DEBT COLLECTION FROM COMMERCIAL SALES: PROCEEDINGS & RECOGNITION OF FOREIGN JUDGEMENTS

The legal enforcement of claims as well as the recognition and enforcement of foreign judgements constitute central topics in international business activities. Especially for trade in which different legal systems and contractual partners frequently meet, an effective and legally certain approach to safeguard creditor interests is of great importance.

In addition to a sound understanding of the regulations of civil procedure, the collection of outstanding claims from commercial transactions also requires compliance with the applicable limitation periods and formal requirements. If the debtor has an objection or refuses to pay, the question arises as to the available legal remedies and how to proceed further.

In an international context, the recognition and enforcement of foreign court decisions is of increasing practical importance as court decisions are sovereign governmental acts that fundamentally only have an effect within the territorial borders of the Judgment State; however, the interests of the parties often require that the legal force be extended to another country. For that to happen, the foreign decision must be recognised domestically and, if necessary, declared enforceable. The legal requirements for this are primarily based on the relevant national regulations of the country of enforcement and, if applicable, on existing bilateral or multilateral treaties. Whether and under what conditions a foreign judgment is recognised thus fundamentally depends on the legal framework of the individual case.

These aspects are of great practical importance for enterprises and their consultants to efficiently enforce existing claims and to minimise legal risks.

AUSTRIA

I. What steps must be taken in order to successfully collect a claim from a commercial sale and how does one proceed if the debtor objects?

The collection of claims requires the filing of an action if extrajudicial efforts have been unsuccessful. Depending on the amount of the claim, the District or Regional Courts are responsible for this; in Vienna there is a separate commercial jurisdiction (Vienna Commercial Court). For claims of up to EUR 75,000.00, a simplified procedure (so-called “dunning proceedings”) is applied; in such cases, the court issues a so-called “conditional summons to pay” without a hearing and without interrogating the defendant. Initially, it is not checked whether the claim really exists. The debtor, who is the defendant, can object to the summons to pay within four weeks. If the debtor does not do so, the objection becomes legally valid and enforceable; otherwise, the summons to pay becomes invalid and the ordinary court proceedings (including proceedings to take evidence) are initiated. For European summons to pay according to the EU order for payment procedure, the Vienna District Court for Commercial Matters has jurisdiction.

II. What documents are required to initiate enforcement proceedings and are there different requirements for domestic and foreign creditors?

For the enforcement of court decisions, an “application to enforce” must be submitted to the competent District Court. A copy of the “writ of enforcement” (judgment, summons to pay, set-

tlement, etc.), plus confirmation of its legal validity, must be appended to the application to enforce. In particular, for enforceable claims up to EUR 50,000.00, no writ of enforcement needs to be appended. In the case of a legally valid foreign writ of enforcement declared to be enforceable, the declaration of enforceability, plus confirmation of the legal validity of the decision by the foreign court, is also required.

III. What statute of limitation periods apply to the creditors of a claim from a commercial sale?

Claims from a commercial sale lapse after three years under general civil law rules. The start of the statute of limitation period for purchase agreements is the due date of the claim. If the due date is not contractually defined, the statutory regulation applies; in the case of purchase agreements, the purchase price is therefore already due when the item purchased is handed over. In practice, however, payment deadlines are often agreed. Invoicing after the expiration of three years from the time the item purchased is handed over establishes a payable, but not an actionable claim (so-called "natural obligation").

IV. Under what conditions can foreign judgments be recognised and enforced?

The recognition and enforcement of decisions in civil and commercial matters in Austria is primarily based on the Brussels Ia Regulation. The respective decision is recognised in the respective other country without special proceedings. But the condition for the enforcement of a recognised court decision is that it is enforceable in the state of the court where the decision is made; an enforcement declaration is not required within the scope of application of the Brussels Ia Regulation, but a certification of the enforcement is. If no other international agreement applies, foreign enforcement orders must be declared to be enforceable domestically outside the scope of application of the Brussels Ia Regulation (§§ 2 para. 2, 403 EO (Erwerbsersatzordnung [Income Compensation Scheme])). Files and documents are to be declared enforceable if they are enforceable according to the provisions of the state in which they were established and reciprocity is guaranteed by state treaties or by regulations.

V. What legal remedies are available if the recognition of a foreign judgment is rejected?

The court decides on an application to enforce by means of a decision. The legal remedy of the so-called "Legal Review" is permitted against court decisions issued in the enforcement proceedings. The Legal Review period is 14 days from the date the decision is delivered. If enforcement is rejected due to the lack of recognition of a foreign judgment, the rejection decision must be contested in a timely manner by means of a Legal Review. Other stages of appeal are only available in exceptional cases.

CHINA

I. What steps must be taken in order to successfully collect a claim from a commercial sale and how does one proceed if the debtor objects?

As a first step, a request for payment by a lawyer should be sent to the debtor. Upon delivery of this attorney letter, the claim's statute of limitation period is suspended. If the debtor does not settle the claim in response to this attorney letter, an action for payment before the competent court (or arbitration court if an arbitration clause has been agreed between the parties) should be filed. Simultaneous to filing the payment action, a request can be made to freeze the payment amount in the debtor's known account in the preliminary legal protection proceedings. After the enforceable payment order has been issued, the amount can be collected from that account immediately.

II. What documents are required to initiate enforcement proceedings and are there different requirements for domestic and foreign creditors?

In order to initiate enforcement proceedings, creditors must obtain an enforceable court order (judgement or arbitration award), an application to enforce, proof of identity (e.g. extract from

the commercial register) and, if applicable, provide evidence of the debtor's assets. The same requirements apply to foreign creditors.

III. What statute of limitation periods apply to the creditors of a claim from a commercial sale?

Under Chinese law, the regular statute of limitation period for claims from a commercial sale is three years. For payment claims, this period begins on the due date. Besides that, there is a statute of limitation period of twenty years that does not depend on knowledge, but which is generally not relevant for payment of claims from commercial sales.

IV. Under what conditions can foreign judgments be recognised and enforced?

Foreign civil and commercial judgments can only be recognised and enforced if there is a bilateral treaty for reciprocal recognition of such judgments between China and the Judgment State. This must be checked on a case-by-case basis. The judgment must be legally binding and final. The application must be filed with the competent Chinese Intermediate People's Court and must contain a legalised, certified copy of the judgment translated into Chinese. In the recognition procedure, the competent Intermediate People's Court only examines whether the judgment violates fundamental principles of Chinese law and could represent an impairment of national sovereignty, safety or public interest.

V. What legal remedies are available if the recognition of a foreign judgment is rejected?

The appellant may file an application to review with the higher-level People's Court within ten days after service of the decision to reject the recognition and enforcement of a foreign judgment.

CZECH REPUBLIC

I. What steps must be taken in order to successfully collect a claim from a commercial sale and how does one proceed if the debtor objects?

First, the creditor should request payment from the debtor in writing. This reminder should be made at least seven days before a complaint is filed; otherwise, the court may not award the creditor reimbursement of the costs for the proceedings. If the debtor does not respond, the creditor can file a suit or file an application to issue a summons to pay. A summons to pay is a simplified procedure in which the court decides without hearing the debtor, provided that the claim is sufficiently proven. The debtor then has 15 days either to settle the claim or file an objection. If the debtor files an objection in a timely manner, the summons to pay will be cancelled and the proceedings turn into regular court proceedings.

II. What documents are required to initiate enforcement proceedings and are there different requirements for domestic and foreign creditors?

Certain documents are required to initiate enforcement proceedings in the Czech Republic. Regardless of the origin of the creditor, the following documents are necessary: enforcement order with the note of enforceability, an application submitted to the competent court or bailiff. Additional conditions apply to foreign creditors, namely the submission of a certificate in accordance with Brussels Ia Regulation, which is issued by the original court. Documents must be translated into Czech.

III. What statute of limitation periods apply to the creditors of a claim from a commercial sale?

The general subjective limitation period is three years. It begins on the day when the creditor became aware of the due date of the claim or should have become aware of it without gross negligence. Irrespective of the creditor's knowledge, the objective limitation period is ten years from the day when the claim was due; exceptions are regulated by law.

IV. Under what conditions can foreign judgments be recognised and enforced?

For judgments from other EU Member States, the provisions of the Brussels Ia Regulation apply. It provides for decisions in civil and commercial matters to be automatically recognised and enforced without the need for a special recognition procedure. The condition is that the judgment is enforceable in the country of origin. In the absence of a bilateral or multilateral treaty between the Czech Republic and the country of origin of the judgment, the recognition and enforcement are governed by the Czech law on international private law and procedural law (Act no. 91/2012 Coll.). Accordingly, foreign decisions can be recognised and enforced if certain conditions are met or the foreign judgment is then legally valid and enforceable. In addition, the proceedings that led to the judgment must comply with the principles of a fair trial.

V. What legal remedies are available if the recognition of a foreign judgment is rejected?

If a Czech court rejects recognition of a foreign judgment, the creditor has various legal remedies available to take action against this decision. The creditor can lodge an appeal against the court's negative decision to recognize a foreign judgment within 15 days after service of the decision. If the appeal is unsuccessful, there is the possibility of filing an extraordinary appeal on points of law with the Supreme Court of the Czech Republic.

FRANCE

I. What steps must be taken in order to successfully collect a claim from a commercial sale and how does one proceed if the debtor objects?

In order to collect a commercial debt in France, creditors generally take two steps: out-of-court dunning proceedings and, if necessary, court proceedings.
First, a formal payment request (*mise en demeure*) is sent, in which the claim, its basis and a payment period (usually eight to 15 days) are specified. If the payment is not made, court proceedings can be initiated:

- Summons to pay (*injonction de payer*) – for undisputed claims. This is a simplified, not-disputed proceeding (without a hearing) based on written evidence and submitted to the Commercial Court. If the summons to pay is issued, the debtor has one month to lodge an objection, which triggers regular court proceedings.

- Ordinary civil action (*assignation au fond*) – is applied in disputed or complex cases and leads to a full court case.

Note: For claims less than EUR 5,000.00, there is a simplified procedure initiated by a judicial officer. If the debtor refuses to participate, the matter will be continued in court.

II. What documents are required to initiate enforcement proceedings and are there different requirements for domestic and foreign creditors?

In order to be able to enforce a claim in France, the creditor must have an enforceable court order (e.g. court judgment, notarized document or summons to pay) and must provide complete information about the debtor and the claim. Mandatory enforcement is carried out by a *commissaire de justice* (bailiff).

Foreign creditors from the EU can enforce immediately with a European Enforcement Order (EEO) or a judgment in the EU proceedings for minor claims. Non-EU judgments or judgments not governed by EU law require an "Exequature proceeding," i.e. judicial recognition in France.

All documents must be in French and - if they come from abroad - they may have to be certified or have an apostille.

III. What statute of limitation periods apply to the creditors of a claim from a commercial sale?

In France, the regular statute of limitation period for claims from a commercial sale is five years from the payment's due date (Article L.110-4 of the Commercial Code). Shorter deadlines apply in certain areas:

- one year for transport contracts,

- two years for insurance claims.

The limitation period can be suspended and re-started, e.g. if:

- the debtor acknowledges the debt (in writing or by partial payment),
- a formal payment request (*mise en demeure*) is made,
- legal action has been initiated.

IV. Under what conditions can foreign judgments be recognised and enforced?

The recognition and enforcement of foreign judgments in France depends on the country of origin of the judgment:

- The Brussels Ia Regulation applies to EU judgments: recognition occurs automatically; no "Exequature proceeding" is required. A certificate pursuant to Article 53 of the Regulation and a copy of the judgment is required for enforcement.
- For judgments from Third Countries, an "Exequature proceeding" is required in French courts. According to French case law (Cass. civ. 1re, 20 February 2007), three conditions must be met:
    1. The foreign court was competent according to French regulations;
    2. The judgment does not violate the public order of France;
    3. There is no fraud or refusal to have a fair trial.

If these conditions are met, the French court can issue the "Exequature," which makes the foreign judgment enforceable in France.

V. What legal remedies are available if the recognition of a foreign judgment is rejected?

If the recognition of a foreign judgment is refused in France, the creditor can appeal to the appellate court within one month of delivery. In those proceedings, both factual and legal issues are reviewed.

If the appeal is dismissed, there is the possibility of an appeal to the Court of Cassation (*Cour de cassation*), which examines only legal questions, but not facts.

Alternatively, the creditor can initiate a new legal action in France on the basis of the original claim (e.g. breach of contract or unpaid claim), and the proceedings begin again under French jurisdiction – irrespective of the foreign judgment.

GERMANY

I. What steps must be taken in order to successfully collect a claim from a commercial sale and how does one proceed if the debtor objects?

If the debtor is in default - automatically thirty days after the due date and invoicing for a commercial sale in Germany - a judicial writ of payment against the debtor can be applied for at the competent District Court. The application can be filed electronically by lawyers and it requires only a small amount of data and no evidence.
The debtor has two weeks after receiving the writ of payment to object to this. The objection can also be made without justification.

If there is no objection within this two-week period, an enforcement order can be requested by the creditor and issued by the court and enforcement against the debtor can be carried out based on it.

If the debtor raises an objection, the creditor can take action against the debtor by paying the court costs and submitting a justification for the claim within the framework of ordinary legal proceedings against the debtor.

II. What documents are required to initiate enforcement proceedings and are there different requirements for domestic and foreign creditors?

In general, the following documents are required to initiate enforcement proceedings in Germany:

- Enforcement order (judgement, enforcement decision, certified acknowledgement of debt, judicial settlement, foreign court order)
- Enforcement notice on the enforcement order
- Proof that the enforcement order was served to the debtor
- Application for enforcement measure (depending on enforcement measure)

For foreign creditors, there are no different requirements at first, only to the extent that the enforcement of foreign court orders is involved.

III. What statute of limitation periods apply to the creditors of a claim from a commercial sale?

In general, the regular statute of limitation period pursuant to § 195 BGB (*Bürgerliches Gesetzbuch* [German Civil Code]) applies in Germany. This provides for a limitation period of three years and the period starts at the end of the year in which the claim arose. If a claim has arisen on 20/06/2025, the limitation period begins on 31/12/2025 and expires on 31/12/2028 (at 12:00 midnight).

However, there are various provisions that provide for shorter limitation periods for certain claims.

IV. Under what conditions can foreign judgments be recognised and enforced?

Foreign court orders from the EU can be enforced directly in Germany on the basis of the Brussels Ia Regulation, without major obstacles. An appropriate certificate on the enforcement order may be necessary.

In the enforcement of foreign judgments from so-called Third Countries (not the EU and no enforcement treaty with Germany), a so-called "Exequature proceeding" must be performed before enforcement. In these proceedings, the competent court examines whether the enforcement order can be declared enforceable on the basis of the conditions applicable in Germany. If the court upholds the creditor's enforcement action, mandatory enforcement can thus be carried out.

V. What legal remedies are available if the recognition of a foreign judgment is rejected?

The "Exequature proceeding" is an action that must be filed by the creditor with the competent court to make enforcement possible. If the court of first instance rejects the application to enforce, a judgment is issued about that. The creditor can appeal this judgment on points of fact or appeal on points of law.

ITALY

I. What steps must be taken in order to successfully collect a claim from a commercial sale and how does one proceed if the debtor objects?

According to Italian law, a court order can be obtained against a debtor of an outstanding claim by means of a so-called "summons to pay" ("*decreto ingiuntivo"*). For this purpose, a (short) written application to the local competent court is required, in which the existence of the claim is justified and the evidence of the claim is also to be attached, i.e. essentially the outstanding invoices. A special feature in Italian law is that the claim must be made credible to a certain extent, which is done by submitting a notarised extract from the business books in order to show that the disputed claim is recorded as outstanding in one's own accounting. Any objection by the debtor must be made in the form of a Statement of Claim and must be justified in full. This (and above all the related costs) creates relatively high hurdles for objections that only delay the proceedings.

II. What documents are required to initiate enforcement proceedings and are there different requirements for domestic and foreign creditors?

In addition to the court order itself and service of the same, the service of a so-called "*atto di*

precetto" is required, by means of which the debtor is granted a 10-day period to pay the debt in addition to settling the legally enforceable claim. Only after the deadline has elapsed without success can the actual enforcement be initiated, usually by way of an attachment order. In the scope of application of the EuGVVO [European Ordinance on Jurisdiction of the Courts and Recognition and Enforcement of Civil and Commercial Decisions], confirmation as an enforceable court order is also required. Moreover, in the case of court orders from non-EU countries, the question of reciprocity can also arise.

III. What statute of limitation periods apply to the creditors of a claim from a commercial sale?

Whereas the general statute of limitation period in Italy is ten years, shorter limitation periods also apply for certain types of claims. To be mentioned here, in particular, are claims from recurring services that lapse in five years, claims from consulting services that lapse in three years or other services that lapse in part after one year. It should be noted that according to Italian law, just sending a dunning letter—and not merely conducting settlement negotiations—can suspend the limitation period.

IV. Under what conditions can foreign judgments be recognised and enforced?

The enforcement of foreign judgments in Italy is generally governed by the Brussels Ia Regulation; for court orders from EU countries this applies immediately; for court orders from other countries, this is explicitly referred to in the Italian IPR. In the latter cases, moreover, it must also be noted that the Italian IPR knows a general reciprocity clause, i.e. foreign legal entities are fundamentally granted rights only to the extent that the foreign legal system grants the same rights to Italian legal entities. If this condition is met and the content of the court order does not constitute a violation of public order, foreign court orders can be enforced like domestic ones without requiring a formal acknowledgement procedure. Another condition is, to put it simply, that fundamental rules of procedure were followed, such as the possibility of the defendant's testimony and the examination of jurisdiction of the adjudicating court.

V. What legal remedies are available if the recognition of a foreign judgment is rejected?

As described above, no formal acknowledgement procedure is planned in Italy; therefore, the acknowledgement can only be examined in an interlocutory petition and, if necessary, refused. In such a case, the relevant party can file an application with the appellate court to declare recognition.

POLAND

I. What steps must be taken in order to successfully collect a claim from a commercial sale and how does one proceed if the debtor objects?

An action for payment must be filed and a positive court decision – a judgment or a summons to pay – obtained. If the debtor does not raise an objection, then an application to initiate enforcement proceedings must be filed. However, if the debtor raises an objection, full court proceedings will be carried out. These proceedings also allow the creditor to initiate enforcement after a positive conclusion of the matter.

II. What documents are required to initiate enforcement proceedings and are there different requirements for domestic and foreign creditors?

An original of the enforcement order with an enforcement clause is required to initiate enforcement proceedings:

- legally binding court judgment (judgment, summons to pay, order),
- settlement agreement concluded before the court,
- other decisions, settlements, documents (e.g. extract from the insolvency table in the Insolvency Regulation),

- notarised documents in which the debtor voluntarily submits to enforcement. Other enforcement orders are, for instance, judgments from courts of EU Member States. There are no differences between the requirements for domestic and foreign creditors.

III. What statute of limitation periods apply to the creditors of a claim from a commercial sale?

The creditor's claims from sold merchandise (the transaction was carried out within the framework of his enterprise) lapse after two years. The limitation period ends on the last day of the calendar year in which the two-year limitation period expires.

IV. Under what conditions can foreign judgments be recognised and enforced?

The decisions as well as settlements, public documents and agreements originating from EU Member States and European decisions issued in EU Member States on provisional seizure of accounts are automatically recognised on the basis of the Brussels Ia Regulation without the need for special proceedings.

Decisions issued in a Member State are enforceable *ex lege* in Poland without having to establish their enforceability. Enforcement can therefore take place without the prior granting of an "Exequatur" by Poland; the creditor can contact the bailiff directly to request enforcement.

Decisions from non-EU courts from countries with which no international treaty has been concluded are decisions recognised by law, unless they:

- are not legally valid,

- are issued in matters that fall under the exclusive jurisdiction of Polish courts.

V. What legal remedies are available if the recognition of a foreign judgment is rejected?

1. Decisions from EU courts

For decisions from EU courts, the application to refuse enforcement, an application to refuse recognition or an application to determine that there are no reasons for refusal of recognition must be submitted to the competent Polish District Court.

It is possible to appeal the decision of the District Court, reviewed by an appellate court. An appeal to the Cassation Court can be filed against the appellate court's decision.

2. Decisions from non-EU courts (no international treaty with Poland)

For decisions from non-EU courts, the application to recognise a foreign court decision is reviewed by the competent District Court. An appeal can be lodged against the decision of the District Court, reviewed by an appellate court. It is possible to file an appeal with the Cassation Court against the appellate court's decision.

ROMANIA

I. What steps must be taken in order to successfully collect a claim from a commercial sale and how does one proceed if the debtor objects?

Regardless of which proceedings a creditor chooses, it is advisable to contact the debtor with a payment order after the expiry of the payment period. If the debtor does not pay based on this approach, the next step is to assert the claim judicially. The request for payment is therefore a reminder, a prerequisite both for an action under general law and for the first stage of the proceedings for issuing the summons to pay. The summons to pay allows the creditor to obtain an enforceable court order in the form of a judicial decision. In the next phase, the enforcement of the court order is carried out by a bailiff.

II. What documents are required to initiate enforcement proceedings and are there different requirements for domestic and foreign creditors?

The Brussels Ia Regulation aims to standardise and simplify procedures. Until 2012, foreign

judgments, including those from EU Member States, had to undergo a recognition procedure. These proceedings continue to apply to rulings from non-EU countries. For decisions or enforceable court orders issued in the EU Member States, the European Certificate on the Enforcement Order and an extract from the commercial register of the creditor must also be appended to the enforcement order.

III. What statute of limitation periods apply to the creditors of a claim from a commercial sale?

The limitation period is three years, and this is the general period.

IV. Under what conditions can foreign judgments be recognised and enforced?

For foreign judgments from non-EU Member States, a separate recognition procedure applies according to the Code of Civil Procedure. Judgments from EU Member States no longer require recognition if the European Certificate of Enforcement is appended to them.

V. What legal remedies are available if the recognition of a foreign judgment is rejected?

An appeal may be lodged against a judgment that refuses recognition of a foreign judgment, which is decided by the appellate courts. Applications to recognise a foreign judgment must be filed at the court of first instance.

SLOVAKIA

I. What steps must be taken in order to successfully collect a claim from a commercial sale and how does one proceed if the debtor objects?

Prior to the judicial collection of the claim, the creditor can request the debtor in writing to pay the claim. However, this warning before judicial collection of the claim is not necessary. The creditor can collect a monetary claim within the framework of abbreviated dunning proceedings by filing an application to the District Court in Banská Bystrica to issue a summons to pay. The court issues a summons to pay without scheduling an oral hearing and without a hearing of the Defendant if the monetary claim is plausible based on the facts presented by the Plaintiff. The debtor can file an objection to the summons to pay within 15 days. If the debtor raises an objection that is substantiated in terms of content within the specified period, the court will cancel the summons to pay.

II. What documents are required to initiate enforcement proceedings and are there different requirements for domestic and foreign creditors?

A creditor can only file the application to initiate enforcement proceedings through a lawyer. The application to initiate enforcement proceedings must be accompanied by a power of attorney, an enforcement order with an enforcement clause and, with foreign legal entities as creditors, an extract from the commercial register. All documents must be translated into Slovakian.

III. What statute of limitation periods apply to the creditors of a claim from a commercial sale?

The general limitation period in the Slovakian legal system is three years and begins on the day when the right could have been exercised for the first time. If both parties are entrepreneurs and their mutual legal relationship is the subject of their commercial activity, the statute of limitations rule from the Commercial Code applies, according to which the general limitation period is four years and begins to run from the time when the right could have been asserted in court. The limitation period ends after ten years, at the latest.

IV. Under what conditions can foreign judgments be recognised and enforced?

In order for a valid and enforceable court decision issued in another state to be enforceable in Slovakia, it must first be recognised in Slovakia and, if necessary, declared enforceable. Within the European Union, the question of the recognition and enforcement of foreign decisions is

essentially governed by the Brussels Ia Regulation, thanks to which the proceedings to recognise decisions in the EU is substantially simplified and accelerated. In principle, it can be said that foreign decisions are recognised and partially enforced automatically under certain conditions and without special proceedings. Only certain formal requirements must be met; there is no review of the content of the decisions.

V. What legal remedies are available if the recognition of a foreign judgment is rejected?

Depending on the type of proceedings, the court decides on the recognition of a foreign decision by a special ruling or declares the enforceability of a foreign decision without a special ruling or by taking the foreign decision into account. An appeal can be lodged against the rejection decision. An appeal against a decision from the appellate court, which confirms the negative decision of the court of first instance, is permissible as an extraordinary legal remedy.

TURKEY

I. What steps must be taken in order to successfully collect a claim from a commercial sale and how does one proceed if the debtor objects?

First, the debtor is served an out-of-court payment request. This includes a deadline to pay the outstanding claim. This step is not legally mandatory if the debtor is already in default, but it is recommended to avoid disputes. If the debtor is not in default, then the debtor must be put in default by this reminder.

If a payment is not made, the creditor can initiate judicial dunning proceedings. For this purpose, an application is filed with the enforcement office to serve a summons to pay to the debtor. After the summons to pay is served, the debtor can object to the summons to pay within seven weekdays. If the debtor does not exercise this right, the summons to pay becomes legally valid and the creditor can enforce it immediately. If an objection is filed, the creditor must initiate arbitration proceedings and, if this is unsuccessful, then assert the claim in court.

II. What documents are required to initiate enforcement proceedings and are there different requirements for domestic and foreign creditors?

An application is required that contains the name and address of the creditor and the debtor, the amount of the claim, including interest, and the legal basis for the claim. In addition, a document which shows the claim, such as an invoice or a contract, must be submitted.

The same conditions apply to domestic and foreign creditors. Foreign-language documents should be translated into Turkish. If a power of attorney is granted for the collection of claims, the power of attorney that is certified by a foreign notary must also be provided with an apostille.

III. What statute of limitation periods apply to the creditors of a claim from a commercial sale?

According to Turkish law, claims from a commercial sale are fundamentally subject to the regular limitation period of ten years pursuant to Article 146 Code of Obligations. The limitation period begins with the due date of the claim.

IV. Under what conditions can foreign judgments be recognised and enforced?

Foreign judgements can be recognised and enforced in Turkey under the following conditions:

- The foreign judgment must be legally valid and enforceable in the country of origin.
- Reciprocity: Turkish judgments must also be recognised and enforceable in the country of origin either on the basis of a bi-national or multinational treaty or on the basis of common practice.
- The foreign decision may not pertain to any subject of dispute for which the Turkish courts have exclusive jurisdiction.

- The judgment must not violate the *ordre public*, i.e. essential principles of the Turkish legal system.

- The defendant's right to a fair hearing must not have been violated because the defendant was not properly summoned and thus could not defend himself.

If the aforementioned conditions are met, foreign judgements are recognised in Turkey such that they can be enforced.

V. What legal remedies are available if the recognition of a foreign judgment is rejected?

The parties are free to take the usual legal action. This means that the decision of the civil court of first instance, which decides on the recognition of a foreign judgment, can be challenged according to the Turkish Code of Civil Procedure by means of an appeal to the competent regional appellate court. An appeal can be lodged with the Court of Cassation against the judgment of the appellate court.

At the same time, the creditor is free to initiate a new ordinary court procedure in Turkey, which is based on the same claim under substantive law. This nonetheless offers an alternative option to enforce the asserted claim in court, even if the recognition of the foreign judgment has been denied in the specific case.

CONTACT

Austria:
Alexander Wöß
A.Woess@saxinger.com

China:
Marcel Brinkmann
marcel.Brinkmann@schindhelm.com

Czech Republic/Slovakia:
Monika Wetzlerova
Wetzlerova@saxinger.com

France:
Soraya Racette
Soraya.Racette@schindhelm.com

Germany (Hamburg):
Viola Rust-Sorge
Viola.Rust-Sorge@schindhelm.com

Germany (Osnabrück):
Lukas Baldewein
Lukas.Baldewein@schindhelm.com

Hungary:
Beatrix Fakó
B.Fako@saxinger.com

Italy:
Florian Bünger
Florian.Buenger@schindhelm.com

Poland:
Łukasz Buszkiewicz
Lukasz.Buszkiewicz@sdzlegal.pl

Romania:
Stefan Pisargeac
Stefan.Pisargeac@schindhelm.com

Turkey:
Gürkan Erdebil
Gurcan.Erdebil@schindhelm.com

Publisher, media owner, editorial office: Schindhelm Rechtsanwaltsgesellschaft mbH | German Centre for Industry and Trade, Shanghai Tower 1, Atrium 3rd Floor, Unit 321 88, Keyuan Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai 201203 | Tel.: +86 21 289866-60 | shanghai@schindhelm.com | Commercial Register: Local Court Osnabrück HRB 18976 | Schindhelm Rechtsanwaltsgesellschaft mbH is a member of Saxinger Schindhelm Services SE, Alliance of European Commercial Law Firms | All information is subject to correction in spite of careful processing and cannot replace individual advice in individual cases. The liability of the authors or the publisher is excluded.