

GENERAL ASSEMBLY OF NORTH CAROLINA
1993 SESSION

CHAPTER 188
HOUSE BILL 991

AN ACT TO PROVIDE FOR THE RECOGNITION AND ENFORCEMENT IN
NORTH CAROLINA OF CERTAIN JUDGMENTS RENDERED BY COURTS IN
FOREIGN COUNTRIES.

The General Assembly of North Carolina enacts:

Section 1. Chapter 1C of the General Statutes is amended by adding a new
Article to read:

"ARTICLE 18.

"North Carolina Foreign Money Judgments Recognition Act.

"§ 1C-1800. Short title.

This Article may be cited as the North Carolina Foreign Money Judgments
Recognition Act.

"§ 1C-1801. Definitions.

As used in this Article:

- (1) 'Foreign judgment' means any judgment of a foreign state granting or denying recovery of a sum of money, other than a judgment for taxes, a fine or other penalty, or a judgment for support in matrimonial or family matters.
- (2) 'Foreign state' means any governmental unit other than the United States, any state, district, commonwealth, territory, insular possession thereof, the Panama Canal Zone, the Trust Territory of the Pacific Islands, or the Ryukyu Islands.

"§ 1C-1802. Applicability of Article.

This Article applies to any foreign judgment that is final and conclusive and enforceable where rendered even though an appeal of the judgment is pending or the judgment is subject to appeal.

"§ 1C-1803. Recognition and enforcement.

Except as provided in G.S. 1C-1804, a foreign judgment meeting the requirements of G.S. 1C-1802 is conclusive between the parties to the extent that it grants or denies recovery of a sum of money. The foreign judgment is enforceable in the manner set forth in Article 17 of this Chapter. The defenses available to a judgment debtor under G.S. 1C-1804 may be asserted by the judgment debtor in the manner set forth in G.S. 1C-1705.

"§ 1C-1804. Grounds for nonrecognition.

- (a) A foreign judgment is not conclusive if:

- (1) The judgment was rendered under a system that does not provide impartial tribunals or procedures compatible with the requirements of due process of law;
 - (2) The foreign court did not have personal jurisdiction over the defendant; or
 - (3) The foreign judgment did not have jurisdiction over the subject matter.
- (b) A foreign judgment need not be recognized if:
- (1) The defendant in the proceedings in the foreign court did not receive notice of the proceedings in sufficient time to enable the presentation of a defense;
 - (2) The judgment was obtained by fraud;
 - (3) The cause of action on which the judgment is based is repugnant to the public policy of this State;
 - (4) The judgment conflicts with another final and conclusive judgment;
 - (5) The proceedings in the foreign court were contrary to an agreement between the parties under which the dispute in question was to be settled out of court;
 - (6) In the case of jurisdiction based on personal service, the foreign court was a seriously inconvenient forum for the trial of the action; or
 - (7) The foreign court rendering the judgment would not recognize a comparable judgment of this State.

"§ 1C-1805. Basis for personal jurisdiction.

- (a) The foreign judgment shall not be refused recognition for lack of personal jurisdiction if:
- (1) The defendant was served personally in the foreign state;
 - (2) The defendant voluntarily appeared in the proceedings, other than for the purpose of protecting property seized or threatened with seizure in the proceeding or of contesting the jurisdiction of the court over the defendant;
 - (3) The defendant, prior to the commencement of the proceedings, had agreed to submit to the jurisdiction of the foreign court with respect to the subject matter involved;
 - (4) The defendant was domiciled in the foreign state when the proceedings were instituted, or, being a body corporate had its principal place of business, was incorporated, or had otherwise acquired corporate status, in the foreign state;
 - (5) The defendant had a business office in the foreign state, and the proceedings in the foreign court involved a cause of action arising out of business done by the defendant through that office in the foreign state; or
 - (6) The defendant operated a motor vehicle or airplane in the foreign state and the proceedings involved a cause of action arising out of such operation.
- (b) The courts of this State may recognize other bases of jurisdiction.

"§ 1C-1806. Stay pending an appeal.

If the defendant satisfies the court either that an appeal is pending or that the defendant is entitled and intends to appeal from the foreign judgment, the court may stay the proceedings until the appeal has been determined or until the expiration of a period of time sufficient to enable the defendant to prosecute the appeal.

"§ 1C-1807. Situations not covered by Article.

This Article does not prevent the recognition of foreign judgment in situations not covered by this Article.

"§ 1C-1808. Uniformity of interpretation.

This Article shall be construed to effectuate its general purpose to make uniform the law of those states that enact it."

Sec. 2. This act becomes effective October 1, 1993, and applies to any foreign judgments, as defined in G.S. 1C-1801 as enacted in Section 1 of this act, entered on or after that date.

In the General Assembly read three times and ratified this the 21st day of June, 1993.

Dennis A. Wicker
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives