



ICLG

The International Comparative Legal Guide to:

Enforcement of Foreign Judgments 2017

2nd Edition

A practical cross-border insight into the enforcement of foreign judgments

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Dror Levy

Group Consulting Editor
Alan Falach

Publisher
Rory Smith

Published by
Global Legal Group Ltd.
59 Tanner Street
London SE1 3PL, UK
Tel: +44 20 7367 0720
Fax: +44 20 7407 5255
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Macedonia

Tatjana Popovski Buloski



Aleksandar Dimic



Polenak Law Firm

1 Country Finder

1.1 Please set out the various regimes applicable to recognising and enforcing judgments in your jurisdiction and the names of the countries to which such special regimes apply.

Applicable Law/ Statutory Regime	Relevant Jurisdiction(s)	Corresponding Section Below
The Law on International Private Law	All countries	Section 2
The Law on Enforcement	All countries	Section 2
The Law on International Trade Arbitration of the Republic of Macedonia	All countries	Section 2
New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958	All signatory countries of the New York Convention	Section 2

2 General Regime

2.1 Absent any applicable special regime, what is the legal framework under which a foreign judgment would be recognised and enforced in your jurisdiction?

The recognition of a foreign judgment in the Republic of Macedonia is regulated by the Law on International Private Law, and the enforcement of judgments, including a foreign judgment recognised by a Macedonian court, is regulated by the Law on Enforcement.

In accordance with the Law on International Trade Arbitration of the Republic of Macedonia, the recognition of foreign arbitral awards is performed in accordance with the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958.

2.2 What requirements (in form and substance) must a foreign judgment satisfy in order to be recognised and enforceable in your jurisdiction?

Foreign court judgments will be recognised by Macedonian courts if the following conditions are met:

- 1) the party has provided the original or duly verified copy of the award to be provided;
- 2) the award is confirmed as final by the relevant authority;
- 3) the judgment is confirmed as enforceable by the relevant authority;
- 4) there was no violation of due process in the foreign procedure against the opposing party;
- 5) there is no exclusive jurisdiction of a Macedonian court for the subject of the dispute;
- 6) there is no agreement between the parties that a Macedonian court be competent for solving the dispute;
- 7) there is no *res judicata* in the substantive case; and
- 8) the judgment is not contrary to Macedonian public order.

In addition, to obtain the recognition and enforcement of a foreign arbitral judgment, the party applying for recognition and enforcement shall, at the time of the application, supply:

- a) The duly authenticated original award or a duly certified copy thereof.
- b) The original arbitration agreement or a duly certified copy thereof.

If the said award or agreement is not made in an official language of the country in which the award is relied upon, the party applying for recognition and enforcement of the arbitral judgment shall produce a translation of these documents into such language. The translation shall be certified by an official or sworn translator or by a diplomatic or consular agent.

2.3 Is there a difference between recognition and enforcement of judgments? If so, what are the legal effects of recognition and enforcement respectively?

There is a difference between recognition and enforcement of judgment under Macedonian law.

By way of recognition of a foreign judgment, the foreign judgment shall be considered as a judgment reached by Macedonian courts and it shall have legal effect in Macedonia as well.

By way of enforcement of the foreign judgment recognised by Macedonian courts, the creditor collects its claim against the debtor as determined by the judgment.

The same refers to recognition of both foreign court judgments and foreign arbitral judgments.

2.4 Briefly explain the procedure for recognising and enforcing a foreign judgment in your jurisdiction.

The procedure for recognition is as follows:

- 1) a proposal for recognition and determination of enforceability of the foreign judgment is to be filed with the competent Macedonian court (on the basis of residence of the opposing party) against the opposing party;
- 2) the court will examine *ex officio* whether the above conditions for recognition have been met and may schedule a hearing;
- 3) if the above conditions for recognition have been met, the court will make a decision on the recognition and determination of enforceability of the foreign judgment;
- 4) the court will send the decision to the opposing party;
- 5) the opposing party has the right to file an opposition against the decision within 15 calendar days from the day of receipt of the decision;
- 6) a council of three judges will decide upon the opposition of the opposing party. If the court finds that the decision on the opposition depends on certain disputable facts, then the court will decide upon a hearing;
- 7) the court will make a decision on the opposition; and
- 8) any unsatisfied party has the right to file an appeal within eight calendar days to the appellate court.

2.5 On what grounds can recognition/enforcement of a judgment be challenged? When can such a challenge be made?

The recognition of a foreign judgment can be challenged in case of a lack of any of the conditions that must exist for a foreign judgment to be recognised in Macedonia, as explained above under question 2.2.

The debtor may challenge the recognition by way of objection against the decision for recognition of a foreign judgment reached by the first instance court (please see question 2.4, 5) above) and by way of appeal against the decision reached by the council of three judges within the first instance court (please see question 2.4, 8) above).

Furthermore, recognition and enforcement of the foreign arbitral judgment may be refused, at the request of the party against whom it is invoked, only if that party furnishes to the competent authority where the recognition and enforcement is sought, proof that:

- a) the parties to the arbitrage agreement under the law applicable to them, are under some incapacity, or the said agreement is not valid under the law to which the parties have subjected it or, failing any indication thereof, under the law of the country where the judgment was made;
- b) the party against whom the judgment is invoked was not given proper notice of the appointment of the arbitrator or of the arbitration proceedings or was otherwise unable to present his case;
- c) the judgment deals with a difference not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration, provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, that part of the award which contains decisions on matters submitted to arbitration may be recognised and enforced;
- d) the composition of the arbitral authority or the arbitral procedure was not in accordance with the agreement of the

parties, or, failing such agreement, was not in accordance with the law of the country where the arbitration took place; or

- e) the judgment has not yet become binding on the parties, or has been set aside or suspended by a competent authority of the country in which, or under the law of which, that award was made.

Recognition and enforcement of an arbitral award may also be refused if the competent authority in the country where recognition and enforcement is sought finds that:

- a) the subject matter of the difference is not capable of settlement by arbitration under the law of that country; or
- b) the recognition or enforcement of the award would be contrary to the public order of that country.

2.6 What, if any, is the relevant legal framework applicable to recognising and enforcing foreign judgments relating to specific subject matters?

Macedonian law does not provide a specific regime for enforcing foreign judgments relating to specific subject matters.

2.7 What is your court's approach to recognition and enforcement of a foreign judgment when there is: (a) a conflicting local judgment between the parties relating to the same issue; or (b) local proceedings pending between the parties?

If the Macedonian courts have reached a final judgment on the same matter as the matter decided with the foreign judgment, it will be considered that such matter is *res judicata* and the foreign judgment cannot be recognised in Macedonia.

However, the local proceedings between the parties for the same matter shall not prevent the foreign judgment from being recognised in Macedonia, unless Macedonian law does not regulate the exclusive competence of Macedonian courts for such matter.

2.8 What is your court's approach to recognition and enforcement of a foreign judgment when there is a conflicting local law or prior judgment on the same or a similar issue, but between different parties?

A foreign judgment that conflicts with imperative provisions of Macedonian law may not be recognised by Macedonian courts. In such case it may be considered that the recognition of such foreign judgment is contrary to Macedonian public order which is a legal obstacle for recognition of the foreign judgment.

Existence of a prior judgment on the same or a similar issue, but between different parties, is not formally regulated as an obstacle for recognition of a foreign judgment. However, it cannot be excluded that a foreign judgment that is contrary to a prior judgment on the same or a similar issue, but between different parties, may be considered as contrary to Macedonian public order, which prevents recognition of a foreign judgment in Macedonia.

2.9 What is your court's approach to recognition and enforcement of a foreign judgment that purports to apply the law of your country?

No additional conditions are required for recognition and enforcement of a foreign judgment that purports to apply the law of our country except for the conditions mentioned in question 2.2 above. Thus, the court will determine if the conditions for recognition of a judgment

mentioned in question 2.2 above are met, including if the recognition of the judgment is contrary to Macedonian public order.

2.10 Are there any differences in the rules and procedure of recognition and enforcement between the various states/regions/provinces in your country? Please explain.

There are no differences in the rules and procedure of recognition and enforcement of a foreign judgment between the various regions in Macedonia.

2.11 What is the relevant limitation period to recognise and enforce a foreign judgment?

Macedonian laws do not regulate the limitation period to recognise and enforce a foreign judgment.

However, according to the Macedonian Law on Obligations, the limitation period for enforcement of claims that are determined with a final judgment is 10 years. Therefore, if the foreign final judgment has become final and enforceable and has been recognised by Macedonian courts more than 10 years prior to initiation of the procedure for enforcement, then, at the objection of the defendant party, it would be considered time-barred.

3 Special Enforcement Regimes Applicable to Judgments from Certain Countries

3.1 With reference to each of the specific regimes set out in question 1.1, what requirements (in form and substance) must the judgment satisfy in order to be recognised and enforceable under the respective regime?

Please see the answer to question 2.2 above.

3.2 With reference to each of the specific regimes set out in question 1.1, does the regime specify a difference between recognition and enforcement? If so, what is the difference between the legal effect of recognition and enforcement?

Please see the answer to question 2.3 above.

3.3 With reference to each of the specific regimes set out in question 1.1, briefly explain the procedure for recognising and enforcing a foreign judgment.

Please see the answer to question 2.4 above.

3.4 With reference to each of the specific regimes set out in question 1.1, on what grounds can recognition/enforcement of a judgment be challenged under the special regime? When can such a challenge be made?

Please see the answer to question 2.5 above.

4 Enforcement

4.1 Once a foreign judgment is recognised and enforced, what are the general methods of enforcement available to a judgment creditor?

Once a foreign judgment or arbitral award is recognised, the creditor may initiate an enforcement procedure against the debtor for collection of the claim determined with the judgment.

The enforcement procedure is regulated by the Law on Enforcement. The enforcement will be performed through the competent enforcement agents and the subject of enforcement may be the debtor's assets (funds on bank accounts, movables, immovable, shares, etc.) as well as the debtor's claims towards third parties.

In case of bankruptcy of the debtor, the provisions of the Law on Enforcement would not apply, and enforcement of the judgment shall be performed on the basis of the Law on Bankruptcy.

5 Other Matters

5.1 Have there been any noteworthy recent (in the last 12 months) legal developments in your jurisdiction relevant to the recognition and enforcement of foreign judgments? Please provide a brief description.

There have not been any changes to the applicable laws relating to recognising and enforcing judgments in Macedonia in the last 12 months.

5.2 Are there any particular tips you would give, or critical issues that you would flag, to clients seeking to recognise and enforce a foreign judgment in your jurisdiction?

There are no particular issues that need to be flagged.



Tatjana Popovski Buloski

Polenak Law Firm
Orce Nikolov 98
1000 Skopje
Macedonia

Tel: +389 2 3114 737
Email: tpopovski@polenak.com
URL: www.polenak.com

Ms. Tatjana Popovski Buloski is a founding partner of Polenak Law Firm. Her expertise covers M&A, project finance, antitrust and competition law, corporate law, litigation and arbitration, securities, energy, telecommunications, concessions and PPP, and employment. She has participated in many projects including major privatisations in the country, equity investments, project finance and major competition proceedings. Tatjana is the author of several publications amongst which are: *Cartel Regulations 2017 and 2016*, for Getting the Deal Through published by Law Business Research Ltd.; *The Merger Control Review*, seventh edition, 2016, Chapter for Macedonia, published by Law Business Research Ltd.; *The Merger Control Review*, fifth edition, 2015, Chapter for Macedonia, published by Law Business Research Ltd.; Co-Author for *Dispute Resolution – Chapter for Macedonia*, 2012, 2013 and 2014 for Getting the Deal Through published by Law Business Research Ltd.; author for Business Law, number 29, 2013: *What problems occurs in practice in application of the Law on Civil Procedure* published by Association of Business Lawyers Skopje; author of the chapter for Macedonia in *Anti-Bribery Risk Assessment Book*, 2011, published by Verlag C. H. Beck oHG, Germany; author for *Cartel Regulation*, 2010 for Getting the Deal Through published by Law Business Research Ltd.; Author of the *Overview of Macedonian Labor Law Issues* in The International Practitioner's Desk book series of the International Bar Association, 2007; and is a contributor to several arbitration jurisdictional surveys and analyses.



Aleksandar Dimic

Polenak Law Firm
Orce Nikolov 98
1000 Skopje
Macedonia

Tel: +389 2 3114 737
Email: adimic@polenak.com
URL: www.polenak.com

Mr. Aleksandar Dimic is a junior partner in Polenak Law Firm. In 2005, he spent part of his training with the Assembly of the Republic of Macedonia, Inquiry Committee for Protection of the Human Rights and Freedoms. Since the end of 2005, he has been working for Polenak Law Firm. He has been a junior partner since 2013. Aleksandar represents Polenak Law Firm's clients in several litigation procedures related to commercial and civil law. He is also part of the firm's team in many projects that are related to mergers and acquisitions, where he covers work related to civil and commercial law, litigation and ownership of assets.



Polenak Law Firm is one of the leading law firms in the Republic of Macedonia. It is a full legal service law firm. The firm's practice encompasses major mergers and acquisitions involving local and international investors, competition and antitrust matters, legal due diligence reports, numerous commercial, civil and criminal litigations, financial transactions, loans and enforcements, employment issues, preparation and review of contracts, real estate transactions, share transfers and intellectual property.

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