

Cross-border update: Important changes in the UK for enforcing judgments – where do you stand?

The Hague Judgments Convention 2019 ("the HJC2019") comes into effect in the UK on 1 July 2025.

Why is this important?

Well, the HJC2019 provides a new mutual regime for the recognition and enforcement of judgments in EU countries. So, from 1 July 2025, if you need to enforce a UK judgment in an EU country, or you need to enforce an EU judgment in the UK, you should consider whether the HJC2019 applies for enforcement purposes.



How can the HJC2019 best be summed up in a word or two? "It's complicated!"

Background

The Recast Brussels Regulation and the Lugano Convention previously provided frameworks for the recognition and enforcement of UK judgments in the EU (and vice-versa). However, they ceased to apply in the UK from the end of the Brexit transition period (1 January 2021).

Since 1 January 2021, this has meant that, save in respect of judgments resulting from exclusive jurisdiction clauses (see the "HC2005" below) or where specific bilateral or multilateral conventions apply:

- the recognition and enforcement of UK judgments in the EU has been determined by the specific national law and procedure of the country of enforcement (which varies from country to country), and
- the recognition and enforcement of EU judgments in the UK has been governed by the common law regime (which was largely developed in the 19th century and, broadly speaking, requires the defendant to have a certain territorial connection to the country where judgment was given, or have submitted to the courts of that country).

From 1 July 2025, however, the HJC2019 re-establishes a mutual regime in the UK for the recognition and enforcement of judgments in EU countries (excluding Denmark).

The HJC2019 is the second major Hague convention of this century, and builds upon the prior Hague Convention on Choice of Court Agreements 2005 ("the HC2005"), which has applied in the UK from 1 October 2015. However, the HC2005 only concerns <u>exclusive</u> jurisdiction clauses and contains rules on jurisdiction <u>and</u> the recognition and enforcement of judgments in other Contracting States. That is different to the HJC2019, which concerns <u>non-exclusive</u> jurisdiction clauses and focuses <u>only</u> (albeit in more detail) on the recognition and enforcement of judgments in other Contracting States.

So when will the HJC2019 apply?

The HJC2019 applies to civil or commercial matters, and applies to the recognition and enforcement of English judgments in other Contracting States in proceedings <u>commenced</u> in an English court on or after 1 July 2025 (and vice-versa).

Importantly, the HJC2019 does not apply to:

- revenue, customs, or administrative matters;
- matters concerning the status and legal capacity of natural persons, maintenance, insolvency, carriage of passengers and goods, defamation, or intellectual property;
- arbitration and related proceedings;
- interim measures of protection (such as interim injunctions);
- judgments arising in relation to exclusive jurisdiction clauses in favour of the State of origin;
- judgments relating to immovable property situated other than in the State of origin; or
- judgments awarding damages (including exemplary or punitive damages) that do not compensate a party for actual loss or harm suffered.

Further, to establish grounds for recognition and enforcement under the HJC2019, the judgment will have to satisfy at least one of the grounds set out in Article 5 of the HJC2019. Broadly speaking, these are based on (1) some territorial connection between the defendant and the State of origin, (2) some submission by the defendant to the State of origin, (3) judgments arising in relation to certain contractual obligations, (4) judgments arising in relation to non-exclusive jurisdiction clauses in favour of the State of origin, (5) judgments arising in relation to certain non-contractual obligations (but not in respect of intangible property or pure economic loss), and/or (6) judgments concerning certain trusts.

Further still, Article 7 of the HJC2019 sets out various circumstances in which the recognition and enforcement of a judgment may be refused (without extending to a review of the merits of the judgment). These circumstances may potentially be raised by a defendant as defences to recognition and enforcement.

Under Article 9 of the HJC2019, where only part of a judgment is enforceable under the HJC2019 and is capable of being severed from the non-enforceable part, the judgment may be enforced in part.

What is the procedure for recognition and enforcement if the HJC2019 applies?

Article 12 of the HJC2019 sets out certain documents to be produced when seeking recognition and enforcement, but otherwise the specific process is a matter of the national law where enforcement is sought. In England, applications for enforcement are typically made to the High Court.

The future?

Given that the HJC2019 only applies to judgments obtained in court proceedings *started* on or after 1 July 2025, it will take some time for cases concerning the UK and the HJC2019 to come before the courts.

In due course, however, there will likely be many complex cases that do come before the courts for consideration. Indeed, Article 20 of the HJC2019 provides that, when interpreting the HJC2019, "*regard shall be had to its international character and to the need to promote uniformity in its application*", which may give rise to disputes as to how key terms in the HJC2019 should be interpreted.

But in many respects, the complexities of the HJC2019 are the price to be paid for a mutual regime that applies in so many Contracting States.



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