



**EUROPEAN COMMISSION**

**PRESS RELEASE**

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## **Choice of Court Convention: EU businesses receive a major boost for international trade**

EU Justice Ministers today approved a decision ratifying the [2005 Choice of Court Agreements Convention](#). The Convention promotes trade by clarifying the rules governing international trade disputes, where the parties involved have chosen a competent court. For example, the Convention provides clarity on: jurisdiction rules, which court is competent and on the recognition and enforcement of judgments given by courts in the countries which apply the Convention. In practice, this will ensure that EU companies have more legal certainty when doing business with firms outside the EU: they will be able to trust that their choice of court to deal with a dispute will be respected by the courts of the [countries](#) that have ratified the Convention, and that the judgment given by the chosen court will be recognised and enforced in the countries which apply it.

*"This is the external dimension of 'Justice for Growth': a great example of how justice policy serves to boost economic growth and job creation by creating the right conditions for European businesses to flourish in their trading with non-European partners," said **EU Justice Commissioner Martine Reicherts**. "It is exactly what the Choice of Courts Convention does: providing a set of rules that will simplify life for European businesses and make their environment more predictable. It can help to create all the right incentives for European businesses to expand their operations in the international arena, without them having to worry about what happens in the case of a dispute. We now need the European Parliament to give its green light so that we can start applying this Convention."*

**Next Steps:** Following approval by Member States, the consent of the European Parliament will be asked. Once it gives its accord, the decision will be finally adopted by the Council and enter into force in the European Union.

### **Background**

The Hague Convention of 30 June 2005 on Choice of Court Agreements is aimed at ensuring the effectiveness of choice of court agreements (also known as "forum selection clauses") between parties to international commercial transactions. By doing so, the Convention provides greater certainty to businesses engaging in cross-border activities and therefore creates a legal environment more amenable to international trade and investment.

The Choice of Courts Convention was drawn up by a group of countries and trading blocks such as the EU, the US, Canada, Japan, China, Russia, all of them members of [the Hague Conference](#) on Private International Law that develops multilateral legal instruments. The Convention therefore has the potential to become a worldwide legal basis for the

recognition and enforcement of judgments resulting from a choice of court agreement between the EU and these countries. It was signed by the EU in 2009.

The recent reform of the so-called [Brussels I Regulation](#) paved the way for today's ratification. This regulation determines which national court has jurisdiction in cross-border cases involving EU firms and how court judgments issued in one EU country are recognised and enforced in another. The reform of these EU-internal rules will ensure coherence with the Convention ([IP/13/750](#)).

### **For more information**

Homepage of Martine Reicherts, EU Justice Commissioner:

[http://ec.europa.eu/commission\\_2010-2014/reicherts/index\\_en.htm](http://ec.europa.eu/commission_2010-2014/reicherts/index_en.htm)

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