichols of counsel in London, was lodged with the Court. However, no documents were served which were said to form the legal basis of an indemnity.

22. At the hearing of the two applications on 28 April 2024, Mr Nichols on behalf of Mr Veiss confirmed that Mr Veiss no longer relied on any supposed letter of comfort similar to in the Murray Case, but instead on a letter of comfort which Mr Veiss contends must have been issued by IBDG pursuant to article 37 of the QFC's Financial Services Regulations ('FSR') and article 8.2.4 of the QFCRA's General Rules 2005 ('GENE') when IBDG became the controller (as defined in the Regulations) of Prime.

**The lack of basis for Mr Veiss's claim to be the beneficiary of an indemnity given to him by IBDG**

23. Mr Veiss' case (in paragraphs 11 and 23(c) of Mr Nichols' skeleton argument) is that "*Pursuant to Article 37 of the QFC's Financial Services Regulations and Article 8.2.4 of the QFCRA's General Rules 2005, when IBDG became the controller of Prime (an authorised firm) it would have provided a letter of comfort to the regulator*", which Mr Veiss says he understands would have confirmed to the regulator:

- i. that IBDG had adequate financial resources to fulfil its [unspecified] commitments under such a letter of comfort; and
- ii. that it would support Prime to conduct its business under the applicable laws, regulations and rules; and
- iii. that it would enable Prime at all times to meet its obligations in accordance with standards of prudence generally accepted for the firm's business; and
- iv. that it is willing and committed to support Prime should circumstances arise that might affect ability to maintain adequate capital and liquidity levels to meet its obligations and regulatory requirements; and
- v. will not make any changes in its shareholder or ownership without the prior approval of the QFCRA.

24. Mr Veiss's skeleton arguments says that, "*To date, Mr Al Tawil, Prime and IBDG have failed to disclose a copy of the Letter of Comfort*". However, we have been shown no correspondence

with any of these persons seeking disclosure of such a letter. Nor is there any application to the Court seeking an order for disclosure of any such letter.

25. We are not persuaded by these submissions. First, if Mr Veiss wished to rely on any such letter of comfort, he should have asked for disclosure of them, and – if this was not forthcoming – made applications to the Court for such disclosure. He has not done so, despite his applications for the letters of comfort in the Murray Case upon which he no longer relies.
26. Mr Veiss has provided no evidence whatsoever of the existence of a letter of comfort. He simply supposes that such a letter exists.
27. Mr Veiss now relies on article 8.2.4 of GENE as it refers to the obligations of a “controller” (as defined). It provides:

*GENE 8.2.4 Additional requirement — letter of comfort*

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*(1) A controller notice must be accompanied by a letter of comfort if the notice is seeking approval to increase existing control:*

*(a) from a level of 10% to 48.99% to a level of 49% or more; or*

*(b) from a level of 10% to 73.99% to a level of 74% or more.*

*Note* By giving a letter of comfort when a controller crosses the thresholds at 49% and 74%, the controller signifies its continuing willingness and commitment to support the firm in case of unforeseen contingencies that may affect the firm's ability to maintain adequate capital and liquidity levels in order to meet its obligations and regulatory requirements.

*(2) The Regulatory Authority may require a letter of comfort to accompany a controller notice seeking approval to increase control from a level of 10% to 23.99% to a level up to 48.99%.*

*(3) A letter of comfort must be in a form acceptable to the authority and must state that the person:*

*(a) has adequate financial resources to fulfil its commitments under the letter;*



*(b) will support the firm:*

*(i) to conduct its business under the applicable laws, regulations and rules; and*

*(ii) to enable it at all times to meet its obligations in accordance with standards of prudence generally accepted for the firm's business; and*

*(c) will notify the authority immediately of any significant change in its relationship with the firm.*

28. Article 8.2.4 requires a letter of comfort to be given. This does provide some support for Mr Veiss' supposition that there is such a letter. If such a letter exists, the scope of article 8.2.4 is clearly that the required undertakings must be given to the regulator. While article 8.2.4 (3)(ii) includes the requirement that the person giving the letter of comfort must "*enable it at all times to meet its obligations in accordance with standards of prudence generally accepted for the firm's business*", we conclude that this is intended to satisfy the regulator that the controller will operate the business properly. We are not persuaded that any letter of comfort provided pursuant to this article has the effect of providing a personally enforceable undertaking to an individual such as Mr Veiss himself.
29. Even if and to the extent there were any such undertaking, it is difficult to see how this could avail Mr Veiss in relation to his claim against Mr Al Tawil, because he does not suggest that any such letter of comfort would have related to Mr Al Tawil's commitments as opposed to any of Prime's commitments.
30. Mr Nicholls conceded that such a letter of comfort could not operate so as to set aside the corporate limited liability principle.
31. In summary,
- i. There is no factual or evidential basis for Mr Veiss' applications. Mr Nichols fairly accepted that Mr Veiss was asking us to join IBDG on the basis of his guess that a letter of comfort might exist and that, if it did, it would probably contain the information required by article 8.2.4. That alone is sufficient to dismiss the application.

- ii. Even if we had been prepared to accept Mr Veiss' case that there was probably a letter of comfort of some sort in existence, we are not persuaded that it would include an indemnity by IBDG to an individual such as Mr Veiss in the circumstances relevant to his disputes in these two actions.
- iii. Mr Veiss' applications in both cases are completely speculative and wholly without merit. He has not demonstrated any basis upon which IBDG should be joined as a party to either the Al-Tawil or the Prime Proceedings.

32. The applications fail.

33. Since the applications for joinder are unsuccessful, we hold that Mr Veiss must pay the costs of and occasioned by these proceedings by IBDG. The applications are completely unmeritorious. We therefore conclude that costs should be assessed on the indemnity basis if not agreed.

**By the Court,**



**[signed]**

**Justice Helen Mountfield KC**

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

Representation

The Claimant was represented by Eversheds Sutherland (International) LLP and Mr Lionel Nicholls of Counsel (4 New Square, London, UK).

The Prospective Defendant was represented by Mr Mohammed Rafee of the Hasan Mohamed Al Marzouqi Law Firm (Doha, Qatar).