



## Enforcement of Foreign Awards as Means to Promote International Trade in Romania

PhD. Eugen Sarbu, attorney-at-law

### I. International trade

#### 1. Enforcement of foreign awards as means to promote International Trade in Romania

In international trade, a key factor for companies is a country's reputation for recognizing and enforcing foreign awards. Romania has earned a strong reputation as a reliable state where foreign awards can be easily and efficiently enforced.

The broad legal framework for enforcement of foreign awards is one of the most important tools in promoting Romania as a hub for international trade in Eastern Europe.

If a judgment is issued by an EU Member State, its enforcement in Romania follows Regulation (EU) 1215/2012, which covers jurisdiction and the recognition and enforcement of commercial judgments. For enforceable judgments from Iceland, Norway, or Switzerland, Romania adhered to the 2007 Lugano Convention on jurisdiction and enforcement in civil and commercial matters.

Post-Brexit, judgments issued by the United Kingdom are recognized and enforced in Romania according to Book VII of the Romanian Civil Procedural Code.

Furthermore, Romania is a party to the 2005 Hague Convention on Choice of Court Agreements and the 2019 Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters, which entered into force on September 1, 2023.

From our experience as lawyers specialised in recognition and enforcement of foreign awards in Romania, apart from the favourable legal framework, we can share two main advantages: the reduced court fee of an exequatur in Romania and the expeditious time frame. The Romanian judge cannot enter on the merits of the award, therefore the exequatur procedure is a formal scrutiny, which is why, the enforcement decision is rendered in an average of 4 months.



## **2. GAFTA Contracts and GAFTA Arbitration has become a specificity of International trade in Romania**

A specificity of Romanian international trade is the agriculture market, mainly the grain trade, as Romania has become in 2025 the no. 1 grain exporter in the EU. This leads to a wide use of GAFTA Contracts in Romania and GAFTA arbitration procedures involving Romanian parties. For example, statistics show that in 2023-2024 Romanian grain exports were worth more than 4 billion Euro, out of which more than 80% were traded under GAFTA standard Contracts. The most suitable contract, out of GAFTA's standard forms, was GAFTA Contract no. 49 for the delivery of goods in Central and Eastern Europe. Performing a GAFTA Contract no. 49 in Romania is encouraged by the facilities that offer 12 GAFTA approved laboratories, 12 GAFTA approved Fumigators and 19 Superintendent companies also accredited by GAFTA.

All disputes related to GAFTA Contracts are subject to arbitration according to Clause 23, which provides for the applicability of GAFTA Arbitration Rules No 293 125. Therefore, disputes related to the performance of a GAFTA Contract shall be settled by the institutionalized arbitration headquartered in London and organized by GAFTA.

GAFTA arbitral awards are enforceable in Romania according to the 1958 New York Convention, which was ratified by Romania in 1961. Therefore, the massive increase of GAFTA Contracts in Romanian international trade was supported by a legal framework that provides for the traders a stable jurisdiction where they can engage the partner's contractual liability, impose interim measures and recover financial losses.

## **II. Practice area news**

**International trade in Romania in the last two years was marked by the escalation of grain shipment.** Following Russia's invasion of Ukraine in 2022, Romania's Black Sea port of Constanța became a crucial export route for Ukrainian grain, with exports peaking at 14 million tonnes. This led in 2023-2024 to more contracts involving transit logistics, with GAFTA agreements adapting to ensure smooth transport, particularly related to storage, delivery, and transport terms.

**Potential for Disputes:** With the influx of cheaper grains and price pressures, there was an increase in disputes between local Romanian farmers, grain traders, and exporters. For this reason the number of disputes has lead to more reliance on GAFTA arbitration services, reflected in an increased number of exequatur



procedures in Romania for recognition and enforcement of GAFTA arbitral awards.

**In December 2024 European Commision published the Proposal for a REGULATION on cooperation among enforcement authorities responsible for the enforcement of Directive (EU) 2019/633 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain:** The proposed regulation would enhance fair trading in Romania's agricultural and food sectors, improving compliance with EU rules. It offers greater protection for small producers, reduces unfair practices, and facilitates cross-border transactions. This could boost Romania's international trade by increasing transparency and trust, while larger companies may need to adjust practices. Overall, it ensures a more predictable, competitive market for Romanian businesses in global trade.