Article 20.

North Carolina Uniform Foreign-Country Money Judgments Recognition Act.

§ 1C-1850. Short title.

This Article may be cited as the North Carolina Uniform Foreign-Country Money Judgments Recognition Act. (2009-325, s. 2.)

§ 1C-1851. Definitions.

The following definitions apply in this Article:

(1) Foreign country. – A government other than:
   a. The United States;
   b. A state, district, commonwealth, territory, or insular possession of the United States; or
   c. Any other government with regard to which the decision in this State as to whether to recognize a judgment of that government's courts is initially subject to determination under the Full Faith and Credit Clause of the United States Constitution.

(2) Foreign-country judgment. – A judgment of a court of a foreign country. (2009-325, s. 2.)

§ 1C-1852. Applicability; saving clause.

(a) Except as otherwise provided in subsection (b) of this section, this Article applies to a foreign-country judgment to the extent that the judgment:

(1) Grants or denies recovery of a sum of money; and

(2) Under the law of the foreign country where rendered, is final, conclusive, and enforceable.

(b) This Article does not apply to a foreign-country judgment, even if the judgment grants or denies recovery of a sum of money, to the extent that the judgment is:

(1) A judgment for taxes;

(2) A fine or other penalty; or

(3) A judgment for alimony, support, or maintenance in matrimonial or family matters.

(c) A party seeking recognition of a foreign-country judgment has the burden of establishing that this Article applies to the foreign-country judgment.

(d) This Article does not prevent the recognition under principles of comity or otherwise of a foreign-country judgment to which this Article does not apply. (2009-325, s. 2.)

§ 1C-1853. Standards for recognition and nonrecognition of foreign-country judgment.

(a) Except as otherwise provided in this section, a court of this State shall recognize a foreign-country judgment to which this Article applies.

(b) A court of this State shall not recognize a foreign-country judgment if:

(1) The judgment was rendered under a judicial system that, taken as a whole, does not provide impartial tribunals or procedures compatible with the requirements of due process of law;

(2) The foreign court did not have personal jurisdiction over the defendant;

(3) The foreign court did not have jurisdiction over the subject matter; or

(4) The judgment was obtained by a foreign government entity to compensate for the expenditure of public funds for government programs.

(c) If a court of this State finds that any of the following exist with respect to a foreign-country judgment for which recognition is sought, recognition of the judgment shall be denied unless the court determines, as a matter of law, that recognition would nevertheless be reasonable under the circumstances:

(1) The defendant in the proceeding in the foreign court did not receive notice of the proceeding in sufficient time to enable the defendant to defend.

(2) The judgment was obtained by fraud that deprived the losing party of an adequate opportunity to present its case.

(3) The judgment, or the cause of action or claim for relief on which the judgment is based, is repugnant to the public policy of this State or of the United States.

(4) Reserved for future codification.

(5) The proceeding in the foreign court was contrary to an agreement between the parties under which the dispute in question was to be determined otherwise than by proceedings in that foreign court.

(6) In the case of jurisdiction based only on personal service, the foreign court was a seriously inconvenient forum for the trial of the action.

(7) The judgment was rendered in circumstances that raise substantial doubt about the integrity of the rendering court with respect to the judgment.

(8) The specific proceeding in the foreign court leading to the judgment was fundamentally unfair.

(9) The judgment is based on a foreign statute or rule of law which, as applied by the foreign court, would have been contrary to either the United States Constitution or the North Carolina Constitution had it been applied by a court in North Carolina.

(d) If a foreign-country judgment for which recognition is sought is otherwise entitled to recognition under this Article but conflicts with a prior final and conclusive judgment, a court of this State shall recognize the judgment for which recognition is sought unless the court determines that nonrecognition would nevertheless be reasonable under the circumstances.

(e) If a foreign-country judgment for which recognition is sought is otherwise entitled to recognition under this Article but conflicts with a subsequent final and conclusive judgment, a court of this State shall deny recognition of the judgment for which recognition is sought unless the court determines that recognition would nevertheless be reasonable under the circumstances.

(f) A party resisting recognition of a foreign-country judgment has the burden of establishing that a ground for nonrecognition stated in subsection (b) of this section exists.

(g) A party resisting recognition of a foreign-country judgment has the burden of establishing that a ground for nonrecognition stated in subsection (c) of this section exists. The party seeking recognition of the judgment has the burden of establishing that, as a matter of law, recognition would nevertheless be reasonable under the circumstances.

(h) A party resisting recognition of a foreign-country judgment under subsection (d) or (e) of this section has the burden of establishing that another final and conclusive judgment exists and that the other judgment conflicts with the judgment for which recognition is sought. Under subsection (d) of this section, the party resisting recognition also has the burden of establishing that nonrecognition of the judgment for which recognition is sought would be reasonable under the circumstances. Under subsection (e) of this section, the party seeking recognition of the

foreign-country judgment has the burden of establishing that recognition would be reasonable under the circumstances.

(i) When a court of this State rules on recognition of a foreign-country judgment, the court shall state the facts specially and state separately its conclusions of law.

(j) If a proceeding in a foreign court is brought by a foreign government entity based upon rules of law adopted for the benefit of the foreign government entity that are applied ex post facto to conduct of the defendant or if the action imposes liability for harms to individuals without requiring individualized proof of each element of the claim for each such individual, the court shall find that the action is fundamentally unfair and its judgment is repugnant to the public policy of this State under subdivisions (3) and (8) of subsection (c) of this section. (2009-325, s. 2; 2015-107, s. 1; 2015-264, s. 32.)

§ 1C-1854. Personal jurisdiction.

(a) A foreign-country judgment shall not be refused recognition for lack of personal jurisdiction if any of the following exist:

(1) The defendant was served with process personally in the foreign country.

(2) The defendant voluntarily appeared in the proceeding, other than for the purpose of protecting property seized or threatened with seizure in the proceeding or of contesting the jurisdiction of the court over the defendant.

(3) The defendant, before the commencement of the proceeding, had agreed to submit to the jurisdiction of the foreign court with respect to the subject matter involved.

(4) The defendant was domiciled in the foreign country when the proceeding was instituted or was a corporation or other form of business organization that had its principal place of business in, or was organized under the laws of, the foreign country.

(5) The defendant had a business office in the foreign country and the proceeding in the foreign court involved a cause of action or claim for relief arising out of business done by the defendant through that office in the foreign country.

(6) The defendant operated a motor vehicle or airplane in the foreign country and the proceeding involved a cause of action or claim for relief arising out of that operation.

(7) There was any other basis for personal jurisdiction that would be consistent with the Due Process Clause of the Fourteenth Amendment to the United States Constitution.

(b) The list of bases for personal jurisdiction in subsection (a) of this section is not exclusive. The courts of this State may recognize reasonable bases of personal jurisdiction other than those listed in subsection (a) of this section as sufficient to support a foreign-country judgment. (2009-325, s. 2.)

§ 1C-1855. Procedure for recognition and nonrecognition of foreign-country judgment.

(a) If recognition of a foreign-country judgment is sought as an original matter, the issue of recognition shall be raised by filing an action seeking recognition of the foreign-country judgment.

(b) If recognition or nonrecognition of a foreign-country judgment is sought in some other action, the issue of recognition may be raised by complaint, counterclaim, cross-claim, or affirmative defense. (2009-325, s. 2.)

§ 1C-1856. Effect of recognition of foreign-country judgment.

(a) If the court in a proceeding under G.S. 1C-1855 finds that the foreign-country judgment is entitled to recognition under this Article then, to the extent that the foreign-country judgment grants or denies recovery of a sum of money, the foreign-country judgment is:

(1) Conclusive between the parties to the same extent as the judgment of a sister state entitled to full faith and credit in this State would be conclusive; and

(2) Enforceable in the same manner and to the same extent as a judgment rendered in this State.

(b) Article 17 of this Chapter does not apply to the enforcement of foreign-country judgments recognized under this Article. (2009-325, s. 2.)

§ 1C-1857. Stay of proceedings pending appeal of foreign-country judgment.

If a party establishes that an appeal from a foreign-country judgment is pending or will be taken, the court may stay any proceedings with regard to the foreign-country judgment until the appeal is concluded, the time for appeal expires without an appeal being taken, or the appellant has had sufficient time to prosecute the appeal and has failed to do so. (2009-325, s. 2.)

§ 1C-1858. Statute of limitations.

An action to recognize a foreign-country judgment must be commenced within the earlier of the time during which the foreign-country judgment is effective in the foreign country or 10 years from the date that the foreign-country judgment became effective in the foreign country. (2009-325, s. 2.)

§ 1C-1859. Uniformity of interpretation.

In applying and construing this Article, consideration may be given to promoting uniformity of interpretation with respect to its subject matter among states that enact it. (2009-325, s. 2.)

§ 1C-1860. Severability.

The provisions of this Article are severable. If any part or application of this Article is invalid, then other parts or applications remain valid. (2015-107, s. 2.)