

Contents

<i>List of Figures</i>	<i>page</i> xi
<i>Preface</i>	xiii
<i>Table of Cases</i>	xv
<i>List of Abbreviations</i>	xxi
1 The Sources of Qatari Contract Law	1
1.1 Introduction	1
1.2 Brief Historical Account of the Development of Qatari Private Law	3
1.3 Regulation of Contract Law in the Civil Code	5
1.4 Other Relevant Legislation	5
1.5 The Role of English Contract Law	5
1.6 The Limited Role of Islamic Law	6
1.7 The Qatar Financial Centre Contract Regulations	8
1.8 The Role of Judicial Precedent	9
1.9 The Development of Contract Law by the Legal Profession	10
2 Contract Formation	12
2.1 Introduction	12
2.2 Obligations in General	13
2.2.1 Definition of Contract	13
2.2.2 Expression of Intention	14
2.2.3 Expression and Manifestation of the Offer	16
2.3 Offer	17
2.3.1 Retraction of Offer	19
2.4 Acceptance	20
2.5 Correspondence of Offer and Acceptance	21
2.5.1 Contract Session	21
2.5.2 Types of Contract Sessions	23

2.5.3	Essential and Non-essential Elements	25
2.5.4	Contracting by Standard Terms	25
2.6	Obligations in Specific Contractual Types	27
2.6.1	Sales Contracts	27
2.6.2	Lease Contracts	28
2.6.3	Employment/Labour Contracts	29
2.6.4	Public or Administrative Contracts	30
3	Intention to Be Bound and Cause	31
3.1	Introduction	31
3.2	Expression of Intention	31
3.2.1	Dissensus	33
3.2.2	The Parties' Common Intention	35
3.2.3	Timing of Intent	36
3.2.4	Evidence to Prove Intent and Common Intent	37
3.3	Intention in Unilateral Contracts and Promises	39
3.3.1	The Position in Islamic Law: In Brief	39
3.3.2	Unilateral Contracts under the CC	41
3.3.3	Promises Giving Rise to Reasonable Reliance	42
3.4	Cause	43
4	Capacity and Authority to Contract	45
4.1	Introduction	45
4.2	Legal Personality	46
4.2.1	Legal Personality and Competence to Contract	46
4.2.2	Age of Majority and Discretion	47
4.3	Capacity of Minors	48
4.4	Partial Competence	49
4.5	Mental Incapacity	51
4.6	Capacity of Juridical/Legal Persons to Enter into Contracts	53
4.7	Agency	54
4.7.1	Agency as a Contract and Power of Attorney	55
4.7.2	The Authority of the Agent	56
4.7.3	Disclosure of the Agency	57
4.7.4	Standard of Care	58
4.7.5	Obligations of the Principal to the Agent	59
4.7.6	Delegation by an Agent to a Sub-agent	60
4.7.7	Multiple Agents	60
4.7.8	Termination of the Agency	60

<i>Contents</i>		vii
4.8	Commercial Agency	61
4.8.1	Contract Agency	64
4.8.2	Commission Agency	65
4.8.3	Distributorship	66
4.8.4	Trade Representative	66
4.8.5	Brokerage	67
5	Formality	68
5.1	Introduction	68
5.2	Reasons for Formalities	69
5.3	Contracts to Be Made by Notarial Deed	70
5.3.1	Gifts and Donations	70
5.3.2	Agency Contracts (Power of Attorney)	73
5.3.3	Immovables (Real-Estate Conveyance and Mortgage)	76
5.3.3.1	Real-Estate Conveyance	76
5.3.3.2	Real-Estate Mortgage	78
5.4	Contracts to Be Made in Writing	80
5.4.1	Company Articles of Association	80
5.5	Contracts to Be Evidenced in Writing	83
5.5.1	Guarantees (Suretyship)	83
6	Interpretation and Gap Filling by the Courts	85
6.1	Introduction	85
6.2	Clarity of Wording	85
6.3	Lack of Clarity	86
6.3.1	Literal Construction	86
6.3.2	The Parties' Common Intention	87
6.3.3	Shared Subjective Understanding	89
6.3.4	Interpretation of Imbalanced Contracts: The <i>Contra Preferentum Maxim</i>	89
6.4	Evidence for Contractual Interpretation	90
6.5	Gap Filling	92
6.5.1	Terms Implied by Fact	93
6.5.2	Terms Implied by Law	93
6.5.2.1	Good Faith	95
6.5.2.2	Public Policy, Custom and the <i>Sharia</i>	95
7	Good Faith and Unfair Terms	98
7.1	Introduction	98
7.2	Good Faith	98
7.2.1	Subjective Good Faith	100
7.2.2	Objective Good Faith	102

7.3	Waiving Good Faith	103
7.4	Unfair Terms in Contracts	105
7.4.1	Exemption Clauses	107
7.4.2	Incorporation	108
7.4.3	Interpretative Rules for Assessing Unfair Terms	109
7.5	Fairness	110
8	Defects of Consent	111
8.1	The General Rule	111
8.2	Mistakes	112
8.3	Fraud	114
8.4	Threat or Coercion	117
8.5	Exploitation	118
8.6	Injustice	119
8.7	Effects of Defective Consent	121
9	Prohibited Contracts	123
9.1	Introduction	123
9.2	Absolute Nullity (Void Contracts)	124
9.2.1	Defective Effects on Consent	125
9.2.2	The Effect of a Defect on the Contract's Subject-Matter	125
9.2.2.1	Existence of Subject-Matter	126
9.2.2.2	Identification of Subject-Matter	126
9.2.2.3	Legality of Subject-Matter	127
9.2.3	The Impact of Defects on Cause	127
9.3	Relative Nullity (Voidable Contracts)	129
9.4	Effects of Nullity	131
9.5	Nullity of Special Contracts	134
9.5.1	Sales Contract	134
9.5.2	Lease Contracts	136
9.5.3	Labour Contracts	137
10	Performance and Damages	139
10.1	Introduction	139
10.2	Compulsory Performance (Including Damages)	140
10.2.1	Determination of Natural Obligations	141
10.2.2	Specific Performance	142
10.2.2.1	Transfer of Ownership	144
10.2.2.2	Reasonableness Test and Statutory Duty of Care	145
10.2.2.3	Performance In-kind Directly by the Obligor	146
10.2.2.4	Disciplinary Penalties	148

<i>Contents</i>		ix
10.2.3	Compensatory Performance (Damages)	150
10.2.3.1	Limitation Clauses	151
10.2.3.2	Notifications	151
10.2.3.3	Estimation of Damages and Collateral Damages	153
10.2.3.4	Moral Damages	153
10.2.3.5	Liquidated Damages	154
10.2.3.6	Restitution	154
10.2.3.7	Nature of Damages	156
10.2.3.8	Types of Damages	157
10.2.3.9	Conditions for a Valid Claim of Damages	159
10.3	Performance in Accordance with Special Laws	161
10.3.1	Performance in Sales Contracts	161
10.3.1.1	Delivery and Incoterms Clauses	162
10.3.1.2	Inspection of Sold Goods	163
10.3.1.3	Payments and Financial Securities	163
10.3.1.4	Damages in Sales Contracts	164
10.3.2	Performance in Lease Contracts	165
10.4	Enrichment without Cause	167
10.5	Detrimental Reliance on a Promise	168
11	Termination and Rescission of Contracts	170
11.1	Introduction	170
11.2	Rescission and Termination in the Civil Code	170
11.2.1	The General Rule	170
11.2.2	Notice to Terminate	174
11.2.3	Termination on the Basis of Anticipated Breach	175
11.3	Unilateral Disposition	175
11.4	Discharge	175
11.5	Termination by Reason of Death	176
11.6	Limitations	177
11.7	Termination Based on the Type of Contract	179
11.7.1	Termination of Lease Contracts	179
11.7.2	Termination of Employment Contracts	181
11.7.3	Termination of Insurance Contracts	182
11.7.4	Agency Contracts	183
11.8	Settlement	183
11.8.1	Parties to the Settlement	184
11.8.2	Object of Settlement	185
11.8.3	Settlement with Agreed Consideration	185
11.8.4	Novation	186
11.8.5	Assignment	186

11.8.6	Set-Off	186
11.8.7	Combined Obligations	187
11.9	Force Majeure	187
11.9.1	Impossibility of Fulfilment	190
11.9.2	Unforeseen Circumstances	190
12	Contracts and Third Parties	193
12.1	Introduction	193
12.2	Assignment of Rights and Assignment of Debts	194
12.2.1	Assignment of Rights	195
12.2.2	Novation or Assignment of Obligations	196
12.3	Effects of Contracts on Third Parties	198
12.4	Contracts Explicitly Intended to Confer Rights on Third Parties	200
12.5	Responsibility for Acts of Third Parties	201
12.6	Voidance of a Contract on Account of the Conduct of or Benefit to a Third Party	202
12.7	Termination by Reason of Lawful Third-Party Interference	202
13	The Contract Regulations of the Qatar Financial Centre	204
13.1	Introduction	204
13.2	The Relationship of the QFC Contract Regulations with the Qatari CC	205
13.3	Scope of Application of Contract Regulations	207
13.4	The Common Law and UNIDROIT PICC Imprint on the Contract Regulations	208
13.5	Notable Elements of the Contract Regulations	210
13.5.1	Formation of Contracts	210
13.5.2	Validity of Consent	211
13.5.3	Contractual Interpretation and Contents of a Contract	212
13.5.4	Agency	213
13.5.5	Performance	213
13.5.6	Non-Performance and <i>Force Majeure</i>	214
13.5.7	Remedies	215
13.5.7.1	Limitation Periods for Damage Claims	217
13.5.8	Termination of Contracts	219
13.5.9	Transfer of Rights and Obligations	219
13.5.10	Third-Party Rights	220
	<i>Index</i>	221