

Ratification of The Choice of Court Agreements Convention

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Last Friday (10.10.2014) the EU Justice Ministers approved a decision ratifying the Choice of Court Agreements Convention, 2005 (the Convention has been signed by the US, 19.1.2009, and by the EU, 1.4.2009; and ratified by Mexico, 26.9.2007). For those who are not familiar with it: The Convention is aimed at ensuring the effectiveness of choice of court agreements (“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. In practice, ratifying the Convention 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.

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.