CEE LEGAL MATTERS COMPARATIVE LEGAL GUIDE: LITIGATION 2025

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Impressum:

CEE Legal Matters Kft.
Szechenyi utca 10,
1054 Budapest, Hungary
+36 1 796 5194

The Editors:

Radu Cotarcea: radu.cotarcea@ceelm.com
Teona Gelashvili: teona.gelashvili@ceelm.com
Andrija Djonovic: andrija.djonovic@ceelm.com

Letters to the Editors:

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TABLE OF CONTENTS

CHAPTER CONTENTS

CEE LEGAL MATTERS COMPARATIVE LEGAL GUIDE: LITIGATION 2025

BULGARIA

Dafinka Stoycheva
Senior Partner
dstoycheva@gugushev.com
+359 2 815 75 10

Daniel Dimitrov
Associate
ddimitrov@gugushev.com
+359 2 815 75 10

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1. General Trends

1.1. What is the current state of litigation in your jurisdiction, and what recent trends or developments have been observed?

According to Article 119 of the Constitution of the Republic of Bulgaria, the administration of justice is carried out by the Supreme Court of Cassation, the Supreme Administrative Court, courts of appeal, district, military and regional courts, and specialized courts may also be established by law.

The organization and activities of the Bulgarian courts are governed by the Judicial System Act, which lays down the structure and operating principles of the judicial bodies and governs their interaction with each other and with the legislative and executive bodies.

In recent years, the main trends in the judicial system have been concentrated on improving its efficiency, ensuring easy access to justice, and its overall digitalization. In particular, work is being done on improving the already implemented information and communication technologies – the so-called ICT systems, whose full potential for case management is yet to be realized. This includes ensuring real-time case management, standardized statistics on the activities of the courts, management of the accumulated backlog of delayed cases, and automated early warning systems. Currently, such types of implemented and operating systems are the SEC (Secure Electronic Service System), the Unified Court Information System (UCIS), and the Unified Portal for Electronic Justice (UPJ).

Another significant trend is the more active promotion of alternative dispute resolution options such as mediation, which aims to resolve the dispute faster and more cost-effectively without going to court. In connection with the overall policy regarding the judicial system in Bulgaria, a judicial reform has been actively prepared in recent years. The goals of this reform are generally aimed at ensuring the independence of the judiciary through the separation of powers, effective and transparent exercise of judicial power, as well as greater accountability and mechanisms for engaging responsibility.

1.2. What are the key legal frameworks that regulate litigation?

There are two main codes regulating civil litigation and criminal litigation. The rules for the initiation, conduct, and conclusion of civil proceedings are set out in the Civil Procedure Code, while the rules for criminal proceedings are set out in the Criminal Procedure Code.

Administrative litigation is conducted in accordance with the rules set out in the Administrative Procedure Code.

Apart from the general rules laid down by the codes, there are also specific court procedures in special laws – for example, bankruptcy proceedings, regulated by the Commercial Law.

2. Jurisdiction and Competence

2.1. How is the court system structured in your jurisdiction?

The Supreme Judicial Council, as the highest administrative authority responsible for managing the judiciary, determines the number of judicial districts and the seats of the regional, disctrict, and administrative courts and courts of appeal based on a proposal by the Minister of Justice and – as regards military courts – in coordination with the Minister of Defence. Judicial authority in Bulgaria is exercised by courts, which includes:

• Common courts (exercise jurisdiction in civil and criminal matters)

• Administrative courts (exercise jurisdiction in administrative matters)

The Supreme Court of Cassation and The Supreme Administrative Court (both exercise supreme judicial review over the proper and uniform application of laws) Depending on the type of civil cases, proceedings may be in two or three instances. For example, civil cases with a value claim up to BGN 5000 for cases, and up to BGN 20 000, for commercial cases (excluding claims for ownership of immovable property), take place before two court instances. The common courts are the following:

• Regional courts

• District courts

• Courts of appeal

The territorial jurisdictions of the regional, district, administrative, military, and appeal courts do not necessarily coincide with the administrative division of the country.

Regional courts are the first instance in cases of 'small' material interest. For example, claims up to BGN 25,000 and claims for ownership of immovable property valued at up to BGN 50,000. There are 113 regional courts, located in every Bulgarian town or city. District courts can act as first-instance or second-instance courts depending on the type of proceedings. As courts of first instance, they examine a precisely defined category of cases involving significant sums. When acting as a second (appellate) instance, they re-examine decisions taken by the district courts. There are 28 district courts. Courts of appeal are second-instance courts that hear appeals against decisions of the regional and district courts. There are six courts of appeal.

The Supreme Court of Cassation is the supreme judicial instance in criminal and civil cases. Its jurisdiction covers the entire territory of the Republic of Bulgaria. It exercises su-

preme judicial review over the proper and uniform application of laws by all courts.

2.2. Are there specialized courts for specific types of litigation?

Litigation against administrative acts:

All individuals and legal entities have the right to appeal against actions and acts of administrative authorities that affect their rights and interests. Administrative courts have jurisdiction over those claims and appeals against the acts.

The Administrative courts act as first-instance, while the Supreme Administrative Court exercises supreme judicial review over the proper application of laws by the administrative courts.

Note: Only people with expert knowledge of law, such as jurists and attorneys can represent the parties in litigation before the Supreme Administrative Court.

Until 2022, Bulgaria also had a system of specialized criminal courts, which were closed and their judges were reassigned to positions in the corresponding court.

At present, the system of military courts still exists, consisting of three military courts for the whole country, one military court of appeal, and the Supreme Court of Cassation, acting as the supreme court.

2.3. How is jurisdiction determined in cross-border litigation, especially in cases involving foreign parties or multiple jurisdictions?

As Bulgaria is a member of the EU, EU law and regulations regarding cross-border litigation are directly applied. In cross-border litigation, determining jurisdiction hinges on factors such as the parties' agreements and the connection between the dispute and potential competent courts. A choice of court clause in a contract can designate a specific court to handle the disputes. The location of harm is key in tort cases, allowing jurisdictions where the primary impact occurs. Civil law countries often rely on codified rules, like the Brussels Regulation in the EU, which prioritizes the defendant's domicile but includes exceptions. International treaties, such as the Hague Convention, help standardize jurisdiction and procedures in cross-border cases. Certain cases, like those involving intellectual property or antitrust issues, may have specialized jurisdiction rules. The general rule when determining the jurisdiction authorized to consider a legal dispute in the presence of a third party or other circumstance suggesting such a possibility is to first assess whether the dispute falls within the scope of European law. Next, the existence of an international treaty regulating the specific legal relationship that determines the competent court is assessed. As a final option for determining jurisdiction, domestic law, objectified in the Private International Law Act, is used. Ultimately, courts balance contractual agreements, national standards, and practicalities like enforceability to determine the best jurisdiction.

3. Initiating Litigation

3.1. What are the primary steps required to initiate litigation in your jurisdiction?

The litigation process begins with filling a statement of claim at the competent court. The statement must contain a description of the factual and legal grounds of the claim, the legal consequences, and supporting evidence. The claimant shall submit with the statement all the evidence he has in support of the claim and may also make requests for additional evidence.

3.2. Are there any specific requirements for parties regarding pre-litigation procedures?

N/A

4. Timelines

4.1. What are the typical timelines for different stages of litigation, from initiation to resolution?

After the submission of the claim, the competent court will consider whether the statement complies with the necessary requirements, such as: it must be in written form in Bulgarian, it must contain information about the claimant and the factual circumstances on which the claim is based, it must be signed by the claimant or his representative, proof of court fee payment, etc. If the claim complies with the requirements, the court will serve it on the defendant.

The defendant has the right to submit a reply within one month from the day they receive the claim. Whether or not the defendant has submitted a reply, after the expiry of the one-month period, the court shall schedule a court hearing. During the hearing, the parties shall have the right to present evidence and to make requests for evidence. If necessary, the court schedules new hearings for gathering evidence (admission of expert reports, hearing of witnesses, etc.). After all the evidence has been taken and the factual situation has been clarified, the court issues a judgment.

According to the Civil Procedure Code, the court should issue a judgment within one month of the last hearing, but this time limit is only instructive. On average a straightforward case before the first instance court will take 12 months from serving the statement of claim until a judgment is issued. In more complicated cases which require a number of witnesses and/or expert hearing the judgment can be delivered up to two or three years from the submission of the claim.

4.2. Are there specific time limits for filing claims, and do these vary depending on the type of dispute?

According to the Bulgarian Obligations and Contracts Act, there is a five-year limitation period for all claims. As an exception, the following claims are extinguished after a three-year limitation period: labor remuneration claims; claims for damages and liquidated damages resulting from non-performance of contracts; and claims for rent, interest, and other scheduled payments.

The limitation period runs from the day the claim becomes actionable. If it is agreed that the claim becomes actionable following an invitation, the limitation period begins to run from the day the obligation arose.

5. Interim Measures

5.1. What interim remedies are available in your jurisdiction?

Interim relief can be granted to preserve the claimant's rights or prevent irreparable damage until a final decision is reached.

The purpose of interim measures is to secure the enforcement of the claim. There are three options for the claimant: they may seek protection from the court under the order of interim proceedings before the legal proceedings are commenced when they file the statement of claim and the last possible moment to request the imposition of interim measures is when the main proceeding is already underway – until the conclusion of the judicial search in the appellate instance. There are different types of measures that can be taken: freezing bank accounts, establishing a mortgage over real estate, seizing movable property, etc. These measures remain active until the final judgment of the last instance court.

5.2. Under what circumstances can a party obtain an interim injunction, and how quickly can such relief be granted?

For the measures needed before proceedings commence, the application must be filed before the competent court, describing the claim and the legal interest of obtaining security. The claimant must provide evidence of the claim's merits. The court must examine applications for granting interim relief immediately and not later than one day after the day they were filed.

There are three options for the court after filing the application:

1. To honor the application – to grant interim relief and issue an interim order.

2. To not honor the request.

3. To honor the application and grant interim relief, but to set bail and issue an interim order after the payment of the bail.

The common practice of the Bulgarian courts is that they will honor the applications but set bail at 10% of the claim.

A defendant may appeal within one week of receiving the order, but this does not suspend its effects.

6. Discovery

6.1. What are the rules governing the discovery process in your jurisdiction?

The rules governing the discovery process in civil law are regulated by the Bulgarian Civil Procedure Code. Generally, parties determine what evidence to rely on – as the types of evidence and the procedure for presenting them are regulated by law. Exceptionally, the court may unilaterally appoint an expert if special knowledge and skills are necessary to clarify important facts and circumstances. In view of the evidentiary requests made by the parties, the court shall consider whether to admit them. For this purpose, the court assesses their admissibility in the light of the limitations of the law and necessity.

6.2. What types of evidence can be requested, and how are discovery disputes resolved?

Written evidence, oral evidence and expert reports are admissible in the proceedings.

The written evidence can be all types of documents issued by the parties, by government authorities, and by third parties. Generally, oral evidence is witness testimony. If it is found that special knowledge and skills are required to clarify important facts and circumstances relevant to the case either party has the right to request the preparation of an expert report.

If the party wishes to obtain specific documents from a third party, it must submit a written request to the court identifying the specific document along with the facts and the circumstances which it proves. If the court grants the request the third party will be obliged to provide the requested document or information.

Either party may challenge document authenticity. The court then verifies by comparison with undisputed documents, witness examinations, or expert reports. Inauthentic documents are excluded as evidence.

6.3. How is evidence presented and evaluated during litigation?

Pursuant to the law, the plaintiff shall submit with the claim the relevant evidence in his possession and shall have the opportunity to request additional evidence. After being served with the statement of claim, the defendant shall be entitled to file a reply and to adduce any evidence he considers relevant in support of his objections. The defendant also has the right to

request additional evidence.

During the first hearing, the parties may make new evidentiary requests in relation to received evidence. The court prepares a report in which it shall determine which evidence is admissible and which is not, and shall also determine which requests for evidence are granted.

7. Enforcement of Judgments

7.1. What types of judgments can be issued in civil litigation, and how are they enforced?

In civil litigation, there are three types of judgments depending on the nature of the dispute and the type of claim at issue:

1. Condemnatory – The court orders the defendant to pay a sum or perform a specific act.

2. Declaratory – These confirm the existence or absence of a right or obligation but do not directly enforce it.

3. Constitutional – These directly create, modify, or terminate legal relations between the parties, such as divorce or a court declaring a pre-nuptial agreement final.

Condemnatory judgments have enforceable grounds for the issue by the court of a writ of execution by which the bailiff may seize property, bank accounts or foreclose on immovable property. If the defendant fails to comply with a judgment for an act of omission, the court may impose a fine or other penalties. The enforcement process in Bulgaria is carried out by private or public bailiffs who oversee the enforcement judgments.

7.2. Are there specific provisions for cross-border litigation or enforcement of foreign judgments?

Bulgarian legislation has special provisions for cross-border litigation and enforcement of foreign judgments. The basic legal framework is defined by the Bulgarian Civil Procedure Code, which contains rules on the recognition and enforcement of foreign judgments, as well as by the Private International Law Act (PILA). Additionally, Bulgaria applies European Union law, particularly the Brussels I and Brussels IIa Regulations, which govern jurisdiction, recognition, and enforcement of judgments in civil and commercial matters within the EU.

As far as a court decision is concerned, issued by a competent authority of a Member State, the rule is that there is no need for special proceedings for its enforcement and recognition. For the recognition of a foreign judgment from outside the EU, the Bulgarian court examines whether the judgment is contrary to Bulgarian public policy, whether the parties have had the opportunity to participate in the proceedings, and whether the jurisdiction of the foreign court has been respected.

Once recognized, the judgment can be enforced in Bulgaria by issuing a writ of execution. This procedure ensures that judgments given in non-EU countries are recognized and enforced in the EU only when the fundamental principles of EU law are respected.

8. Appeal

8.1. What is the appeals process, and what are the grounds for appeal in your jurisdiction?

The main characteristics of the appeal process under the current Bulgarian legislation are its limitations, known as "limited appeal". As a general rule, no new requests for evidence may be introduced before the Court of Appeal in the event of the occurrence of a limitation period, except in certain statutory exceptions.

Key features of the appeals process:

• The court of appeal examines the validity and admissibility of the first instance judgment.

• It examines the substantive dispute only on the grounds stated in the appeal.

• The court of appeal does not repeat the actions of the court of first instance but continues its actions under the operation of limitations and restrictions.

• The purpose is to rectify defects in the formation of the court's will.

The grounds on which an appeal may be brought against the judgment of first-instance are nullity, inadmissibility, and irregularity, which may be expressed as an infringement of the rules of procedure, an infringement of the substantive law, and unreasonableness.

9. Costs and Funding

9.1. How are legal costs determined, and what are the common practices regarding funding litigation?

The Bulgarian Civil Procedure Code provides a system of cost reimbursement where the unsuccessful party is required to reimburse the costs of the prevailing party. The procedural costs are divided into court fees (which include the fees and expenses of witnesses, court-appointed experts, and court interpreters), legal fees (e.g., fees of legal representation), and party expenses (which predominantly consist of travel expenses and loss of earnings due to attendance in court).

The court taxes for the proceedings are 4% of the value of the claim but not less than BGN 50.

The expenses for court-appointed experts are determined by the complexity of the expertise and typically range between BGN 300 to BGN 800.

Attorneys' fees are agreed in a contract for legal defense and assistance between the attorney and the client, as they are also regulated in the Bulgarian Regulation on Attorneys' Fees. This regulation establishes fee guidelines for attorney work in the absence of a contract with the client for certain cases.

The fees according to the law are:

• For claims up to BGN 1,000 the fee is BGN 400

• For claims up to BGN 10,000, the fee is BGN 400 plus 10% for the above BGN 1,000;

• For claims up to BGN 25,000, the is BGN 1,300 plus 9% for the above BGN 10,000;

• For claims up to BGN 100,000, the fee is BGN 2,650 plus 8% for the above BGN 25,000;

• For claims up to BGN 500,000, the fee is BGN 8,650 plus 4% for the above BGN 100,000;

• For claims up to BGN 1 million, the fee is BGN 24,650 plus 3% for the above BGN 500,000;

9.2. Are there alternative funding options available for parties involved in litigation?

N/A

10. International Treaties

10.1. How do international treaties or regional agreements impact litigation in your jurisdiction?

The main international treaties that influence the jurisdiction of Bulgarian courts are those on judicial cooperation.

In this regard, the most important are the treaties on legal assistance, which may contain norms determining the competent jurisdiction between the states, and parties to the treaty, in the event of a dispute between their citizens or legal entities. An important place is also occupied by multilateral international treaties – conventions, e.g., in the field of human rights, which often set out specific principles and guarantees that should be observed in the administration of justice. In relation to international civil proceedings, three Hague Conventions and conventions in the field of international commercial arbitration are applicable.

These treaties and agreements ensure standardized approaches to cross-border legal issues, the protection of human rights in judicial processes.

KYRIAKIDES GEORGOPOULOS
Law Firm

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GREECE

John Kyriakides
Managing Partner
j.kyriakides@kglawfirm.gr
+30 210 817 1534

Alexia Giagini
Senior Associate
a.giagini@kglawfirm.gr
+30 210 817 1583

Angeliki Stryftou
Junior Associate
a.stryftou@kglawfirm.gr
+30 210 817 1577

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1. General Trends

1.1. What is the current state of litigation in your jurisdiction, and what recent trends or developments have been observed?

In Greece, litigation is the primary form of dispute resolution, as parties are gradually embracing arbitration and mediation as alternative methods for resolving their disputes. Therefore, to address the issue of judicial case overload, Greece underwent a major reform of its judicial system, primarily focused on the abolition of the Magistrate's Courts (as provided by law 5108/2024). The objective of this reform was to expedite the decision-making process, enhance the effectiveness of judges – particularly by assigning cases to judges with greater expertise and training – and optimize the management of resources through the consolidation of justice administration centers. Significant amendments have also been made to the Penal Code, with the introduction of new provisions aimed at expediting the resolution of less significant and lower-value criminal cases, as well as the modernization of offenses to ensure that the articles of the Code align with the evolving needs of society and advancing technology. Finally, it is important to highlight that ongoing efforts are being made by the court Secretariats to modernize their services and extend the electronic processing of procedures and requests from the parties involved. Consequently, in the courts of major cities, the vast majority of civil filings are now submitted electronically.

1.2. What are the key legal frameworks that regulate litigation?

Litigation in Greece is governed by a comprehensive legal framework that balances national laws, constitutional principles, EU regulations, and international treaties. The primary legal instruments that shape litigation in Greece are as follows:

• The Constitution, from which all the rights of the parties involved in transactions in Greece arise, as well as the general principles that regulate the Greek legal system.

• International Treaties and Conventions ratified by the Greek Parliament, such as the European Convention on Human Rights (ECHR) and Hague Conventions, the International Covenant on Civil and Political Rights (ICCPR), the International Court of Justice (ICJ), etc.

• EU Regulations and Directives, for instance, the Brussel I and II Regulations (No. 1215/2012 and No. 2201/2003), Rom EU Regulations and Directives, for instance, the Brussel I and II Regulations (No. 1215/2012 and No. 2201/2003), Rome I and II Regulations (No. 593/2008 and No. 864/2007), which govern jurisdiction, applicable law, and the recognition of judgments in cross-border disputes.

• Greek Code of Civil Procedure (GCCP), which governs civil and commercial litigation, outlining procedures for filing lawsuits, conducting trials, presenting evidence, and appealing decisions.

• Greek Civil Code (CC), which codifies the fundamental regulations governing the legal relationships between private individuals and entities, including rules on contracts, torts, property, family law, and inheritance, forming the basis for many civil disputes.

• Greek Penal Code and Penal Procedure Code (PC and PPC), which codify the fundamental regulations governing criminal prosecution, complaints, and procedure.

2. Jurisdiction and Competence

2.1. How is the court system structured in your jurisdiction?

In Greece, the judicial system is structured around two main levels of jurisdiction: (i) the First Instance Courts and (ii) the Appeal Courts. The First Instance Courts are further divided into three categories: (a) the Single-member Court of First Instance, which is assigned with handling cases where the value does not exceed EUR 250,000, as well as specific categories of cases, as outlined in the Greek Code of Civil Procedure (b) the Three (multi)-member Court of First Instance, which is responsible for adjudicating other cases and reviewing appeals against decisions of the Single-member Court of First Instance (as well as those previously heard by the Magistrates' Courts).

The Appeal Courts hear appeals from these lower courts, and decisions rendered by the Appeal Courts can be challenged by cassation appeals to the Supreme Court of Greece, which serves as the court of last resort for such matters. Additionally, the Appeal Court is responsible for reviewing applications for the annulment of arbitral awards. Appeals from the First Instance Courts are heard by the Appeal Court, which reviews the case de novo, considering both the legal aspects and the factual merits of the dispute.

The Supreme Court of Greece is the highest appellate court and has jurisdiction to hear cassation petitions against decisions made by the Appeal Courts across the country. Typically, the Supreme Court hears these cases in panels of five judges or, in exceptional cases, in a full bench (plenary session). It is important to note that the Supreme Court's review is limited to legal questions; it does not have the authority to alter findings of fact made by the lower courts.

2.2. Are there specialized courts for specific types of litigation?

As a general note, the division of courts in Greece is based on criminal and civil cases, without distinguishing between courts according to the subject matter of the dispute. However, in

major urban centers, where the volume of cases is significant, it is common to establish separate dockets (e.g., commercial, property, family law, IP, bankruptcy and insolvency proceedings, etc.). These cases, however, are adjudicated by the same judges without any expertise in our exclusive handling of cases. Historically, the Piraeus Court of First Instance holds a specialized docket for maritime cases, given that Piraeus is the largest port in the country.

2.3. How is jurisdiction determined in cross-border litigation, especially in cases involving foreign parties or multiple jurisdictions?

As a general observation, Greek courts have jurisdiction, pursuant to the provisions of the Greek Code of Civil Procedure, over any dispute involving legal entities or individuals with their registered offices or residence in Greece, as well as any dispute arising from contractual relationships between parties where the place of performance is Greece. Moreover, the Greek legislator has ratified a number of international conventions and treaties that govern the jurisdiction of its courts (e.g., the Hague Convention). Additionally, as a member of the European Union, Greece is bound by EU regulations concerning jurisdiction and applicable law, such as Brussels I (EU Reg. 1215/2012), Rome I (EU Reg. 593/2008), and Rome II (EU Reg. 864/2007).

Consequently, the jurisdiction of Greek courts is governed by the aforementioned framework of provisions, and it is for the court before which the dispute is brought to determine whether it has the authority to issue a judgment, applying the relevant rules outlined above.

It should also be noted that Parties may designate the jurisdiction of specific courts through choice-of-court clauses in their contracts. Furthermore, Greek courts may decline jurisdiction based on the principle of forum non conveniens, where it is determined that another court would be competent for resolving the dispute.

3. Initiating Litigation

3.1. What are the primary steps required to initiate litigation in your jurisdiction?

In Greece, civil proceedings are initiated through two key steps: (i) the filing of a writ (lawsuit, recourse, or application) with the secretariat of the relevant court, and (ii) the service of the writ to the defendant(s). Upon filing the writ, the court secretariat issues a "Certificate of Filing of Writ," which is attached to the final page of the document. The plaintiff(s) then serve the writ to the defendant(s) as a single document.

Writs in Greece are served by Court Bailiffs, and service can be arranged by any party involved in the litigation. The Court Bailiff is responsible for ensuring that the writ is served in compliance with the legal provisions governing proper service. Once the writ is served, the Bailiff issues a "Certificate of Service" to the instructing lawyer, certifying that the writ has been duly and lawfully delivered to the defendant(s).

In cases where the defendant resides abroad, service of the writ is made before the public prosecutor of the court with jurisdiction over the case. The service is again executed by a Court Bailiff, who issues the relevant Certificate of Service. The public prosecutor is then required to forward the writ to the Ministry of Foreign Affairs, which is responsible for sending it to the defendant(s). The process thereafter depends on the specific procedures in the receiving country. Additionally, Article 137 of the Greek Civil Procedure Code acknowledges that service of the writ initiating civil proceedings can be conducted in accordance with the service laws of the defendant's country of residence.

Prior to the initiation of proceedings, the attorney is obliged to inform the claimant of the option of the dispute being brought to mediation. A brief statement to this end is prepared and submitted in the file of the claim.

In practice, it is also common for the claimant to address an extrajudicial statement (to be served through a Court Bailiff) to the defendant before initiating the proceedings in an attempt to avoid litigation.

3.2. Are there any specific requirements for parties regarding pre-litigation procedures?

Before initiating legal proceedings, an attorney is required to inform the claimant about the option of resolving the dispute through mediation. To this end, the attorney must prepare a brief statement, which is then submitted to the court as part of the case file. The failure to file the required mediation information statement may result in the dismissal of the lawsuit on grounds of inadmissibility. Additionally, failure to participate in the mediation process may lead to the imposition of a fine.

In practice, it is also common for the claimant to send an extrajudicial notice (delivered through a Court Bailiff) to the defendant prior to commencing formal proceedings, and in particular cases, the service of such a notice is mandatory pre-litigation steps i.e., labor or lease disputes. This step aims to encourage a resolution outside of court and avoid litigation, where possible.

4. Timelines

4.1. What are the typical timelines for different stages of litigation, from initiation to resolution?

Civil litigation proceedings follow a structured process that is typically divided into seven stages. The stages are as follows:

1. Initiation of Proceedings: The litigation process begins

with the filing of a writ (lawsuit) before the Court's Secretariat. This writ formally initiates the case, outlining the claimant's legal arguments and the relief sought.

Upon the filing of the lawsuit at the Court's secretariat, the plaintiff(s) is bound to arrange for the service of the lawsuit to the defendant(s) within a period of 30 days (for domestic residents) or 60 days (for residents of other countries, or persons of unknown residence), commencing from the date of filing of the lawsuit.

2. Mandatory Mediation Session: Prior to the court hearing, a mandatory mediation session is required under the provisions of the Greek Civil Code of Procedure (GCCP) and Law 4640/2019. The purpose of this mediation is to encourage settlement between the parties and potentially avoid a lengthy trial. If the mediation is successful, the dispute may be resolved without the need for a court hearing.

The session takes place during the period from the filing of the lawsuit to the filing of the briefs.

3. Filing of Briefs and Evidentiary Materials: Both parties are required to submit their briefs, along with any supporting evidence.

More specifically, the parties have to submit their briefs and their evidential material within a period of 120 days (applies to domestic residents) and 180 days (applies to foreign residents or persons of unknown residence). These deadlines commence on the day the action is filed. The parties as also entitled to file an addenda to rebut the opposing party's claims, within from the filing of briefs.

4. Scheduling of the Hearing: Following the submission of briefs and evidence, the court schedules a hearing. At the scheduled hearing, no advocacy takes place and no cross-examination of witnesses occurs.

On average, this date of hearing is set some 12–16 months later (in commercial disputes).

As the hearing is often scheduled a considerable time after the submission of the written pleadings, the parties are permitted to submit a memorandum outlining any new facts that have arisen in the interim. This memorandum must be filed no later than 20 days before the scheduled hearing. The opposing party is then entitled to file a rebuttal to these new facts, which must be submitted no later than 15 days before the hearing.

5. Judgment Rendering: After the hearing, the court deliberates and renders a judgment. This judgment is the court's final judgment on the case. The court is required to issue its judgment within eight months of the hearing date, as stipulated by law. However, it is unfortunate to note that this statutory deadline is not always adhered to, with significant delays often occurring, particularly in the larger cities.

6. Service of the Judgment: Once the judgment has been rendered, it is formally served by the most prudent litigant party to the other.

However, certain types of disputes, such as those related to labor law, family law, or property leasing, tend to be resolved more quickly. In these cases, the scheduled hearing typically involves the parties presenting their arguments orally, and witness testimonies are heard directly by the Court.

4.2. Are there specific time limits for filing claims, and do these vary depending on the type of dispute?

The general principle is that there is a five-year limitation period. Article 250 of the Greek Civil Code makes an exhaustive reference to all kinds of claims that are statute-barred within five years (e.g., general civil law claims). All other claims not mentioned in Article 250 of the Greek Civil Code are statute-barred after the lapse of 20 years. The prescription period commences on the day that the claim was born and its judicial pursuance made possible, and it ends on the last day of the fifth or the 20th of the calendar year.

An exception to the above principles may apply when special statutory limitation periods are applicable. For example, commercial disputes between entities are subject to a 5-year limitation period, as well as claims arising from the sale of goods or lease agreements. The prescription period commences on the last day of the year within which the claim was born and its judicial pursuance made possible, and it ends on the last day of the fifth or calendar year.

It is important to note that the limitation period may be suspended under certain circumstances, such as during ongoing negotiations between the parties, the initiation of mediation proceedings, or in the event of a moratorium.

Interim measures may be ordered by the court regardless of whether the main dispute is brought before the regular courts or an arbitral tribunal.

5. Interim Measures

5.1. What interim remedies are available in your jurisdiction?

The Greek Code of Civil Procedure provides a set of provisions governing the granting of interim remedies, which either serve to preserve the subject matter of the dispute pending the court's judgment on the merits or address situations requiring immediate resolution. These measures, while not strictly aligned with the core protective purpose of interim relief, may, in certain cases, be categorized as "quasi-interim measures" due to their nature.

It shall be noted that in cases where the application for interim measures is filed prior to the initiation of the main action,

the judge may set a deadline by which the main claim must be filed. However, this deadline cannot be less than 60 days from the issuance of the relevant decision.

More specifically, in the context of safeguarding the subject matter of the dispute pending the court's final judgment on the merits, the court may, upon the filing of a petition, issue an order for the provisional attachment of assets and bank accounts, the registration of a mortgage pre-notation, the creation of a pledge over movable property, a judicial sequestration, or even an order for the preservation of the legal and factual status of the subject matter of the dispute. Also, a European Account Preservation Order can be issued upon the filing of a petition, as provided by EY Reg. 655/2014.

5.2. Under what circumstances can a party obtain an interim injunction, and how quickly can such relief be granted?

The application for interim measures is heard by the court within a period of 2 to 4 months from its submission, and the court issues its judgment following the hearing of both parties, within 2 to 6 months commencing from the day of the hearing.

In urgent cases, the litigant parties may, through their application, request the issuance of a provisional court order within the frame outlined above, which remains in effect until a judgment is rendered on the application for interim measures. Such a request is heard before a judge within 2-6 days and the respective order is issued within 24-48 hours, commencing from the hearing of the request for the issuance of the provisional court order.

In cases of extreme urgency, this order may be issued without a prior hearing of the opposing party, pending the hearing of the initial request for the issuance of a provisional order.

In order for an application for interim measures to be granted, the following conditions must be met: (i) the court must preliminarily assess the legal and substantive validity of the claim, and (ii) there must be a significant and imminent risk to the subject matter of the dispute until a judgment is rendered on the main dispute.

6. Discovery

6.1. What are the rules governing the discovery process in your jurisdiction?

The basic rules of evidence, as set forth in Articles 335-351 of the Greek Code of Civil Procedure, are as follows:

• Subject Matter of Proof: According to Article 335 of the Greek Code of Civil Procedure, only facts that are contested by a party and are relevant to the outcome of the litigation constitute the subject matter of proof. However, the Court is free to take into account matters of common knowledge, established principles of experience, and facts that are widely known or practically acknowledged.

• Burden of Proof: Article 338 of the Greek Code of Civil Procedure establishes the general statutory rule regarding the burden of proof. Under this rule, each party is responsible for proving the facts necessary to support its own allegations, claims, or counterclaims. The parties are entitled to present any piece of evidence, such as documents, witness testimonies, and expert reports. It is also provided that, in the event, that one party is aware that the other party possesses a document related to the subject matter of the dispute, which could assist the court in forming its judgment, that party may submit a request to the court for the production of the document. It should be noted that the court may upon its discretion order the production of additional evidential material (witness testimonies, expert reports).

• Evaluation of Evidence: Article 340 of the Greek Code of Civil Procedure provides that the judges are responsible for evaluating all the evidence presented before them. The judgment must provide a detailed explanation of the reasons that led the Court to adopt its particular conclusion.

6.2. What types of evidence can be requested, and how are discovery disputes resolved?

The admissible types of evidence (as per the Greek Code of Civil Procedure) are the following:

• Confession (article 352 of the Greek Code of Civil Procedure).

• Direct or tangible evidence – autopsy (articles 355–367 of the Greek Code of Civil Procedure).

• Expert reports (article 368 of the Greek Code of Civil Procedure).

• Witness testimony (articles 393–414 of the Greek Code of Civil Procedure) and affidavits (articles 421–424 of the Greek Code of Civil Procedure).

• Examination of the litigant parties (articles 415–420 of the Greek Code of Civil Procedure).

• Documentary evidence.

Witness testimony, affidavits, and documentary evidence are the most common and frequently relied upon forms of evidence in civil litigation. Likewise, expert reports, testimony, and opinions are admissible and often play a significant role in the proceedings, as well as e-mails, messages, voicemails, and photographs [within the framework of the General Data Protection Regulation (GDPR)]. The only type of evidence that is inadmissible is that which has been obtained through illegal means.

6.3. How is evidence presented and evaluated during litigation?

The parties may present the aforementioned means of evidence by submitting the evidential material together with their briefs and addendums, in accordance with the provisions of the Greek Code of Civil Procedure for the purpose of rebutting the opposing party's claims and the rules on the conduction of the hearing (which may differ for cases regarding labor matters, lease agreements, etc.).

With regard to the evaluation of the evidence presented, Article 340 of the Greek Code of Civil Procedure stipulates that it is the responsibility of the judges to assess all the evidence submitted before them. The judgment must include a detailed statement of the reasons that led the court to reach its particular conclusion. If the court determines that the evidence presented by the parties is insufficient, it may order, by way of an interlocutory decision, the submission of additional evidence.

7. Enforcement of Judgments

7.1. What types of judgments can be issued in civil litigation, and how are they enforced?

The Civil Courts in Greece can issue the following types of judgments: a "final judgment" or an "interim judgment". The "final judgment" is the judgment that concludes the proceedings and renders judgment, whilst the "interim judgment" or non-final judgment is the judgment through which the Court rules on matters incidental to the proceedings, such as the ordering of the appointment of an expert to provide an expert's opinion on a certain matter. Another type of non-final judgment is one that rules on other issues of the case without concluding the proceedings.

A "final judgment" either following the lapse of the deadline of the defeated party to file an appeal or in the case of appeal, following the issuance of the judgment of the Appeal Court, becomes an "irrevocable judgment" and produces the res judicata effect.

Further, if the judgment can no longer be overruled following a Cassation Appeal or following the issuance of a judgment by the Supreme Court of Greece, then it becomes an "unappealable judgment".

Further, the judgments can also be characterized with respect to the nature of the relief sought. In this respect, they are divided into:

• Decisions for affirmative relief, are issued in claims for specific performance, as well as for all kinds of monetary claims.

• Declaratory Decisions, through which the Court recognizes and "declares" the existence or non-existence of a legal relationship between the parties.

A judgment, whether domestic or foreign, can be enforced only if it is final and irrevocable. In the case where a judgment has been issued by the Greek courts, it is immediately enforceable. Enforcement of the judgment begins with the service of the executory copy to the losing party. If the losing party fails to comply with the executory copy, enforcement proceedings, such as asset seizure or auction, may be initiated.

7.2. Are there specific provisions for cross-border litigation or enforcement of foreign judgments?

With regard to foreign judgments issued by a court of an EU Member State, the provisions of the Brussels I Regulation (EC 44/2001) apply. In all other cases, and subject to any relevant multilateral or bilateral treaties and conventions, a foreign judgment may be declared enforceable by a judgment of the Single-Member Court of First Instance upon the application of the plaintiff. The conditions for such enforcement are outlined in Article 905, paragraph 2 of the Greek Code of Civil Procedure, and are as follows:

• the foreign court has international jurisdiction,

• the losing party had not been deprived of the right of defense,

• no conflicting final judgment on the same matter has been issued by a Greek court,

• the judgment is enforceable (i.e., has acquired the force of a res judicata) pursuant to the law of the country of issuance and

• the judgment is not contrary to the good morals or public order of Greece.

The exequatur procedure is essential for the recognition and enforcement of foreign judgments in Greece, especially when dealing with judgments from non-EU jurisdictions or those outside the scope of automatic recognition under EU regulations. This process involves obtaining a Greek court's approval to recognize and enforce the foreign judgment, ensuring compliance with Greek legal standards.

8. Appeal

8.1. What is the appeals process, and what are the grounds for appeal in your jurisdiction?

As a general principle, all final judgments of the Court of First Instance may be contested by way of appeal before the Court of Appeal, which can only be filed once. The appeal must be lodged either within 30 days of the service of the judgment (or 60 days for those residing abroad). In case none of the parties serve the judgment to its adversary, then the deadline for filing an appeal is two years, starting from the publication of the judgment.

As for the grounds of appeal, these may relate to the erroneous application of the law by the Court of First Instance or to an improper evaluation of the evidence presented by the parties, as long as of the allegations of the parties. Consequently, the Court of Appeal examines both the substance of the dispute and any legal errors committed by the Court of First Instance, but always within the parameters established by the appellant's grounds of appeal. Furthermore, it is important to note that, in principle, the litigant parties are not entitled to introduce new claims or evidence before the Court of Appeal.

The appeal is heard in the presence of the parties before the Court of Appeal. Also, the litigant parties are entitled to consent in advance to the court proceeding with the hearing in their absence. The submission of briefs and evidence by the parties shall be made before the Court's Secretariat on the day of the hearing, or, if they indicate that they do not wish to attend the hearing, on the preceding day.

Moreover, the judgment of the Court of Appeal may be contested by way of cassation appeal before the Supreme Court. The cassation must be lodged either within 30 days of the service of the judgment (or 60 days for those residing abroad). Similar to appeals, if the judgment under review is not served by either of the parties the deadline to file a Cassation Appeal is two years, starting from the publication of the judgment.

The grounds for cassation are enumerated in Article 559 of the Code of Civil Procedure. It should be noted that the Supreme Court, acting as a Cour de Cassation, only examines the correct application of the legislation and legal norms to the facts of the case.

9. Costs and Funding

9.1. How are legal costs determined, and what are the common practices regarding funding litigation?

The main costs of civil Court proceedings are the Court fees and costs, and the lawyers' fees. Both are regulated by statute, although in practice lawyers are free to negotiate their fees with their clients, provided the agreed fee does not fall below the statutory minimum.

Naturally, a party to litigation must take into account that it will also incur Court Bailiff fees, expert witness fees, translation fees, etc. where applicable.

The Court fees and costs that must be paid in civil proceedings are the following:

a. Stamp duties. These are affixed on all legal writs (lawsuits, briefs, applications, etc.) upon their filing and range between EUR 2-18 per writ.

b. Proceedings fees. The plaintiff must pay to the State a fee ("dikastiko ensimo"), the rate of which depends on the amount of the claim and ranges between 4%–8% of the amount sought, plus a fee equal to 2.4% of the State fee as stamp duty.

These fees are paid by the plaintiff in advance of the hearing but may be recovered if he is successful in his claim. Following the issuance of the judgment, and provided that the plaintiff is successful in his claim, the plaintiff might also have to pay the "Enforcement Cost" in order to be able to obtain the executory engrossment and proceed to acts of enforcement. This may be avoided if the losing party elects to pay the claim without the need for the plaintiff to issue an exequatur. For the issuance of the executory engrossment, the cost ranges between 2%–3%, depending on the nature of the claim awarded by the Court (accumulated interest is also taken into account).

In the event of an appeal, the party filing the appeal is required to pay in advance a Court fee of the amount of EUR 100-150. Moreover, in the event of a petition for cassation, the party filing the petition is required to pay in advance a Court fee of the amount of EUR 250-450.

As for lawyers' consultation and representation fees, these are regulated by law but only as to the statutory minimum. In practice, fees are freely negotiated between the client(s) and the lawyer, and each litigant party bears the costs of his lawyer.

As a general rule in Greek civil litigation, the defeated party is ordered by the Court to bear all fees and expenses relating to the proceedings, including the opponent's lawyers' fees, but only to the extent they do not exceed the statutory minimum (any fees paid by the parties to their lawyers in excess of the statutory minimum are not recoverable). The Court also has the right to set off the expenses between the parties. Most commonly, the amount awarded to the winning party is equal to approximately 2% of the amount in dispute.

As is most common in Greek judicial practice, each party bears its own cost of initiating and participating in litigation proceedings.

9.2. Are there alternative funding options available for parties involved in litigation?

If a litigant party cannot undertake its own costs, then it can apply for legal aid. Law 3226/2004 on Legal Aid provides that any individual with a low income who is either an EU citizen or domiciled/residing in the EU can apply for legal aid. Legal aid in civil cases covers the appointment of a lawyer, where needed, and the exemption from Court expenses (e.g., stamp duty, etc.).

The assignment of a claim against a person to a third party is permitted under the provisions of the Greek Civil Code and is executed by the signing of an agreement between the parties, which is officially announced to the person or entity

against whom the claim is retained. The third party becomes the beneficiary of the claim and can resume litigation. Correspondingly, the defendant is allowed to assign the debt to a third party by agreement, to which the claimant must consent.

However, this is not common practice, nor is the funding of legal costs, particularly due to their relatively limited amount.

Also, a contingency fee or success fee may be agreed between the client and his lawyer, provided that it is made in writing and a copy of the agreement is filed with the Bar Association. Also, there are practitioners and law firms providing services on a pro bono basis, although on a limited and exceptional basis.

10. International Treaties

10.1. How do international treaties or regional agreements impact litigation in your jurisdiction?

Greece has ratified through the years numerous international treaties and regional agreements applicable to various aspects of the relationships that evolve within its territory, be they commercial, contractual, or every day. Furthermore, as a member of the European Union, Greece is committed to and acknowledges the regulations and directives issued by the EU, in the vast majority of cases. As a result, Greek courts are bound not only by national legislation but also by EU regulations and directives, as well as by a series of international treaties to which Greece has ratified.

Specifically, with respect to the limitation proceedings, there are numerous treaties and regional agreements ratified and therefore applicable. For example, Greece has ratified the treaties produced by the Hague Convention on Choice of Court Agreements, the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and The Hague Evidence Convention. Also, numerous EU regulations are applicable as Rome I, Rome II, Brussels I, and EU regulation on insolvency proceedings.

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CEE LEGAL MATTERS COMPARATIVE LEGAL GUIDE: LITIGATION 2025

HUNGARY

Zsolt Farkas
Partner
zsolt.farkas@oppenheimlegal.com
+36303830700

Sarolta Edua Szabo
Senior Associate
sarolta.szabo@oppenheimlegal.com
+36303839943

Lili Bischof
Junior Associate
lili.bischof@oppenheimlegal.com
+36304636602

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www.ceelegalmatters.com

1. General Trends

1.1. What is the current state of litigation in your jurisdiction, and what recent trends or developments have been observed?

Pursuant to the Fundamental Law of Hungary, the operation of the Hungarian state is based on the principle of the distribution of powers: the task of the dispensation of justice belongs to the courts. Courts render decisions in criminal and civil law cases, on the legality of public administration decisions, in some cases in relation to the local governments, and in other cases prescribed by law.

The judicial organization is one of the basic pillars of the Hungarian rule of law.

The new civil procedure code, i.e., Act CXXX of 2016 on Civil Procedures (hereinafter "CCP") came into force on 1 January 2018, which has brought some changes with itself.

Under the new CCP, the admissibility requirements for the statement of claim have been raised and courts tend to review more and more substantial aspects of the case already when investigating the admissibility of the statement of claim despite admissibility should be a formal check, only.

The CCP introduced new rules, according to which the first instance procedure is divided into two distinct stages: the preparatory stage and the evidentiary stage. The aim of the preparatory stage is to define the scope of the dispute (facts, motions for evidence, and the claim enforced). Once the preparatory stage is closed, the court immediately moves on to the main stage. In this phase, the court conducts the evidentiary procedure within the framework defined in the preparatory stage and decides on the case.

Overall, therefore, the role and responsibility of the parties in case management has seriously increased.

The amendments of rules on procedural fees and the courts' practice of reimbursing lawyers' fees, which is making litigation increasingly expensive, seem to be part of this tendency.

As of January 2025, Act XCIII of 1990 on Duties (hereinafter "Duties Act") was amended and the rate of the duty for civil proceedings at first instance changed. Prior to the amendment, the duty was set at 6% of the value of the case, with a maximum of HUF 1,500,000. As a result of the amendment, the duty is uniformly HUF 18,000 if the value in dispute is HUF 300,000 or less. If the value in dispute is above HUF 300,000, the rate of the duty is set differently in 8 bands depending on the value in dispute. In each band, the duty payable is a fixed amount plus a percentage of the amount exceeding the lower limit of the band. In essence, the amendment seriously increases the duty for litigation, especially by abolishing the upper limit of the duty.

These changes may also affect litigation funding, which is not yet widespread in Hungary, but may become more common as a result of higher litigation costs.

Overall, statistics from the years following the entry into force of the new law show that the number of cases initiated has decreased compared to previous years and that the resolution of cases, in general, has also become faster.

Furthermore, the function of the Supreme Court is shifting away from the judicial review function towards guaranteeing the uniformity of the judicial system. Following the recent introduction of a limited precedent system in Hungary, legal unity is ensured primarily through the published decisions of the Supreme Court. This is because the published decisions of the Supreme Court are not to be departed from by lower courts. If, for some reason, the judge of a lower court in a particular case does wish to deviate from the precedent of the Supreme Court, he may do so, but must explicitly state the reasons for the departure in his decision. The question of whether a deviation from precedent is appropriate can also be challenged on appeal and in a review procedure. Nor can the Supreme Court itself deviate from its own previously published decisions, even if it gives reasons for the deviation. If the Supreme Court itself wishes to deviate or considers it appropriate that the lower court has deviated, it must initiate a uniformity procedure.

As a further aspect, Hungary has been gradually implementing digital solutions in civil litigation, such as electronic case filing and electronic communication with courts.

The COVID-19 pandemic and its consequences accelerated the adoption of online hearings of witnesses, though their widespread use remains limited compared to traditional in-person hearings of witnesses.

1.2. What are the key legal frameworks that regulate litigation?

The main legal instrument that governs civil court litigation is the CCP (Act CXXX of 2016 on Civil Procedures). The rules on procedural fees of court litigation are set out in the Duties Act (Act XCIII of 1990 on duties).

The main legal instrument that governs the enforcement of judicial decisions is Act LIII of 1994 on Judicial Enforcement.

In case of cross-border, European Union-related cases, the respective EU Regulations apply, such as the Brussels Ia Regulations, the Brussels IIa Regulation, the Rome I Regulation, the Rome II Regulation, Regulation (EU) 2020/1783 on cooperation between the courts of the Member States in the taking of evidence in civil or commercial matters and Regulation (EU) 2020/1784 on the service in the Member States of judicial and extrajudicial documents in civil or commercial matters.

In case of cross-border disputes, Act XXVIII of 2017 on Pri-

vate International Law might also come into consideration.

Last but not least, the Fundamental Law of Hungary may also become relevant in relation to certain general rules, such as questions of interpretation as the driving principle of interpretation is that legal provisions must be in accordance with common sense.

2. Jurisdiction and Competence

2.1. How is the court system structured in your jurisdiction?

Hungary's judicial system has four levels: local courts (in Hungarian: "jarasbirosag"), county courts (in Hungarian: "torvenyszek"), higher courts of appeal (in Hungarian: "itelotabla"), and the Supreme Court (in Hungarian: "Kuria"). Local courts conduct proceedings as a first instance in most of the cases. County courts proceed at first instance in cases specified by the CCP (e. g. where the disputed amount exceeds HUF 30 million) and review the appeals submitted against the first instance judgments and orders of local courts. Higher courts of appeal proceed as the second instance of county courts.

The Supreme Court has jurisdictional powers such as considering appeals (in the course of an appeal before a court of appeal, that court adopts an order against which an appeal may be lodged in accordance with the rules of first instance procedure, it is for the Supreme Court to hear that appeal) and reviewing final and binding judgments as an extraordinary legal remedy.

The Supreme Court also has powers to guarantee the uniformity of the judicial system by analyzing the practice of Hungarian courts and publishing decisions on principles to be followed by lower courts, and also in the context of review proceedings (legal supervision) and uniformity complaint proceedings.

In the context of the review proceedings, the uniformity of the judicial system may come to relevance as the Supreme Court may permit the review even if it is, as a general rule, not allowed, if examination of the violation of law that affects the merits of the case is justified on grounds of ensuring the consistency or development of jurisprudence, or the exceptional weight or social significance of the question of law raised, and shall permit if, concerning a question of law, the judgment dissents from a published decision of the Supreme Court.

Further, the uniformity complaint procedure is an important tool in the Supreme Court's role of unifying case law. A uniformity complaint may be lodged against a decision of the Supreme Court if the application for review already referred to a deviation from a decision of the Supreme Court (issued after January 1, 2012), and the Supreme Court has not remedied the infringement caused by the deviation in its decision. A uniformity complaint is also admissible if the Supreme Court deviates from its published decision in such a way that the given deviation was not made in the decision of the lower courts. Thus, the harmonization of the adjudication of legal issues by means of a uniform interpretation is a unifying task of the Supreme Court.

2.2. Are there specialized courts for specific types of litigation?

As a general rule, there are no specialized courts for specific types of litigation. Although courts hearing civil cases are currently not organisationally separate from courts hearing administrative and labor cases, these cases are adjudicated by different collegiums of the courts, and these types of cases have their separate or partially separate rules of procedure.

It shall also be noted that commercial cases, i.e., disputes between legal persons, and civil cases, i.e., disputes between an individual and a legal person or between two individuals, are also different at the level of the collegiums, i.e., they are heard by different collegiums. Overall, therefore, specialized expertise is provided, although the different cases are judged according to mainly the same set of rules.

According to the CCP, legal representation is mandatory during the litigation procedure, except in actions falling within the subject-matter jurisdiction of district courts, including appeals and retrial procedures, or for the party submitting a statement of defense in a review procedure related to an action falling within the subject-matter jurisdiction of district courts. For specific types of litigation, the CCP may provide otherwise, such as in case of labor cases, where legal representation is not mandatory.

2.3. How is jurisdiction determined in cross-border litigation, especially in cases involving foreign parties or multiple jurisdictions?

In Hungary, jurisdiction in cross-border litigation, especially involving foreign parties or multiple jurisdictions, is primarily determined by the rules set out in international treaties and EU regulations, as well as Hungarian domestic laws.

Within the European Union, the Brussels Ia Regulation [Regulation (EU) No 1215/2012] generally governs jurisdiction. It establishes rules on jurisdiction in civil and commercial matters among EU member states. Accordingly, in principle, common rules of jurisdiction apply when the defendant is domiciled in a European Union Member State, as set out in the Brussels Ia Regulation. Furthermore, the Brussels IIa Regulation [Council Regulation (EC) No 2201/2003] regulates jurisdiction in matrimonial matters and matters of parental responsibility forms. In the areas covered by EU law, the national legislator is left with no possibility to regulate jurisdiction.

The applicability of national rules is also limited by the

international conventions to which Hungary is a party since if such convention exists, it is applicable instead of national legislation. Such conventions are for example the 1996 Hague Convention on the Protection of Children and bilateral legal aid treaties.

In cases not covered by EU regulations or international treaties, Act XXVIII of 2017 on Private International Law provides additional rules for determining jurisdiction. This includes rules on exclusive and excluded grounds of jurisdiction, jurisdiction in property matters, and family and personal law matters.

Hungarian law – similarly to the Brussels Ia Regulation – accepts choice of court agreements, which is defined by Act XXVIII of 2017 on Private International Law as an agreement concluded by the parties that designates, for the purpose of deciding disputes which have arisen or may arise in connection with a particular action relating to property law, the courts of a State or one or more specific courts of a State. Such agreements on jurisdiction are widely recognized and reciprocity is not required for their recognition in Hungary. However, the rules on exclusive or excluded jurisdiction are a limitation on the freedom to choose the forum, since by their very nature, they cannot be overridden.

3. Initiating Litigation

3.1. What are the primary steps required to initiate litigation in your jurisdiction?

The court proceeding shall be initiated by the claimant through a statement of claim which has extensive formal and content requirements. If the statement of claim complies with the formal and content requirements and the procedural prerequisites are met, e.g., Hungarian courts' jurisdiction is not excluded and another State's courts do not have exclusive jurisdiction over the case, the court in which the letter of claim was filed with has competence over the case, the procedural duty was paid, etc., the proceeding court serves the letter of claim on the defendant and requests the defendant to submit its statement of defense within the statutory time-limit. The legal effects of the commencement of the lawsuit (e.g., lis pendens) are deemed to be established upon serving the – formally and substantively admissible – statement of claim on the defendant together with a summons, and, in principle, the procedure becomes a three-phase procedure at this moment. This means that from the date of commencement until the conclusion of the proceedings, no further proceedings may be brought between the same parties for the same right arising from the same factual basis. Any subsequent statement of claim to this effect must be considered inadmissible or, if the existence of lis pendens is subsequently discovered, the proceedings must be terminated.

The duration of this phase is approximately 1.5-3 months, depending on whether there were any deficiencies in the statement of claim, which may be supplemented, or corrected.

The legal effects of filing a statement of claim (e.g., interruption of time-bar) shall persist even if the statement of claim is rejected on formal grounds if the plaintiff duly files, with reference to the history of the case, the new statement of claim, again, or duly enforces his claim otherwise, within thirty days after the order on rejection becomes final and binding, this may prolong the proceedings with further 2-3 month.

3.2. Are there any specific requirements for parties regarding pre-litigation procedures?

Any overdue claim of a pecuniary nature only, whose amount does not exceed HUF 3 million may first be recovered by way of a payment order procedure only, or by attempting a settlement in a mediation procedure, provided that the parties have a known domestic address and the pecuniary claim does not originate from an employment legal relationship. In the case of a payment order procedure, the notary issues a payment order which, if not contested by the debtor, becomes final and enforceable. However, if the debtor contests the order for payment by filing an opposition, the proceedings are transformed into a lawsuit. The debtor shall not put forward any argument or evidence on why he contests the claim included in the payment order.

A European Payment Order Procedure is also available as an alternative means of enforcing a claimant's overdue pecuniary claim in cross-border civil and commercial matters.

The procedure is governed in particular by Regulation (EC) No 1896/2006 of the European Parliament and of the Council. In Hungary, public notaries are competent for this procedure as well. In this procedure too, the notary can issue an order for payment, which may be opposed by the debtor, in which case, the procedure turns into a lawsuit.

Before commencing a lawsuit, sending a cease-and-desist letter is not obligatory in legal disputes. Regardless of the requirements, it is common in Hungary to send a cease-and-desist letter to the other party in order to open a dialogue. In general, cease and desist letters define the infringing act, demand that the addressee should cease the infringement, and might request certain data regarding the damages or breach of the contract.

4. Timelines

4.1. What are the typical timelines for different stages of litigation, from initiation to resolution?

Once the plaintiff has filed the statement of claim to the competent court, as a general rule, the court shall have 30 days to examine the statement of claim. If it complies with the respective requirements, the court delivers the statement of claim to the defendant – requesting the defendant to present

a written statement of defense within 45 days from the date of delivery of the statement of claim. At a reasoned request by the defendant, the court may, as an exceptional measure, extend the time limit for submitting a written statement of defense by up to forty-five days.

The defendant may file a counter-claim against the plaintiff for the enforcement of a right arising from the same legal relationship as the right to be enforced by the statement of counter-claim. A statement of counter-claim shall be submitted within 45 days after the communication of the claim or the time limit for submitting a statement of defense, as extended by the court, but at the same time as submitting a written statement of defense at the latest.

The defendant may set off his claim against the claim of the plaintiff in a set-off document submitted in writing within 45 days of communicating the claim or within a time limit as extended by the court for submitting a statement of defense.

If there were any deficiencies in the statement of claim, that can be remedied, the court calls upon the claimant to remedy the deficiencies, which may prolong the proceedings by approximately one month.

Under the CCP, the court will automatically issue a court injunction (as a summary judgment, in Hungarian: "birosagi meghagyas") if the defendant fails to present its statement of defense within 45 days counting from the receipt of the statement of claim or within a time limit as extended by the court for submitting a statement of defense or if the defendant only disputes the claim in general terms. In the court injunction, all remedies shall be ordered by the court as requested by the plaintiff. Nevertheless, any of the parties may file, within 15 days from delivery, an opposition against the injunction, and provided this is duly accompanied by a proper statement of defense, the court injunction loses its effect and the case continues.

If the defendant submits a statement of defense, the procedure continues as follows.

The first instance procedure is divided into two distinct stages: the preparatory stage and the evidentiary stage. The aim of the preparatory stage is to define the scope of the dispute. After the submission of the statement of defense, the court shall either (i) order further written preparation of the case, (ii) schedule a preparatory hearing or (iii) proceed without further written preparation or scheduling of hearing.

In complex cases, courts usually order another round of written preparation of the case, meaning that each party shall submit one more document reflecting the previous documents (rebuttal to the statement of defense and rejoinder to the rebuttal).

After the written preparation (4-6 months from the submission of the statement of claim depending on the number of rounds), the courts schedule a preparatory hearing. The court may "postpone" the preparatory hearing in certain cases, as set out in the CCP, which means that it will continue the preparatory hearing on the next occasion. Usually, there are two preparatory hearing days in complex cases. It usually takes 6-8 months from the submission of the statement of claim until the court closing the preparatory stage.

Once the preparatory stage is closed, the court immediately moves on to the evidentiary stage. In this phase, the court conducts the evidentiary procedure within the framework defined in the preparatory stage and decides on the case. In the evidentiary stage, parties are generally not allowed to change their previous statements or adduce further evidence.

As an exception to this rule, subsequent taking of evidence may be adduced, if the party becomes aware after the closing of the preparatory phase of certain evidence that proves or disproves a fact that was otherwise known at the preparatory phase, or of the relevance of the evidence as a counter-evidence as a result of the evidence already adduced. Subsequent evidence shall also be admissible, if it has become necessary as a result of the material legal information (guidance re substance of the case) provided by the court or if it is intended to prove or disprove a fact relied on as the basis for a change of statement of claim or defense authorized by the court. The motion for evidence or the evidence may be submitted by the party within fifteen days after becoming aware of it or after the other event giving rise to the subsequent taking of evidence occurred.

In simple cases, the judgment is issued on the first oral hearing of the evidentiary stage, in more complicated matters, especially if witnesses or experts must be heard, more than one oral hearing may be necessary.

One of the most important purposes of the CCP was to accelerate the court proceedings, and generally, simple cases decided quicker since the introduction of the CCP.

The first instance judgment in a simple case can be issued already at the first oral hearing, usually within 8-10 months from filing the claim. In more complicated cases including witness and expert evidencing, a first-instance judgment may be expected within 18-24 months.

An appeal lies against the first instance judgment which is to be filed within 15 days following the delivery of the written judgment. The appeal procedure may take 6-10 months from issuing the first instance judgment.

4.2. Are there specific time limits for filing claims, and do these vary depending on the type of dispute?

There are specific time limits for filing certain claims, set out in various Hungarian acts. The CCP does not include such a time limit, though, it sets out that if the plaintiff misses a time limit specified by law for bringing the action, the court shall reject the statement of claim – i.e., consider it inadmissible – without issuing a notice to remedy deficiencies.

As set out in the Supreme Court Civil Uniformity Decision 4/2003, the time limit for bringing an action laid down by law is of a substantive nature, to which the provisions of the CCP on time limit and default do not apply. It means that the statement of claim must reach the court by the end of working hours on the last day of the time-limit.

Specific time limits for the filing of a statement of claim are regulated, for example, by Act V of 2013 on the Civil Code in relation to the protection of property possessions and the annulment of corporate decisions, Act I of 2012 on the Labour Code in relation to the contestation of certain employer's statements, Act CXXXIII of 2003 on condominiums in relation to the contestation of condominium decisions, and Act LX of 2017 on arbitration in relation to the action for the set-aside of an arbitral award.

It is to be noted that the statute of limitations can only be considered by courts if one of the parties pleads that the claim is time-barred (not ex officio) and the court shall decide on the statute of limitation in its judgment on the merits.

Furthermore, the claim's premature nature is also a matter for the merits of the case and the court shall decide on it in its judgment.

5. Interim Measures

5.1. What interim remedies are available in your jurisdiction?

The CCP does not specify in detail what kind of interim measures a party may request but states that the interim measure may consist of an obligation to behave in a way that the plaintiff would be entitled to demand on the basis of the right asserted in the lawsuit. The claim and the request for interim measures do not necessarily have to be identical, but an interim measure cannot be granted for a request that is not at issue in the lawsuit.

The interim measure must therefore always remain within the limits of the right asserted. It also follows that an interim measure may not only require an action but also oblige to refrain from an action if this can be inferred from the applicable substantive law.

For example, as an interim measure in damages actions, the court may order the defendant to pay the plaintiff a certain amount of monthly compensation for costs. An interim measure in the context of a breach of a trade secret may be an order that the court prohibits the defendant from disclosing the information that has come to its knowledge. In a property lawsuit, an order to maintain the status quo, to prevent any conversion, may be issued.

5.2. Under what circumstances can a party obtain an interim injunction, and how quickly can such relief be granted?

Interim measures can be imposed in four categories of cases.

According to the CCP, under the first category, the court may order an interim measure in order to prevent any change to the current situation, if it would be impossible to restore the original situation subsequently.

The measure in this case is intended to prevent irreversible changes to the status quo. This rule reflects the legislator's intention that the maintenance of the status quo, the prevention of any change, is in itself a legitimate interest, but only if failure to do so would lead to irreversible consequences.

A change of state is not irreversible if the original state can be restored only at a considerable cost. However, a change may be irreversible if the restoration (e.g., repair) would result in a significant diminution in the value of the original object.

Interim measures of the second category may be ordered to ensure that it would not become impossible for the requesting party to exercise his rights subsequently.

The aim is to prevent the subsequent failure to exercise the right. It is to be noted, on the one hand, that the specific form of subsequent exercise of the right must be based on the party's substantive right and, on the other hand, that the possibility of subsequent exercise of the right must also follow from the right asserted in the lawsuit. Thus, for example, the destruction of the reputation of an infringed trademark by means of substandard products may prevent the subsequent exercise of rights based on the trademark, thus an interim measure prohibiting the other party from such conduct may be ordered.

According to the third category, interim measures may be ordered to avert any imminent threat of harm to the requesting party.

In this case, the requirement for the interim measure to be ordered is that the consequence is likely to occur in the future, though has not been proven yet, and is likely to be unlawful. An order for the interim measure is not only justified in situations where there is a threat of damage to property but also in situations where there is a threat of damage to non-material values. These two consequences are covered together by the

concept of "harm." However, the threat of loss of pecuniary advantage is not covered.

For an order to be issued, the requesting party must be in imminent danger of harm which is attributable to the unlawful conduct of the other party and the prevention of which is reasonable by means of interim measures, if the repetition of such unlawful conduct or the continuation of the unlawful situation is likely to cause harm.

Finally, under the fourth ground for granting interim measures, the CCP gives the courts discretion by allowing such measures for any special and equitable reason. Whether this is the case is however strictly interpreted by the courts, which only grant such requests in a narrow range of circumstances.

According to the CCP, the court shall adjudicate the request for interim measures as a matter of priority and shall make its arrangements without delay. In practice, a request for an interim measure is usually adjudicated in a month.

In a request for interim measures, the plaintiff shall indicate the persistence of any of the conditions giving rise to the interim measure being ordered, present and substantiate with a probable degree of certainty the facts supporting the condition giving rise to the interim measure being ordered, and specify an explicit request regarding the nature of the interim measure sought by him.

In the course of assessing a request for interim measures, the court shall consider, with a view to a possible decision on the provision of security, whether ordering the measure would cause greater disadvantages to the opposing party than not doing so would cause to the requesting party.

The court shall decide on the request for interim measures in an order, which may be challenged by an appeal.

An order on interim measures is preliminarily enforceable. Unless otherwise ordered by the court, the period open for performance shall commence on the day after communicating the order in writing.

The order shall remain effective until it is set aside by the court with an order adopted at the request of any party, after hearing the other party as well, or in its judgment or another decision closing the proceedings. If the court does not set aside its decision on interim measures in its judgment or decision closing the proceedings, it shall become ineffective as of when the first instance judgment becomes final and binding.

Interim measures shall cease to have effect when the proceedings are terminated either by a court or ex lege and that shall be established by the court in its order on terminating or establishing the termination of the proceedings. The effect of interim measures shall not be affected by any interruption or suspension of the proceedings.

The court shall require the provision of security as a condition for applying interim measures if the opposing party of the requesting party can substantiate the disadvantages resulting from the requested measure that could serve as a ground for claiming damages or grievance award from the requesting party if he is the successful party. In the course of deciding on the provision of security, the court shall take into account the degree of probability of the facts serving as grounds for the request. No security may be requested in the event of a slight disadvantage.

Finally, Hungarian law also regulates protective measures in the context of enforcement. According to Act LIII of 1994 on enforcement (hereinafter "Enforcement Act"), if an enforcement order cannot yet be issued for the enforcement of a claim (e.g., because the judgment is not yet final, or the deadline for compliance with the judgment has not yet expired), but the creditor has substantiated that any delay in the enforcement of such claim is in jeopardy, the court shall order the protective measures. A protective measure may be the pledge of security for money claims or sequestration of specific things. The purpose of the protective measure is therefore to ensure or facilitate the satisfaction of the claim and the success of subsequent enforcement.

6. Discovery

6.1. What are the rules governing the discovery process in your jurisdiction?

Although there is no discovery in Hungarian civil procedure, the CCP introduced the notion of "evidentiary predicament" (in Hungarian: "bizonyitasi szukseghelyzet"). Evidentiary predicament exists when the party substantiates with a probable degree of certainty that (i) the other party possesses all the relevant information for his motion of evidence and the party took appropriate measures to obtain that information, or (ii) proving the party's statements is not possible but the other party can be expected to refute the alleged facts or (iii) the successful evidentiary failed due to the reasons attributable to the other party.

The other party may decide to attach the means of proof or, failing this, to give reasons for why the conditions of the evidentiary predicament are not present.

The legal consequence of an evidentiary predicament is that, if the judge has no doubt in this respect, it may recognize factual statement(s) to be proved by the party under such predicament as true.

If the party lacks information not only about the evidence but also about certain secondary facts to be alleged (in relation to the primary fact being the basis of the claim enforced), there is a so-called "factual predicament" (in Hungarian: "allitasi szukseghelyzet"). According to the CCP, a party is in a factual

predicament, if it is likely that the information necessary for the assertion of secondary facts is in the exclusive possession of the opposing party, shows that he has taken the necessary steps to obtain and retain the information, the other party fails to provide the information in response to a judicial request; and the opposing party has no reasonable grounds to the contrary.

The CCP sets out that in case of a factual predicament, the court may accept the factual statement concerning the primary facts being the basis of the claim enforced, affected by the predicament as true if it has no doubt as to its accuracy.

6.2. What types of evidence can be requested, and how are discovery disputes resolved?

The CCP does not set out restrictions on what types of evidence can be requested in case of an evidentiary predicament.

As set out in the previous point, a dispute over an evidentiary predicament is resolved in a way that, if the judge has no doubt in this respect, it may recognize factual statement(s) to be proved by the party under such predicament as true.

6.3. How is evidence presented and evaluated during litigation?

The CCP is based on the principle of freedom of proof, i.e., there is no fixed system of proof in civil proceedings, even though there are elements of restrictions. The CCP does mention the means of proof by way of example (witness, expert, document, visual or audio recording, physical evidence, etc.), but this cannot be considered a taxonomic list. In the course of the proceedings, additional means of proof not specifically mentioned in the CCP may be used. Thus, generally speaking, all types of evidence are admissible, but in most cases, evidence is presented to the court in the form of written documents. However, the CCP does not consider statements by a party or the party's representative as evidence but may be taken into account when establishing the facts.

An expert can be involved in the case in different ways: on behalf of a party (private expert) or on the basis of a court order. With this rule, the CCP has institutionalized – as a significant innovation – the evidence of private experts. There is no hierarchy between these two ways of employing an expert, the opinion of the private expert and that of the appointed expert being of equal probative value.

A specific case of appointment of an expert is the use of an expert appointed in other proceedings. The party giving evidence may request that an expert's opinion on the same subject matter, but prepared in another procedure (e.g., criminal, notarial), be admitted to the civil proceedings while retaining its expert character. If it is necessary to supplement the expert opinion received, the court shall appoint the expert who prepared the opinion in the other proceedings.

The party's choice of expert evidence is subject to the party's obligation to indicate in its motion for an order for evidence the method of expert evidence chosen. If the party giving evidence requests private expert evidence, the opposing party may also request the attachment of an opinion of a private expert commissioned by him.

There are further specific rules on expert opinions laid down in statutes.

Under the principle of freedom of proof, the court may adduce evidence as it considers appropriate to form its opinion, in such manner as it considers most, and may attribute to the result of the evidence such probative value in the determination of the facts as it considers reasonable in the circumstances, provided that it can reasonably justify its decisions.

It shall be for the parties to provide evidence in support of the facts relevant in the lawsuit unless otherwise provided by law (this exception is understood to mean the possibility of taking evidence ex officio). In this context, the parties shall fulfill this task by submitting a request for evidence (orally or in writing) or by providing the means of proof (e.g., a document). Unless the law provides otherwise, the burden of proof lies with the party in the interest of which it is that the court accepts the alleged fact as true.

Under the principle of "the concentration of procedure," the CCP introduced a divided procedural structure to expedite civil proceedings: in the first part of the procedure, the framework of the dispute shall be determined by the court (preparatory phase), whilst the evidentiary process shall be commenced and the decision on the merits shall be brought in the second phase.

With the introduction of the divided procedural structure, the time limit for the submission of motions for evidence and the provision of means of evidence has been limited, and the request for evidence or the provision of evidence may only be submitted and amended during the preparatory stage of the proceedings. However, the CCP also allows for a limited number of exceptions to this general rule, which is called subsequent taking of evidence.

Subsequent taking of evidence may be adduced, if the party becomes aware after the closing of the preparatory phase of certain evidence that proves or disproves a fact that was otherwise known at the preparatory phase, or of the relevance of the evidence as a counter-evidence as a result of the evidence already adduced. Subsequent evidence shall also be admissible, if it has become necessary as a result of the material legal information (guidance re substance of the case) provided by the court or if it is intended to prove or disprove a fact relied on as the basis for a change of statement of claim or defense

authorized by the court. The motion for evidence or the evidence may be submitted by the party within fifteen days after becoming aware of it or after the other event giving rise to the subsequent taking of evidence.

The court shall establish the relevant facts of the case by comparing and individually and jointly evaluating the statements of fact and behavior of the parties during the proceedings, the evidence discovered during the hearing, and other data related to the action.

In doing so, the court shall establish the credibility (degree of credibility) of the evidence, its strength (probative value), and its relevance for the resolution of the dispute. It assesses the credibility of the testimony, the logical persuasiveness of the expert opinion, the authenticity of the document, the state of the material evidence, etc. The court evaluates the evidence, both individually and as a whole, examines and compares its probative value, takes into account its interdependence and contradictions, and as a result forms its conviction of the facts, which it sets out in the grounds of its decision in the form of findings of fact. The finding, which is the result of a free assessment, is not a subjective opinion but must be objectively established.

The constraint on the discretion of the court is the obligation to state the reasons for its decision. The court must state in the judgment or other decision the circumstances which it considers to be relevant to the weighing of the evidence, in particular the reasons why it has not found a fact proved or why it has disregarded some of the evidence and attributed considerable probative value to others.

Another constraint to the freedom of proof is the CCP's regulation of unlawful evidence. A means of evidence, or any separable part of it, shall be unlawful and shall not be used in the action if it was obtained or produced by violating or threatening a person's right to life and physical integrity, it was produced by any other unlawful method, it was obtained in an unlawful manner, or its submission to the court would violate personality rights.

The evidently unlawful nature of a means of evidence shall be taken into account by the court ex officio, and the parties shall be informed accordingly. If a means of evidence is not evidently unlawful, its unlawful nature shall be notified without delay by the opposing party of the party submitting the means of evidence.

The court may, exceptionally assessing the specifics and the extent of the violation of law, the legal interest affected by the violation of law, the impact of the unlawful piece of evidence on discovering the facts of the case, the weight of other available pieces of evidence, and all other circumstances of the case, take into account even the unlawful means of evidence, except for evidence that was obtained or produced by violating or threatening a person's right to life and physical integrity, which cannot be taken into account.

If an unlawful means of evidence cannot be used and the party presenting evidence cannot prove a fact that is relevant to the case in any other way, the court may apply the rules of evidentiary predicament.

7. Enforcement of Judgments

7.1. What types of judgments can be issued in civil litigation, and how are they enforced?

In general, depending on the type of the statement of claim, the court's judgment may include an imposition of an obligation on the defendant, a declaration that a right or legal relationship exists or does not exist, or a change in the legal status or relationship of the parties (creation, termination or modification), or of course the rejection of the claim.

Decisions with the effect of a judgment have a different name from a judgment and are made in the form of an order, but they are considered as a judgment in terms of their effect so that when they become final they will have the same legal effects as a final judgment. Decisions with the effect of a judgment are a court injunction and a settlement approved by a final order of the court.

Although a court injunction is not a judgment, it nevertheless adjudicates on the merits of the parties' dispute, since the court order contains a judicial provision as requested in the claim, but it does not carry out any substantive examination or proof of the substantive right at issue, given that the court injunction is a legal instrument relating to the defendant's default.

In case of a settlement between the parties, they might request the court to approve their settlement. The same legal effects as the judgment will attach to the settlement of the parties approved by the court since it settles the dispute.

It is important that the CCP lays down the requirement of completeness of the judgment. The principle of completeness must apply in both positive and negative terms. This means that the judgment must cover, but must not go beyond, the content of the statement of claim, the counterclaim, and the application for set-off.

The court may decide on separate claims or parts of a claim that can be adjudicated separately by delivering a partial judgment if further hearings are needed to decide on the remaining claims or the remaining parts of a claim. The court may decide on rejecting a claim or claims forming part of an alternative joinder of claims by delivering a partial judgment if further hearings are needed to decide on any other subsequent claim forming a part of the joinder. In practice, courts rarely adopt

partial judgments.

If the dispute pertaining to the existence of a right enforced by an action can be separated from the dispute pertaining to the amount or volume claimed by the plaintiff on the basis of that right, the court may establish the existence of that right by delivering an interlocutory judgment. In such an event, the hearing pertaining to the amount or volume claimed by the plaintiff shall not be continued before the interlocutory judgment becomes final and binding.

After a judgment has become final and binding and the defendant failed to comply with the provisions of the judgment, an enforcement proceeding can be initiated against the defendant by the plaintiff. In Hungary, the enforcement proceeding is a non-contentious proceeding regulated by the Enforcement Act. The aim of enforcement proceedings is to force the debtor to fulfill its payment or other obligations in lack of voluntary performance. The enforcement is ordered by the court upon the request of the entitled person (e.g., a plaintiff who won the lawsuit) and on the basis of a document that may serve as a basis for judicial enforcement (e.g., a judgment). The enforcement proceedings are conducted by bailiffs appointed on a random basis.

In principle, a partial sentence is also enforceable, but in certain cases its final and binding nature is conditional: it can be set aside by a later judgment, but only on the basis of the outcome of the hearings on the set-off or the counterclaim. Thus, the partial judgment may be set aside, maintained in force, or amended accordingly by a subsequent judgment in relation to the outcome of the hearings on the set-off or the counterclaim.

7.2. Are there specific provisions for cross-border litigation or enforcement of foreign judgments?

In relation to the types of judgments that can be issued, there are no specific provisions for lawsuits including cross-border elements. However, there are certain specific rules for proceedings including foreign elements.

First, a plaintiff whose domicile, seat, or habitual place of residence is not in a Member State of the European Union, in a state party to the Agreement on the European Economic Area, or in another country regarded as the same according to an international treaty, shall, at the request of the defendant, provide security covering the litigation costs of the defendant, unless provided otherwise by an international agreement entered into by the Hungarian State, the plaintiff was granted cost exemption due to personal circumstances, or the plaintiff has a claim acknowledged by the defendant, immovable property in Hungary or another asset registered in a register of certified authenticity that serves as appropriate security.

Second, there are provisions laid down in the CCP for foreign documents. Foreign public deeds shall have the same effect as Hungarian public deeds, provided that the foreign public deed was authenticated by the competent Hungarian diplomatic representation authority of the place of issue unless another requirement is specified in an international treaty entered into with the country in which it was issued.

Foreign private deeds shall have the same effect as Hungarian private deeds, with the proviso that a deed issued as proof of a legal transaction shall retain the probative value it has according to the law of the country of issue, even if it does not meet the provisions laid down in the CCP for private deeds. Furthermore, a power of attorney, a statement issued for litigation purposes, or another private deed specified in a decree of the minister of justice, as necessary, shall only have the probative value of a private deed as defined in the CCP if it is certified or authenticated by the Hungarian diplomatic representation authority of the place of issue, unless another requirement is specified in an international treaty entered into with the country of issue.

On the other hand, as regards enforcement of foreign judgments, there are specific rules as set out in the following.

In general, judgments of foreign courts (and arbitral tribunals) can be recognized and enforced in Hungary. As set out in the Enforcement Act, the judgment of a foreign court or foreign arbitral tribunal may be enforced based on Hungarian law, international conventions, or reciprocity.

First, according to European Union law, judgments brought by courts seated in the Member States of the European Union shall be ex lege considered as decisions of Hungarian courts and enforced in the same way as Hungarian judgments.

Second, if a reciprocal arrangement is in place between Hungary and the given respective country, the provisions of such an agreement shall apply.

The provisions of Hungarian law, i.e., in this respect, Act XXVIII of 2017 on Private International Law, apply, provided that neither European law, nor an international agreement is applicable.

According to Act XXVIII of 2017 on Private International Law, a judgment adopted by a foreign court shall be recognized if the jurisdiction of the foreign court is considered legitimate under that act, the judgment is construed as final and binding by the law of the state in which it was adopted, and neither of the grounds for denial apply (e.g., the judgment is not contrary to the public order of Hungary).

The recognition of a foreign judgment shall take place upon the request of the party seeking enforcement in Hungary. The Hungarian court competent to consider such request shall verify whether the judgment is in compliance with the respective

rules and prerequisites of enforceability. Merits of the case in which the judgment was brought will not be examined.

If the foreign judgment complies with the applicable rules in respect of recognition and enforceability, the court issues an enforcement certificate stating that the judgment shall be enforced the same way as the decisions of Hungarian courts. This decision may be subject to an appeal and even a review procedure if the decision is positive, i.e., granting the enforcement certificate. If the enforcement certificate is granted, this can be followed by a phase of execution of enforcement, in the same way as in the case of Hungarian decisions.

The enforcement order shall be sent to the bailiff of jurisdiction to the debtor's domicile or registered address, or if there is no such address in Hungary, to the location of the judgment debtor's enforceable assets. If neither of these two can be found in Hungary, the enforcement cannot be executed and the enforcement proceedings shall be temporarily discontinued until the requesting party is able to inform the court about an appropriate address.

8. Appeal

8.1. What is the appeals process, and what are the grounds for appeal in your jurisdiction?

The general legal remedy available against judgments is called an appeal, which shall be considered by the second-instance courts.

An appeal lies against the first instance judgment and against court orders against which the CCP expressly provides for the possibility to appeal. If the appealing party requests so, the court of second instance may also review the order which the court of first instance has reasoned in its judgment or which may be challenged in an appeal against the judgment (but not separately) together with the judgment of the court of first instance.

The appeal is to be filed within 15 days following the delivery of the written judgment pursuant to the CCP. If the person entitled to appeal files an appeal against only a part or provision of the decision, the part or provision not affected by the appeal shall become final and binding. Any part of the decision that cannot be challenged by an appeal shall also become final and binding.

As a general rule, new evidence and new facts may be presented only if the party submitting the appeal becomes aware of such facts or evidence after the issuance of the first instance decision.

Unless otherwise provided in the CCP, in the proceedings of the second instance, the provisions on proceedings of the first instance shall apply, with the provision that the proceedings of the second instance shall not be split into preparatory and evidentiary stages.

In appeal proceedings, an important question is on what grounds the first instance judgment can be challenged and to what extent the court of appeal can review the first instance judgment. The CCP provides for the extent to which the court of appeal can review the first instance judgment, thereby also indirectly determining the grounds for appeal.

First, the CCP allows the court of second instance to review the lawfulness of the proceedings of the court of first instance. However, this may be done at the request of the party, and ex officio only in exceptional cases, as set out below. In the appeal, the alleged procedural unlawfulness on which the party bases his appeal must be specified.

Second, the court of the second instance may also review the first instance judgment with respect to its compliance with substantive law. When revising on the basis of substantive law, (i) the results of the taking of evidence may be declared to be unreasonable, and, as a consequence, the facts of the case may be modified or supplemented accordingly, (ii) evidence may be taken to establish a fact stated by a party in the first or second instance proceedings, and the facts of the case may be changed or supplemented accordingly, (iii) a legal conclusion, other than the conclusion drawn by the court of first instance, may be drawn from the established facts, and the established facts may be qualified differently, (iv) a decision adopted by the court of first instance within its discretionary power granted by substantive law may be reviewed, even without establishing the violation of any law by the first instance court, (v) a decision may be adopted regarding a matter not heard or decided on by the court of first instance.

The court of the second instance may adopt the following decisions as a result of the appeal proceedings.

If any of the reasons for terminating the proceedings as set out in the CCP occurred during the first or second instance proceedings, the court of the second instance shall adopt an order setting aside the first instance judgment, in whole or with respect to the part affected by the ground for termination, and terminate the proceedings. If such a circumstance exists, it is taken into account ex officio by the court.

The court of second instance shall set aside the first instance judgment with an order and shall instruct the court of first instance to conduct new proceedings and adopt a new decision, if the court of first instance was not duly formed, a judge against whom a ground for disqualification exists by virtue of an act participated in delivering the judgment, or the judgment is affected by an irreparable deficiency as to its form, which makes it unsuitable for revision on the merits. These circumstances are also taken into account ex officio by the court.

The court of second instance may set aside the first instance

judgment with an order and instruct the court of first instance to conduct new proceedings and adopt a new decision if the first instance proceedings need to be repeated or supplemented, due to the violation of the substantive rules of the first instance proceedings that affected the decision on the merits of the case, and remedying the situation in the second instance proceedings would be impossible or unreasonable. In practice, courts rarely consider it reasonable to remedy the situation in the second instance, thus, they mostly set aside the decision if such a violation of procedural rules exists.

This latter reason for setting aside the judgment can only be taken into account by the second instance court if the appellant requests so. However, if the court of the second instance discovers a procedural violation of law that was not invoked in the appeal, it shall notify the parties thereof, together with a warning of the consequences, and shall take it into account if so-requested by the appellant.

If the appeal is groundless, the court of the second instance shall uphold the judgment.

If there is no reason for setting aside the judgment, but the first instance judgment is not correct with respect to the merits of the case, it shall be amended in whole or in part by the second instance court.

In summary, an appeal therefore means that the competence of the court of first instance is, as a general rule, transferred in its entirety to the court of second instance, which remedies the infringement of rights within its competence by deciding on the merits of the case and by issuing a decision in accordance with the law.

9. Costs and Funding

9.1. How are legal costs determined, and what are the common practices regarding funding litigation?

The most relevant types of litigation costs are the following.

A duty is payable by the plaintiff at the time of the submission of the statement of claim. The general amount of the duty is defined by the Duties Act, and it depends on the amount in dispute. A duty shall be paid for appeals as well.

As of January 2025, the Duties Act was amended and the rate of the duty for civil proceedings at first instance changed. Prior to the amendment, the duty was set at 6% of the value of the case, with a maximum of HUF 1.5 million. As a result of the amendment, the duty is uniformly HUF 18,000 if the value in dispute is HUF 300,000 or less. If the value in dispute is above HUF 300,000, the rate of the duty is set differently in eight bands depending on the value in dispute. In each band, the duty payable is a fixed amount plus a percentage of the amount exceeding the lower limit of the band. In essence, the amendment increases the duty for litigation, especially by abolishing the upper limit of the duty.

The amount of the duty of appeal proceedings has not changed, it remains 8% of the value of the case in appeal, but is at least HUF 15,000 and no more than HUF 2.5 million.

Costs in connection with the taking of evidence may also emerge, the most significant of which are the costs of expert evidence. These costs are paid in advance by the party who has an interest in the taking of that evidence. The court only appoints the expert if the costs are advanced by the interested party.

Costs of attorneys also usually emerge during a lawsuit, which is advanced by the party represented by that attorney. A party represented by a lawyer may charge as attorney's fees the fees stipulated in the attorney's mandate agreement between the party and the lawyer, or the fees set out in Decree 17/2024 (XII. 9.) IM on the attorney's fees, whose amount depends on the value of the subject of the litigation, and calculated as a percentage of the value of the subject of litigation.

The parties advance their costs upon their occurrence. The court will decide on the bearing of all costs and duties in its judgment.

On the basis of CCP, the losing party pays all the costs of the winning party and if the plaintiff's claim has only been partially successful, the plaintiff is entitled to costs in proportion to his success. However, the court can order the payment of only a part of the costs, if the winning party caused some of the costs, or the costs are exorbitant, inequitable, or unjustified.

Recently, the Supreme Court has adopted a precedent-establishing decision that the reduction by a court of the lawyer's fee must be exceptional and applied only in exceptional cases.

The court shall assess whether the lawyer's fee is disproportional, and can only reduce it if it is manifestly excessive. The reasons given in the judgment for the reduction cannot be general, and without any specific content relating to the case in question, since it would be inappropriate for the purpose of establishing disproportionality and can only be interpreted as a subjective assessment by the court, which would be in breach of the obligation to state reasons.

As a consequence of this decision, it is expected that decisions on reduction of the amount charged by the parties as attorney's fees will be less, and indeed only in exceptional cases. A plaintiff whose domicile, seat, or habitual place of residence is not in a Member State of the European Union, in a state party to the Agreement on the European Economic Area, or in another country regarded as the same according to an international treaty, shall, at the request of the defendant, provide security covering the litigation costs of the defendant, unless provided otherwise by an international agreement entered

into by the Hungarian State, the plaintiff was granted cost exemption due to personal circumstances, or the plaintiff has a claim acknowledged by the defendant, immovable property in Hungary or another asset registered in a register of certified authenticity that serves as appropriate security. Hungarian law also opens the door to both complete and partial exemption from costs and expenses, which rules are set out in the Duties Act and in Act CXXVIII of 2017 on Cost Reduction. The exemption is generally dependent on the income and financial situation of the respective party, but in certain proceedings, it is granted based on the subject matter of the proceedings.

Litigation funding is not defined under Hungarian law and it is not widely used in case of lawsuits in Hungary. The changes in the amount of procedural fees may also affect litigation funding, as it may become more common as a result of higher litigation costs.

In the absence of specific regulations, the means of litigation funding are not disclosed to the court and the courts do not issue any cost order (or other decision) that in any way reflects the fact that the proceedings were financed by a third party. The court cannot refer to third parties in the judgment for the purposes of cost allocation. Therefore, under the current laws, litigation funding transactions remain contractual matters outside of the scope of the respective lawsuit.

9.2. Are there alternative funding options available for parties involved in litigation?

Success fees are the most commonly used risk-sharing tool by law firms, but other alternative funding options are not widely used.

In case of a success fee arrangement, the attorney is only remunerated in return for the service in the event of some pre-defined positive outcome. Thus, in case of a success fee, the client and the attorney have a shared interest in achieving a positive outcome.

Success fees are permitted by Hungarian law, however, success fees exceeding two-thirds of the legal fees incurred are not enforceable before the courts, as set out in Act LXXVIII of 2017 on Attorneys.

10. International Treaties

10.1. How do international treaties or regional agreements impact litigation in your jurisdiction?

In Hungary, international treaties and European law play a significant role in shaping litigation and legal proceedings. These agreements often influence various aspects of lawsuits with cross-border elements, including jurisdictional issues, procedural issues such as the taking of evidence and service of documents, and the enforcement of judgments. For instance, legal instruments such as those within the European Union framework can directly affect how Hungarian courts handle cross-border disputes or comply with EU regulations.

Moreover, Hungary's participation in international conventions can also impact areas of substantive law, like human rights, international trade, and environmental law, introducing standards that domestic courts must consider in their decisions and they have to adopt their judgments in line with the rules of international treaties and EU law.

In cases with an international element, applicable European Union legislation and international treaties take priority over Hungarian legislation, which therefore cannot be applied.

Overall, these treaties and agreements provide a framework that both influences and aligns Hungary's legal system with international norms and obligations.

CEE LEGAL MATTERS COMPARATIVE LEGAL GUIDE: LITIGATION 2025

MOLDOVA

Valeriu Cernei
Partner
valeriu.cernei@gladei.md
+373 79845128

Catalina Stavila
Senior Associate
catalina.stavila@gladei.md
+373 61052713

Tatiana Mocanu
Associate
tatiana.mocanu@gladei.md
+373 76743813

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www.ceelegalmatters.com

1. General Trends

1.1. What is the current state of litigation in your jurisdiction, and what recent trends or developments have been observed?

Currently, the examination of disputes in Moldova has stagnated to a certain extent, due to the fact that the judges of the Supreme Court of Justice and the Courts of Appeal are subject to an extraordinary vetting procedure initiated in 2022 among judges and prosecutors.

However, several measures are taken to ensure avoiding delays in examining the disputes. Moreover, several legal developments are integrated in order to combat the abuses of procedural rights and ensure a correct and expeditious resolution of the disputes.

1.2. What are the key legal frameworks that regulate litigation?

The key legal frameworks governing litigation in Moldova include:

• Constitution of the Republic of Moldova – the supreme law of the country, laying the foundation for the legal system and fundamental rights related to justice.

• Civil Procedure Code sets out the rules and procedures for civil litigation, including court jurisdiction, filing of claims, evidence, and enforcement of judgments.

• Criminal Procedure Code sets out similar rules, as those for civil litigation, but with the specific of criminal litigation.

• Administrative Code regulates the relationship between individuals and public authorities, including procedures for challenging administrative decisions.

• Various other laws regulate specific areas of litigation, such as intellectual property, competition, insolvency, consumer protection, and other domains.

2. Jurisdiction and Competence

2.1. How is the court system structured in your jurisdiction?

The court system in Moldova is structured into three main degrees of jurisdiction:

• District courts, located throughout the country, serve as courts of first instance;

• Courts of Appeal, with three regional divisions (North, Center, and South), which review first-instance decisions through appellate procedures;

• The Supreme Court of Justice stands as the highest judicial authority, ensuring the uniform interpretation and application of law across the country and serving as the final court of appeal in cassation.

2.2. Are there specialized courts for specific types of litigation?

The Moldovan judicial system is structured into levels, ensuring an efficient distribution of workload. Although the courts in the Republic of Moldova are divided into courts of general jurisdiction, which deal with a wide range of cases, the judges within the courts are specialized, focusing on specific areas of law – e.g., administrative disputes or insolvency proceedings.

2.3. How is jurisdiction determined in cross-border litigation, especially in cases involving foreign parties or multiple jurisdictions?

Jurisdiction in cross-border litigation involving Moldova is primarily governed by Article 461 of the Civil Procedure Code, which establishes the exclusive jurisdiction of Moldovan courts in certain cases with foreign elements, as follows:

• Real estate located in Moldova (ownership, use, or related claims);

• Transport contracts, where the carrier, departure, or arrival points are in Moldova;

• Maritime or aviation incidents, such as collisions, rescue operations, or arrests of ships and aircraft under the Moldovan flag or within Moldova's territory;

• Bankruptcy or insolvency proceedings concerning foreign companies with a registered office in Moldova;

• Family law matters, including divorce or marriage annulment, when both spouses reside in Moldova and at least one is a Moldovan citizen or stateless person;

Article 461 of the Civil Procedure Code explicitly states that the competence of Moldovan courts is not excluded merely because a related or identical case has already been initiated in a foreign jurisdiction. This means that even if a foreign court is already hearing a dispute, a Moldovan court may still assert jurisdiction if the case falls within its exclusive or special jurisdiction.

Moreover, under Article 2 of the Civil Procedure Code, if Moldova is a party to an international treaty that sets different jurisdictional rules, the treaty provisions prevail over domestic law, unless they require national implementation measures.

Thus, jurisdiction in cross-border cases is determined based on a combination of domestic law, international treaties, and the principle of reciprocity, ensuring that Moldovan courts can handle key legal matters while respecting foreign judicial processes where applicable.

3. Initiating Litigation

3.1. What are the primary steps required to initiate litigation in your jurisdiction?

To initiate litigation in Moldova, a party must file a statement of claim with the competent court. This procedural document formally presents the claimant's legal claims and sets the framework for judicial proceedings. The court can only adjudicate the dispute within the boundaries set by the claimant in the statement of claim. The judge is not permitted to exceed these limits.

The content of any statement of claim consists of:

a) Essential elements, meaning mandatory components without which the claim cannot be filed with the court (e.g., Identification details of the parties, Information on compliance with prior procedural requirements). The judge will not proceed with a statement of claim if even one essential element is missing.

b) Non-essential elements, meaning optional components that can be included in the claim if possible or if the claimant deems them necessary. The absence of a non-essential element in a statement of claim does not constitute a deficiency and cannot be a reason for rejecting the claim.

The statement of claim shall be filed with the competent court, paying the required amount of the state fee (depending on the type of claim) and attaching the documents confirming the claims.

After the court receives the lawsuit and accepts it for examination, it will inform the defendant of the initiated court dispute.

3.2. Are there any specific requirements for parties regarding pre-litigation procedures?

In certain cases, compliance with a preliminary dispute resolution procedure is mandatory before filing a claim in court. This is typically required in administrative litigation cases, where claimants must first seek resolution through administrative channels before filing a lawsuit. Additionally, if the parties have agreed through a contractual clause to resolve disputes via arbitration, they must adhere to that process before seeking court intervention.

4. Timelines

4.1. What are the typical timelines for different stages of litigation, from initiation to resolution?

The timeline for the resolution of a case may differ depending on several factors, like parties' behavior or the complexity of the subject matter of the dispute. However, generally, we believe that a civil case may be resolved in 12-18 months, with the subsequent appeal procedures in 6-12 months and, if the case, 9-12 more months of the cassation procedure in front of the Supreme Court of Justice.

It is important to note that the above estimations may not duly reflect reality at this stage due to the current vetting exercise taking place in Moldova.

4.2. Are there specific time limits for filing claims, and do these vary depending on the type of dispute?

Yes, the general limitation period for initiating a civil dispute is three years, but for certain claims, the limitation period may differ.

5. Interim Measures

5.1. What interim remedies are available in your jurisdiction?

According to Article 175, paragraph (1) of the Civil Procedure Code, the law provides a variety of interim measures to protect the interests of the claimant during a civil trial. These can be applied by the judge or the court, taking into account the circumstances of each specific case. The measures include:

– Seizure of assets or sums of money which allows the "freezing" of the defendant's goods or sums of money, including those held by third parties, to guarantee the execution of a possible decision favorable to the claimant.

– Registration of the action in the publicity registers to ensure the opposability of the action against third parties, preventing any transactions with the defendant's assets that could harm the claimant's interests.

– The court may prohibit the defendant from taking certain actions, such as selling assets, transferring funds, or other activities that could affect the object of the litigation.

– The court may prohibit third parties from performing certain acts in connection with the object of the litigation, such as transferring goods to the defendant or fulfilling obligations towards him.

– Suspension of the sale of seized assets provides a safeguard against premature disposal of assets. This measure allows time for legal challenges to the seizure itself, ensuring that the defendant's property isn't sold before the legality of the seizure is determined. The court may suspend the enforcement, based on an enforceable document contested by the debtor through legal means.

– Suspension of the defendant from managing the assets, which can be applied in certain circumstances, to protect the disputed assets.

It is important to mention that there may be other interim measures that could be applied by the court, but in all cases, the application of the interim measures is subject to certain

conditions and must be proportional to the intended purpose. The court will carefully analyze the circumstances of each case before ordering an interim measure.

5.2. Under what circumstances can a party obtain an interim injunction, and how quickly can such relief be granted?

According to Articles 177 and 178 of the Civil Procedure Code, a party can quickly obtain an interim injunction (precautionary measure) in Moldova if they demonstrate the necessity of the measure to protect their rights or legitimate interests from imminent and irreparable harm, as well as the existence of a reasonable basis for their claim.

The request is resolved by the judge on the day of filing, without notifying the other participants in the process. In certain cases, such as filing the request together with the lawsuit or formulating the request during the court hearing, the resolution is also very fast.

After approval, the order is executed immediately, and the parties are promptly informed. The measure is temporary, until the final settlement of the case.

6. Discovery

6.1. What are the rules governing the discovery process in your jurisdiction?

According to art. 119 of the Civil Procedure Code, the parties and other participants in the trial have the obligation to collect and submit the necessary evidence to support their claims and defenses. The court may contribute to the collection of evidence, at the request of the parties, if they encounter difficulties, except in cases where the request is unfounded or intended to delay the proceedings. Evidence is usually submitted in the case preparation phase for judicial debates, within the deadline set by the court.

Art. 119^1 of the Civil Procedure Code establishes the order of presentation of evidence, under the sanction of forfeiture, within the deadline set by the court, in the case preparation phase for judicial debates. Evidence submitted contrary to the law is returned by a protocol order.

6.2. What types of evidence can be requested, and how are discovery disputes resolved?

According to art. 119 para. (2) of the Civil Procedure Code, the request for evidence must specify the evidence and the circumstances that could be confirmed or refuted by it, the reasons preventing the obtaining of the evidence, and its location. The court may issue a request for obtaining the evidence, and the person holding the evidence sends it directly to the court or hands it to the person holding the request.

According to art. 119 para. (3) of the Civil Procedure Code, persons who do not hold the necessary evidence or are unable to submit it within the deadline are required to inform the court within 5 days of receiving the request, stating the reasons for non-submission. Failure to comply with this obligation is punishable by a fine.

Disputes regarding the discovery of evidence are resolved by the court, which analyzes the parties' requests and decides on the necessity and relevance of the requested evidence. The court may compel the party refusing to provide the evidence to submit it or may draw unfavorable conclusions from this refusal.

6.3. How is evidence presented and evaluated during litigation?

The manner of presentation of evidence is regulated by the Civil Procedure Code. In general, the evidence is presented to the court during the court hearing, and witnesses are heard.

Evidence obtained in violation of legal provisions, such as misleading a participant in the trial, the conclusion of the act by an unauthorized person, the defective conclusion of the procedural act, and other illegal actions, are inadmissible. Also, evidence that has not been submitted by the parties to the trial by the date set by the judge is inadmissible, with certain exceptions provided by law.

The court assesses the evidence according to its inner conviction, based on the multifaceted, complete, impartial, and direct investigation of all the evidence in the file as a whole and their interconnection, guided by the law. No evidence has a pre-established probative force for the court without its assessment. Each piece of evidence is assessed by the court regarding its relevance, admissibility, veracity, and all the evidence as a whole, regarding their mutual connection and sufficiency for resolving the case. The court is obliged to reflect in the decision the reasons for its conclusions regarding the admission of some evidence and the rejection of other evidence, as well as the argumentation of the preference of some evidence over others. The evidence is declared to be truthful if the court finds, by investigation and comparison with other evidence, that the data it contains corresponds to reality.

7. Enforcement of Judgments

7.1. What types of judgments can be issued in civil litigation, and how are they enforced?

There is no exhaustive list of judgments that can be issued in civil litigation, but pursuant to Article 16(1) of the Civil Code, The defense of civil rights is carried out, under the terms of the law, by: a) recognition of the right; b) restoration of the situation prior to the violation of the right and suppression of actions that violate the right or create the danger of its violation; c) finding or, as the case may be, declaring the nullity

of the legal act; d) declaring the nullity of the act issued by a public authority; e) imposing the execution of the obligation in kind; f) self-defense; g) reparation of the patrimonial damage and, in the cases provided by law, of the non-patrimonial damage; h) collection of interest for delay or, as the case may be, of the penalty; i) termination or modification of the contract; j) non-application by the court of law of the act that contravenes the law issued by a public authority; k) other means provided by law.

The enforcement of the civil judgments is ensured by the court bailiffs, based on the procedure regulated by the Moldovan Enforcement Code.

7.2. Are there specific provisions for cross-border litigation or enforcement of foreign judgments?

Moldovan law provides specific provisions for the recognition and enforcement of foreign judgments, primarily governed by Article 467 of the Civil Procedure Code. According to this article, foreign court rulings, including settlements, are recognized and enforced in Moldova if an international treaty to which Moldova is a party provides for such recognition or based on the principle of reciprocity regarding the effects of foreign judgments.

A foreign judgment is defined as any ruling issued in a civil matter by a common law or specialized court in another state. To be enforced in Moldova, the judgment must be final and may be submitted for enforcement within three years from the date it became final under the laws of the issuing state. In exceptional cases, the Moldovan courts may reinstate the expired deadline if justified reasons are presented. However, foreign rulings that impose interim measures or require provisional enforcement cannot be executed in Moldova.

Furthermore, Article 2 of the Civil Procedure Code establishes that civil procedural rules in Moldova must align with the Constitution, decisions of the European Court of Human Rights, Constitutional Court rulings, and organic laws. If an international treaty to which Moldova is a party provides for procedural norms different from those in domestic legislation, the treaty provisions prevail, unless their implementation requires the adoption of a national law.

Thus, Moldova's legal framework ensures a structured approach to cross-border litigation, balancing domestic legal principles with international obligations and reciprocity.

8. Appeal

8.1. What is the appeals process, and what are the grounds for appeal in your jurisdiction?

In Moldova, court decisions that are subject to appeal can be challenged before the appellate court before becoming final. The appellate court reviews the case based on the materials in the file and any additional evidence submitted, verifying the correctness of factual findings, the application and interpretation of substantive law, and compliance with procedural rules in the first instance, according to Article 357 of the Civil Procedure Code.

The right to appeal is granted to the parties and other participants in the process, including representatives authorized by law, as well as witnesses, experts, specialists, and interpreters concerning the reimbursement of court expenses, according to Article 360 of the Civil Procedure Code. However, an individual who has expressly waived their right to appeal cannot later initiate one.

The appeal must be filed within 30 days from the date the judgment is pronounced, unless otherwise provided by law, according to Article 362 of the Civil Procedure Code. The appeal is submitted in writing to the court that issued the challenged decision, accompanied by the payment of the applicable court fees, according to Article 364 of the Civil Procedure Code. Any new evidence that was not presented in the first instance must be submitted with copies for all participants and the appellate court, with translations of foreign-language documents duly certified.

According to Articles 387-388 of the Civil Procedure Code, a first-instance decision may be overturned or modified if:

- Relevant circumstances were not fully established or analyzed;
- The court's findings contradict the factual circumstances of the case;
- The decision was based on insufficient or unreliable evidence;
- There were errors in the application of substantive or procedural law.

The incorrect application of substantive law includes failing to apply the correct legal provision, applying an incorrect law, or misinterpreting the law. Procedural errors that lead to annulment include an illegally constituted court panel, failure to notify a party about the hearing, violations of language rules, or ruling on the rights of uninvolved persons, according to Article 388 of the Civil Procedure Code. However, a legally sound decision cannot be overturned for purely formal reasons.

Thus, the appeals process in Moldova ensures a thorough

review of legal and procedural aspects, safeguarding the rights of litigants while maintaining the integrity of judicial proceedings.

9. Costs and Funding

9.1. How are legal costs determined, and what are the common practices regarding funding litigation?

Normally, the legal costs consist of state tax and legal assistance expenses, but there could be other related costs as well (e.g., for judicial expertise requested by the party). In Moldova, the institution of funding litigation is almost unknown and is, normally, not applicable for internal litigation.

9.2. Are there alternative funding options available for parties involved in litigation?

As funding litigation is not that common in Moldova, there are not that many alternatives for internal litigation, but the Moldovan law allows certain parties to be exempted from paying state fees. Also, the law allows to recovery of legal assistance expenses from the party that lost the litigation.

10. International Treaties

10.1. How do international treaties or regional agreements impact litigation in your jurisdiction?

Article 2 of the Civil Procedure Code of the Republic of Moldova establishes a clear framework for the interaction between domestic law and international law in the field of civil procedure. Essentially, this article enshrines the principle of the supremacy of international treaty provisions over domestic legislation, under certain conditions. Specifically, it stipulates that, in the event of a conflict between national civil procedural law and international treaties to which Moldova is a party, the provisions of the international treaty shall prevail, provided that the treaty does not require the adoption of additional national legislation for its implementation.

This principle ensures that Moldova's legal system is aligned with its international obligations while maintaining the primacy of the Constitution and other fundamental national laws. Thus, the Civil Procedure Code integrates international legal standards into the domestic legal order, offering clarity and consistency in resolving legal disputes that involve international elements.

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MONTENEGRO

Aleksandra Bujkovic
Partner
aleksandra.bujkovic@kbplegal.me
+382 20 256 493

Ivan Pejovic
Partner
ivan.pejovic@kbplegal.me
+382 20 256 493

Iva Rolovic
Lawyer
iva.rolovic@kbplegal.me
+382 20 256 493

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www.ceelegalmatters.com

1. General Trends

1.1. What is the current state of litigation in your jurisdiction, and what recent trends or developments have been observed?

In Montenegro, litigation remains a protracted and complex process, largely due to systemic inefficiencies, frequent procedural adjournments, and a persistent backlog of cases. Civil and commercial disputes routinely extend over several years before reaching final resolution (including legal remedies), with enforcement proceedings further compounding delays. Courts continue to adhere to a highly formalistic approach, often prioritizing procedural correctness over substantive efficiency, which limits the effectiveness of available summaries or expedited procedures.

Despite ongoing discussions on judicial reform, tangible improvements remain limited – digitalization efforts have stalled, and case management continues to rely heavily on paper-based processes. Given these realities, there is a noticeable shift toward arbitration and alternative dispute resolution mechanisms, especially in high-value contracts where parties seek to avoid the uncertainty and protracted timelines of the court system.

1.2. What are the key legal frameworks that regulate litigation?

Montenegro's litigation framework is rooted in civil law traditions, primarily governed by the Law on Courts, the Civil Procedure Law, and the Law on Enforcement and Security. These laws regulate court jurisdiction, procedural rules, and enforcement mechanisms, forming the foundation of the judicial process.

2. Jurisdiction and Competence

2.1. How is the court system structured in your jurisdiction?

The judicial system of Montenegro is structured into a hierarchical framework comprising multiple tiers of courts, ensuring legal oversight. It consists of Basic Courts, High Courts, the Appellate Court, and the Supreme Court, which function as the core judicial bodies. Additionally, specialized courts, including the Commercial Court, Administrative Court, and Misdemeanour Courts, are each tasked with handling specific types of legal disputes.

The Basic Courts serve as first-instance courts for criminal, civil, labor, enforcement, and international legal matters unless another court has jurisdiction by law. In criminal cases, they handle offenses punishable by fines or imprisonment of up to 10 years, as well as cases explicitly assigned to them, including post-conviction matters such as expungement of records and termination of security measures. In civil disputes, they adjudicate property, marital, family, and personal rights cases, along with media-related disputes concerning corrections and personal rights violations. They also oversee labor and employment disputes, including collective agreements, employer-union conflicts, and strike regulations. Additionally, Basic Courts handle non-contentious legal matters, enforcement and security cases, and the recognition and enforcement of foreign court decisions, except those under the jurisdiction of the Commercial Court. They provide legal aid, manage international legal assistance, including document service, and confirm settlements reached through mediation. Beyond these functions, they perform other duties prescribed by law and handle any first-instance cases not assigned to another court. There are 15 Basic Courts spread across various municipalities in Montenegro.

The High Courts have jurisdiction as a first-instance court for serious criminal offenses where the prescribed sentence exceeds ten years of imprisonment, regardless of the circumstances under which the crime was committed. It specifically handles cases of manslaughter, rape, abuse of economic position, endangering air traffic safety, drug trafficking, inciting violent constitutional changes, disclosure of classified information, inciting national, racial, or religious hatred, violating territorial sovereignty, unconstitutional activities, and crimes against humanity and international law. It also tries cases designated to it by special laws. A special department within the High Court in Podgorica is established to handle serious crimes involving organized crime, corruption (when committed by high-ranking public officials), money laundering, terrorism, and war crimes.

As a second-instance court, it reviews appeals against decisions made by Basic Courts. Additionally, it determines extradition requests, recognizes and enforces foreign court decisions in criminal cases, resolves jurisdictional disputes between Basic Courts, and decides on requests for expungement of convictions and termination of security measures or legal consequences of a conviction. It also provides international legal assistance in criminal matters, including interrogations, special evidentiary procedures, and other cross-border legal cooperation. The High Court also performs other duties prescribed by law.

There are two High Courts in Montenegro, each covering specific territorial jurisdictions.

The Appellate Court of Montenegro, based in Podgorica, has jurisdiction over the entire country. It reviews appeals against first-instance decisions of the High Courts and decisions of the Commercial Court. Additionally, it resolves jurisdictional disputes between Basic Courts under different High Courts, between Basic and High Courts, and between High Courts. The Appellate Court also performs other duties as prescribed by law.

The Supreme Court of Montenegro, based in Podgorica, is the

highest judicial authority in the country. It has jurisdiction to rule as a third-instance court when prescribed by law, decide on extraordinary legal remedies against court decisions, and review legal remedies against decisions of its own panels when permitted by law. Additionally, it transfers territorial jurisdiction when another competent court can conduct proceedings more efficiently or for other important reasons, and it determines the territorially competent court when jurisdiction cannot be clearly established based on legal provisions. It also resolves jurisdictional disputes between different types of courts within Montenegro, except when another court has the authority to do so. The Supreme Court also performs other duties as prescribed by law.

2.2. Are there specialized courts for specific types of litigation?

Only the Commercial Court handles litigation, while other specialized courts, such as the Administrative Court, Misdemeanour Courts, and the Constitutional Court, are designated for specific types of legal matters outside litigation.

The Commercial Court of Montenegro, headquartered in Podgorica, serves as the first-instance court for disputes involving business entities, entrepreneurs, and other legal persons engaged in commercial activities. Its jurisdiction covers corporate law matters, registration of business entities, bankruptcy and liquidation proceedings, intellectual property disputes (including copyrights, industrial property rights, and trademarks), competition law violations, and market monopolization issues. Additionally, it adjudicates disputes concerning maritime and aviation law (excluding passenger transport), possession disturbances between commercial entities, and enforcement of arbitration awards when prescribed by law. The Commercial Court also conducts bankruptcy and liquidation proceedings, enforces judgments related to commercial disputes, recognizes and enforces foreign court and arbitration decisions, and validates settlements reached through mediation in commercial disputes. Furthermore, it provides international legal assistance in commercial matters and performs other duties as prescribed by law.

The Administrative Court of Montenegro, based in Podgorica, has jurisdiction over the entire country. It adjudicates administrative disputes, ensuring the legality of administrative acts and decisions made by public authorities. Additionally, it performs other duties prescribed by law, serving as a key institution in overseeing government actions and protecting citizens' rights in administrative matters.

Misdemeanour Courts handle minor offenses and administrative violations. There are three first-instance Misdemeanour Courts, each covering specific municipalities and operating local branches. These courts have jurisdiction over requests to initiate misdemeanor proceedings and judicial reviews of administrative fines and perform other legally mandated duties. The Higher Misdemeanour Court, based in Podgorica, serves as the second-instance court, reviewing appeals against Misdemeanour Court decisions, resolving jurisdictional disputes between Misdemeanour Courts, and handling other legal matters as prescribed by law.

2.3. How is jurisdiction determined in cross-border litigation, especially in cases involving foreign parties or multiple jurisdictions?

Jurisdiction in cross-border litigation is primarily governed by the Private International Law and Civil Procedure Law, which establish the general framework. Key factors in determining jurisdiction include the defendant's domicile or registered seat, the place of contract performance, the location of the harmful event, the presence of a choice of forum clause, exclusive jurisdiction provisions, and voluntary submission to jurisdiction.

3. Initiating Litigation

3.1. What are the primary steps required to initiate litigation in your jurisdiction?

To initiate litigation in Montenegro, the claimant must file a written lawsuit with the competent court. The lawsuit must include identification of the parties (claimant and defendant), a statement of claim outlining the legal and factual grounds, the requested relief or remedy, supporting evidence and documents, and proof of court fee payment unless the claimant is exempt by law. The lawsuit must comply with the formal and procedural requirements set by the Law on Civil Procedure to be considered valid by the court.

In contractual and commercial disputes, the claimant may be required to send a formal demand letter or pre-litigation notice to the opposing party, giving them an opportunity to resolve the issue before initiating court proceedings.

In certain cases, such as small claims disputes, family law matters (parental rights and division of joint property), and insurance claims, the claimant must first attempt mediation through the Mediation Centre and attend an initial session before proceeding to court.

3.2. Are there any specific requirements for parties regarding pre-litigation procedures?

A party intending to initiate court proceedings is required to first approach the Mediation Centre to attempt dispute resolution through mediation in the following cases: small claims disputes as defined by the law on civil procedure claims for compensation of damages under an insurance contract if one of the parties is an insurance company and disputes where mandatory mediation is prescribed by a special law, such as, for instance, labor disputes, disputes between spouses regarding parental rights and division of joint property.

Additionally, during the preliminary hearing – or at the first hearing for the main trial if no preliminary hearing is held – the court is obligated to issue a special ruling mandating an initial mediation session in certain cases before proceeding with litigation. This requirement applies when one of the parties is the State of Montenegro, the Capital City, the Old Royal Capital, or a municipality; the dispute is commercial in nature, excluding cases with international elements, corporate law matters, or disputes involving a party in bankruptcy proceedings; and other disputes expressly designated for mediation under special laws.

4. Timelines

4.1. What are the typical timelines for different stages of litigation, from initiation to resolution?

The Montenegrin judicial system suffers from significant inefficiencies, including a growing case backlog, prolonged resolution times, and a shortage of judicial staff. According to the European Commission's Montenegro 2024 Report, cases pending for more than three years increased by 20% by the end of 2023, while the average resolution time rose from 238 days in 2022 to 309 days in 2023. Administrative Court cases saw extreme delays, averaging 1,411 days. Despite ongoing recruitment efforts, judicial vacancies persist, further straining the system.

These challenges are compounded by inadequate court infrastructure, limited human resources, and slow adoption of digital tools. While reforms, including improvements to the Judicial Informative System (PRIS), signal progress, the judiciary's reliance on traditional case management continues to hinder efficiency. Business-related litigation remains particularly slow and bureaucratic.

To improve judicial efficiency, Montenegro must accelerate backlog reduction, enhance clearance rates, and fully implement digital transformation initiatives.

4.2. Are there specific time limits for filing claims, and do these vary depending on the type of dispute?

The time limit for filing claims depends on the type of dispute. While the Law on Obligations sets general limitation periods, specific laws may prescribe different deadlines based on the nature of the claim.

General claims expire after 10 years unless a different period is prescribed by law. Periodic claims, such as rent, interest payments, and alimony, must be filed within 3 years from the due date of each individual payment, while contractual claims expire 5 years from the first missed payment. Commercial claims between businesses expire after 3 years, calculated separately for each transaction or service. Claims for damages must be filed within 3 years from when the injured party became aware of the damage and the responsible party, and no later than five years from its occurrence, while damages caused by criminal offenses expire with the statute of limitations for criminal prosecution. Claims for damages due to corruption expire after five years from awareness and no later than 15 years from the act. Utility bills and subscription fees expire after two years, while court-affirmed claims recognized by final judgments, administrative rulings, or settlements expire after 10 years, even if the original period was shorter. Insurance claims have varying time limits: five years for life insurance and three years for other types, starting from the calendar year in which the claim arose. Additionally, monetary claims arising from employment, including unpaid wages and bonuses, must be filed within four years from the date the obligation was incurred, or they may be dismissed as time-barred unless an exception applies under the law.

5. Interim Measures

5.1. What interim remedies are available in your jurisdiction?

Montenegrin law provides a robust framework for interim remedies, ensuring that the enforcement of claims remains effective while preventing irreparable harm. These measures, governed primarily by the Law on Enforcement and Security and the Civil Procedure Code, allow courts and, in certain cases, public bailiffs to grant and execute interim measures to secure monetary and non-monetary claims. Interim measures may be granted at any stage of the proceedings, including before initiating a lawsuit, during litigation, or even after the judgment, if necessary for enforcement purposes.

The types of interim remedies include, but are not limited to:

i. Precautionary Measures – granted when the claim is based on a court ruling that is not yet final or enforceable, provided that there is a risk that enforcement may be hindered or prevented. These may include inventory and seizure of movable property to prevent its disposal; prohibition on debtors making payments or delivering goods to the opposing party; restriction on bank transactions, preventing the debtor's bank or a third party from transferring funds from the debtor's account; pre-registration of a pledge on immovable property belonging to the debtor; seizure of shares or equity interests in a business entity.

ii. Provisional Measures – applied to both monetary and non-monetary claims and imposed when a party demonstrates a need to prevent imminent harm, preserve evidence, or safeguard a right pending a final decision. These may include but are not limited to: prohibiting the debtor from disposing of movable property, with or without safekeeping provisions; restricting the transfer or encumbrance of shares or equity interests, with mandatory registration in public records; pro-

hibiting the sale or encumbrance of immovable property or property rights, with registration in the land registry; preventing third-party debtors from paying obligations to the debtor or restricting the debtor from receiving and disposing of such claims; freezing funds in the debtor's bank account, prohibiting payments to third parties or withdrawals. A party may request the court to impose any appropriate provisional measure, as the legal system does not follow a closed list (numerus clausus) of measures.

iii. Security Interests – creditors may secure their claims by registering a pledge on immovable or movable assets based on an enforceable title or a contractual agreement between the parties.

iv. Preservation of Evidence – In situations where there is a risk that evidence may be lost, altered, or rendered difficult to present at a later stage, courts have the authority to order the preservation and collection of critical evidence, during and even before the commencement of the main hearing.

v. Other measures – as may be envisaged by special laws.

5.2. Under what circumstances can a party obtain an interim injunction, and how quickly can such relief be granted?

A party may obtain an interim injunction when it is necessary to prevent irreparable harm, secure a claim, or ensure the effectiveness of future enforcement. Interim injunctions are granted by the court or public bailiff upon a party's request if the applicant demonstrates legal interest, a credible/probable legal claim, and a risk of irreparable harm or obstruction of justice. The principle of proportionality is applicable meaning that the measure must be necessary and proportionate to the risk involved. The applicant may be required to provide security (guarantee) to compensate for any damages if the interim injunction is later found to be unjustified.

6. Discovery

6.1. What are the rules governing the discovery process in your jurisdiction?

The discovery process follows key principles that ensure a fair and structured approach to evidence presentation and evaluation. It is adversarial in nature, requiring parties to present all relevant facts supporting their claims and propose evidence, while general or judicially known facts do not need proof. The party asserting a right bears the burden of proving the facts that support their claim. Conversely, the opposing party must present evidence to prove any facts that would prevent the claim from being established or enforced. Judicial discretion plays a crucial role in evidence evaluation, allowing the court to determine which facts are considered proven based on a thorough assessment of individual and collective evidence. If certain facts are difficult to clarify in proportion to the claim's importance, the court may rely on discretionary evaluation.

Evidence is primarily presented at the main hearing, but the court may delegate its collection to another court, with the results being reviewed during proceedings. If gathering evidence in a reasonable time is impractical, particularly in cross-border cases, the court sets a deadline and continues proceedings even if some evidence remains unavailable. Additionally, the court has the authority to establish facts not presented by the parties and introduce new evidence if it identifies an attempt to manipulate legal claims. However, the court cannot base its decision on undisclosed facts or evidence without granting the parties an opportunity to respond.

6.2. What types of evidence can be requested, and how are discovery disputes resolved?

During court proceedings, various types of evidence can be requested to establish facts and clarify legal disputes.

Inspection is conducted when direct observation by the court is essential, and it may involve expert witnesses to assist in the process. If logistical or financial constraints prevent bringing the subject of inspection to the court, an on-site inspection is performed. Documents serve as critical evidence, particularly public records issued by governmental or legal entities, which carry the presumption of accuracy. Properly certified international documents hold the same evidentiary value as domestic ones, subject to reciprocity agreements. Parties must submit relevant documents to support their claims, and foreign-language documents must be accompanied by a certified translation. If a party cannot obtain a document from a government body, institution, or another party, the court may intervene to procure its submission, with certain exceptions. Witness testimonies are another vital form of evidence, as individuals summoned as witnesses are generally obligated to testify unless exempt by law. Certain privileged communications, such as those protected by attorney-client privilege or professional secrecy, may justify refusal to testify. Witnesses may also decline to answer specific questions if doing so would expose them or their relatives to severe embarrassment, financial harm, or criminal liability. However, they must appear when summoned, with penalties for non-compliance, and are entitled to reimbursement for travel, accommodation, and lost wages. Expert testimonies become necessary when specialized knowledge is required to interpret technical matters. The proposing party must define the scope of expert evaluation, and in cases of complexity, courts may appoint alternative experts. Experts must submit their findings in writing before trial, and if their reports are unclear, contradictory, or incomplete, the court may request clarification or appoint another expert. Experts are entitled to compensation for their work. Finally, party testimonies may be ordered by the court to establish facts. If

a party refuses to testify or fails to appear, the court proceeds with the available evidence, but no coercive measures can be applied to compel a party's testimony.

Judicial discretion plays a pivotal role in resolving discovery disputes, as courts evaluate the weight of evidence and the reasons for non-compliance before making determinations. Certain procedural orders, such as the appointment of experts or mandates to produce documents, are final and cannot be appealed, ensuring the efficiency and integrity of the discovery process.

6.3. How is evidence presented and evaluated during litigation?

The presentation and evaluation of evidence during litigation follow a structured process set at the preliminary hearing. Each party bears the responsibility of presenting evidence to substantiate their claims and refute opposing arguments, with documentary evidence required in its original or certified form and foreign-language documents necessitating an official translation. Witnesses and experts contribute through oral or written testimonies, with their statements recorded by the court. Witnesses are examined individually – first by the party that summoned them, followed by cross-examination from the opposing party – while the court may intervene with additional inquiries to clarify inconsistencies and assess credibility. Experts, on the other hand, must substantiate their findings with precise scientific, technical, or professional justifications. The admissibility of evidence is determined by the court, which evaluates its relevance, authenticity, and probative value, ensuring that only legally sound and materially significant evidence is considered. Special weight is granted to public records unless successfully contested.

In assessing the credibility and consistency of all presented evidence, the court weighs its significance, drawing conclusions based on the balance of probabilities. Ultimately, the court's rationale behind its evidentiary determinations is explicitly articulated in its final ruling, reinforcing transparency, accountability, and the integrity of the judicial process.

7. Enforcement of Judgments

7.1. What types of judgments can be issued in civil litigation, and how are they enforced?

Civil court judgments are classified based on scope, procedural basis, legal protection provided, and the success of the plaintiff's claim.

In terms of scope, courts issue final judgments that comprehensively resolve the main dispute along with any related claims, ensuring a conclusive legal determination. Partial judgments may be rendered when only certain claims are ripe for resolution, allowing for a phased approach to adjudication. Preliminary judgments enable the court to first establish the legal basis of a claim before ruling on the extent of liability or damages, while supplemental judgments address any claims inadvertently omitted in prior rulings, ensuring completeness in judicial decisions.

From a procedural standpoint, courts may render contradictory judgments, following a full trial where both parties have had the opportunity to present their case. Alternatively, courts may issue summary judgments, including judgments based on admission, where the defendant concedes the plaintiff's claim; judgments based on withdrawal, when the plaintiff voluntarily renounces the claim; and absence judgments, where the defendant does not contest the claim by the preparatory hearing.

Regarding the legal effect, declaratory judgments serve to establish the existence or non-existence of a legal right, obligation, or relationship, such as confirming property ownership, the validity of a contract, or legal status. Condemnatory judgments impose an obligation on the defendant to perform, omit, or abstain from a specific action, including payment of a debt, delivery of goods, fulfillment of contractual duties, or refraining from unlawful conduct. Meanwhile, constitutive (transformative) judgments alter legal relationships by creating, modifying, or terminating a legal status, such as in divorce or contract annulment, with their legal effect taking place automatically upon finalization.

Finally, judgments are also classified based on case outcome, either granting the plaintiff's claim and providing the requested relief or rejecting the claim as unfounded.

The court may also issue a payment order, a simplified court procedure designed for the collection of monetary claims that are supported by reliable documents, such as public records, notarized private documents, invoices, and certified business records. The court issues the payment order without a hearing, requiring the defendant to fulfill the claim within eight days (or three days for bills of exchange and checks), unless a valid objection is filed within the prescribed period. Additionally, upon Montenegro's accession to the European Union, the country will implement the European Payment Order Procedure in accordance with EU Regulation No. 1896/2006, which introduces a uniform system for cross-border debt recovery. Under this framework, Basic Courts and the Commercial Court of Montenegro will have jurisdiction over European payment order requests, while the court that issued the order will also be responsible for certifying its enforceability.

Once a civil court judgment becomes final and enforceable, it must be executed through voluntary compliance or compulsory enforcement. The enforcement process is governed by the Law on Enforcement and Security and is carried out primarily by public bailiffs.

The losing party is expected to fulfill the court's ruling within the timeframe specified in the judgment. If the judgment does not specify a deadline, the standard period for voluntary compliance is 15 days from the date of finality. In commercial disputes deadline for fulfilling an obligation is eight days from the date the judgment becomes final and enforceable, while, for obligations that do not involve monetary payments, the court has the discretion to set a longer deadline based on the nature of the obligation and the specific circumstances of the case.

If the obligated party fails to voluntarily comply with a court judgment, the prevailing party may initiate enforcement proceedings by submitting a request to the competent court or a public bailiff. Public bailiffs are primarily responsible for executing enforcement measures, except in cases where the court has exclusive jurisdiction, such as the enforcement of decisions related to child custody and return, reinstatement of employees, and obligations requiring personal performance by the debtor. The public bailiff determines and executes enforcement based on an enforceable court decision or official document, with jurisdiction depending on the location of the debtor's residence or business headquarters.

For monetary judgments, enforcement measures include seizure and liquidation of assets, targeting movable and immovable property, bank accounts, wages, shares, and financial instruments. When enforcing against movable assets, the process begins with inventory and valuation, where the public bailiff seizes items from the debtor's possession or third parties. These assets are then sold through public auctions or direct negotiation, with the proceeds used to settle debts in a specific order: first covering enforcement costs, then satisfying creditor claims, and finally returning any surplus to the debtor. Similarly, bank accounts and wages can be frozen and garnished, though protected income sources, such as social benefits and child support, remain exempt.

In non-monetary judgments, enforcement mechanisms include eviction orders, where the public bailiff executes the removal of occupants and hands over real estate to the rightful party; specific performance orders, compelling the obligated party to fulfill a duty, with possible fines for non-compliance or third-party intervention at the debtor's expense; and return of goods or assets, where a public bailiff seizes and restores specific items to the claimant. When reinstating dismissed employees, public bailiffs impose fines on employers and ensure compensation for unpaid wages. In matters of child custody and visitation rights, non-compliant guardians may face fines, police intervention, or imprisonment if they obstruct court-ordered child handovers. Lastly, bailiffs enforce the registration of property rights by ensuring land registry updates, ownership transfers, and legal modifications in public records.

7.2. Are there specific provisions for cross-border litigation or enforcement of foreign judgments?

International Private Law Act sets out conflict-of-law rules to determine the applicable law in private legal matters with an international dimension. Furthermore, it governs the jurisdiction of courts and other competent authorities in adjudicating such disputes and sets forth procedural rules for handling cross-border cases. This legislation also regulates the recognition and enforcement of foreign judicial decisions. In aligning its legal framework with European Union (EU) standards, Montenegro's International Private Law Act incorporates conflict-of-law provisions governing contractual and non-contractual obligations. In this regard, the choice of applicable law in contractual relationships is interpreted and applied in accordance with Regulation (EC) No 593/2008 (Rome I) of the European Parliament and the Council, dated June 17, 2008. Likewise, the rules regarding the law applicable to non-contractual obligations are aligned with Regulation (EC) No 864/2007 (Rome II), dated July 17, 2007.

Montenegro has further solidified its commitment to international judicial cooperation by actively engaging in the Hague Conference on Private International Law (HCCH). As a member of the HCCH since 2007, Montenegro has acceded to 13 HCCH conventions, underscoring its commitment to the modernization of its legal system. Among the most notable agreements, Montenegro ratified the Hague Convention of June 30, 2005 on Choice of Court Agreements, which entered into force on August 1, 2018. Additionally, Montenegro signed the Hague Convention of July 2, 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters on April 21, 2023, further reinforcing its dedication to international legal cooperation and the facilitation of cross-border dispute resolution. Montenegro is also a contracting state to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, commonly known as the New York Convention. The country confirmed its succession to the convention on October 23 , 2006, following its declaration of independence.

When it comes to enforcement of foreign judgments, before enforcement can be carried out, the foreign enforceable title must first be recognized by a competent Montenegrin court. The recognition procedure follows an extra-judicial process under a system of limited control, meaning that local courts do not review the merits of the foreign judgment but only assess whether it meets the legal conditions prescribed by the law. A foreign decision may either be recognized or refused recognition, but it cannot be altered, supplemented, or modified in any way. A foreign judgment will not be recognized if the subject matter falls within the exclusive jurisdiction of Montenegrin courts, if the foreign court exercised jurisdiction based on grounds not recognized under Montenegrin law, if a final

decision has already been issued by a Montenegrin court or another foreign judgment on the same matter has been recognized in Montenegro, or if recognition of the judgment would be manifestly contrary to Montenegrin public policy. Additionally, recognition may be refused if the defendant was denied the opportunity to participate in the proceedings. If the local court finds no legal obstacles to recognition, and the party seeking recognition submits all required documents, the court will issue a decision granting recognition and enforceability of the foreign judgment. Once recognized, the foreign decision carries the same legal effect as a domestic court ruling and can be enforced accordingly.

8. Appeal

8.1. What is the appeals process, and what are the grounds for appeal in your jurisdiction?

In civil litigation, an appeal can be filed against judgments and rulings issued in first-instance proceedings. The appeal must be submitted within 15 days from the date the judgment is delivered or from the date the written copy is received. In certain cases, such as commercial disputes, labor disputes, bill of exchange and check disputes, and possession disturbance disputes, the appeal deadline is eight days. The appeal is initially filed with the court that issued the contested decision, which then forwards it to the competent second-instance court.

An appeal can be based on several grounds, including: (i) substantial violation of civil procedure provisions – which includes significant procedural errors that may have affected the fairness of the trial, (ii) incorrect or incomplete establishment of facts – if the court failed to establish the facts correctly or overlooked crucial evidence, and/or (iii) misapplication of substantive law – when the court incorrectly interprets or applies the relevant laws to the case.

When the case files related to an appeal reach the second-instance court, the reporting judge prepares a report for the appellate panel's review. The second-instance court decides on the appeal either in a panel session or after holding a hearing and has several options regarding the appeal: it may dismiss the appeal if it is untimely, incomplete, or not allowed; reject the appeal as unfounded and confirm the first-instance judgment; annul the first-instance judgment and return the case for retrial; annul the first-instance judgment and dismiss the lawsuit; annul the first-instance judgment and order the lower court to draft a new judgment; annul the first-instance judgment and decide on the parties' claims; or modify the first-instance judgment. A first-instance judgment may be annulled and the case returned to the first-instance court for retrial only once based on an appeal. This rule ensures that a case is not repeatedly sent back for retrial, so if an appeal is filed again after the retrial, the second-instance court must decide the case on its merits.

9. Costs and Funding

9.1. How are legal costs determined, and what are the common practices regarding funding litigation?

Legal costs are determined based on court fees, attorney fees, expert fees, and other procedural expenses. The allocation and calculation of these costs are primarily governed by the Law on Court Fees, the Law on Civil Procedure, and the Attorney Tariff Regulations. The key components include:

Court Fees that are fixed by law and depend on the type and value of the dispute. Higher-value claims incur higher court fees, payable at different stages of litigation (filing, appeal, enforcement).

Attorney Fees are determined based on the Montenegrin Bar Association's tariff, which prescribes fees for different legal services. Fees may be fixed, hourly, or success-based in certain cases.

During litigation, each party is responsible for covering its own legal expenses, including court fees, attorney fees, and other procedural costs. If additional services such as expert opinions or translations are required, the party requesting them must advance the costs, unless the court determines otherwise. However, the prevailing principle in litigation is "loser pays", meaning that the losing party bears the legal costs of both sides unless the court finds circumstances warranting a different allocation. In cases of partial success, courts may order a proportional distribution of costs, ensuring a fair and equitable approach to expense allocation.

9.2. Are there alternative funding options available for parties involved in litigation?

Free legal aid is available under specific conditions, as outlined by the Law on Free Legal Aid, providing financial assistance for legal consultation, representation, and procedural costs. Legal aid may be granted for various legal matters, including civil, criminal, family, administrative, and enforcement proceedings, ensuring access to justice for those unable to afford legal representation. Once approved, it also provides exemption from court costs, except for the costs of legal representatives and opposing party expenses.

Eligible individuals include Montenegrin citizens, stateless persons, foreign nationals seeking asylum or under subsidiary protection, and foreigners with permanent or temporary residence. Additionally, individuals in vulnerable social and legal situations, such as recipients of social welfare benefits, children without parental care, persons with disabilities, victims of domestic violence, human trafficking, torture, degrading treatment, sexual violence, and economically disadvantaged individuals, may also qualify.

The scope of free legal aid includes legal consultation, prepa-

ration of legal documents, and representation before courts, the State Prosecutor's Office, the Constitutional Court, alternative dispute resolution bodies, public bailiffs, and administrative authorities. It also covers notarial proceedings related to inheritance cases and translation costs for sign language users. However, free legal aid does not apply to cases before Commercial Courts, business registration disputes, defamation and insult-related damage claims, child support reduction cases where the debtor has defaulted, and enforcement proceedings based on an authentic document.

10. International Treaties

10.1. How do international treaties or regional agreements impact litigation in your jurisdiction?

International treaties and regional agreements have primacy over domestic law. According to the Constitution of Montenegro, ratified and published international treaties, along with generally accepted rules of international law, are an integral part of the domestic legal order. They supersede national legislation and apply directly when they regulate matters differently from domestic law. This means that in Montenegrin courts when a conflict arises between a domestic law and an international treaty to which Montenegro is a party, the provisions of the treaty prevail. This principle ensures that international legal commitments are upheld and directly enforceable, shaping judicial decision-making and legal reasoning.

Montenegro has established several treaties, primarily on a bilateral level, which govern cooperation in litigation and the enforcement of court decisions. These agreements facilitate cross-border legal processes and ensure that judgments made in one jurisdiction are recognized and enforced in others. Such treaties are in place with countries like Serbia, Croatia, and Italy.

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POLAND

Marta Szrajer
Managing Associate
marta.szrajer@linklaters.com
+48 22 526 50 00

Marek Tolcz
Senior Associate
marek.tolcz@linklaters.com
+48 22 526 50 00

Agata Zwolankiewicz
Associate
Agata.zwolankiewicz@linklaters.com
+48 22 526 50 00

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Legal Matters

www.ceelegalmatters.com

1. General Trends

1.1. What is the current state of litigation in your jurisdiction, and what recent trends or developments have been observed?

Courts conducting civil proceedings in Poland currently face significant caseload burdens, resulting in prolonged durations of proceedings, notably in the first-instance courts but also in the appellate courts and the Supreme Court. Depending on the complexity and nature of the case, the time required to obtain a final judgment often spans several years. Consequently, there has been a noticeable increase in interest in arbitration over the years. In large contracts between businesses, particularly in the context of mergers and acquisitions, arbitration clauses are standard practice.

Currently, there is also an issue regarding the improper appointment of judges in Poland in recent years. This situation has led to ongoing concerns about the stability of judgments issued by judges whose appointments are in question.

In terms of trends and directions in ongoing litigations, consumers are very active on the Polish litigation scene, particularly in suing clients from the banking sector (primarily in the areas of FX-indexed loans, free credit claims, and financial instruments claims). We are seeing an increasing number of claims based on allegations of unfair contract terms. Cases have begun to appear in which consumers challenge loan interest rates due to allegations against the WIBOR reference rate. Additionally, with new legislation concerning representative actions implementing EU regulations, we expect increased litigation activity from social organizations acting on behalf of consumers.

1.2. What are the key legal frameworks that regulate litigation?

The primary legal act regulating the rules of civil procedure in Poland is the Code of Civil Procedure. The Code of Civil Procedure primarily governs civil matters in the substantive sense (such as matters under civil law, as well as family and guardianship law, and labor law), but it also applies to other matters where a specific provision stipulates the application of the Code of Civil Procedure (for example, cases concerning social security and regulatory matters).

Additionally, regulations concerning civil procedure for certain categories of cases are contained in separate statutes. For example, group proceedings (equivalent to class actions) are regulated by a separate statute. Another such statute is the so-called Private Enforcement Act, which mainly contains procedural provisions governing the pursuit of damages claims resulting from violations of competition law.

2. Jurisdiction and Competence

2.1. How is the court system structured in your jurisdiction?

The court system in Poland is structured hierarchically and is composed of several types of courts, each with specific functions and areas of jurisdiction.

Common Courts

Common courts handle most civil, criminal, and family law cases and are divided into three levels:

• District Courts which are the courts of first instance for most cases. They hear all civil court cases except for those cases that fall under the jurisdiction of Regional Courts. In particular, they handle minor criminal and civil cases, as well as family matters.

• Regional Courts which serve as both courts of first and second instance. They handle cases concerning property rights, in which the value of the subject of the dispute exceeds one hundred thousand zlotys and other cases enumerated by the statute, including certain types of cases, such as intellectual property or competition law matters. They also handle appeals from district court judgments.

• Courts of Appeal which are courts of second instance that handle appeals from regional courts. They are responsible for ensuring the consistency and legality of verdicts rendered by the lower courts.

Administrative Courts

These courts deal with cases involving public administration and are divided into two levels:

• Voivodeship Administrative Courts which hear all administrative court cases except for those cases that fall under the jurisdiction of the Supreme Administrative Court. In particular, they handle appeals against administrative decisions made by public authorities.

• Supreme Administrative Court which is the highest court in the administrative judiciary system, handling appeals from voivodeship administrative courts.

Supreme Court

The Supreme Court is the highest judicial authority in Poland. It supervises the functioning of the lower courts and ensures the consistent application and interpretation of laws. In particular, it handles cassation appeals, which are appeals on points of law, correcting any errors of law that might have occurred in the lower courts, as well as resolves significant legal issues in the form of resolutions.

Constitutional Tribunal

This tribunal is not part of the ordinary court hierarchy. It assesses the constitutionality of laws and regulations, resolving conflicts of competence between central constitutional authorities, adjudicating the conformity of international agreements with the Constitution, and ruling on matters regarding political parties and elections.

2.2. Are there specialized courts for specific types of litigation?

In the structure of the Polish courts, there are divisions dedicated to handling cases from various areas and fields of law. These include, for example, civil divisions, family divisions, criminal divisions, commercial divisions, labor divisions, and social security divisions.

Certain competition law cases are handled by the Competition Court in Warsaw, which is a division of the Regional Court in Warsaw.

Also in Warsaw, due to the very high number of cases concerning FX-indexed consumer mortgage loans, a specific division has been established to deal exclusively with such cases.

Intellectual property cases are generally handled only by five regional courts in Poland, located in Warsaw, Lublin, Gdansk, Poznan, and Katowice. Only these courts have established intellectual property divisions. Furthermore, in cases concerning computer programs, inventions, utility models, integrated circuit topographies, plant varieties, and trade secrets of a technical nature (so-called technical cases), exclusive jurisdiction is vested in only one of these courts, namely, the Regional Court in Warsaw.

2.3. How is jurisdiction determined in cross-border litigation, especially in cases involving foreign parties or multiple jurisdictions?

In Poland, jurisdiction in cross-border litigation, particularly in cases involving foreign parties or multiple jurisdictions, is largely determined by a combination of EU regulations, international conventions, and national laws (especially the Polish Code of Civil Procedure). Poland is a party to various legal instruments determining jurisdiction, particularly in the context of EU regulations. Specifically, Poland is subject to:

• Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) ("Brussels I Regulation 2012")

The Brussels I Regulation 2012 governs jurisdiction and the recognition and enforcement of civil and commercial judgments within the EU. It specifies that, as a general rule, a defendant should be sued in the Member State where they are domiciled. It also provides rules for:

– Special jurisdictions: In certain cases, jurisdiction can be based on specific grounds, such as the place of performance of a contractual obligation or the place where a harmful event occurred.

– Exclusive jurisdiction: Certain matters, like those related to real estate or company law, have exclusive jurisdiction confined to the courts of specific member states.

– Choice of court agreements: It foresees the possibility of entering into the choice of court agreements (prorogation of jurisdiction).

• Council Regulation (EU) 2019/1111 of 25 June 2019 on jurisdiction, the recognition and enforcement of decisions in matrimonial matters and matters of parental responsibility, and on international child abduction (recast) ("Brussels II Regulation 2019")

The Brussels II Regulation 2019 focuses on jurisdiction and the recognition of judgments in matrimonial matters and parental responsibility. It sets forth jurisdiction in matters relating to divorce, legal separation, or marriage annulment, as well as parental responsibility.

Poland is also a party to the Hague Convention on Choice of Court Agreements 2005 ("Hague Convention"), which establishes uniform rules on jurisdiction in cases where parties have a previously agreed-upon forum. Parties to the Hague Convention acknowledge the validity of choice of court agreements in civil law matters. Consequently, any court not designated in the agreement must suspend proceedings, except if the chosen court declines to exercise jurisdiction. Under the Hague Convention, the chosen courts have exclusive jurisdiction to resolve the dispute. Judgments rendered by the chosen court are required to be recognized in all States parties to the Hague Convention.

If no EU regulation or international convention applies, Polish national law steps in to determine jurisdiction. As a rule under the Code of Civil Procedure, Polish courts have jurisdiction to hear disputes if the defendant has a place of residence, habitual residence, or registered office in Poland. The Code of Civil Procedure further regulates the jurisdiction of Polish courts in various types of cases. Importantly, Polish courts retain jurisdiction once it is established at the time of initiating proceedings, even if the basis for jurisdiction ceases during the proceedings.

3. Initiating Litigation

3.1. What are the primary steps required to initiate litigation in your jurisdiction?

The initiation of civil proceedings occurs through the filing of a lawsuit with a court. A lawsuit should clearly outline the factual and legal basis of a claim. A lawsuit includes:

• a precisely defined demand;

• an indication of the value of the subject of the dispute in cases concerning property rights unless the subject of the case is a specified sum of money;

• an indication of the date when a claim becomes due;

• an indication of the facts on which the claimant bases a claim and, if necessary, justifying the jurisdiction of the court;

• information on whether the parties have attempted mediation or another form of alternative dispute resolution, and if such attempts have not been made, an explanation of the reasons for not undertaking them.

In addition, a lawsuit may include requests for establishing interim security (for details, please refer to the answer to question no. 5), granting the judgment immediate enforceability, conducting the hearing in the absence of the claimant, and motions to prepare the hearing, in particular, requests for:

• summoning witnesses and experts indicated by the claimant to the hearing;

• conducting an inspection;

• ordering the defendant to provide at the hearing a document in their possession that is necessary to present evidence or an object for inspection;

• requesting evidence located in courts, public authorities, or possessed by third parties, along with demonstrating that the party cannot obtain them on their own.

It is crucial to gather all relevant evidence at the stage of preparing a lawsuit. Introducing evidence at a later stage may result in the court considering it untimely and disregarding it when issuing a judgment. This requirement is particularly important in commercial cases between entrepreneurs.

The defendant is given the opportunity to respond to the lawsuit in a response, which can be filed within a deadline specified by the court (not shorter than two-week time) after the lawsuit is delivered to the defendant. The response to a lawsuit typically includes a defense and counterarguments along with supporting evidence.

The defendant may also file a counterclaim against the claimant. A counterclaim is permissible if it relates to the claimant's claim or is suitable for set-off.

3.2. Are there any specific requirements for parties regarding pre-litigation procedures?

As a rule, a creditor can file a lawsuit if the debtor's obligation is due. Indicating the due date is, in fact, one of the requirements for a lawsuit. The performance of an obligation is due after the creditor has called upon the debtor to fulfill the obligation, unless the time for performance was previously specified by the creditor or derives from the nature of the obligation. When a call is made by the creditor, the previously indefinite obligation becomes time-specific, and the debtor has a duty to perform the obligation immediately. However, if the time for performance – as immediate performance – has been specified this way in the parties' agreement, then the debtor should perform even without being called upon by the creditor.

Before filing a lawsuit, the parties should attempt to resolve the dispute out of court, for example, through mediation (for details relating to mandatory requirements for the lawsuit, please refer to the answer to question no. 3.1). The claimant is required to indicate in the lawsuit whether such an attempt has been made and, if not, to specify the reason for not pursuing it.

Alternatively, before a party requesting the performance of an obligation decides to file a lawsuit, it can use a legal instrument in the form of a request for a settlement attempt. A request for a settlement attempt is also submitted to the court and is characterized by fewer formal requirements and a lower court fee.

4. Timelines

4.1. What are the typical timelines for different stages of litigation, from initiation to resolution?

The entire litigation process can take anywhere from several months to several years to reach a final judgment, particularly if appeals are involved. Complex business cases or those requiring extensive evidence or multiple expert opinions tend to take longer.

A general overview of typical timelines for each stage of the proceedings can be divided into a few stages:

Initiation of Proceedings

Once a claim is filed with the court, it is generally reviewed for formal compliance within a few weeks. The claimant must ensure all necessary documents and information are included to avoid delays.

Preliminary Proceedings and Exchange of Subpoenas

After a lawsuit is registered with a court, it is served on the defendant. This usually takes a few weeks. The defendant has at least two weeks to file a response to the lawsuit. In complex

business cases, courts set a longer period to file the response.

Before the first hearing, parties may submit further pleadings; however, the court may refuse further exchanges of them.

Hearings

The time taken between hearings can vary, often depending on the court's workload. It might take from several months to a few years to complete the hearings for a case. The timeline depends on factors like the number of witnesses to be heard, the time required to prepare expert opinions and to hear the authors of those opinions, and the complexity of the specific case.

Judgment

Once hearings are concluded, a judgment is usually issued within several weeks to a few months, depending on the case's complexity and the court's caseload.

Generally, proceedings before courts of first instance are relatively lengthy. It is important to remember that the complete evidence proceedings are conducted at this stage, impacting the length of the proceedings.

Appeal

Parties generally have two weeks from receiving the written judgment to file an appeal (with some specific exceptions when the deadline Is three weeks).

The appellate process can take several months, as it involves reviewing the case and potentially holding additional hearings.

Enforcement

Once a judgment is final, enforcement proceedings can begin. This process can vary widely in duration, depending on the ease of locating and recovering assets.

Proceedings before the appellate court can end with the case being referred back to the court of first instance for re-examination. This extends the proceedings because some procedural actions may need to be repeated, or additional procedural actions may be necessary.

Some cases, such as those involving smaller claims or uncontested matters, may be resolved more quickly through simplified procedures.

4.2. Are there specific time limits for filing claims, and do these vary depending on the type of dispute?

Generally, the ability to pursue claims of a financial nature is limited by the limitation periods specified mainly in the Civil Code. The expiration of the limitation period does not affect the ability to pursue a claim if the person against whom the claim is being pursued waives the defense of limitation. In the case of the lapse of a limitation period, there are no obstacles to submitting a claim to a court (the claim still exists). However, raising the plea of lapse of the limitation period will prevent the awarding of the claim amount to the claimant and its satisfaction.

However, in the case of claims submitted by entrepreneurs against consumers, it is not necessary for the consumer to raise a plea of lapse of the limitation period. This means that the court, before which the proceedings are taking place, takes the expiration of the limitation period into account ex officio.

Non-property claims do not become time-barred, for example, those arising from the violation of personal rights or existing in family legal relationships. However, pursuing the payment of a specified sum of money in connection with the violation of personal rights is a property claim and is subject to limitation.

The general limitation period provided for in the Civil Code is six years, and for claims concerning periodic payments and claims related to business activities, it is three years. However, this general rule has many exceptions and provides a different method of calculating the limitation period depending on the subject of the dispute, such as the source of the legal act or the event constituting the basis of the claim.

5. Interim Measures

5.1. What interim remedies are available in your jurisdiction?

The Code of Civil Procedure provides for the possibility of granting interim security before the commencement of or during civil proceedings. Proceedings for the granting of interim security are independent of judicial proceedings. Their purpose is to provide legal protection to the party seeking interim security and having a claim against another person or entity.

A claimant can file an application for security before the commencement of judicial proceedings, simultaneously with its commencement, or during the proceedings. If the court grants interim security before the commencement of judicial proceedings, the claimant must file a lawsuit and initiate judicial proceedings no later than two weeks (the court specifies the exact term). In case of failure to submit a lawsuit, the interim security would lapse.

If interim security is granted, its beneficiary is not adversely affected by the duration of the proceedings. Granted interim security enables the achievement of the objectives of the proceedings before they are resolved on the merits. A beneficiary of interim security can be confident that, in the event of a successful final judgment on the merits, they will be able to satisfy themselves from the object of the granted interim security.

A claimant may obtain interim security in respect of claims able to be recognized in any type of civil proceedings conduct-

ed in front of a common or arbitration court.

Interim security can be granted irrespective of the claim being the subject of the case. Therefore, the granting of interim security is possible in cases concerning performance, in cases concerning the determination of a right or legal relationship, as well as in cases concerning the formation of a right or legal relationship.

5.2. Under what circumstances can a party obtain an interim injunction, and how quickly can such relief be granted?

Generally, the basis for granting interim security is the likelihood of the claim and the likelihood of the existence of a legal interest in granting interim security. In security proceedings, it is not necessary to prove the circumstances supporting the validity of granting security. Therefore, a lower degree of certainty is sufficient. Security proceedings do not serve to determine the existence of the claim but aim to secure the execution of a future judgment or to guarantee its effectiveness. It is sufficient for the court to recognize that there is a high likelihood of the claim's existence. This assessment may be revised during the main proceedings after a full evaluation of the evidence.

The likelihood of a legal interest in granting interim security means that the entitled party must indicate circumstances that will likely demonstrate the risk of non-execution of the judgment or failure to achieve the purpose of the proceedings. The basis for security can thus be said to exist when the absence of security would result in the legal protection provided in the judgment issued in the main proceedings being incomplete.

If the claim concerns a monetary benefit, a legal interest in granting security can be said to exist when the lack of interim security may prevent or seriously hinder the execution of a future judgment. Such a situation occurs when the solvency of the opposing party is at risk, for example, when they are disposing of their assets, have lost their source of income, or have ceased conducting business.

In the case of non-monetary claims, a legal interest justifying the granting of security arises, for example, in situations where there is a risk of loss or destruction of an item or an attempt by third parties to thwart the execution of a future judgment.

Generally, the court considers an application for granting security promptly, but no later than within a week from the date the application is filed with the court. This deadline is instructional, and its breach does not affect the validity of the decision issued in this regard. The short instructional deadline aims to discipline the court to consider the application without delay.

Even when security is granted, the obligor has the option to appeal the court's decision. In such a situation, the court's decision regarding the security becomes final only after the obligor's appeal is considered.

6. Discovery

6.1. What are the rules governing the discovery process in your jurisdiction?

Polish civil procedure does not generally provide for a discovery process as understood in common law jurisdictions, where each party can obtain evidence from the others through civil procedure law. There is no separate stage like document production where parties can request documents from each other. Each party is obligated to present its own evidence to support its claims.

However, the Code of Civil Procedure includes a mechanism that allows the court, during the proceedings, to compel a participant or a third party to present a document they possess, which serves as proof of fact crucial for the resolution. It is possible to demand the opposing party to present a document they possess necessary for evidence, or an item for inspection, right in the lawsuit. One can also request evidence that is located in courts, offices, or with third parties, provided there is a reasonable likelihood that the party cannot obtain it themselves.

In addition to general rules, there are specific regulations regarding legal measures to demand evidence in certain types of cases, for example:

• Claims for damages resulting from competition law violations.

• Intellectual property infringement cases.

Claims for Damages from Competition Law Violations

Specific regulations provide detailed rules on the disclosure of evidence in claims for damages resulting from competition law violations. For a claimant's request to disclose evidence to be granted:

• the claimant must substantiate their claim;

• the evidence sought must pertain to a fact crucial for the resolution.

The regulation covers, among others:

• the content required in the application;

• procedural rules for deciding on the application;

• grounds for dismissing the application;

• permissible limitations on access to evidence;

• the admissibility of appealing and amending decisions.

These specific regulations transpose the provisions of Direc-

tive 2014/104/EU.

Intellectual Property Infringement Cases

In intellectual property infringement cases, a claimant who has substantiated their claim can request the defendant to disclose or provide evidence in their possession, particularly banking, financial, or commercial documents, aimed at revealing and proving facts.

This measure is only usable during ongoing proceedings. In these cases, the Code of Civil Procedure specifies the requirements for an application to disclose evidence and the procedure for considering the application. If the court grants the application, it issues an order compelling disclosure or provision, specifies the deadline for disclosure or delivery and sets terms for its use or review. The order is enforceable upon issuance.

The regulations for disclosing or providing evidence are the result of transposing the rules from Article 6 of Directive 2004/48/EC into Polish law.

Another legal measure that can be utilized even before filing a lawsuit (pre-trial stage) in intellectual property infringement cases is securing evidence. The court grants the securing of evidence upon the applicant's request if they substantiate their claim and demonstrate a legal interest in securing evidence. A legal interest exists when:

• the absence of the requested securing prevents or seriously hinders the presentation or proof of significant facts;

• there is a risk of destruction of the evidence;

• delay in obtaining the evidence may prevent or seriously hinder achieving the goal of the evidentiary proceedings.

Other reasons necessitate confirming the current state of affairs.

6.2. What types of evidence can be requested, and how are discovery disputes resolved?

Types of evidence that can be requested

General Principles

The court can require a participant in the proceedings or a third party to present a document they possess. A document in the meaning of the Civil Procedure Code includes paper documents and electronic media (e.g., a hard drive or cloud storage). The definition is technologically neutral, encompassing content preserved on paper, in electronic form, or in sound, visual, or audiovisual form.

Exceptions exist where the document contains:

• classified information, or

• information to which a person could refuse to testify.

A party cannot refuse to present a document if the harm from doing so would merely be losing the case.

Intellectual Property Infringement Cases

The provisions applicable to intellectual property infringement cases broadly refer to evidence without strictly defining it, particularly bank, financial, or commercial documents necessary to reveal and prove facts. In legal literature, it is indicated that this can include all tangible evidence, such as objects or collections of objects.

Claims for Damages from Competition Law Violations

The provisions applicable to claims for damages resulting from competition law violations generally reference evidence but specify document categories excluded from disclosure or subject to restrictions, The documents excluded from disclosure are:

• statements under leniency programs;

• settlement proposals

If these are only part of a document, the remaining content must be disclosed.

Some documents/information can only be disclosed post-competition authority proceedings, such as:

• information prepared specifically for competition proceedings.

• information made by the competition authority and shared with parties.

• withdrawn settlement proposals.

Discovery disputes

General Rules

No specific procedure exists for resolving disputes. A party cannot challenge a court decision denying an application during the proceedings. One can only challenge it through appeal challenging the judgement on merit.

Intellectual Property and Competition Cases

Special rules allow for appealing a court order to disclose a document in intellectual property infringement cases and in cases concerning claims for damages resulting from competition law violations. In both instances, a court order can be formally appealed by filing a complaint during the merit phase of the proceedings.

6.3. How is evidence presented and evaluated during litigation?

Documents obtained under the regulations for disclosing evidence can be presented as evidence in a case, subject to exceptions following specific regulations.

In cases concerning claims for damages due to competition law violations, the court may restrict other parties' rights to access this evidence or lay down detailed rules for reviewing and using the evidence. This applies when the disclosed evidence contains trade secrets or other confidential information protected by separate regulations.

Similarly, in cases of intellectual property rights infringement, if the defendant invokes trade secret protection, the court can establish specific rules for the use and access to the evidence and may impose additional restrictions.

Generally, there are no specific rules for evaluating evidence. If evidence obtained under the regulations for disclosing evidence is admitted as part of the evidential material, the general rules of evidence evaluation apply.

7. Enforcement of Judgments

7.1. What types of judgments can be issued in civil litigation, and how are they enforced?

Types of Rulings

In Poland, in civil proceedings, there are generally three categories of rulings that may be issued: (i) orders; (ii) judgments (including default, preliminary, and partial judgments); and (iii) payment orders (payment order in payment-order proceedings, payment order in writ-of-payment proceedings).

Orders

In contentious proceedings, the court issues orders that address matters related to the course of the proceedings as well as incidental issues. In non-contentious proceedings, the court issues all decisions in the form of orders, regardless of whether they pertain to the essence of the case or procedural, incidental, or ancillary matters. Provisions relating to judgments in contentious proceedings apply to orders on the substance of the case issued in non-contentious proceedings.

Judgments

A judgment is a court decision that resolves the essence of a case in contentious proceedings. Judgments can be classified into the following categories:

• Based on the outcome:

– judgments granting the claim;

– judgments dismissing the claim;

• Based on content:

– judgments ordering the performance of an obligation;

– judgments determining the existence or non-existence of a legal relationship or right;

– judgments shaping a legal relationship or right.

• Based on legal effects:

– declarative judgments;

– constitutive judgments.

• Based on the scope of the decision:

– full judgments;

– partial judgments;

– preliminary judgments;

– inal judgments;

– supplementary judgments.

Payment Orders

A payment order is a decision issued by the court in a closed session, whereby the defendant is ordered to satisfy the claimant's demand in full, including the legal costs, within a specified time frame outlined in the order, or to file an appeal within that period. Payment orders can be issued in various procedures, such as in payment-order proceedings and writ-of-payment proceedings. The Code of Civil Procedure regulates the conditions for their issuance and provides different rules for appealing these orders depending on the procedure in which they were issued.

Enforcement Proceedings

Should the defendant fail to comply with the ruling voluntarily, these rulings can be subsequently enforced through established legal mechanisms. Enforcement proceedings in Poland address both monetary and non-monetary claims. These proceedings are mechanisms used by creditors to ensure that debtors fulfill their financial or action-based obligations. Each type of claim proceeds through specific processes governed by legal provisions.

Monetary Claims

Monetary claims involve a debtor's obligation to pay a specific sum of money to a creditor. They are the most common reason for initiating enforcement proceedings. Assets subject to enforcement include, for example:

• movables;

• salary;

• bank accounts;

• receivables;

• shares;

• real estate.

Enforcement proceedings can be divided into three stages:

• Clause proceedings: Obtaining an enforceability clause for an

enforcement title, typically issued by a court upon the creditor's request.

• Proper enforcement proceedings: In this stage, coercive measures are utilized to recover obligations. For instance, seizing funds from a debtor's bank account; this stage of the proceedings is conducted by the bailiff.

• Distribution proceedings (if needed): This stage involves distributing the funds obtained from enforcement, especially relevant when multiple creditors are involved.

Non-Monetary Claims

These involve enforcing actions or omitting specific actions rather than monetary payments. They often focus on infringements of rights and interests, and include, for example:

• handover of movable property or real estate;

• making specific statements of will;

• refraining from undertaking certain actions.

If the debtor fails to comply with the enforceable title, the creditor may petition the court to initiate enforcement. In cases involving substitute actions, should the debtor not comply within the stipulated timeline, the court may allow the creditor to execute the action at the debtor's expense and allocate the necessary funds.

7.2. Are there specific provisions for cross-border litigation or enforcement of foreign judgments?

Yes, there are specific provisions concerning cross-border litigation and enforcement of foreign judgments. These matters are regulated at both international and national levels. Poland is a party to various international treaties intended to facilitate cross-border litigation and the recognition and enforcement of judgments across borders, particularly within the EU, but also with countries outside the EU. For example:

• Brussels I Regulation 2012;

• Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims;

• Regulation (EC) No 861/2007 of the European Parliament and of the Council of 11 July 2007 establishing a European Small Claims Procedure;

• Hague Convention;

• Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters.

Poland is also a party to several bilateral treaties on the recognition and enforcement of foreign judgments.

If no EU regulation or international convention applies, Polish national law will be applicable. The recognition and enforcement of foreign judgments are regulated in the Polish Code of Civil Procedure.

8. Appeal

8.1. What is the appeals process, and what are the grounds for appeal in your jurisdiction?

Within Polish civil procedural law, the remedy intended for challenging substantive judgments of the first instance court is an appeal (Polish: "apelacja"). Another remedy intended for challenging procedural orders is a complaint (Polish: "zazalenie").

Appeal

Filing an appeal transfers the case from the first instance court to a higher court serving as the appellate (second instance) court. An appeal from a judgment of the district court is heard by the regional court, and an appeal from a judgment of the regional court as the first instance is heard by the court of appeal.

An appeal must be lodged with the court that issued the challenged judgment within two weeks from the delivery of the judgment with justification to the appealing party. An appeal suspends the finality of the judgment being appealed.

Filing an appeal leads to a new substantive examination of the civil case previously adjudicated by the first instance court, subject to the limitations set by the scope of the appeal and other legally relevant boundaries. In the appeals process, the court "examines the case," not just the "allegations raised in the appeal." Simultaneously, the function of the appeal is not to repeat the entire proceedings of the first instance court but to repeat and supplement those proceedings to the extent necessary for a comprehensive review of the validity and legality of the challenged judgment within the boundaries of the appeal made by the entitled party.

The grounds for appeal may concern both the factual or legal basis of the judgment. The findings of the first instance court are not binding on the appellate court. Therefore, the obligation to make determinations exists for the appellate court regardless of whether the appellant raised an allegation of erroneous or lacking factual findings. The appellate court – regardless of the parties' positions and the scope of the objections – must apply the proper substantive law provisions, thus also correcting any legal errors of the first instance court, whether or not they were pointed out in the appeal.

The appellate court may issue the following decisions:

• Dismiss the appeal if it is unfounded.

• If the appeal is upheld, modify the challenged judgment and pronounce on the substance of the case.

• In case of annulment of the proceedings, annul the challenged judgment, abolish the proceedings to the extent affected by nullity, and refer the case back to the first instance court for re-examination.

• If the claim is to be dismissed, or there are grounds to discontinue the proceedings, annul the judgment and dismiss the claim or discontinue the proceedings.

• The court may also annul the challenged judgment and refer the case for re-examination if the first instance court did not examine the substance of the case, or if issuing a judgment requires a complete evidentiary procedure.

Complaint

A complaint is a remedy against court orders – rulings concerning procedural matters. It does not apply to decisions resolving the merits of the case. A complaint is lodged either with the second instance court or another panel of the same instance court, depending on the subject matter. A complaint is available against first-instance court orders concluding the proceedings in the case, as well as against orders listed in the statute (e.g., return of the statement of claim, suspension of proceedings, reimbursement of costs, refusal to provide justification for the decision).

Additionally, a complaint to the Supreme Court is available for:

• a second instance court's order dismissing a cassation complaint;

• a first or second instance court's order dismissing a complaint to declare a final decision incompatible with the law;

• in case the second instance court annuls a first instance court's judgment and refers the case for re-examination.

The deadline for filing a complaint is one week from the date of delivery of the order with justification. A complaint must include a request for the modification or annulment of the order, as well as a concise justification indicating, where necessary, new facts and evidence.

Beyond appeal and complaint (so-called ordinary remedies), there are also extraordinary remedies available for challenging final decisions. They include:

• cassation complaint to the Supreme Court;

• complaint for the reopening of proceedings;

• complaint to declare a final decision incompatible with the law.

9. Costs and Funding

9.1. How are legal costs determined, and what are the common practices regarding funding litigation?

In Polish domestic litigation, the standard approach to cost allocation is that the losing party bears the expenses, with only a few exceptions. Upon the winner's request, the losing party must refund reasonable expenses incurred during the legal proceedings, including court fees, attorneys' or legal counselors' charges, and costs related to the party's court appearance. In the event of only partial consideration of claims, the costs will be mutually offset or proportionately divided. However, the court may impose the obligation to reimburse all costs on one party if its opponent only partially succeeded in their claim or if the determination of the amount due depended on mutual settlement or the court's assessment.

In general, the court decides on costs in every judgment that concludes a case at the instance level. However, a party that requests an action involving expenses is obliged to pay an advance for their coverage in the amount and within the deadline specified by the court.

Litigation financing (third-party funding) is gaining traction in Poland. Litigation funding has garnered significant media attention in recent years. Also, a funding plan specifically designed for Swiss franc disputes was introduced. This trend is part of a broader global movement towards third-party funding (TPF) in litigation and arbitration. Despite the lack of direct regulation of TPF in Polish statutory law, the landscape is evolving, as evidenced by recent amendments to the Arbitration Rules at the SAKIG (Court of Arbitration at the Polish Chamber of Commerce). These developments reflect a growing recognition of the role and importance of external financial support in facilitating access to justice and managing the financial risks associated with legal proceedings.

9.2. Are there alternative funding options available for parties involved in litigation?

Individuals who find that paying court costs would compromise their essential living expenses for themselves and their families can request an exemption by submitting a statement to that effect. Similarly, legal entities or organizational units that lack legal personality but are granted legal capacity by law may also seek an exemption from court costs. To qualify, these entities must demonstrate that they do not have sufficient resources to meet the payment obligations. This provision ensures that financial constraints do not hinder access to justice for individuals and organizations facing genuine financial difficulties.

10. International Treaties

10.1. How do international treaties or regional agreements impact litigation in your jurisdiction?

As mentioned, international treaties and regional agreements significantly impact litigation in Poland by providing frameworks for cooperation, recognition, enforcement, and jurisdictional determinations in cross-border legal matters. This applies on various levels:

• Harmonization and standardization: Especially EU legislation, such as the Brussels I Regulation 2012, standardizes jurisdictional rules and the recognition of judgments across EU Member States. This harmonization ensures consistent legal procedures, thereby reducing uncertainty in cross-border disputes.

• Simplified enforcement: Various international regulations, both within the EU and outside of it, facilitate the enforcement of judgments in civil and commercial cases. This significantly streamlines and simplifies the enforcement process.

• Legal certainty and predictability: By harmonizing legal procedures and providing standardized frameworks, these treaties and agreements reduce legal uncertainty. This is particularly beneficial for businesses and individuals involved in international transactions, as it offers a predictable legal environment. This reduces the risk of non-enforcement of foreign judgments.

• Cross-border legal assistance: Various legal regulations govern cross-border assistance. For example, the Hague Evidence Convention facilitates cooperation in obtaining evidence abroad, crucial for litigation involving parties or transactions beyond Poland.

CEE LEGAL MATTERS COMPARATIVE LEGAL GUIDE: LITIGATION 2025

ROMANIA

Ramona Cirlig
Managing Partner
ramona.cirlig@rcdisputes.com
+40 723 252 604

Calin Coroian
Managing Associate
calin.coroian@rcdisputes.com
+40 745 778 428

CEE LEGAL MATTERS

www.ceelegalmatters.com

1. General Trends

1.1. What is the current state of litigation in your jurisdiction, and what recent trends or developments have been observed?

The shortage of judges in the Romanian judicial system and the heavy caseload in some courts remain a challenge both within the judicial system and for the users of the system, with direct effects on the duration of the proceedings. On a positive note, access to the electronic file is increasingly available in more courts, as well as the electronic transmission of documents.

1.2. What are the key legal frameworks that regulate litigation?

The key legal framework governing civil litigation in Romania is the Code of Civil Procedure, in force since February 15, 2013.

2. Jurisdiction and Competence

2.1. How is the court system structured in your jurisdiction?

The Romanian civil court system is organized hierarchically: Courts of first instance, Tribunals, Courts of Appeal, and the High Court of Cassation and Justice.

The law sets the criteria for determining the competence of the courts based on the nature of the claims, the amount in dispute, and the geographical localization of the parties. As a general rule, the disputes settled in the first instance will be heard in appeal on the following level of the hierarchy, and in a final appeal on the next level.

For example, a claim starting before the Court of first instance will have its appeal before the Tribunal and its final appeal before the Court of Appeal, while a claim starting before the Tribunal will be appealed before the Court of Appeal, with a final appeal before the High Court of Cassation and Justice.

2.2. Are there specialized courts for specific types of litigation?

There are specialized divisions within the courts for disputes pertaining to relations between professionals, labor law, administrative and tax law, insolvency, family and minors, and intellectual propriety law.

2.3. How is jurisdiction determined in cross-border litigation, especially in cases involving foreign parties or multiple jurisdictions?

For cross-border disputes that are not covered by EU law or international treaties to which Romania is a party, the Code of Civil Procedure regulates the criteria for determining the jurisdiction. The main criterion is the defendant's domicile or registered office.

Romanian courts are exclusively competent to judge disputes with foreign elements in the field of personal status relating to: civil status documents drawn up in Romania concerning persons domiciled in Romania and who are Romanian citizens or stateless persons; approval of adoption, if the person to be adopted resides in Romania and is a Romanian citizen or stateless person; guardianship and curatorship for the protection of a person domiciled in Romania, who is a Romanian citizen or stateless person; placing under judicial interdiction a person domiciled in Romania; dissolution, nullity or annulment of marriage, as well as other disputes between spouses, except those relating to real estate located abroad, if at the date of filing the application both spouses reside in Romania and one of them is a Romanian citizen or stateless person.

Romanian courts are also exclusively competent to judge disputes with foreign elements relating to: real estate located on the territory of Romania; goods left in Romania by the deceased with the last domicile in Romania; contracts concluded with consumers having their domicile or habitual residence in Romania, for current consumer services intended for the personal or family use of the consumer and unrelated to his professional or commercial activity, if: (a) the supplier received the order in Romania; (b) the conclusion of the contract was preceded in Romania by an offer or advertising and the consumer completed the necessary documents for the conclusion of the contract.

As a general rule in cross-border commercial litigation, Romanian courts have jurisdiction if the defendant has the registered office, even a secondary office, on the territory of Romania on the date of submission of the claim.

Choice of court agreements is recognized in matters concerning rights that the parties can freely dispose of according to Romanian law. For the matters listed above as falling under the exclusive competence of Romanian courts, a choice of court agreement is void.

3. Initiating Litigation

3.1. What are the primary steps required to initiate litigation in your jurisdiction?

Litigation is initiated by the submission of the claim with the competent court. The second step is the written procedure between the court and the claimant. At this stage, the court checks the compliance of the claim with all the mandatory requirements. An exchange of correspondence may take place between the court and the claimant to ensure that the claim fulfills all formal conditions. As a third step, the court serves the claim to the defendant. As a fourth step, the defendant submits its statement of defense. Claimant further submits a reply to the statement of defense. Finally, the court sets the

date for the first hearing.

3.2. Are there any specific requirements for parties regarding pre-litigation procedures?

There are specific areas provided by law when pre-litigation procedures are mandatory and proof of completion of the pre-litigation procedure must be attached to the statement of claim. For example, the preliminary procedure in administrative litigation or the preliminary notice to be fulfilled before requesting a payment order. Moreover, parties may contractually agree on pre-litigation procedures, like negotiation or mediation.

4. Timelines

4.1. What are the typical timelines for different stages of litigation, from initiation to resolution?

From initiation to resolution, a civil claim generally goes through the following stages:

(i) Claimant submits the statement of claim before the court – initiation of the proceedings;

(ii) The court verifies the fulfillment of the formal requirements of the claim. If any essential formal requirements are not fulfilled, the court notifies the claimant to amend its claim within 10 days. Failing to comply may lead to the dismissal of the claim. Nevertheless, such dismissal does not have a res judicata effect – a new statement of claim can be submitted within the limitation period;

(iii) The court serves the statement of claim to the defendant;

(iv) Defendant must submit a statement of defense and, if the case, a counterclaim within 25 days of the communication of the claim. Failure to submit a statement of defense in time may lead to the loss of the opportunity to propose evidence or invoke objections regarding the claim, with the exception of the ones concerning public order;

(v) The court serves the statement of defense to the claimant;

(vi) The claimant must submit an answer to the statement of defense within 10 days of the communication of the statement of defense;

(vii)Considering the caseload of the instance, the court sets the date of the first hearing usually after the submission of the answer to the statement of defense;

(viii)At the first hearing, if there are no grounds for deferment, there is a debate on the evidence proposed by the parties, its relevance, and pertinence to the dispute. The court decides what evidence will be administered in the proceedings and the steps and dates for its administration, for instance, when will witnesses be heard or expert reports submitted;

(ix)After all evidence was administered before the court, there is a final hearing, when the parties argue their case on the merits before the court;

(x)After the final hearing, parties may submit post-hearing briefs within a deadline set by the judge;

(xi) The court renders its decision at the end of the day when the final hearing takes place or may defer it for a later date. The detailed reasons for the decision should be drafted and served within 30 days from the date of the decision.

4.2. Are there specific time limits for filing claims, and do these vary depending on the type of dispute?

The general limitation period in Romania for pecuniary civil claims is three years.

For specific types of disputes, some different limitation periods may apply. For example, for property claims, the limitation period is ten years, while for insurance and reinsurance claims, the limitation period is two years. Moreover, the claim for partition of certain goods jointly held by more owners is not subject to a time limit.

The limitation period may be suspended or interrupted in the conditions prescribed by law. Moreover, parties may contractually agree on the moment when the limitation starts to run, the suspension of the limitation, or the duration.

5. Interim Measures

5.1. What interim remedies are available in your jurisdiction?

Generally, interim remedies granted by Romanian courts are aimed at preventing the defendant from disposing of his assets or at preserving the claimant's rights until a final judgment is rendered.

Among the interim remedies that Romanian courts can grant the most common are the freezing of immovable assets, the freezing of bank accounts, and the suspension of the effects of an administrative act until the court will rule on the validity of such act.

5.2. Under what circumstances can a party obtain an interim injunction, and how quickly can such relief be granted?

As general requirements for obtaining an interim injunction, the requesting party must show that:

- the proceedings on the merits of the case have already been initiated or the request fits the hypotheses expressly provided by the law allowing interim relief prior to the initiation of the proceedings;

- there is a risk of irreparable damage until a final decision on

the case is provided;

- there is urgency for the interim injunction to be granted;

- there is at least an appearance that the claim is well-founded at an initial analysis of the case.

Specific interim injunctions may require fulfillment of further admissibility conditions.

Generally, a security deposit must be provided in the amount set by the court within the limits provided by law, which can vary up to 20% of the claim.

Depending on the court and its caseload, an interim relief is granted typically in two to five weeks. An appeal can add some further two to four weeks.

6. Discovery

6.1. What are the rules governing the discovery process in your jurisdiction?

Under Romanian law, there is no discovery procedure as known in common law jurisdictions.

However, as a general procedural rule, the statement of claims and the statement of defense should disclose all types of evidence the parties intend to use during the trial.

Also, the judge may, either at the request of a party or ex officio, order the parties to the dispute or third parties, including public authorities and institutions, to submit before the court any other evidence that the court deems necessary.

For instance, if one of the parties informs the court that an opposing party holds a relevant document, the court will order the production of such document if it is a document belonging to both parties, if the party that holds it made reference to it or if the party has a legal obligation to submit it.

The court will reject the request to produce a document when the content of the document refers to strictly personal matters regarding the dignity or private life of a person; producing the document would violate the legal duty of confidentiality or would result in criminal prosecution of the party, the spouse or a relative up to the third degree.

Moreover, public authorities and institutions have a right to refuse the submission of documents related to national defense, public safety, or diplomatic relations.

6.2. What types of evidence can be requested, and how are discovery disputes resolved?

Generally, the requested evidence covers documents, witnesses, and expert reports. Material evidence can also be requested, including photographs, photocopies, films, discs, sound recording tapes, as well as other such technical means, if they were not obtained by violating the law or good morals.

Witnesses must be previously admitted by the court and presented directly in front of the judge for questioning, and expert witnesses must be appointed by the court, usually by random drawing from a list of experts. Any written evidence from witnesses and experts not appointed by the court will only count as documents, not as witness statements or expert reports.

6.3. How is evidence presented and evaluated during litigation?

Evidence is generally submitted (e.g., documents) or requested (e.g., witnesses, experts) together with the first round of written submission, statement of claim, and statement of defense. The court decides which piece of evidence is admissible and relevant to the dispute.

All documents submitted by the parties must be in certified copies. The court may request the parties to present the original of a specific document when it deems it appropriate.

The witness statement is given orally before the judge. The parties and the judge address questions to the witness. The answers to these questions and the statement are written down by the court clerk and signed by the witness. The document thus drafted is attached to the file as a witness statement.

The expert submits an expert report to the file and may be called before the court for an oral statement and to answer questions.

There also exists the possibility that the administering of evidence is conducted between lawyers without the participation of the court, within a deadline set in this respect by the court. In practice, this procedure is very rarely used.

7. Enforcement of Judgments

7.1. What types of judgments can be issued in civil litigation, and how are they enforced?

A civil judgment can be final and enforceable or just enforceable and subject to appeal.

Any final or otherwise enforceable judgment can be enforced with the assistance of an enforcement officer when the debtor refuses to comply with its terms.

7.2. Are there specific provisions for cross-border litigation or enforcement of foreign judgments?

For cross-border disputes that are not covered by EU law or international treaties to which Romania is a party, the Code of Civil Procedure regulates the criteria for determining the jurisdiction, the law applicable in cross-border litigation, as well as the requirements for the recognition and enforcement of foreign judgments.

If the judgment is issued by an EU Member State, its en-

forcement in Romania is governed by Regulation (EU) No 1215/2012 of the European Parliament and of the Council of December 12, 2012, on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast). No exequatur or a formal declaration of enforceability is required, a judgment from another EU Member State is to be enforced in Romania under equivalent conditions to a judgment issued by Romanian courts, provided that some conditions regarding the judgment itself are complied with by the requesting party.

If the judgment is issued by Iceland, Norway, or Switzerland, its enforcement in Romania is governed by the 2007 Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (2007 Lugano Convention).

Other foreign judgments will be governed by the specific provisions in the Code of Civil Procedure unless there are any other bilateral or multilateral international treaties in place to which Romania is a party.

Romania is a party to The Hague Convention of June 30, 2005, on Choice of Court Agreements (2005 Hague Convention), which entered into force in 2015. Romania is also a contracting party to the Hague Convention of July 2, 2019, on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters (2019 Hague Convention).

8. Appeal

8.1. What is the appeals process, and what are the grounds for appeal in your jurisdiction?

All judgments issued in the first court can be appealed unless otherwise expressly provided by the law. The appeal against the first court's judgment must be submitted within 30 days from the notification of the judgment. The appeal will be judged by the superior court and generally allows the reconsideration of the case, both on the merits and on the facts.

A second appeal (recourse) is also generally available against a judgment issued in appeal, except when expressly prohibited by the law. The second appeal is limited to breaches of legal principles or procedural rules expressly determined by the law. The second appeal will be judged by the superior court.

The grounds for filing a second appeal are expressly provided by law and failure to fit in one of these grounds results in the annulment of the second appeal. Such grounds include:

- if the court was not constituted in accordance with the legal provisions;

- if the decision was pronounced by a judge other than the one who took part in the debate on the merits of the trial or by a panel other than the one randomly established for the resolution of the case or whose composition was changed, in violation of the law;

- if the decision was given in violation of the public order competence of another court, invoked under the terms of the law;

- if the court exceeded the powers of the judiciary;

- when, by giving the decision, the court violated the rules of procedure, the non-compliance of which entails the sanction of nullity;

- when the decision does not include the reasons on which it is based or when it includes contradictory reasons or only reasons unrelated to the nature of the case;

- when the authority of res judicata was violated;

- when the decision was given in violation or misapplication of substantive law.

These grounds for a second appeal will not be heard unless the party could not invoke them on appeal or during the appellate hearing or, although they were invoked within the time limit, were rejected or the court failed to rule on them.

9. Costs and Funding

9.1. How are legal costs determined, and what are the common practices regarding funding litigation?

The legal costs include judicial stamp fees determined by law, according to the object and value of the claim, fees related to obtaining evidence (e.g., expert reports), and attorneys' fees. As a general rule, court fees are paid by the claimant, fees related to the production of evidence are paid by the party that proposed the evidence, and both parties pay their respective attorneys' fees.

In general, legal actions filed before the courts are subject to various judicial stamp fees, depending on whether their subject is financially determinable. Claims that are not financially determinable are stamped with a fixed stamp fee specified by law, according to the nature of the petition. The law also provides that certain legal actions are exempt from judicial stamp fees, such as those related to labor, social security, consumer protection, and criminal litigation. The Ministry of Public Finance also may grant exemptions if the requesting party proves that he lacks the funds to pay the stamp fee. There also is a specific procedure for requesting judicial aid, either as a reduction of the stamp fee or as payment in installments. The court awards the stamp fee as a judicial expense to the claimant if he prevails in the proceeding.

The general principle is that of reimbursement of costs to the prevailing party. Therefore, the losing party shall be ordered, at the request of the winning party, to pay the latter's legal costs.

When the claim has been accepted only in part, the judge shall determine the extent to which each party may be ordered to pay the legal costs. If necessary, the judges may order the compensation of legal costs. Considering that the attorneys' success fee is paid after the final resolution, this kind of fee is not reimbursed by the court.

If the claim of one of the parties is fully accepted, the court can only reduce the amount payable by the losing party for the successful party's attorneys' fees when they are considered disproportionate to the complexity and the value of the case.

To ease the funding of the attorneys' fees, parties may opt for concluding legal assistance contracts that combine fixed or hourly fees with success fees. Nevertheless, such agreements must not become pactum de quota litis which is legally forbidden between attorneys and clients in Romania. Pactum de quota litis is defined as an agreement concluded between an attorney and his client before the final settlement of a case, that exclusively sets the totality of the attorneys' fees depending on the judicial outcome of the case, regardless of whether these fees consist of a sum of money, a good or any other value.

Another option to alleviate the burden of the costs is an insurance policy covering a party's legal costs, as well as the opponent's costs, in case the losing party will be ordered to pay them.

9.2. Are there alternative funding options available for parties involved in litigation?

Third-party funding is not expressly regulated in Romania. Therefore, third-party funding arrangements may be possible, but these arrangements must be carefully crafted in order to ensure compliance with collateral regulations.

10. International Treaties

10.1. How do international treaties or regional agreements impact litigation in your jurisdiction?

Correlated with their scope, the impact of international treaties and regional agreements is prevalent in matters of jurisdiction, applicable law, recognition, and enforcement of judgments, as well as service of documents and taking of evidence. Moreover, several EU Regulations impact litigations with their streamlined procedure regarding the European Enforcement Order for Uncontested Claims, European Order for Payment Procedure, and European Small Claims Procedure.

Foreign judgments falling under the scope of the EU Regulations are subject to the conditions set out in the Regulations and benefit from a streamlined recognition and enforcement procedure. Other foreign judgments may be recognized and enforced in Romania based on the domestic legal provisions enshrined in the Civil Procedural Code unless a relevant bilateral or multilateral treaty provides otherwise.

Romania is a contracting party to several bilateral and multilateral treaties and conventions on legal assistance in civil and commercial matters, a comprehensive list of which is published on the official website of the Ministry of Foreign Affairs.

Such treaties also may comprise provisions regarding the recognition and enforcement of judgments originating from the contracting states or may be helpful in other respects during the recognition and enforcement proceedings (e.g., legalization of documents and burden of proof).

The main bilateral treaties in the field of recognition and enforcement of foreign judgments have been concluded with Albania, Algeria, Austria, Belgium, Bulgaria, North Korea, Czech Republic, China, Egypt, Hungary, Moldova, Poland, Russia, Serbia, Slovenia, Syria, Turkiye, and Ukraine.

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CEE LEGAL MATTERS COMPARATIVE LEGAL GUIDE: LITIGATION 2025

SLOVAKIA

Peter Vrabel
Managing Partner
peter.vrabel@legate.sk
+421 262 527 561

Norbert Havrila
Partner
norbert.havrila@legate.sk
+421 262 527 56

Adam Nahalka
Junior Associate
adam.nahalka@legate.sk
+421 262 527 56

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LEGAL MATTERS

www.ceelegalmatters.com

1. General Trends

1.1. What is the current state of litigation in your jurisdiction, and what recent trends or developments have been observed?

Slovak courts are still battling with several internal issues such as personnel shortage (mostly court officers and judge assistants), electronic processing of procedures, and specialization of courts on specific agendas causing strenuous and long decision-making processes.

However, since June 1, 2023, judicial map reform came into effect, and one of the main aims of the new judicial map is to specialize judges for specific agendas on a regional level such as commercial law, civil law, family law, criminal law, and administrative law matters in the separate administrative justice system.

It is expected that the new judicial map could provide more precise and faster decision-making results with improved quality of court decisions.

One of the most important effects of the judicial reorganization in Slovakia was also to:

• increase the level of transparency of the procedures, which comes in conjunction with e-court management and access of citizens and judiciary governing bodies to have a better overview and access to resolve disputes. Transparency definitely contributes to increasing of the credibility of the judiciary power;

• increase effectiveness which secures specialized judges in fewer courts that will ensure efficient handling of cases in respective agendas (different from the current set-up where delays in court proceedings often occur).

1.2. What are the key legal frameworks that regulate litigation?

The Slovak legal system is governed by the following key civil court litigation frameworks:

• Act No. 160/2015 Coll. the Code of Contentious Civil Procedure aimed at civil and commercial litigation;

• Act No. 161/2015 Coll. the Code of Non-Contentious Civil Procedure aimed at non-contentious agendas such as family law, corporate registry procedures, or inheritance procedures;

• Act No 162/2015, the Code of Administrative Procedure aimed at the review of decisions adopted within the administrative decision-making process.

2. Jurisdiction and Competence

2.1. How is the court system structured in your jurisdiction?

The judicial power is being performed by civil (state) courts and the Constitutional Court of the Slovak Republic.

The judicial structure of civil courts includes:

• 36 district or municipal (per region of Bratislava and Kosice) courts – mostly acting as the first-level civil courts;

• 8 regional courts – mostly acting as the appeal civil courts;

• Supreme Court of the Slovak Republic.

On June 1, 2023, judicial map reform came into effect that significantly changed the number of civil courts (originally there were 54 district courts) to reach its goals with an emphasis on functional specialization of the judges on first instance courts including the quality improvement of decision-making standards.

District courts in Bratislava and Kosice have been consolidated into municipal courts (there will be four municipal courts in Bratislava instead of five district courts and one municipal court in Kosice instead of three district courts).

Local jurisdiction also includes the Supreme Administrative Court of the Slovak Republic authorized to resolve complex administrative disputes on the top level and the Specialized Criminal Court of the Slovak Republic dealing with the most complex and high-profile criminal cases within the Slovak jurisdiction.

2.2. Are there specialized courts for specific types of litigation?

Act No. 160/2015 Coll. the Code of Contentious Civil Procedure diversifies the causal jurisdiction of courts to specific litigations, e. g. commercial disputes, employment disputes, intellectual property rights disputes, or competition law disputes.

2.3. How is jurisdiction determined in cross-border litigation, especially in cases involving foreign parties or multiple jurisdictions?

The basic legal act that determines which court is authorized to resolve the dispute with a foreign aspect is Act No. 97/1963 Coll. on private and procedural international law. The provisions of this act apply only if the directly applicable laws of the European Union or an international agreement by which the Slovak Republic is bound do not stipulate otherwise.

The authorization of the state courts to resolve the dispute between the parties is being assessed by the court ex-officio at any stage of the dispute.

Regulation No. 1215/2012 of the European Parliament and

the Council on jurisdiction and the recognition and enforcement in civil and commercial matters fully applies to local jurisdiction which determines the authorization of Slovak court to resolve the dispute if the dispute is between the parties from EU member states.

3. Initiating Litigation

3.1. What are the primary steps required to initiate litigation in your jurisdiction?

The proceedings are commenced upon filing the motion to the court by the plaintiff.

After the plaintiff pays the court fee, the court shall deliver the motion to the defendant with a request for a statement of defense.

All motions and statements made by parties are delivered to the counterparties via court either electronically or by post if such party does not dispose of the databox (only legal entities are obliged to activate the databox).

If the party is represented by an attorney, all communication is delivered through such attorney (data-box is mandatory for attorneys).

3.2. Are there any specific requirements for parties regarding pre-litigation procedures?

Mostly, no pre-action conduct is required to initiate the dispute before an authorized court.

In specific cases, pre-action conducts are required if parties pre-agreed to such conduct before the dispute such as dispute adjudication board (DAB) clauses which are common in commercial litigations.

Local jurisdiction puts pre-action conduct requirements only with respect to disputes raised against the consumers. In case of non-observance of the pre-action conduct, the plaintiff is at high risk of procedural failure – the court may dismiss the lawsuit.

4. Timelines

4.1. What are the typical timelines for different stages of litigation, from initiation to resolution?

The standard structure of procedural motions to be produced by the parties are:

- plaintiff's action (lawsuit or statement of claim);
- defendant's response (statement of defense);
- plaintiff's rebuttal;
- defendant's rejoinder.

The court ordinarily grants 10 to 15 days to the party to produce the respective response.

There are no limitations on further motions, however, the authorized court resolving the dispute will deliver further motions to the counterparty to take note of such motion without requesting another counter-motion.

4.2. Are there specific time limits for filing claims, and do these vary depending on the type of dispute?

The basic limit for filing a lawsuit is the running of the statute of limitations.

The court shall only take into consideration the statute of limitations on the debtor's objection. If the debtor invokes the statute of limitations, the creditor may not be granted the time-barred right.

A different statute of limitations is provided for certain special claims, e.g., compensation for damages or unjust enrichment. In general, the compensation for damage is time-barred two years from the date on which the injured party becomes aware of the damage and who is liable for it.

In case of a valid judgment or debtor's acknowledgment, the statute of limitations of the creditor's claim could be extended up to 10 years.

However, the general statute of limitations under the Slovak Civil Code is tjree years. In commercial disputes (B2B) general statute of limitations is four years.

5. Interim Measures

5.1. What interim remedies are available in your jurisdiction?

There are two main types of interim remedies (or injunctions): security measures and preliminary measures.

As a security measure, the court may establish a lien on the debtor's property or rights to secure the creditor's monetary claim if there is a fear that the enforcement of judgment can be endangered. Security measures have precedence over preliminary measures and can only be issued if the intended purpose cannot be achieved by a security measure.

The preliminary measure may be issued by the court provided the situation needs to be temporarily regulated without delay or if there is a fear that the execution of judgment can be endangered.

Provided the court issues a preliminary measure or security measure, its delivery to the defendant gains immediate enforceability. However, the defendant can appeal against the measure within 15 days. Moreover, the defendant may always apply for annulment of the measure in case the reasons for which the measure has been issued have ceased to exist.

5.2. Under what circumstances can a party obtain an interim injunction, and how quickly can such relief be granted?

The terms and conditions for the issuance of an interim remedy (or injunction) are set out in section 324 et seq. of Act No. 160/2015 Coll. the Code of Contentious Civil Procedure.

An interim remedy may be ordered by the court before, during, or after the proceedings, as the case may be.

The law provides for only two reasons for the application of this form of procedural measure, namely the need to adjust the circumstances without delay and the fear that the execution will be threatened.

The court shall, as a rule, decide based on documental content provided by the plaintiff even without hearing, giving a statement of the parties, evidence evaluation (such as it is in the regular procedure), and scheduling a hearing.

The court shall not take proper evidence and shall base its decision on the contents of the application and on the facts which have been proved in connection with the application.

The court shall decide within the statutory period of 30 days from the receipt of a complete motion, except in the case of domestic violence, which must be decided within 24 hours.

6. Discovery

6.1. What are the rules governing the discovery process in your jurisdiction?

Evidence production and evaluation in litigation proceedings is regulated in section 185 et seq. of Act No. 160/2015 Coll. the Code of Contentious Civil Procedure, as amended.

Evidence in litigation is strictly based on the procedural responsibility of the parties and limits the court's activity in proposing and therefore conducting evidence. However, there are also obligations connected with the taking of evidence that the parties must fulfill before the court begins to take evidence, namely the obligation of the parties to argue and to propose evidence to prove their claims.

In order to make the evidence effective, the lawmaker proceeded to the concept of time-limited evidence production within the proceeding (concentration of proceedings). The purpose of the concentration of proceedings is to carry out certain procedural acts at a certain stage of the proceedings. The procedural responsibility of the parties and their active and responsible approach to the obligation to plead and the subsequent burden of proof come to the fore. The concentration of proceedings eliminates the negatives of the various procedural tactics of the parties and allows the court to complete the factual and evidentiary material within a certain period of time.

Due to the obligation to present timely means of procedural attack and defense, the court is to obtain as early as possible the basis for determining the subject matter of the evidence, with the possibility of future modification of the subject matter of the evidence being eliminated only for unavoidable and unforeseeable changes or for changes resulting from the results of the evidence taken.

Facts and evidence presented late shall not be considered by the court and shall therefore be treated as if they had not been adduced. The Court may not therefore use them to prove or disprove the parties' arguments.

6.2. What types of evidence can be requested, and how are discovery disputes resolved?

Pursuant to section 187 subsection 2 of Act No. 160/2015 Coll. the Code of Contentious Civil Procedure, as amended, the standard means of proof are, in particular, the hearing of a party, the hearing of a witness, a document, an expert statement, expert evidence, and inspection.

If the manner of evidence production is not prescribed, the court shall determine it.

6.3. How is evidence presented and evaluated during litigation?

Pursuant to section 191 subsection 1 of Act No. 160/2015 Coll. the Code of Contentious Civil Procedure, as amended – the court shall assess the evidence according to its discretion, each piece of evidence individually, and all the evidence in its context. In doing so, it shall take careful account of everything that has come to light in the course of the proceedings.

This is the principle of the so-called free evaluation of evidence – no one piece of evidence has a prescribed higher "value" over another piece of evidence. The concept of free evaluation of evidence is considered fairer because it allows for more individualization of the court's decision – for example, witness testimony or expert testimony does not have any prescribed legal force, "value", thus allowing the judge to attribute probative force to this evidence for the purposes of a particular proceeding and not be bound by an absolute, unbreakable statutory injunction.

7. Enforcement of Judgments

7.1. What types of judgments can be issued in civil litigation, and how are they enforced?

As a rule, the court decides on the merits of the case by judgment – and on the contrary, if it decides by judgment, it always decides on the merits, on the merits of the case.

Provided that it is expedient to do so the court may by judgment first determine part or all of the cause or ground of action. Where the court decides only part of the matter before

it, we speak of a partial judgment.

Partial judgment (section 213 of Act No. 160/2015 Coll. the Code of Contentious Civil Procedure, as amended) – if the lawsuit asserts multiple procedural claims or a single procedural claim that is the subject of severable relief, the law allows for a partial judgment to be entered on a partial claim.

The court may in specific cases (based on the type of dispute) decide on the merits of the pleaded cause of action – then we speak of a judgment on a legal basis. After the validity of such judgment on a legal basis, the court resolves on the amount of the claim.

Judgment on a legal basis (section 214 of Act No. 160/2015 Coll. the Code of Contentious Civil Procedure, as amended) – these are situations where an action for performance is brought, and in the context of that action the question arises whether there is a right from which the litigant derives an obligation to perform against the defendant. That determination is therefore preliminary to the procedural claim (performance of the obligation) originally asserted.

If a party of dispute is passive, the court may also issue a judgment by default.

Judgment by default (section 273 of Act No. 160/2015 Coll. the Code of Contentious Civil Procedure, as amended) – default judgment is the most severe procedural sanction that the law allows to be imposed. It has the effect of losing the case, with the effect of an obstacle to the resolution of the case (obstacle rei iudicatae), but without the court giving one of the parties the opportunity to present its factual claims and legal arguments – e.g., by failing to appear without excuse at the scheduled hearing.

Enforcement of judgments may occur by voluntary fulfillment of obligations by the obliged person or by filing a petition for enforcement – subsequent enforcement, if the obliged person does not voluntarily fulfill the obligation within the time limit set in the judgment.

7.2. Are there specific provisions for cross-border litigation or enforcement of foreign judgments?

In the conditions of the Slovak legal system, we distinguish several regimes of recognition of enforceability of a foreign decision, depending on the nature of the foreign judgment and whether it was issued in an EU member state or a third country.

If the foreign judgment was issued in an EU member state, it depends on whether it was issued by a general court or arbitration court. Foreign arbitration awards issued within the EU can be enforced under the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (The New York Convention) from 1958. Judgment issued by a civil court in another member state shall be enforced under Regulation no. 805/2004 on the European Enforcement Order.

Provided foreign judgment was issued under the jurisdiction of a third country, a regime under a bilateral treaty or a regime under an international treaty is possible for the recognition of such judgment. The provided procedure under a bilateral or a multilateral international agreement shall not be possible, the court shall proceed in accordance with the provisions of Act no. 97/1963 Coll. on private and procedural international law.

Enforcing a foreign judgment in the Slovak Republic by a bailiff requires prior recognition of a foreign decision as enforceable in the territory of Slovakia. In general, the enforcement procedure of foreign judgment requires translation by a sworn translator to Slovak, confirmation of enforceability under the jurisdiction of the court that issued the judgment, and proof of delivery of such judgment to the obliged party.

8. Appeal

8.1. What is the appeals process, and what are the grounds for appeal in your jurisdiction?

The Code of Contentious Civil Procedure recognizes ordinary and extraordinary legal remedies. The difference between an ordinary and extraordinary appeal is whether it is filed against a decision that has not yet entered into force, or against a final decision.

The appeal is filed with the court of first instance and not with the court of appeal, which will decide on the appeal.

The ordinary remedy is currently an appeal. The admissibility of an appeal is tied to three facts:

- an appeal is only admissible against a decision of the court of first instance, never against a decision of the court of second instance;
- admissibility of appeal in relation to the form of the decision (e.g., in the case of a payment order, the remedy is opposition);
- the need to challenge the operative part of the decision.

Pursuant to section 365 subsection 1 of Act No. 160/2015 Coll. the Code of Contentious Civil Procedure as amended, the appeal can only be justified by the fact that:

- procedural conditions were not met;
- the court, through incorrect procedural procedures, prevented a party from exercising its procedural rights to such an extent that the right to a fair trial was violated;
- the decision was made by a disqualified judge or an incorrectly constituted court;
- the proceedings have another defect that could have resulted in an incorrect decision in the matter;

• the court of first instance did not conduct the proposed evidence necessary to establish the decisive facts;

• the court of first instance reached incorrect findings of fact based on the evidence presented;

• the established facts do not stand because other means of procedural defense or other means of procedural attack are admissible and have not been applied; or

• the decision of the court of first instance is based on an incorrect legal assessment of the case.

The extraordinary remedies are re-trail, appellate review, and extraordinary appellate review by the general prosecutor of the Slovak Republic.

9. Costs and Funding:

9.1. How are legal costs determined, and what are the common practices regarding funding litigation?

Slovak legislation provides the instruments for litigation cost recovery.

With respect to recovery, we can identify the following principles determining the extent of the recovery such as:

• principle of success – the successful party shall request the recovery of the litigation costs (such as court fees, representation costs, and other necessary costs inducted by the dispute);

• principle of cause – the party which caused the costs shall bear them in full;

• fairness principle – the court may decide on no recovery in case there are exceptional circumstances causing the gross disparity between the parties.

9.2. Are there alternative funding options available for parties involved in litigation?

The National Parliament of the Slovak Republic adopted new (EU-based) legislation Act No. 261/2023 on collective protection of consumers' interest as amended (the "Class Action Act") which provides two types of collective redress mechanisms that also regulates litigation funding.

Class Action Act provides legal grounds for class action funding by an authorized person which is subject to registration before the Ministry of Economy of the Slovak Republic.

An authorized person is eligible to acquire proceeds for class action litigation from a third party, nevertheless, information on funding sources must be transparent and accessible at its official website.

Liability of cost incurred at class action proceedings is borne by an unsuccessful party (supplier or authorized person acting in the name of the consumers). As a matter of principle, the consumer is not liable for litigation costs. Exceptionally, the court can resolve that the consumer is liable for costs due to his personal act of negligence or wilful misconduct.

10. International Treaties

10.1. How do international treaties or regional agreements impact litigation in your jurisdiction?

In the conditions of the Slovak legal system, we distinguish several regimes of recognition of enforceability of a foreign decision, depending on the nature of the foreign judgment and whether it was issued in an EU member state or a third country.

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SENICA

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SLOVENIA

Petra Plevnik
Partner
petra.plevnik@senica.si
+368 31 380 679

Tjasa Obadic
Senior Associate
tjasa.obadic@senica.si
+386 31 684 336

CEE
Legal Matters

www.ceelegalmatters.com

1. General Trends

1.1. What is the current state of litigation in your jurisdiction, and what recent trends or developments have been observed?

In recent years, Slovenia's litigation landscape has experienced some notable developments and emerging trends. Since the enactment of the Collective Actions Act in 2017, Slovenia has seen a significant rise in collective legal proceedings. Initially, only three collective actions were filed before 2021. However, from 2021 onwards, approximately 20 new collective actions have been initiated. These include cases against major corporations such as Apple Inc. for alleged deliberate reduction in iPhone functionality, various Slovenian banks for not applying negative EURIBOR interest rates to consumer loans, and leading telecommunications operators for alleged unlawful unilateral price increases.

Furthermore, even though the process of digitalization of litigation started with the amendment of the Civil Procedure Act in 2002, it was not until recently that the Slovenian judiciary made significant progress in digitalization, contributing to greater efficiency and accessibility of judicial procedures. Submission of electronic applications was first introduced for insolvency proceedings, enforcement proceedings, and land registry procedures. As of January 15, 2024, applications and documents may be submitted and served by electronic means in succession proceedings, proceedings for the acquisition of full legal capacity of the child who has become a parent, proceedings for the authorization of marriage, matrimonial proceedings, proceedings for the establishment and contestation of paternity and maternity, proceedings for the protection of the best interests of the child, proceedings for the protection of housing in the event of the dissolution of a marriage, and proceedings under the law on the prevention of domestic violence.

1.2. What are the key legal frameworks that regulate litigation?

The fundamental law governing litigation in Slovenia is the Civil Procedure Act, which regulates civil litigation and defines the rules for filing a lawsuit, the procedure before the court, the rights and duties of the parties to the proceedings, the procedure for service of pleadings, the taking of evidence, adjudication, and remedies.

The rules of litigation are also included in the Non-Contentious Civil Procedure Act, which governs non-contentious procedures in Slovenia. Unlike adversarial civil litigation, non-contentious procedures are typically used for cases where there is no direct legal dispute between opposing parties but rather a need for judicial intervention to regulate legal relationships or determine rights. Non-Contentious Civil Procedure Act therefore covers special judicial procedures such as guardianship, family law matters, relations between co-owners, etc.

In addition, the rules of litigation are also regulated by the Labor and Social Courts Act, which governs legal proceedings in employment and social security disputes.

European legal rules, such as the Brussels I Regulation, which regulates jurisdiction and the recognition and enforcement of foreign judgments in civil matters within the European Union, also have an important impact on litigation. Slovenia is a signatory to various international treaties and conventions, which have an important impact on Slovenian judicial proceedings, in particular in terms of ensuring fair trials and the protection of human rights.

2. Jurisdiction and Competence

2.1. How is the court system structured in your jurisdiction?

The court system of the Republic of Slovenia consists of general and specialized courts. General courts operate at four levels: local and district courts (first-instance courts), higher courts, which allow appeals against first-instance courts, and the Supreme Court, which is the highest court in the country.

Among the general courts, district courts, and local courts have jurisdiction to hear cases at first instance, with jurisdiction divided according to the merits of the case. As a general rule, local courts have jurisdiction over disputes on pecuniary claims where the value of the subject of the dispute does not exceed EUR 20,000 and regardless of the value of the subject of the dispute in disputes arising from interference with possession, easements, and real encumbrances, renting and leasing, as well as in the vast majority of proceedings before the non-contentious court.

On the other hand, the district courts have jurisdiction to adjudicate in disputes on pecuniary claims if the value of the subject of the dispute exceeds EUR 20,000, as well as in commercial and family law disputes, disputes arising out of copyright and from bankruptcy proceedings.

There are 44 local courts and 11 district courts in Slovenia.

In the second instance, higher courts decide on appeals against decisions of courts of first instance (local and district courts), jurisdictional disputes between such courts, and certain other matters. In Slovenia, there are four higher courts of general jurisdiction, namely Celje Higher Court, Koper Higher Court, Ljubljana Higher Court, and Maribor Higher Court, and two courts with the status of a higher court, namely Ljubljana Higher Labor and Social Court and the Administrative Court of the Republic of Slovenia.

The Supreme Court is the highest authority among state

judicial authorities, adjudicating at the third instance on regular legal remedies against the decisions of courts of the second instance and, as a rule, on extraordinary legal remedies against final decisions of courts.

The Constitutional Court is the highest judicial authority for the protection of constitutionality, legality, human rights, and fundamental freedoms. As an independent and autonomous constitutional body, it operates outside the traditional separation of powers, holding special jurisdiction compared to other courts with judicial functions.

2.2. Are there specialized courts for specific types of litigation?

Slovenia has two types of specialized courts, divided into labor courts, which are competent to reach decisions on labor-law disputes and disputes arising from social security, and the Administrative Court, which provides judicial protection in administrative matters and has the status of a higher court.

2.3. How is jurisdiction determined in cross-border litigation, especially in cases involving foreign parties or multiple jurisdictions?

Jurisdiction in cross-border litigation in Slovenia depends on: EU Regulations (if an EU party is involved), International Conventions (e.g., Lugano Convention), and Slovenian National Law (if no EU Regulations and International Conventions apply).

For disputes involving foreign parties or multiple jurisdictions, Slovenia primarily applies EU Law – Brussels I Recast (Regulation No. 1215/2012), which determines which EU member state's courts have jurisdiction. The general rule is that jurisdiction is based on the defendant's habitual residence or domicile (Article 4). Special jurisdiction applies in certain cases, such as contractual disputes (court where the obligation is to be performed), tort cases (e.g., damages, court where the harmful event occurred), consumer and employment disputes (protects weaker parties, e.g., consumers can sue in their home country).

However, if no EU Regulations and International Conventions apply when determining the jurisdiction of Slovenian courts is determined by the use of the Private International Law and Procedure Act, which primarily determines the jurisdiction of Slovenian Courts in cases, where the defendant's domicile or residence is in Slovenia.

Regardless of the above, in real estate disputes for properties located in Slovenia and in company law cases, where the company is registered in Slovenia, the exclusive jurisdiction of Slovenian courts applies.

3. Initiating Litigation

3.1. What are the primary steps required to initiate litigation in your jurisdiction?

Initiating litigation in Slovenia follows a structured legal process, primarily governed by the Civil Procedure Act for civil cases.

Before a lawsuit can be filed, certain procedural prerequisites must be met. Firstly, the court must have subject-matter jurisdiction, meaning it is competent to hear the type of dispute, as well as territorial jurisdiction, meaning the case must be filed in the correct geographic location. Therefore, to initiate litigation, the plaintiff must file a lawsuit with the court, which has general territorial jurisdiction for the defendant (based on the permanent residence of the defendant), unless a Civil Procedure Act provides for the exclusive territorial jurisdiction of another court.

Secondly, the plaintiff and defendant must have the legal capacity and the ability to participate in proceedings If a party lacks legal capacity (e.g., a minor or legally incapacitated person), they must be represented by a legal guardian.

Thirdly, a valid legal claim must exist; the plaintiff must demonstrate a concrete legal interest in seeking judicial protection. Therefore, the lawsuit must include details of the parties (name, surname, residence, and personal registration number or tax number for both plaintiff and defendant), the legal and factual basis of the claim, the relief sought (e.g., damages, specific performance), supporting evidence and witness proposals. In cases, where the jurisdiction of the court depends on the value of the subject of the dispute and the subject of the claim is not a monetary sum, the plaintiff shall also indicate in the action the value of the subject of the dispute.

As a rule, at the start of the proceedings, a court fee must be paid, the amount of which is specified in the Court Fees Act, and usually depends on the value of the subject of the dispute (the amount of the claim).

Additionally, when initiating the procedure, there should be no pending identical case (lis pendes) between the same parties on the same matter, which means that, while a lawsuit is pending, it is not permissible to commence a new lawsuit on the same claim between the same parties, as well as no final judgment (res iudicata) already resolving the dispute. This means that a new lawsuit is prohibited in a case that has already been finally adjudicated.

3.2. Are there any specific requirements for parties regarding pre-litigation procedures?

Specific requirements for parties regarding pre-litigation are dependent on the type of the case. Therefore, in family law cases prior counseling before the social work center is manda-

tory in disputes involving child custody, visitation rights, and alimony before filing a lawsuit. Prior mediation is also compulsory in some commercial law matters if the parties have agreed in advance that mediation will be used to resolve disputes between them that may arise out of a particular legal relationship.

Additionally, when the dispute arises from a relationship with the state and the plaintiff intends to initiate litigation or another proceeding against the state or a state authority must first submit a proposal to the State Attorney's Office to resolve the disputed relationship amicably before initiating litigation or any other proceeding.

4. Timelines

4.1. What are the typical timelines for different stages of litigation, from initiation to resolution?

In Slovenia, the timelines for different stages of litigation are not determined in the Civil Procedure Act and they vary depending on the complexity of the case, the court's workload, and whether the parties engage in pre-litigation settlement procedures.

However, after receipt of the lawsuit, the court shall make preparations for the main hearing, preparations for the main hearing shall include a preliminary examination of the action, service of the action on the defendant to enable him or her to respond, and the scheduling of the preparatory hearing and the main hearing.

Once the defendant receives the lawsuit, the court generally appoints him 30 days to file a response. However, the time limit for filing a defense may be shorter in certain proceedings (e.g., 8 days in litigations for interference with possession and in small claims disputes).

The court shall serve the response to the lawsuit on the plaintiff within 30 days of its receipt.

During the preparations for the main hearing, parties may send submissions in which they state the facts they intend to allege at the main hearing and the evidence they intend to present. Without a court summons, each party may only send two preparatory submissions. This can be done not later than 15 days before the preparatory hearing, otherwise, the court shall not consider the preparatory submission.

After receiving the response to the lawsuit, the court shall schedule a preparatory hearing at which it shall openly discuss the legal and factual aspects of the dispute with the parties, so that the parties may supplement their arguments and legal views and present further evidence, express their opinion on such evidence and seek to conclude a court settlement. The preparatory hearing shall also be intended for the preparation of a program for the conduct of proceedings. A preparatory hearing shall be scheduled so that enough time is left to the parties for preparation, and not sooner than after 30 days from the receipt of the summons.

After the preparatory hearing, the hearing for the main hearing shall be scheduled. However, however, the court usually holds the preparatory hearing and the first hearing for the main hearing at the same time.

When the court considers that the case has been heard to such an extent that a decision may be made, the president of the panel shall announce that the main hearing has been concluded and a judgment shall be made immediately after the conclusion of the main hearing. However, if the court is unable to render a judgment on the same day after the main hearing is concluded, it shall postpone the rendering and announcement of the judgment for not more than eight days and shall determine when and where it will be announced. In complex cases, the court may decide that the judgment be rendered in writing. In such cases, the judgment shall not be announced but shall be served on the parties in writing within 30 days of the conclusion of the main hearing. However, in some cases, it can take longer, particularly if the case involves complex legal or factual issues.

Parties may lodge an appeal against a judgment rendered by a court of first instance within 30 days from the date of service of the copy of the judgment, and in disputes involving bills of exchange and cheques, the time limit shall be 15 days. The time limit for filing an appeal may be different for certain types of disputes.

The appellate process can take an additional six months to one year, depending on the complexity of the case and the workload of the appellate court.

After the decision on the appeal, a party may, within 30 days of receiving the decision of the appellate court, file an extraordinary legal remedy before the Supreme Court, a request for the admission of a revision due to a substantial violation of the provisions of the civil procedure before the first-instance court, which the party raised before the second-instance court, or due to a substantial violation of the provisions of the civil procedure before the second-instance court or due to incorrect application of substantive law.

If the Supreme Court grants the revision, the party must file it within 15 days of receiving the decision on the request for the admission of the revision.

4.2. Are there specific time limits for filing claims, and do these vary depending on the type of dispute?

Notwithstanding the above, it is important to note that the statute of limitations for filing claims in Slovenia varies based on the type of dispute, with common time limits being three years (e.g., for tort, unpaid debts between business entities),

five years (e.g., for general civil claims), and 10 years for certain property claims. It is important for parties involved in litigation to be aware of these time limits, as failure to file within the prescribed period may result in the loss of the right to pursue the claim.

There are also certain claims that become statute-barred after one year, e.g., claims relating to the services supplied (electricity, energy, gas, water, radio, television, use of telephones, subscription fees, internet access) as well as the right to request the annulment of a challengeable contract.

Additionally, the lawsuit in the litigations for interference with possession should be brought before the court within 30 days from the date of the last interference.

5. Interim Measures

5.1. What interim remedies are available in your jurisdiction?

In Slovenia, interim remedies are primarily regulated by The Enforcement and Securing of Claims Act, which regulates interim measures in enforcement and securing procedures. However, the provisions of The Enforcement and Securing of Claims Act also apply in litigation. Special provisions on interim measures are set out in the Courts Act, the Copyright and Related Rights Act, the Industrial Property Act, in a minor part in the Employment Relationship Act, and the Administrative Dispute Act. In proceedings relating to matrimonial actions and actions concerning relations between parents and children, interim measures are also partially regulated by the Enforcement and Securing of Claims Act.

The Enforcement and Securing of Claims Act regulates preliminary injunctions and interim measures. Whereas the court can grant a preliminary injunction on the basis of a decision of a domestic court or another authorized body ordering the payment of a monetary claim that has not yet become enforceable, interim measures are used to provide temporary protection to the parties until the final decision is made and can include measures such as injunctions, temporary payments, and securing claims. There is a distinction between interim measures to secure monetary claims and those to secure non-monetary claims. Interim measures to secure monetary claims may only be of a preventative nature, usually imposing some prohibition upon the respondent and/or its property (e.g. prohibiting the respondent from disposing of and taking custody of the respondent's movable property, from alienating or encumbering its immovable property or its rights in immovable property entered in the land register and ordering the entry of such prohibition onto the land register, or he respondent's debtor from settling its debts or delivering goods to the respondent and prohibiting the respondent from receiving property or enforcing a claim against its debtor). Interim measures to secure non-monetary claims can be preventative or regulatory.

5.2. Under what circumstances can a party obtain an interim injunction, and how quickly can such relief be granted?

The conditions for granting an interim injunction vary depending on the type of order. The court shall grant an interim injunction to secure a monetary claim if the applicant demonstrates the probability that the claim against the respondent exists or is about to arise. In addition, the applicant shall prove the existence of risk that the enforcement of his claim is likely to be rendered impossible or considerably impeded due to the alienation, concealment, or other manner of disposal of property by the respondent.

On the other hand, the court shall grant an interim injunction to secure a non-pecuniary claim if the applicant demonstrates the probability that the claim against the respondent exists or is about to arise. In addition, the applicant shall demonstrate the probability of one of the following circumstances: (a) existence of risk that the enforcement of his claim is likely to be rendered impossible or considerably impeded, (b) that the injunction is necessary to prevent the use of force or to avoid damage difficult to repair, (c) that, in the event that the injunction applied for proves unsubstantiated, the harm to the debtor would not outweigh the harm to the creditor if the injunction is denied.

For both types of interim injunctions, the applicant shall not be bound to prove the risk if he proves that it is likely that the injunction will cause only insignificant loss to the respondent and the risk shall be deemed to exist if the claim is to be enforced abroad, but not if the claim is to be enforced in a Member State of the European Union.

The interim injunction procedure is fast, but there is no specific time frame in the legislation in which the court must grant interim measures. The time at which a court issues a decision is thus largely determined by the complexity and the need for a hearing. In some cases, the court may decide to issue the injunction ex parte (without obtaining the response of the other party before the decision), especially if there is a risk of the other party acting before the injunction can be requested, and in other cases, the court may obtain a response of the other party to the motion as well as schedule a hearing to hear both parties before making its decision.

6. Discovery

6.1. What are the rules governing the discovery process in your jurisdiction?

In Slovenia, the discovery process in litigation is governed by the Civil Procedure Act. While Slovenia does not have an exact equivalent to the discovery process as seen in some common

law jurisdictions, it has mechanisms that allow parties to request and exchange evidence during litigation. These mechanisms ensure that both parties have access to the relevant facts and documents necessary to prove their case.

Each party bears the burden of proof and the burden of proving its claims and objections (the principle of discussion). This means that each party must state the facts on which its claims and objections are based (onus proferendi) and produce the evidence on the basis of which these facts can be proved (onus probandi). The rule that the court may not take into account a fact that has not been asserted by any of the parties has been relaxed by the so-called substantive procedural guidelines. In principle, evidence which has not been adduced by either party may not be adduced at all. Exceptionally, the court may take evidence of its own motion if it is clear from the hearing and the evidence that the parties intend to dispose of the claims in an impermissible manner and thus bypass the law.

Notwithstanding the above, there is no need to provide evidence for facts that the party has admitted before the court in the course of proceedings, but the court may also order the presentation of evidence for these facts if it deems that the party admitted them with the purpose of seeking to dispose of a claim he or she cannot dispose of.

Facts that a party does not deny or which he or she denies without giving reasons shall be deemed to have been admitted unless the purpose of denying these facts is evident from the other statements made by the party. The party may also prevent the effect of the presumption of admittance of the facts referred to in the preceding provision by stating that he or she does not know the facts, but only if these facts do not relate to that party's conduct or perception. Additionally, facts whose existence is presumed by legislation do not need to be proven, but it may be proven that they do not exist unless otherwise prescribed by legislation. Facts that are common knowledge do not need to be proven as well.

6.2. What types of evidence can be requested, and how are discovery disputes resolved?

The Civil Procedure Act sets out five types of evidence: on-site inspection, documents, witnesses, experts, and hearing the parties.

If a party proposes evidence that the other party considers to be illegally obtained or inadmissible, the court applies the proportionality test. The proportionality test is an important legal instrument in court proceedings, used to balance different rights and interests. The court must carefully weigh all the conflicting rights and give priority to the right that is more justified in the given context. In practice, the proportionality test is used to assess the reasonableness, necessity, and proportionality of a measure in the strict sense. It involves a balancing exercise between different rights and interests, with important consideration of the right to evidence as part of the right to a fair trial.

The discovery disputes can also arise when one party refers to a document and claims that it is in the possession of the other party. In such cases, the court may, on the motion of the party, order the other party to submit such a document and shall set a time limit for him or her to do so. A party may not refuse to submit a document if he or she relied on it in the litigation to prove his or her statements or if it is a document that has to be submitted or produced provided by legislation or on the basis of a legal transaction or whose contents relate to both parties to the litigation. If a party that has possession of a document refuses to act according to the court order ordering him or her to submit the document or if the party denies, contrary to the court's conviction, that he or she is in possession of the document, the court may deem that the document exists and that its content is such as claimed by the opposing party. The court may, on the motion of a party, order the third person to submit a document as well. The party's motion must contain the designation or type of the document, an indication of the fact to be proven by the document, the most accurate possible description of the content of the document, and an indication of the facts on the basis of which it can be concluded that the document is in the possession of the other person. If the third person denies his or her obligation to submit the document that is in his or her possession, the civil court shall decide whether that third person is obliged to submit the document. If the third person denies that the document is in his or her possession, the court may take evidence to establish this fact.

6.3. How is evidence presented and evaluated during litigation?

As explained above, each party must submit evidence in their pleadings to substantiate the facts they present in the proceedings. Each party shall, at the latest at the first hearing, state all the facts necessary to substantiate his or her motions, offer evidence necessary to establish his or her statements, and declare his or her position about the statements and evidence offered by the opposing party. This shall also apply to raising objections for reasons of set-off and of statute of limitations.

The parties may also state new facts, present new evidence, and raise objections for reasons of set-off and statute of limitations after the first hearing for the main hearing, but only if they were unable to present them at the first hearing through no fault of their own or if in the court's opinion, their admission would cause a delay in resolving the dispute.

The facts, evidence, and objections for reasons of set-off and statute limitations stated or raised after the first hearing shall not be taken into account by the court.

The court decides what facts are to be considered proven, weighing each piece of evidence presented by the parties separately and all the evidence together, acting with care and diligence, and taking into account the success of the proceedings as a whole. Discretion means that the court is not bound by legal rules of evidence, but the assessment of the evidence must be reasoned and verifiable. The court must first assess each piece of evidence individually and make logically cogent and plausible arguments for or against the probative value of each piece of evidence. This is followed by a comparison of each piece of evidence against each other, which allows for a final assessment that takes into account the whole procedure, including the actions of the parties and their submissions. If the court is unable to make a reliable finding of fact on the basis of the evidence adduced, it shall decide on the basis of the burden of proof rule. The rule on the burden of proof provides that the court must find against the party who relied on the unproven allegation and therefore bore the burden of proving its truth.

7. Enforcement of Judgments

7.1. What types of judgments can be issued in civil litigation, and how are they enforced?

The court can give different judgments depending on the nature of the case, the procedural status, and the evidence presented. The types of judgments are primarily regulated by the Civil Procedure Act.

A final judgment is issued when the court makes a definitive decision on the merits of the case, fully or partially resolving the dispute between the parties. However, there are different types of final judgements, namely (a) judgment on the merits, where a court determines whether the plaintiff's claim is justified and either grants or rejects the claim, (b) partial judgment, issued when the court decides part of the claim before resolving the entire case (especially when only some of several claims are ready for a final decision on the basis of admission or litigation, or if only part of one claim is ready for a final decision), (c) interlocutory judgement, issued in cases where the defendant has challenged both the grounds for the claim and the amount of the claim and if, in respect of the grounds, the case has become ready for a decision, the court may, if this is prudent, render a judgment solely on the grounds for the claim. The court may rule by way of an interlocutory judgment that the objection to the statute of limitations is ill-founded.

A default judgment is issued when the defendant fails to appear in court or does not respond to the lawsuit. However, there are certain conditions when issuing a default judgment, namely, (a) that the lawsuit has been duly served on the defendant for his or her response, (b) that the action does not contain a claim which the parties may not dispose of, (c) that the well-foundedness of the claim from the action arises from the facts stated in the action, (d) that the facts on which the claim is based are not contrary to the evidence presented by the plaintiff or to facts that are common knowledge.

In cases, where the plaintiff waives the claim before the main hearing is concluded, the court shall, without further consideration, render a judgment dismissing the claim (judgment based on waiver of the claim).

If the defendant admits the claim before the main hearing is concluded, the court shall, without further consideration, render a judgment granting the claim (judgment based on admission of the claim).

In cases where the plaintiff files a payment order (e.g., unpaid invoices or debts), the court may issue a summary judgment if the claim is supported by credible documents (e.g., signed invoices, promissory notes) and the defendant does not oppose the payment order within the prescribed period. If the defendant objects, the case proceeds as a standard civil lawsuit.

Judgments, based on the type of legal protection they provide, are classified into (a) performance (condemnatory) judgments, requiring the defendant to perform an action, refrain from an action, or tolerate something, (b) declaratory judgments, confirming the existence or non-existence of a legal right or relationship and (c) constitutive judgments which create, modify, or terminate a legal relationship.

Based on their ruling, judgments are classified into (a) granting judgments (where the claim is fully upheld), (b) dismissal judgments (where the claim is fully rejected), and (c) mixed judgments (where the court partially grants and partially dismisses the claim).

Judgments are enforced through a separate enforcement procedure governed primarily by the Enforcement and Security Act. If the losing party (debtor) does not comply with a final and enforceable judgment voluntarily, the winning party (creditor) can initiate enforcement proceedings. A judgment can be enforced if it is final and enforceable (meaning no further ordinary appeals are possible and the period for voluntary fulfillment of the obligation has expired), and if it contains a specific obligation of the debtor (e.g., payment of money, delivery of goods, or vacating property).

7.2. Are there specific provisions for cross-border litigation or enforcement of foreign judgments?

For cross-border litigation, where the jurisdiction of Slovenian courts is determined, a plaintiff or his or her statutory representative who is in a foreign country and where the plaintiff does not have a counsel in the Republic of Slovenia shall be obliged, when filing an action, to appoint a person authorized to receive court documents in the Republic of Slovenia. If the plaintiff or his or her statutory representative fails to appoint

the person authorized to receive court documents within the set time limit, the court shall reject the action. The order rejecting the action shall be served on the plaintiff or his or her statutory representative through the temporary representative authorized to receive court documents who was appointed by the court.

The same rules also apply to the defendant – the court shall, upon the first service of the court documents, order the defendant or his or her statutory representative who is in a foreign country and where the defendant does not have counsel in the Republic of Slovenia to appoint a person authorized to receive court documents in the Republic of Slovenia. If the defendant or his or her legal representative fails to appoint such a person, the court shall appoint a temporary representative authorized to receive court documents at the expense of the defendant and shall, through this temporary representative, notify the defendant or his or her statutory representative of the appointment.

If a submission or a court document with a submission needs to be delivered to a foreign country and the costs for such service in the foreign country have to be paid, the court shall order the party whose submission is to be served to advance the costs of service in the foreign country. In such cases, if a submission or a court document with a submission needs to be delivered to a foreign country in a foreign language, the court shall order the party whose submission is to be served to advance the costs of the translation or submit a certified translation of the submission or the court document into the language in which the submission or the court document can be served. This shall also apply to any attachments.

In line with the concept of recognition and enforcement of foreign judgments, judgments of foreign courts in civil and commercial matters may be recognized and enforced in Slovenia and can therefore acquire the same status as a judgment of Slovenian courts. However, different rules apply to the procedure for recognition and enforcement of judgments originating in the Member States of the European Union (EU) and of judgments originating in non-EU countries.

The procedure for recognition and enforcement of EU Member States judgments is regulated by different Regulations of the European Parliament and of the council, depending on the date of the ruling and depending on the subject matter of the case. However, based on the general rule of EU regulations judgments given in Member States shall be recognized and enforceable in other Member States without any special procedure or without any declaration of enforceability being required. Therefore, Slovenian courts are obliged to treat the judgments of EU Member States courts as their own judgments without any special recognition or enforcement procedure. Hence, judgments enforceable in EU Member States operate directly as enforcement titles in Slovenia and shall be before Slovenian courts enforced under the same conditions as Slovenian judgments.

For recognition and enforcement of judgments originating in EU Member States which are not subject to the above-mentioned Regulations, as well as to judgments originating in non-EU countries, including judgments issued in the UK after December 31, 2020, the provisions of Slovenian Private International Law and Procedure Act apply, unless the question of mutual recognition and enforcement of judgments is regulated by special bilateral agreements or other conventions. In order for a decision on recognition or enforcement of foreign judgment to be recognized or enforced, two positive preconditions must be met: the applicant must provide a certified translation of the foreign judgment into the language officially used by the court and a certificate of its final validity. The other prerequisites are of a negative nature some of which are to be observed by the court of its own motion, others only upon the objection of the opposing party.

For judgments, issued in Denmark, Iceland, Norway, or Switzerland, the procedure for recognition and enforcement of judgments is governed by the Lugano Convention.

8. Appeal

8.1. What is the appeals process, and what are the grounds for appeal in your jurisdiction?

Appeal is an important legal instrument that allows the parties to proceedings to challenge decisions taken by the court of first instance. The appeal must be lodged within the statutory time limit of 30 days from service of the judgment with the court which gave the judgment at first instance in sufficient copies to enable the court and the other party to receive their own copy.

A party may waive the right to appeal on or after the time when the judgment was announced or, if it has not been announced, on or after the time when a certified copy of the judgment was served on him or her. Before a decision is issued by the court of second instance, a party may withdraw an appeal that has already been lodged.

An appeal shall contain (a) a designation of the judgment against which the appeal is being lodged, (b) a statement as to whether the judgment is being challenged in whole or in a specific part, (c) the grounds for appeal and (c) the appellant's signature. The appellant may present new facts and evidence in the appeal only if he or she demonstrates that he or she was unable to present or submit them through no fault of his or her own before the first hearing for the main hearing or until the end of the main hearing.

A judgment may be challenged on the grounds of (a) substan-

tial violation of civil procedure provisions (b) erroneous or incomplete establishment of the facts and/or (c) erroneous application of substantive law. However, a default judgment may not be challenged on the grounds of erroneous or incomplete establishment of the facts. Special rules on the grounds for an appeal also apply to a judgment based on the admission of the claim, a judgment based on waiver of the claim, or an interlocutory judgment based on an agreement between the parties, since those judgments may be challenged on the grounds of substantial violation of civil procedure provisions or because the statement on admission or waiver or the statement that the basis of the claim is not disputed was made under a misapprehension or under the influence of coercion or deceit.

An untimely, incomplete, or inadmissible appeal shall be rejected by way of an order issued by the president of the panel of the first-instance court without holding a hearing.

If the president of the panel of the first-instance court finds that the appeal was lodged in due time and that it is complete and admissible, and assesses that there exists a substantial violation of the procedure regarding the defects of judgment or a contradiction in respect of decisive facts between what is specified in the grounds for the judgment about the contents of documents, records of the taking of evidence or transcripts of audio recordings and such documents, records or transcripts themselves, the court of first instance may issue a new judgment which shall replace the judgment challenged by the appeal and remedy the violation. The party shall have the right to appeal against the new judgment. When the court receives such an appeal, the provision of the preceding paragraph shall not apply.

The court of first instance shall serve a copy of a timely, complete, and admissible appeal on the opposing party to respond to the appeal. A response to the appeal may be submitted before the court of first instance within the same time limit as is determined for lodging the appeal. After the receipt of a response to the appeal or upon the expiry of the time limit for the submission of a response to the appeal, the court of first instance shall forward the appeal and the response to the appeal, if lodged, together with all the files, to the court of second instance.

The court of the second instance shall decide on the appeal without holding a hearing when it assesses that a hearing is not necessary for a decision in the case. However, if the panel of the court of second instance finds it necessary for the purpose of establishing the facts correctly to re-examine all or some of the evidence already taken before the court of second instance, or if substantial violations of civil procedure violations, owing to their nature, can be remedied by undertaking procedural acts before the court of second instance, it shall schedule a hearing.

At a session or based on a hearing that was held, the court of second instance may reject the appeal as being untimely, incomplete, or inadmissible, dismiss the appeal as being ill-founded, and affirm the judgment of the court of first instance, annul that judgment and remand the case for a new trial to the court of first instance, or annul the judgment of the court of first instance and reject the action or change the first-instance judgment.

Importantly, the court of second instance may not change the judgment to the detriment of the party who brought the appeal if the appeal was brought solely by that party. This is known as the prohibition of reformation and ensures that the appeal will not have negative consequences for the party who only appealed.

9. Costs and Funding

9.1. How are legal costs determined, and what are the common practices regarding funding litigation?

Litigation costs in Slovenia include expenses incurred in the course of or in relation to the proceedings (court fees, etc.) and remuneration for the work of attorneys and other persons whose right to remuneration is provided by legislation.

Each party shall cover in advance the costs that he or she has incurred as a result of his or her acts. Therefore, if a party proposes the taking of evidence, it must deposit an amount for the costs it will incur in taking the evidence.

At the end of the proceedings, the party losing the litigation the party losing the litigation shall be obliged to pay the costs incurred by the opposing party and his or her intervenor (success principle). If a party is partially successful in the litigation, the court may, in view of the success achieved, order each party to bear their own costs or, taking account of all the circumstances of the case, order one party to pay to the other party and his or her intervenor a proportional share of costs.

The court may decide that one party should pay all the costs incurred by the opposing party and his or her intervenor if the opposing party did not succeed in only a proportionally insignificant part of his or her claim and no separate costs were incurred as a result of that particular part of the claim.

However, it is important to note that the reimbursement of attorney's fees in court proceedings is standardized by the Attorney's tariff, regulating billing and payment of legal services and expenses, irrespective of the client's fee arrangement with the lawyer. According to the Attorney's tariff and additionally, the Slovenian Civil Procedure Act, the costs of the procedure are dependent on the claim amount.

9.2. Are there alternative funding options available for parties involved in litigation?

For individuals who cannot afford legal representation, Slovenia provides free legal aid. The system ensures equal access to justice and covers various types of legal assistance, including court representation. Free legal aid is granted to the applicants, who meet financial (applicant's income and assets fall below a set threshold) and substantive criteria (the case must have legal merit and a reasonable chance of success).In that regard, Free legal aid covers legal advice, legal representation in court proceedings (usually for the first instance), exemption from court fees and other legal services (drafting legal documents, mediation, and appeals), as well as in some cases, exemption from other court costs (payment of experts, etc.).

Likewise, many insurance companies in Slovenia offer legal protection insurance, which covers legal representation costs, court fees, and expert opinions.

Not widely developed in Slovenia, but in some cases, external investors or legal financing firms may cover litigation costs in exchange for a share of the awarded damages.

In addition, lawyers and law firms as well as some NGOs sometimes offer pro bono legal advice and representation. Pro bono representation is subject to the discretion of each individual lawyer or law firm.

10. International Treaties

10.1. How do international treaties or regional agreements impact litigation in your jurisdiction?

As an EU member state, Slovenia is subject to several important EU regulations and directives that impact litigation, especially in cross-border cases, since different EU regulations determine the jurisdiction in cross-border disputes or regulate the law used in such disputes as well as provide a framework for the recognition and enforcement of foreign judgments within the EU. Apart from EU regulations, Slovenia is also bound by international treaties and conventions that affect litigation, especially in determining the jurisdiction, certain rules of the procedure, or the law that applies to a specific case. Slovenia's adherence to these agreements enhances access to justice, supports international cooperation, and ensures effective enforcement of legal decisions across borders.

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UKRAINE

Olexander Martinenko
Partner, Head of Dispute Resolution
olexander.martinenko@kinstellar.com
+380 44 490 9575

Danylo Volkovetskyi
Managing Associate
danylo.volkovetskyi@kinstellar.com
+380 44 490 9575

CEE
Legal Matters

www.ceelegalmatters.com

1. General Trends

1.1. What is the current state of litigation in your jurisdiction, and what recent trends or developments have been observed?

Ukrainian litigation has been evolving, particularly in light of reforms aimed at aligning with European Union standards. Notably, the establishment of the High Anti-Corruption Court in 2019 marked a significant step toward addressing corruption.

Despite the ongoing war, Ukraine's judiciary continues to function, and the Ukrainian courts remain operational. Recently, two significant international agreements came into effect for Ukraine: i) the Hague Convention on Choice of Court Agreements, establishing rules for the recognition and enforcement of judgments based on exclusive jurisdiction clauses; and ii) the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters, which simplifies the process of recognizing and enforcing foreign judgments among member states.

A notable trend in litigation is the rise in claims by those seeking compensation for damage caused as a consequence of Russia's aggression against Ukraine. Individuals and businesses are increasingly filing claims to recover losses from destroyed property, lost profits, and other war-related damage.

Additionally, the Supreme Court has increasingly factored in applicable EU laws in its judgments, reflecting the trend toward European integration.

1.2. What are the key legal frameworks that regulate litigation?

Litigation in Ukraine is governed by four key procedural codes, each regulating distinct types of legal disputes, ensuring a comprehensive framework for justice:

i) the Civil Procedure Code of Ukraine, which governs civil disputes involving private rights and obligations, including family, labor, and land matters, and property disputes;

ii) the Commercial Procedure Code of Ukraine, which is focused on disputes involving business entities and regulates cases such as contractual breaches, corporate conflicts, bankruptcy proceedings, and other commercial matters;

iii) the Code of Administrative Proceedings of Ukraine, which addresses disputes arising from public law relationships. Typical cases include challenges against decisions, actions, or inactions of public authorities, disputes concerning legal elections or referendum process, the seizure of property for public needs, access to public information, etc.;

iv) the Criminal Procedure Code of Ukraine, which governs criminal investigations and trials, ensuring adherence to fair trial standards. The Code outlines the rights and obligations of parties involved, from pre-trial investigation to judicial proceedings and appeals.

Additionally, the Law of Ukraine "On the Judiciary and Status of Judges" provides the structural and functional framework for the judiciary.

2. Jurisdiction and Competence

2.1. How is the court system structured in your jurisdiction?

Ukraine has a three-tiered court system:

i) local courts (courts of first instance);

ii) courts of appeal (courts that review decisions from local courts);

iii) The Supreme Court, which is the highest judicial authority ensuring the uniform application of the law and which reviews cassation appeals on the decisions of the courts of appeal.

By specialization, local courts and courts of appeal courts are divided into:

i) general courts (specialized in civil and criminal cases, as well as certain administrative cases);

ii) commercial courts (specialized in commercial disputes under the Commercial Procedure Code);

iii) administrative courts (specialized in disputes arising from public law relationships).

In addition, there are 2 specialized courts: for corruption-related cases and intellectual property matters (see section 2.2 below).

In some cases, the courts of appeal, or even the Supreme Court, act as the courts of first instance. By way of example, administrative courts of appeal, as courts of first instance, handle cases involving the expropriation of land plots and related real estate for reasons of public necessity. General courts of appeal, as courts of first instance, consider cases on the recognition and enforcement of international commercial arbitration decisions. The Supreme Court, as a court of first instance, has jurisdiction over specific high-profile cases, including, inter alia, cases involving the determination of the results of elections or national referenda, and cases on appeals against acts, actions, or omissions of the Parliament or the President of Ukraine.

2.2. Are there specialized courts for specific types of litigation?

There are 2 specialized courts in Ukraine:

i) The High Anti-Corruption Court, which handles corruption-related cases; and

ii) The High Court of Intellectual Property

Both courts were introduced into the judicial system of Ukraine as part of the 2016 reforms. Both have an appellate chamber and are the courts of first and appellate instance for cases within their jurisdiction. Nevertheless, the High Court of Intellectual Property is still in the process of formation and therefore is yet to start performing its functions.

2.3. How is jurisdiction determined in cross-border litigation, especially in cases involving foreign parties or multiple jurisdictions?

The rules of international jurisdiction are contained in international treaties of Ukraine and the Law of Ukraine "On Private International Law" (the PIL Law).

The PIL Law provides a number of cases when the Ukrainian courts have the authority to hear disputes involving a foreign element (i.e., foreign party, foreign assets, or legal fact that took place in a foreign state), as well as cases when the jurisdiction of the Ukrainian courts is exclusive, and, accordingly, violations will result in the non-recognition of a foreign court decision on the same matter in Ukraine.

In general, the authority of the Ukrainian courts to hear cases involving foreign element(s) comes down to the existence of agreements between the parties on the jurisdiction of the Ukrainian courts or where the case is connected with Ukraine to some degree (e.g., the respondent is resident in Ukraine, the property that can be enforced is located in Ukraine, the damages claimed have been caused in Ukraine, etc.). The exclusive jurisdiction of the Ukrainian courts covers, inter alia, the following cases: the real estate in dispute is located on the territory of Ukraine; in bankruptcy cases, the debtor was established in accordance with the laws of Ukraine; the case concerns the issue or destruction of securities issued in Ukraine; the dispute is concerned with the registration or liquidation of foreign entities in Ukraine.

However, if an international treaty establishes the rules of international jurisdiction other than the PIL Law, the international treaty will apply.

If, in accordance with the rules of international jurisdiction, a dispute with a foreign element falls under the jurisdiction of the Ukrainian courts, the rules of domestic jurisdiction are applied to determine the specific Ukrainian court authorized to hear the case. Such rules of domestic jurisdiction for civil and commercial disputes are contained in the respective procedural codes (see section 1.2 above) and generally focus on factors such as the defendant's domicile and the location of the subject matter.

3. Initiating Litigation

3.1. What are the primary steps required to initiate litigation in your jurisdiction?

To initiate litigation, the claimant must pay court fees and submit a statement of claim to the appropriate court.

Generally, a statement of claim must include such essential information as the court's and respective parties' details, a calculation of the amount claimed (where applicable), a statement of the factual circumstances of the case, and the grounds for the claim along with the supporting evidence.

No general requirements apply with respect to specific primary steps required to initiate court proceedings, such as mandatory pre-litigation settlement procedures, etc. Still, there may be some technical requirements with which the claimant should comply in order to be able to initiate court proceedings. In particular, the claimant, as well as its representative(s) should have a registered account within the nationwide electronic court system. Also, some special requirements (including mandatory pre-trial settlement) may be applicable to specific matters under special laws applicable to the same, including international treaties.

3.2. Are there any specific requirements for parties regarding pre-litigation procedures?

As a general rule, pre-litigation procedures are not mandatory and are not required to initiate court proceedings under the laws of Ukraine. At the same time, if such procedures are envisaged by special laws applicable to specific matters, including international treaties, compliance is necessary. Otherwise, the court can return a statement of claim without consideration.

4. Timelines

4.1. What are the typical timelines for different stages of litigation, from initiation to resolution?

In terms of civil and commercial cases, the typical timelines are as follows.

Once the statement of claim is received by the court it will carry out an assessment and decide on the opening of the proceedings within five days of the date of receipt of the claim.

Subsequently, preparatory work will be undertaken and a consideration of the case on its merits should begin no later than 60 days from the date of commencement of the proceedings. Consideration on merits should not last longer than 30 days and the resolution should be made immediately after the end of the trial.

Court decisions come into force after the expiry of the term for an appeal or (if an appeal is filed) after the end of the appeal proceedings.

For the timelines for appeal and cassation proceedings, please see section 8 below.

It should be noted, however, that such legally mandated timelines are rarely met in practice. The actual duration of litigation in general, as well as its specific stages, may vary significantly taking from several months to several years. This is, inter alia, due to the high workload of the courts.

4.2. Are there specific time limits for filing claims, and do these vary depending on the type of dispute?

The general limitation period for civil and commercial claims is three years from the day the claimant found out or could have found out about the respective violation of his/her/its rights or about the person who violated them. Special limitation periods are established by law for specific types of claims and may be either shorter or longer than the general limitation period.

For instance, a one-year limitation period applies to the following claims:

1) Recovery of penalties.

2) Refuting inaccurate information published in the media.

3) The transfer of rights and obligations of a buyer to a co-owner in cases of violations of the pre-emptive right to purchase a share in a joint ownership.

4) Claims arising from defects in goods sold.

5) Termination of a gift agreement.

6) Claims related to the carriage of cargo and mail.

7) Appeals against the actions of the executor of a will.

8) Claims to invalidate resolutions of a company's general shareholders' meeting.

On the other hand, a four-year limitation period applies to claims for the recognition of assets as unjustified and their recovery for the benefit of the state.

Limitation periods established by law can be extended, but not shortened, by the mutual agreement of the parties in writing.

5. Interim Measures

5.1. What interim remedies are available in your jurisdiction?

In Ukraine, under civil and commercial procedures the court may take the following interim measures to secure a claim:

1) The seizure of property and/or funds belonging to the defendant or subject to transfer/payment to the defendant and held either by the defendant or by other parties.

2) The seizure of the assets in dispute or other equivalent assets of the defendant – this applies only to cases of the recognition of assets as unjustified and their recovery for the benefit of the state.

3) Prohibiting respondents from performing certain actions.

4) Third-party restrictions: prohibiting other persons from taking actions in relation to the subject matter of a dispute or making payments, transferring property to the defendant, or fulfilling other obligations in relation to the defendant.

5) Establishing an obligation to take certain actions – this applies to disputes arising from family legal relations.

6) The suspension of property sales, which is applicable when the claim seeks the recognition of property ownership and the reversal of the respective assets' seizure.

7) The suspension of debt recovery under an enforcement document.

8) The suspension of customs clearances.

9) The impounding of a sea vessel to secure maritime claims.

The courts may take several interim measures at the same time.

5.2. Under what circumstances can a party obtain an interim injunction, and how quickly can such relief be granted?

Interim relief may be granted by a court only upon the application of a party to the dispute. The applicant must demonstrate that a failure to take such measures may significantly complicate or make it impossible to enforce a court decision or to effectively defend or restore the violated or disputed rights of the claimant. Interim measures must be reasonable, valid, and directly related to the given claim. They should balance the interests of both parties and be adequate to the situation.

An application for interim relief may be filed with the court either before or after filing a statement of claim. If an application is submitted before filing a claim, the latter should be filed with the court within 10 days. In both cases, the application should be considered by the court not later than two days from the date of its receipt, without notifying the parties to the case.

6. Discovery

6.1. What are the rules governing the discovery process in your jurisdiction?

Ukraine follows a civil law system with a very limited document production procedure. The parties themselves are responsible for presenting evidence. The general rule is that the court may not collect evidence at its own initiative. The courts can request additional evidence, if necessary, upon an application by any party. The application should be highly specific, which typically significantly restricts the parties in this regard.

6.2. What types of evidence can be requested, and how

are discovery disputes resolved?

As noted in section 6.1 above, Ukraine does not have a specific discovery procedure. At the same time, if a party to a case is unable to provide evidence on its own, it may file an application to have the evidence requested by the court. Such an application must be specific and must, inter alia, include: i) a description of the evidence being requested; ii) the circumstances the evidence may confirm or the arguments it may refute; iii) the grounds for believing a particular person possesses this evidence; iv) details of efforts made to obtain the evidence independently, proof of such efforts, or reasons why obtaining it independently was not possible. It is up to the court to decide whether the requested evidence is relevant to the case and whether its disclosure/production should be ordered.

6.3. How is evidence presented and evaluated during litigation?

All the parties submit evidence directly to the court with their first statement on the merits of the given dispute, i.e. claimants submit evidence with the statement of a claim, and defendants and third parties without independent claims submit evidence with the statement of defense or written explanations respectively.

The court evaluates evidence based on the need for a thorough and objective review of all case materials. No evidence is given automatic weight; the court independently assesses its relevance, admissibility, reliability, and how it connects with other evidence in the given case.

7. Enforcement of Judgments

7.1. What types of judgments can be issued in civil litigation, and how are they enforced?

In civil and commercial proceedings, the main types of judgments are: i) rulings; ii) decisions; and iii) resolutions. Via rulings, the courts resolve procedural issues related to the progress of a case in court and do not decide on the merits of the case. A decision is the final judgment of a trial court on the merits of the case. Resolutions are made on the basis of a review of court decisions on appeal and cassation.

Enforcement is carried out by the State Enforcement Service or private enforcers on the basis of an enforcement writ issued by the respective court. The writ can be submitted for enforcement within the term stated therein, generally – 3 years. In terms of completing enforcement proceedings, the timeframe is not fixed by law and depends on the specific circumstances of each case.

The enforcers submit requests to the relevant authorities and institutions, check databases and registers, and verify the debtor's property status to determine the debtor's assets. Once the assets are identified, they are immediately seized. Typically, the material assets are then sold at auctions, with the proceeds used to satisfy the debt.

7.2. Are there specific provisions for cross-border litigation or enforcement of foreign judgments?

Foreign court judgments must be additionally recognized in Ukraine and their enforcement must be permitted by a Ukrainian court.

Foreign court judgments are recognized and enforced in Ukraine:

1) if their recognition and enforcement are provided for by an international treaty; or

2) on the principle of reciprocity, which is assumed unless proven otherwise.

A foreign court judgment may be submitted for enforcement in Ukraine within three years from the date of its entry into force, except for a judgment on the recovery of periodic payments, which may be enforced throughout the entire period of recovery with the debt repaid over the last three years.

Ukrainian courts may refuse recognition and enforcement of a foreign court judgment under certain circumstances, including, inter alia, the following:

1) The foreign court judgment has not become legally effective according to the laws of the country where it was issued.

2) The party against whom the judgment was made was not properly notified and thus could not participate in the judicial process.

3) The judgment was rendered in a matter that falls under the exclusive jurisdiction of the Ukrainian courts or another authorized Ukrainian body.

4) The judgment is submitted for enforcement in Ukraine beyond a three-year term from the date it became effective.

5) The enforcement of the judgment would threaten the interests of Ukraine.

In 2022, Ukraine ratified the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters. The Convention entered into force in Ukraine on September 1, 2023, greatly simplifying the process for recognizing and enforcing foreign court judgments from other parties to the Convention within Ukraine.

8. Appeal

8.1. What is the appeals process, and what are the grounds for appeal in your jurisdiction?

A judgment of the court of first instance may be appealed to the court of appeals. Under the civil procedure, court decisions can be challenged within 30 days, while court rulings must be appealed within 15 days. Under the commercial procedure, there are only 20 days to appeal against court decisions and 10 days to appeal against rulings. These terms may be extended by the court if they are missed for certain valid reasons.

The grounds for appeal include the violation of substantive and/or procedural law by the court of first instance, such as i) a failure to fully establish important case facts, ii) errors in evaluating or accepting evidence, ii) improper rejection of valid evidence, iii) an incorrect interpretation of legal relationships by the court.

The court of appeal must check the statement of appeal and decide whether to open appeal proceedings within five days upon receipt of the statement of appeal. After opening the proceedings, the court has 60 days to consider on its merits the appeal against the trial court's decision, and 30 days to consider appeals against a trial court's ruling.

After an appellate review of a case, decisions and rulings by the courts of first instance, as well as resolutions and rulings by courts of appeal can be appealed to a court of cassation within a 30-day period under the civil procedure, or 20 days under the commercial procedure. These terms may be extended by the court if they are missed for certain valid reasons.

The grounds for filing a cassation appeal are limited to the incorrect application of substantive law or violations of procedural law.

The court of cassation must check the statement of appeal and decide whether to open appeal proceedings within 20 days upon receipt of the statement of cassation. After opening the proceedings, the court has from 30 to 60 days to consider the cassation appeal on its merits, depending on the type of judgment subject to an appeal.

9. Costs and Funding

9.1. How are legal costs determined, and what are the common practices regarding funding litigation?

In Ukraine, legal costs include court fees, legal expenses, and expert costs, which are typically borne by the losing party. Litigation funding, where a third-party finances legal proceedings in exchange for the awarded sum, is not a common practice in Ukraine. Parties generally fund their own litigation expenses.

9.2. Are there alternative funding options available for parties involved in litigation?

Please see section 9.1 above. Additionally, in some cases, parties may access alternative funding options, including legal assistance from a state-appointed lawyer. This service is provided free of charge to qualifying individuals, ensuring access to justice for those who cannot afford private legal representation.

10. International Treaties

10.1. How do international treaties or regional agreements impact litigation in your jurisdiction?

International treaties and regional agreements play a significant role in litigation in Ukraine. They hold a higher legal authority than national laws, and courts must apply treaty provisions directly when they conflict with domestic laws.

The Hague Conventions, which Ukraine joined on August 1, 2023, significantly enhanced the efficiency of cross-border dispute resolution. The Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters simplifies the enforcement of foreign court decisions among member states, reducing procedural barriers. Meanwhile, the Convention on Choice of Court Agreements provides a clear framework for recognizing and enforcing judgments based on exclusive jurisdiction agreements. With Ukraine's accession to these Conventions, cross-border dispute resolution has undoubtedly become more efficient.

Furthermore, Ukraine continues aligning its judiciary with EU standards under the EU-Ukraine Association Agreement, with Ukrainian courts increasingly referencing European legal principles and case law when hearing cases.

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