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UK to Join Hague Judgments Convention

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On 23 November 2023, the UK government announced that the UK will join the Hague Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters (the "**Hague Judgments Convention**") following its consultation on whether the UK should join.

The UK government will seek to sign and ratify the Hague Judgments Convention as soon as possible and it will then enter into force 12 months from the date on which the UK deposits its instrument of ratification with the Hague Convention on Private International Law. Given where we are in the year, it is likely that the Hague Judgments Convention will enter into force for the UK in early 2025.

What is the Hague Judgments Convention?

The Hague Judgments Convention is a multilateral convention that provides for the recognition and enforcement of judgments, given in civil and commercial matters, between contracting states. While most national laws provide for the enforcement of foreign judgments subject to certain conditions, these laws differ from country to country, making the process of enforcement of foreign judgments not only unpredictable, but also often lengthy and costly. The Hague Judgments Convention provides a uniform set of rules to be applied by contracting states to facilitate the recognition and enforcement of judgments between contracting states.

When does the Hague Judgments Convention apply?

Broadly speaking, the Hague Judgments Convention applies to judgments on the merits given in civil and commercial matters. Judgments that can be enforced under

the Hague Judgments Convention also include decisions on the costs of the proceedings. However, interim measures cannot be enforced thereunder.

Certain types of matters are excluded from its scope including (but not limited to): revenue; customs; insolvency; intellectual property; administrative law matters; and matters relating to the validity, nullity, or dissolution of legal persons or associations of legal persons and the validity of the decisions of their organs. The Hague Judgments Convention also does not apply to arbitration and related proceedings.

The Hague Judgments Convention provides that a judgment given by the court of a contracting state must be recognised and enforced in another contracting state in accordance with the terms of the convention. The enforcing contracting state is not permitted to review the merits of the judgment. Importantly, recognition and enforcement can only be refused on the grounds specified in the Hague Judgments Convention, which include defences relating to the judgment being obtained by fraud or being contrary to public policy, lack of notification of proceedings to the defendant, the judgment being given in proceedings which were commenced in breach of a jurisdiction agreement or inconsistency with an earlier judgment fulfils the criteria for enforcement in the enforcing contracting state.

Why is this important?

Post-Brexit, the UK ceased being party to the EU instruments on the recognition and enforcement of judgments between EU member states, such as Recast Brussels, as well as the Lugano Convention. This has led to a more complex system of enforcement of English judgments in EU member states or vice versa. Parties are required to navigate different legal systems and procedural requirements when enforcing judgments across the EU. While the Convention of 30 June 2005 on Choice of Court Agreements (the "2005 Hague Convention") has gone part of the way to provide a framework for the recognition and enforcement of certain judgments between the UK and the EU, the 2005 Hague Convention only applies to judgments deriving from an exclusive jurisdiction clause. The Hague Judgments Convention, however, is wider in its application and applies to all judgments within its scope regardless of the type of jurisdiction agreement from which the judgment derives. This means that judgments deriving from asymmetric or non-exclusive jurisdiction agreements could be enforced in a contracting state under the Hague Judgments Convention. Crucially, the contracting states to the Hague Judgments Convention include the EU. The U.S. and Israel are signatories but have yet to ratify the Hague Judgments Convention. It is

hoped and expected that the global reach of the Hague Judgments Convention will grow over time.

Furthermore, the Hague Judgments Convention provides a uniform approach and procedure to the enforcement of foreign judgments between contracting states. This will provide greater certainty and simplicity when parties are seeking to enforce judgments in the courts of the Hague Judgments Convention contracting states.

As the UK government notes in its response to the consultation, the UK joining the Hague Judgments Convention will provide assurance that "UK judgments in scope will be recognised and enforced in current and future Contracting Parties to the Convention, and vice versa, which will in turn encourage trade and investment." This should make the choice of the English courts to settle disputes a more attractive option for parties entering cross-border transactions.

The UK government's response to the consultation on whether the UK should join the Hague Judgments Convention can be found here.

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