



**Asia-Pacific
Economic Cooperation**

2015/SOM3/EC/WKSP4/002

Session 1

The Hague Convention of 30 June 2005 on Choice of Court Agreements - Outline of the Convention

Submitted by: Hong Kong, China



APEC
PHILIPPINES
2 0 1 5

**Workshop on Effective Enforcement of Business
Contracts and Efficient Resolution of Business
Disputes Through the Hague Choice of Court
Agreements Convention
Cebu, Philippines
1 September 2015**

The Hague Convention of 30 June 2005 on Choice of Court Agreements

Outline of the Convention

The purpose of the Convention

The *Hague Convention of 30 June 2005 on Choice of Court Agreements* (“Choice of Court Convention”) aims at ensuring the effectiveness of choice of court agreements (also known as “forum selection clauses” or “jurisdiction clauses”) between parties to international commercial transactions.

In order to manage risk, parties often seek to agree in advance on how disputes arising out of a transaction between them will be resolved. In some cases, the parties will refer the dispute to arbitration. In others, they will agree to litigate before a designated court. Although arbitration agreements in international cases are almost universally recognised pursuant to the rules established by the 1958 *New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards*, choice of court agreements are not always respected under divergent national rules, particularly when cases are brought before a court other than the one designated by the parties.

The Choice of Court Convention seeks to rectify this situation, thereby promoting greater legal certainty for cross-border business and creating a climate more favourable to international trade and investment, as underscored by the [International Chamber of Commerce](#).

Three basic rules

The Convention contains *three basic rules* that give effect to choice of court agreements:

1. The chosen court must in principle hear the case (Art. 5);
2. Any court not chosen must in principle decline to hear the case (Art. 6); and
3. Any judgment rendered by the chosen court must be recognised and enforced in other Contracting States, except where a ground for refusal applies (Arts 8 and 9)

Scope of the Convention

The Convention applies to choice of court agreements “concluded in civil or commercial matters” (Art. 1). The Convention excludes consumer and employment contracts and certain specified subject matters (Art. 2). The reasons for these exclusions are, in most cases, the existence of more specific international instruments, and national, regional or international rules that claim exclusive jurisdiction for some of these matters.

The Convention applies to “exclusive” choice of court agreements (Art. 1). An agreement designating one or more specific courts in a Contracting State is deemed to be exclusive unless the parties have expressly provided otherwise (Art. 3). In addition, a Contracting State may declare that it will recognise and enforce judgments given by courts designated in a non-exclusive choice of court agreement (Art. 22).

Further information

For more information on the Choice of Court Convention, visit the “[Choice of Court Section](#)” of the Hague Conference website < www.hcch.net >. This specialised section contains the full text and current status of the Convention, as well as a range of explanatory material and implementation tools.