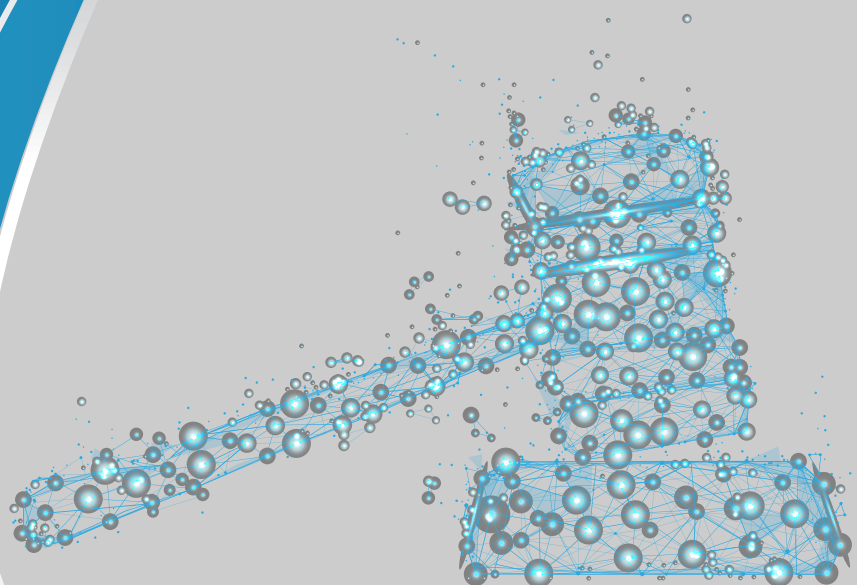




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Claiming Outstanding Dues of a Contractor





Claiming Outstanding Dues of a Contractor

Background:

A claim filed by the Plaintiff (our client) a company against a Company (Defendant) in the Commercial Court of Riyadh for claiming outstanding payment towards contracting work implemented by our client.

Summary:

The case goes back when our client, in its capacity as the Plaintiff, entered into an agreement with the Defendant whereby our client shall implement a number of contracting projects for the Defendant. Our client fulfilled its contractual obligations and carried out the works entrusted to it in consideration of SAR 23,647,610.33 (Twenty Three Million and Six Hundred Forty Seven Thousand and Six Hundred ten Riyals and Thirty Three Halalah) the Defendant failed to settle— a matter, which prompted us to file this lawsuit.

Details:

In our capacity as the legal Attorney of the Plaintiff, we initiated a legal action before the Commercial court in Riyadh, in which we stated that our client is a contracting company, which concluded an agreement with the Defendant to implement a number of projects for a value of SAR 23,647,610.33, which was mentioned hereinabove in the summary of the case.

Our client fulfilled its obligations and performed the tasks entrusted to it, the project as per the contract.

Our client tried to get in touch with the Defendant so the latter could pay off the outstanding dues, however, the Defendant kept on stalling.

We stood to the right of our client to force the Defendant to settle the overdues. When the Court Circuit asked us to show the proofs for what we had claimed, we produced the original customer statement of our client with the Defendant and the printed form (letterheads) of the Defendant, dated....., on which the Defendant had certified two times with its official stamp, which showed that our client had been entitled to the claim amount.

We submitted to the court also a balance confirmation letter dated....., issued on the printed form (letterheads) of our client, and addressed to the Defendant. The letter was counter signed by the representative of the Defendant, which served as an acknowledgment and balance confirmation from the Defendant.

We also produced the authentication of the Chamber of Commerce in Riyadh to match the signature endorsed on the letterheads.

On other hand, the Attorney of the Defendant submitted a memorandum of reply against our claims, in which the Defendant's Attorney stated that the Defendant does not acknowledge the authentication submitted by our client, since it was issued on printed form, and the signatory had no capacity to sign any financial dues.

Rather, the Attorney of the Defendant demanded us to show the work orders, which prove the contractual relationship, as well as the detailed invoices approved, which could show that the work had been fulfilled.

The Circuit Court showed the Attorney of the Defendant with the authentication of the customer statement and asked it about the authenticity of the signature and stamp given by its client, yet the Attorney told the Court that he was not familiar with the stamp of its client.

The Attorney was warned by the Court that it might be construed as refraining from giving an answer if he abstains to do so, later the Attorney requested the Court to be given a grace to prepare his response.

Grounds:

Since the objective of filing the lawsuit by our client is to force the Defendant to pay it as much as SAR 23,647,610.33 (Twenty Three Million and Six Hundred Forty Seven Thousand and Six Hundred ten Riyals and Thirty Three Halalah) in consideration of performing contracting works for the Defendant at the Defendant's orders; and, Since we based our claims on the customer statement of our client with the Defendant, and on the balance confirmation letter; and,

Since the Attorney of the Defendant did not deny the fact that the signature and stamp do belong to its client, but it pleaded that the signatory or the person who inserted the company's stamp was not authorized to do so; and,

Since the evidences imply that the Defendant was well aware of, satisfied with, and authorized and appointed its employee to sign and place the company's stamp on the customer statement, which reflects that the statement was correct, so the Defendant may not deny its acts in any way; and,

Since the stamps and signature of the Defendant have been matched by the Chamber of Commerce for authentication, which would serve as a proof for that the Chamber of Commerce is a certified official body authorized to conduct verification of signatures and seals matching; and,

Since Judiciary deems the declaration in writing has the same force as oral declaration, and the stamps reflect the will of its owner unless otherwise proven, therefore the Circuit deems it as a sufficient evidentiary document to substantiate the right of our client vis-à-vis the defendant.

Ruling:

The Circuit has ordered the Defendant to pay the Plaintiff (our client) as much as SAR 23,647,610.33 (Twenty Three Million and Six Hundred Forty Seven Thousand and Six Hundred ten Riyals and Thirty Three Halalah).

The primary ruling has been upheld by the Appellate Circuit for the reasons herein-above stated, as the higher circuit did not find in the appeal what could overrule the judgment that was handed down by the trial circuit.

Ruling date: 2018



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