

Forensic Accounting in Light of the New Experts Law in Qatar

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The combination of two scientific backgrounds by the same person can lead to significant specialised understanding and amazing results.

An interesting example closely related to litigation is that of Forensic Accounting, a unique combination between law and accounting. This combination has been introduced in Qatar by the implementation of the new Law no. 16 of 2017 on regulating works of expertise (the “Experts Law”).

Qatar: Positive steps in the right direction: Introduction to the Experts Law

On 11 March 2018, the Ministry of Justice (“MOJ”) in Qatar organised a seminar introducing, explaining and highlighting the key features of the Experts Law. The new law does not specify particular types of expert services but does however provide a broad definition, which includes any technical services provided to a judicial or an official authority, including translation. This definition applies to all experts registered within the MOJ’s list to act before the courts, as well as administrative experts appointed by the Ministry. Furthermore, the law also sets out the conditions of registering experts before the court; with one such condition specified as the individual having a minimum of ten years of experience within the related field.

Previously, registering an expert within the court’s list of approved experts was not governed by a specific law. Therefore, there were no specific conditions or criteria for registering such experts. In essence, other than being a certified accountant in Qatar, no further criteria was prescribed to register an expert accountant. Such criteria was not sufficient as the requirements for a certified accountant in Qatar, in accordance with Law No. 30 of 2004 organising the accounting profession, was to obtain a bachelor’s degree in accounting and have three years of practical experience. Passing further accounting or legislative exams, similar to other countries, was not required.

The Experts Law organises expert’s registration and services and sets out further conditions to improve the quality of expert services.

In addition to the above, the MOJ in Qatar is taking practical steps to ensure the best implementation of the law. This has been reflected by an announcement during the organised seminar in launching a training course for experts including accountants, covering the Experts Law, the Civil Code, the Criminal Code, and Civil and Criminal Procedures Laws and introducing the legal principles related to the expert’s mission.

This training course has the possibility to lead the way to a local forensic accounting qualification for Qatari accountants.

What Is Forensic Accounting?

According to the Association of Certified Fraud Examiners (ACFE), forensic accounting is the use of professional accounting skills in matters involving potential or actual civil or criminal litigation.

This combination between the study of law and the study of accounting can be achieved in two ways; introducing lawyers to the principles of accounting, or introducing accountants to the study of law.

Considering that certified accountants are required to obtain some legal background as part of their accounting curriculum, adding further legal knowledge to a certified accountant is more common.

Accountant's legislative knowledge and qualification exams in many countries are mainly related to the laws which are akin to the commercial code, company laws, tax laws, and anti-money laundering laws, as such laws are directly related to the field of accounting. However, additional legal knowledge required for qualifying as a forensic accountant is mainly related to laws involving the civil code, the criminal code, and civil and criminal procedures laws.

This additional legal knowledge allows a forensic accountant to understand the concepts of civil liability, criminal liability as well as investigation and court procedures. This allows the forensic accountant to assist in solving complicated financial crimes, or preparing professional expert reports which can be understood by lawyers and courts.

Forensic Accounting Services

There are two main categories of forensic accounting services; acting as investigators, and acting as experts. Both services are required either before a court action, or during a court proceeding.

Investigation services are often used before filing the court action to determine if there is:

1. a basis for a financial crime to be referred to court (criminal liability);
2. a basis for claiming compensation (civil liability); or
3. no basis for a court action, whether based on the law or based on practical and feasibility considerations.

While acting as an expert is often required after the case is filed before the court, providing this particular service requires understanding of what an expert mission is, how the expert report should be prepared, what should be included in such report and what is considered exceeding an expert's mission.

Qualifying as a Forensic Accountant

In addition to combining accounting and legal knowledge, forensic accountants require certain skills to blend the two studies together in a practical and useful way.

Critical thinking, problem solving, and strong communication skills are essential. As investigators it is imperative to know where to look, what to ask and who to ask when solving a financial crime. While as a court expert, the ability to relate the findings and represent them in a properly drafted expert report lead to the acknowledgement of the report by the court and rendering a decision based on the report..

Conclusion

In all the countries around the world, including Arab countries, accountants and auditors play a significant role in assisting courts and lawyers in aspects related to accounting within legal services and disputes.

Accountants and auditors are already acting as forensic accountants by being listed within the court's expert list and acting as experts in various court actions.

The Experts Law aims at organising and structuring an important practice. Adding certification requirements, imposing legal and technical training and creating a regulatory body, which will enhance the services provided by the experts in a more institutionalised manner.

The initiative taken by the Ministry of Justice in Qatar to offer legal training courses to experts is a significant start. Providing specialised training for accountants, as opposed to general courses, and the addition of forensic accounting skills courses may shift this initiative to become a regionally acknowledged forensic accounting certification, considering the similarities between the GCC legal systems and laws.