Kluwer Arbitration Blog

QICCA's Arbitration Evolution: Key Changes for Practitioners

Can Eken (Durham University) and Nawal Hend (International Dispute Resolution Lawyer) \cdot Monday, March 10th, 2025

The Qatar International Center for Conciliation and Arbitration ("QICCA") has introduced updated rules ("the 2024 Rules"), which were adopted by the Board of Directors on 15 September 2024, effective 1 January 2025. These amendments address multi-party and multi-contract cases, third-party funding disclosure, expedited and emergency proceedings, technological advancements, fee structures, and enhanced procedural efficiency. This blog post analyses the key changes and their potential impact on arbitration in Qatar further to the previous bog post.

Key Amendments to QICCA Arbitration Rules

• Consolidation and Joinder Provisions

A major change in the 2024 Rules is the introduction of Articles 10 and 21, which allow consolidation of multiple arbitrations and joinder of third parties. Article 10 of the 2024 Rules introduces a new mechanism for consolidating arbitrations. Before a tribunal is constituted, QICCA is empowered to consolidate arbitrations involving the same dispute or contract and the same parties, or some of them. Once the tribunal is in place, it can request consolidation from QICCA after consulting with the parties. The 2024 Rules do not specify the exact conditions for consolidation after the tribunal has been constituted, unlike some other institutions, including the rules of the International Chamber of Commerce ("ICC") and the London Court of International Arbitration ("LCIA"). Instead, the 2024 Rules suggest that consolidation should be limited to disputes from the same contract involving the same parties or a subset of them. QICCA retains discretion to consider factors like the similarity of issues, the relief sought, and the status of each arbitration.

QICCA's flexibility in consolidating arbitrations allows for a broad assessment of circumstances. While beneficial, as it lets tribunals consider all equitable factors, it may also create uncertainty. Different tribunals could interpret these factors differently, leading to inconsistent consolidation decisions. QICCA's role, before the tribunal is constituted, will likely be crucial in mitigating uncertainty or establishing a clear framework for post-appointment consolidation. The practical effects of these provisions depend on specific case details and are yet to be fully understood.

The joinder provisions have been expanded under Article 21 of the 2024 Rules. QICCA has the discretion to order the joinder of third parties before the tribunal's appointment if the third party is a party to the arbitration agreement, either originally or through assignment or extension, or if the third party agrees to the joinder. Tribunals, once constituted, are also empowered to order joinder

under similar conditions.

This clarification ensures arbitration agreements can extend beyond the original signatories, offering more flexibility compared to the 2012 Rules. Tribunals can deny joinder requests if they determine that the third party is not bound by the arbitration agreement or "where any exists that makes the joinder inappropriate."

QICCA's approach aligns with modern arbitration practices, where agreements can apply to third parties such as assignees and beneficiaries. Unlike LCIA, which requires express permission for joinder, QICCA's provisions align more with institutions like ICC, Singapore International Arbitration Centre ("SIAC"), and Hong Kong International Arbitration Centre ("HKIAC"), which allow joinder unless explicitly restricted by the agreement.

Parties with pending cases before QICCA should note that consolidation will not affect the determination of arbitration administrative expenses. However, QICCA retains the discretion to reassess the costs for consolidated proceedings as it deems appropriate.

• Expedited Procedure

The 2024 Rules introduce a new set of expedited procedures for disputes under QAR 1 million (approximately USD 264,000). In expedited procedures, the tribunal must be appointed within seven days of the respondent's reply, with the final award due within 90 days, extendable by 30 days. Parties can opt out of expedited procedures by agreeing to appoint three or more arbitrators. This streamlined approach provides efficiency for resolving less complex, lower-value disputes with QICCA's financial threshold of USD 264,000 comparable to Dubai International Arbitration Centre ("DIAC") but lower than Saudi Center for Commercial Arbitration ("SCCA") and Bahrain Chamber for Dispute Resolution ("BCDR"). The ICC applies expedited procedures for disputes up to USD 3 million. Future adjustments to QICCA's threshold remain to be seen.

• Emergency Arbitration

In 2023, QICCA managed arbitration cases valued at about USD 800 million, with construction disputes making up 60% of the caseload. To address the need for early intervention in disputes, particularly for incomplete construction projects, QICCA introduced emergency arbitration provisions. These provisions allow for swift resolution of urgent issues like site preservation and prevention of irreparable damages.

Pursuant to Chapter Five of the 2024 QICCA Rules, parties can seek emergency relief before a tribunal is formed. After filing a request, a party can apply for relief by submitting an application and paying fees ranging from QAR 30,000 (approximately USD 8,000) to QAR 165,000 (approximately USD 44,000), depending on the dispute's value. The 2024 Rules allow emergency relief under conditions similar to those of ICC, DIAC, and SCC Arbitration Institute. However, the effectiveness of these provisions may depend on whether the criteria are applied cumulatively and strictly, potentially limiting their practical impact.

QICCA may approve the application if the request is "prima facie based on valid grounds." An emergency arbitrator is appointed promptly, with decisions required within 15 days. Relief is granted if the arbitrator has jurisdiction, the claim has merit, damages are insufficient, urgency is critical, and the benefit outweighs potential harm. The scope of remedies includes maintaining the status quo, preventing harm, preserving assets, and securing evidence. However, it is unclear how

Qatari courts will enforce these non-final awards.

• Use of Virtual Hearings and Electronic Signatures

The 2024 Rules permit virtual hearings and e-signatures for awards. Witnesses can be examined via video. Article 4.9 of the 2024 Rules requires hard copies of all notices and correspondences to be delivered to QICCA unless QICCA decides otherwise. It is likely that QICCA usually waives this requirement in practice. These changes reduce costs and enhance convenience, aligning with global trends, but concerns about security and enforceability persist, particularly regarding physical signature requirements in some jurisdictions.

• Disclosure of Third-Party Funding

The 2024 Rules introduce provisions requiring the disclosure of third-party funding ("TPF"), including the funder's identity and TPF arrangements. While disclosure is optional at the notice of arbitration stage, it adds transparency to arbitration proceedings, in line with practices from other institutions like the ICC and SIAC, QICCA does not require reporting of changes to TPF arrangements, which may lead to uncertainty about enforcement. Additionally, Article 9 does not empower tribunals to impose costs on third-party funders, potentially limiting QICCA's ability to hold them accountable.

Parties seeking to enforce QICCA awards must be mindful of funder involvement. In common law jurisdictions, excessive funder involvement can affect enforceability, while civil law jurisdictions such as Qatar are generally more lenient.

• Default Seat of Arbitration

Unlike the 2012 Rules, the 2024 Rules now provide for the City of Doha as the default seat of arbitration at Article 23.1, unless the parties agree otherwise. The tribunal may also choose a different seat with the parties' consent after its constitution, considering the case's circumstances. This approach offers flexibility while providing clarity, ensuring that the arbitration process adapts to the specifics of the dispute.

• Fees

The 2024 Rules revise QICCA's fee structure, offering greater flexibility. The amount in dispute is defined by the claim and counterclaim, excluding interest, arbitration costs, or legal expenses. A sliding scale for registration fees of new arbitrations in QICCA ranges from QAR 5,000 to QAR 20,000 (approximately USD 1,375 to USD 5,486), depending on the dispute's size. Administrative expenses follow a fixed scale, starting at QAR 2,000 and reaching up to QAR 650,000 (approximately USD 548 to USD 178,295). Tribunal fees have been slightly increased, reflecting the growing complexity of disputes.

QICCA has introduced a cost calculator to simplify fee application, offering transparency and ease for parties and legal representatives.

Confidentiality

Article 69 of the 2024 Rules contains reinforced confidentiality provisions, ensuring that all parties involved in arbitration, including witnesses and experts, maintain confidentiality. This enhances

the protection of sensitive information. However, the lack of specified consequences for breaching confidentiality raises concerns about enforcement and accountability.

• Secretary Role

The clarified provisions regarding the tribunal secretary's role in Article 25 aim to enhance procedural efficiency by supporting the tribunal with case management. While this improves organisation, there are concerns that the secretary's influence could unduly affect the tribunal's decisions, necessitating clear safeguards to maintain the arbitration process's integrity.

• Tribunal's Inquisitorial Powers

Under the 2024 Rules, tribunals have the power to independently collect evidence without notifying the parties, a provision that goes beyond the inquisitorial powers of other arbitration centres like the ICC and LCIA. This provision raises potential concerns about fairness, as tribunals may gather evidence that could influence their decisions without giving the parties an opportunity to respond. It remains to be seen how this will be applied in practice and how courts will address challenges to the tribunal's authority in the future.

Conclusion

QICCA, as Qatar's home-based arbitration center, introduced key changes in the 2024 Rules that address the evolving needs of arbitration in the region. These changes streamline case management, facilitating faster resolution of disputes through expedited proceedings and emergency arbitration while offering flexibility and transparency in multi-party cases. In 2024, QICCA was recognised by Global Arbitration Review as one of the "Institutions to Watch," reflecting the region's business transformation. This aligns with the GCC's diversification efforts into sectors like tourism, real estate, and manufacturing. According to Price Waterhouse Cooper, the Gulf countries, including Qatar, are expected to remain financially resilient. Overall, QICCA's approach strengthens its position as a key player in the GCC's arbitration landscape, offering more tailored and responsive solutions for businesses in Qatar and the region.

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This entry was posted on Monday, March 10th, 2025 at 8:11 am and is filed under ICC, LCIA, QICCA

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