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Simplifying enforcement: UK ratifies 2019 Hague Enforcement Convention

Key takeaways

- On 27 June 2024 the UK government ratified the Hague Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters
- The Convention provides a uniform framework for the recognition and enforcement of judgments between the UK and the other contracting states, including the EU
- It will come into force for the UK on 1 July 2025 and apply to judgments obtained in proceedings commencing after that date

On 27 June 2024 the UK government ratified the Hague Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters (the Convention). It will come into force for the UK on 1 July 2025 and apply to judgments obtained in proceedings commencing after that date.

The Convention provides a uniform framework for the recognition and enforcement of judgments between the UK and the other contracting states. The other contracting states include all EU member states (except Denmark) and Ukraine, where the Convention came into force on 1 September 2023, and Uruguay, where it will enter into force on 1 October 2024. A number of other countries have signed the Convention but not yet ratified it, including Costa Rica, Israel, Montenegro, North Macedonia, Russia and the United States.

Key features of the Convention

1. **Recognition and enforcement:** A judgment given in one contracting state (the State of Origin) must be recognised and enforced in another contracting state (the Requested State) under certain conditions.

2. **Scope:** The Convention applies to civil and commercial matters; however there are a number of exclusions. The exclusions are listed in Article 2 and include, among others, family law matters, insolvency, defamation, privacy, intellectual property and arbitration-related matters. In addition, the Convention will only apply to judgments, so an interim measure of protection (such as an interim injunction) does not fall within the scope.

3. **Eligibility:** For a judgment to be eligible for enforcement under the Convention, at least one of the requirements in Article 5 must be met:

a. There are several requirements based on connections between the defendant and the State of Origin. For example, the defendant's habitual residence, principal place of business, or branch, agency or other establishment must have been in the State of Origin at the time the defendant became a party to the proceedings.

b. The defendant expressly consented or impliedly consented (i.e., submitted) to the court's jurisdiction in the State of Origin.

c. Judgment was given on a contractual obligation performed or a tort committed in the State of Origin.

d. The court in the State of Origin was designated in an agreement between the parties, other than an exclusive choice of court agreement (i.e., the dispute falls within a non-exclusive or asymmetric jurisdiction clause in favour of the State of Origin). Presumably this is to avoid overlap with the Hague 2005 Convention on Choice of Court Agreements, which applies where there is an exclusive jurisdiction clause (provided that clause was entered into after the Hague 2005 Convention's entry into force in the state of the chosen court).

e. There are specific requirements listed in relation to immovable property, trusts, counterclaims, consumer contracts and employment.

4. **Grounds for refusal:** The Requested State can refuse to recognise and enforce a foreign judgment on specific, limited grounds, such as:

a. The judgment is not enforceable in the State of Origin.

b. The defendant was not given proper notice of the proceedings in the State of Origin.

c. The judgment was obtained by fraud.

d. Recognising or enforcing the judgment would be manifestly incompatible with the public policy of the Requested State.

e. The proceedings in the State of Origin were contrary to a jurisdiction agreement.

f. The judgment is inconsistent with a judgment already given in the Requested State, or another state, in a dispute between the same parties.

g. The judgment awards damages, including exemplary or punitive damages, that do not compensate a party for actual loss or harm suffered.

h. Recognition or enforcement may be postponed or refused if there are prior parallel proceedings pending before a court of the Requested State. Where recognition or enforcement is refused on this ground, a party may subsequently re-apply. Where recognition or enforcement is refused on this ground, a party may subsequently re-apply.

5. **Documents and procedural rules:** In summary, the party seeking recognition or enforcement must provide a certified copy of the judgment and a certificate from the court in the State of Origin confirming the judgment's enforceability. Translations into the language of the Requested State may also be required. The Convention provides that the procedure for recognition and enforcement is governed by the law of the Requested State, but that the court of the Requested State must act "expeditiously". In England and Wales, the procedure for recognition and enforcement is set out in Rule 74 of the Civil Procedure Rules. CPR Rule 74 was recently amended to facilitate the implementation of the Convention and the amendments will take effect on 1 July 2025.

Comment

Before Brexit, the recognition and enforcement of judgments between the UK and EU member states was subject to the so-called 'European regime', a raft of legislation which streamlined the rules between member states. The rules in the UK were profoundly changed by the UK's withdrawal from the EU and the European

regime now only governs the enforcement of judgments between the UK and EU member states given in proceedings instituted before the end of the UK-EU transition period (31 December 2020).

Although English judgments can be recognised and enforced under the Hague 2005 Convention on Choice of Court Agreements (which, in addition to the UK and EU, includes Mexico, Singapore, Moldova, Montenegro and Ukraine), it only applies to judgments obtained in proceedings where there is an exclusive English jurisdiction clause, and that clause was entered into after its entry into force in the UK. Where the Hague 2005 Convention does not apply, enforceability depends on whether there is a reciprocal arrangement between the UK and the relevant state. If there is no such arrangement, then the relevant state's national rules on the enforcement of foreign judgments will apply.

In a post-Brexit landscape, the enforcement of judgments between the UK and EU therefore involves a patchwork of international conventions, domestic laws and common law principles. From 1 July 2025, the Convention will bring much-needed clarity and certainty. It helps to plug certain legislative gaps left by Brexit and, once it takes effect, will simplify and expedite the process of recognition and enforcement of judgments between the contracting states.