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Philippines

Enforcement of Judgments in Civil and Commercial Matters

Contributor

Angara Abello
Concepcion Regala &
Cruz Law Offices
(ACCRALaw)



Oliver L. Pantaleon

Senior Partner | olpantaleon@accralaw.com

Antonio Eduardo S. Nachura, Jr.

Partner | asnachurajr@accralaw.com

Charlemagne P. Chavez

Senior Associate | cpchavez@accralaw.com

This country-specific Q&A provides an overview of enforcement of judgments in civil and commercial matters laws and regulations applicable in Philippines.

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Philippines: Enforcement of Judgments in Civil and Commercial Matters

1. What international conventions, treaties or other arrangements apply to the enforcement of foreign judgments in your jurisdiction and in what circumstances do they apply?

The Philippines is currently not a party to any convention or treaty specific to the enforcement of foreign judgments. Nonetheless, the Philippine legal system has long accepted into its jurisprudence and procedural rules the viability of an action for enforcement of judgment, as derived from internationally accepted doctrines (*Mijares v. Ranada*, G.R. No. 139325, 12 April 2005). Reciprocally respecting and rendering efficacious judgments of foreign courts of competent jurisdiction is accepted as an established international legal principle (*Mercantile Insurance Co., Inc. v. Yi*, G.R. No. 234501, 17 March 2019).

2. What, if any, reservations has your jurisdiction made to such treaties?

Not applicable.

3. Can foreign judgments be enforced in your jurisdiction where there is not a convention or treaty or other arrangement, e.g. under the general law?

Yes, Section 48 of Rule 39 of the Rules of Court and Philippine jurisprudence sanction the enforcement of foreign judgments in the Philippines. Jurisprudence provides that although no obligatory rule derived from treaties or conventions compels the Philippines to recognize foreign judgments, generally accepted principles of international law, by virtue of the Constitution's incorporation clause, form part of the laws of the land. Accordingly, generally accepted principles of international law oblige states to recognize foreign judgments, which practice has attained the status of *opinio juris* in international practice (*Mijares v. Ranada*, G.R. No. 139325, 12 April 2005).

A judgment or final order of a foreign court merely creates a right of action (*Mercantile Insurance Co., Inc. v. Yi*, G.R. No. 234501, 18 March 2019). Hence, a foreign judgment does not bind Philippine courts unless it is recognized

and enforced in the Philippines (*Republic v. Mupas*, G.R. No. 181892, 8 September 2015). Nonetheless, the action for recognition of foreign judgment does not require the re-litigation of the case before a Philippine court (*Encarnacion v. Johnson*, G.R. No. 192285, 11 July 2018).

Moreover, Rule 39 of the Rules of Court makes a distinction between a foreign judgment involving an action *in personam* (an action against a person on the basis of their personal liability, instituted against a definite defendant) and an action *in rem* (an action against the thing itself, instituted and enforced against everyone). For an action *in rem*, the foreign judgment is deemed conclusive upon the title to the thing, while in an action *in personam*, the foreign judgment is merely presumptive of a right as between the parties and their successors-in-interest (*Mijares v. Ranada*, G.R. No. 139325, 12 April 2005; *Rules of Court*, Rule 39, Sec. 48).

4. What basic criteria does a foreign judgment have to satisfy before it can be enforced in your jurisdiction? Is it limited to money judgments or does it extend to other forms of relief?

The Philippine Court will consider the following, among others:

- The foreign judgment or order is final;
- The foreign court had jurisdiction over the case, the parties were notified, there was no collusion, fraud, or clear mistake of fact and law;
- The foreign judgment is not barred by prescription (10 years);
- Enforcement is not contrary to Philippine public policy;

A judgment or final order of a foreign tribunal cannot be enforced simply by execution (*Bank of the Philippine Islands Securities Corp. v. Guevara*, G.R. No. 167052, 11 March 2015). To be recognized and enforced in the Philippines, "what is indispensable [in an action for the enforcement of a foreign judgment] is the presentation of the foreign judgment itself as it comprises both the evidence and the derivation of the cause of action" (*Mercantile Insurance Co., Inc. v. Yi*, G.R. No. 234501, 18 March 2019). Further, it must be shown that "there has been an opportunity for a full and fair hearing before a

court of competent jurisdiction; that the trial upon regular proceedings has been conducted, following due citation or voluntary appearance of the defendant and under a system of jurisprudence likely to secure an impartial administration of justice; and that there is nothing to indicate either a prejudice in court and in the system of laws under which it is sitting or fraud in procuring the judgment" (*Asiavest Merchant Bankers (M) Berhad v. Court of Appeals*, G.R. No. 110263, 20 July 2001).

As discussed in question number 3, a foreign judgment or final order on a specific thing or against persons may be enforced in the Philippines. Therefore, it is not limited to money judgments. For instance, a divorce obtained through court proceedings abroad may be recognized and enforced in the Philippines.

5. What is the procedure for enforcement of foreign judgments pursuant to such conventions, treaties or arrangements in your jurisdiction?

Not Applicable.

6. If applicable, what is the procedure for enforcement of foreign judgments under the general law in your jurisdiction?

While the Rules of Court does not specify a specific procedure, caselaw provides that "the filing of a civil complaint is an appropriate measure" (*Bank of the Philippine Islands Securities Corp. v. Guevara*, G.R. No. 167052 11 March 2015). Generally, the recognition and enforcement of a foreign judgment or order is initiated by filing a Petition before a Regional Trial Court. In the interest of judicial economy, when a foreign decree of divorce is sought to be recognized and enforced in the Philippines coupled with the corresponding prayer to cancel or correct the civil status, a petition under Rule 108 in relation to Rule 39 for correction or cancellation of entry in civil registry with judicial recognition of foreign judgment may be filed with the Regional Trial Court (*Johansen v. Office of the Civil Registrar General*, G.R. No. 256951, 29 November 2021).

The general process is outlined below:

Court with jurisdiction: Regional Trial Court

Venue: Regional Trial court where the plaintiff or defendant resides, or in case of a non-resident defendant, where they may be found, at the election of the plaintiff.

Filing Fee: Php 2,000 for "all other actions not involving

property" (*Mijares v. Ranada*, G.R. No. 139325, 12 April 2005).

Parties: The claimant must implead the party against whom the foreign judgment is sought to be enforced. A licensed foreign corporation doing business in the Philippines and an unlicensed foreign corporation *not* doing business in the Philippines may sue before Philippine courts (*B. Van Zuiden Bros., Ltd., v. GTVL Manufacturing Industries, Inc.*, G.R. No. 147905, 28 May 2007).

What information must be alleged, among others:

- The foreign judgment is final.
- For enforceability, the (a) the foreign court or tribunal has jurisdiction over the case, (b) the parties were properly notified, and (c) there was no collusion, fraud, or clear mistake of law or fact (*Republic v. Mupas*, G.R. No. 181892, 8 September 2015). The burden to prove (c) rests on the party opposing recognition because foreign judgments are disputable presumed to have been validly rendered (*BPI Securities Corporation v. Guevara*, G.R. No. 167052, 11 March 2015).
- The foreign judgment is not barred by the statute of limitations.
- The enforcement of the foreign judgment is not contrary to Philippine public policy (*Mijares v. Ranada*, G.R. No. 139325, 12 April 2005).

Other procedural requirements:

- Judicial Affidavits of witness/es to be presented, if any, must be attached
- Statement of documentary evidence in support of the allegations
- Verification
- Certification against forum shopping
- Filing fees

The party against whom the foreign judgment is enforced will be given an opportunity to oppose recognition and enforcement (see discussion in question number 11 below).

Philippine courts exercise limited review when recognizing foreign judgments or orders and do not delve into their merits (*Okada v. Tiger Resort, Leisure & Entertainment, Inc.*, G.R. No. 256470 (Notice), 13 November 2023). The judgment rendered by the Regional Trial Court may be appealed to the Court of Appeals and, thereafter, to the Supreme Court.

Upon finality of the local judgment recognizing and enforcing the foreign judgment or order, it may be implemented through a writ of execution issued upon

motion with the Regional Trial Court. Once issued, the writ of execution shall require the sheriff or court officer to enforce the writ according to its terms, and as follows:

- *If against the property of the judgment obligor* – satisfy the judgment, with interest, out of the real or personal property of such judgment obligor;
- *If against real or personal property in the hands of representatives of the judgment obligor* – satisfy the judgment, with interest, out of such property;
- *If for the sale of real or personal property* – sell such property and apply the proceeds in conformity with the judgment; and
- *If for the delivery of the possession of real or personal property* – deliver the possession of the same to the entitled party, and to satisfy any costs, damages, rents, or profits covered by the judgment out of the personal property of the person against whom it was rendered, and if sufficient personal property cannot be found, then out of the real property (*Rules of Court, Rule 39, Sec. 8*).

7. What, if any, formal requirements do the courts of your jurisdiction impose upon foreign judgments before they can be enforced? For example, must the judgment be apostilled?

In an action for enforcement, the foreign judgment itself must be proven as a fact. A foreign judgment may be established by (a) an official publication, or (b) a copy attested by the officer having legal custody of the document (*Arreza v. Toyo, G.R. No. 213198, 1 July 2019*).

- If the record is not kept in the Philippines, such copy must be: (a) accompanied by a certificate issued by the proper diplomatic or consular officer in the Philippine foreign service stationed in the foreign country where the record is kept, and (b) authenticated by the seal of the office.
- If the foreign country where the record is kept is a contracting party to a treaty or convention to which the Philippines is also a party, or the record is considered a public document under such treaty or convention, the certificate or its equivalent shall be in the form prescribed by such treaty or convention subject to reciprocity granted to public documents originating from the Philippines.

When required, the same rules above apply to establish and prove foreign law. However, the testimony of expert witnesses alone has been accepted by courts to establish foreign law in instances when the official record or attested copies were not offered in evidence. Based on these cases, the expert witness must (a) testify in court

and (a) quote the particular foreign laws sought to be established (*Willamete v. Muzzal, G.R. No. L-42538, 21 May 1935; CIR v. Fisher, G.R. No. L-11622, 28 January 1961*).

8. How long does it usually take to enforce or register a foreign judgment in your jurisdiction? Is there a summary procedure available?

A foreign judgment may be fully enforced within two (2) years. However, possible delays may occur when the Regional Trial Court's decision is elevated to the Court of Appeals and Supreme Court. It may take an additional one (1) to three (3) years per appellate level.

A summary judgment may be possible when based on pleadings, supporting affidavits, depositions, and admissions, there is no genuine issue as to any material fact and the moving party is entitled to a judgment as a matter of law, the court may render a summary judgment (*Rules of Court, Rule 35*).

9. Is it possible to obtain interim relief (e.g. an injunction to restrain disposal of assets) while the enforcement or registration procedure takes place?

Yes, obtaining interim relief is possible. A court may issue an order granting an application for provisional relief pending litigation to preserve and protect certain rights and interests (*Buyco v. Baragquia, G.R. No. 177486, 21 December 2009*). Provisional remedies include:

- Preliminary attachment;
- Preliminary injunction;
- Receivership;
- Replevin; and
- Support (*Rules of Court, Rules 57 to 61*).

10. What is the limitation period for enforcing a foreign judgment in your jurisdiction?

Generally, an action upon a judgment must be brought within ten years from the time the right of action accrues (*Civil Code, Art. 1144*). The right of action from a foreign judgment accrues from the date of finality. Only foreign judgments that have attained finality may be enforced in the Philippines (*Rules of Court, Rule 39, Sec. 48*).

11. On what grounds can the enforcement of

foreign judgments be challenged in your jurisdiction?

To repel a foreign judgment, a defendant may raise the following by evidence:

- Want of jurisdiction
- Want of notice to the party
- Collusion
- Fraud
- Clear mistake of law or fact (*Rules of Court, Rule 39, Sec. 48*).

Additionally, a defendant may contest the enforceability of a foreign judgment for being contrary to Philippine public policy (*Mijares v. Ranada, G.R. No. 139325, 12 April 2005*).

These grounds are "external" to the merits of a foreign judgment because Philippine courts exercise a limited review of foreign judgments and are not allowed to delve into their merits (*BPI Securities Corporation v. Guevara, G.R. No. 167052, 11 March 2015; Minoru Fujiki v. Marinay, G.R. No. 196049, 26 June 2013*). This limitation is consistent with the policy to limit repetitive litigation on claims and issues. As such, Philippine courts cannot decline enforcement based on an alleged error committed by the foreign court in applying its (foreign) law, as this would constitute a collateral attack on the foreign judgment (*Anido v. Republic, G.R. No. 253527, 21 October 2024*).

Fraud

Fraud must be *extrinsic*, i.e., fraud based on facts not controverted or resolved in the case where judgment is rendered, or that which would go to the jurisdiction of the court or would deprive the party against whom judgment is rendered a chance to defend the action to which he has a meritorious case or defense (*Philippine Aluminum Wheels v. Fasgi Enterprises, Inc., G.R. No. 137378, 12 October 2000*).

Public Policy

This defense allows for the application of local standards in reviewing the foreign judgment, which can safeguard against possible abuses to the easy resort to offshore litigation if it can be demonstrated that the original claim is clearly contrary to Philippine constitutional values (*Mijares v. Ranada, G.R. No. 139325, 12 April 2005*).

Clear Mistake of Law

This defense was applied in instance when a foreign court failed to apply to the facts of the case fundamental

principles of contract (*Nagarmull v. Binalbagan-Isabela Sugar Company, Inc., G.R. No. L-22470, 28 May 1970*).

12. Will the courts in your jurisdiction reconsider the merits of the judgment to be enforced?

No. In the recognition of foreign judgments, Philippine courts are not competent to substitute their judgment on how a case was decided under foreign law (*Suzuki v. Office of the Solicitor General, G.R. No. 212302, 2 September 2020*).

13. Will the courts in your jurisdiction examine whether the foreign court had jurisdiction over the defendant? If so, what criteria will they apply to this?

If raised as an issue to repel the foreign judgment or final order, the Philippine court will examine whether jurisdiction over the defendant was validly obtained. In this regard, the Philippine court will apply the *lex fori* or the internal law of the forum where the foreign judgment or final order was rendered (*Asiavest Merchant Bankers (M) Berhad v. Court of Appeals, G.R. No. 110263, 20 July 2001*). Hence, as long as service is made in compliance with the rules of the foreign jurisdiction, the Philippine court will consider it sufficient, even if it does not comply with Philippine rules or requirements (*St Aviation Services Co v Grand International Airways Inc, G.R. No. 140288, 23 October 2006*). If not proven, Philippine courts will presume that foreign law is identical to Philippine law.

14. Do the courts in your jurisdiction impose any requirements on the way in which the defendant was served with the proceedings? Can foreign judgments in default be enforced?

If raised as an issue to repel the foreign judgment or final order, the Philippine court will examine compliance with the requirements of the rules of the foreign jurisdiction. As such, provided that a default judgment is valid under the rules of the foreign jurisdiction, the same may be recognized and enforced in the Philippines. In *Bankruptcy Estate of Mitich v. Mercantile Insurance Co., Inc.*, (G.R. Nos. 238041 & 238502, 15 February 2022), the Supreme Court affirmed the recognition of a default judgment rendered by a California court.

15. Do the courts in your jurisdiction have a

discretion over whether or not to recognise foreign judgments?

Yes. A foreign judgment or final order may be repelled by evidence of want of jurisdiction; want of notice to the party; collusion; fraud; or clear mistake of law or fact (*Rules of Court, Rule 39, Sec. 48*). Philippine courts will likewise refuse to recognize or enforce a foreign judgment or final order that will contradict public policy.

Nonetheless, absent any inconsistency with public policy or adequate proof to repel the judgment, Philippine courts should, by default, recognize the foreign judgment as part of the comity of nations (*Suzuki v. Office of the Solicitor General, G.R. No. 212302, 2 September 2020*).

16. Are there any types of foreign judgment which cannot be enforced in your jurisdiction? For example can foreign judgments for punitive or multiple damages be enforced?

Foreign judgments are disputably presumed valid (*BPI Securities Corporation v. Guevara, G.R. No. 167052, 11 March 2015*). A foreign judgment, however, may be repelled upon limited grounds (see discussion in question number 11).

Foreign judgments for punitive or multiple damages may be enforced. In *Mijares v. Ranada*, (G.R. No. 139325, 12 April 2005), the Supreme Court reinstated a petition for enforcement of a US District Court's Final Judgment awarding both compensatory and exemplary damages in favor of a plaintiff class in the amount of One Billion Nine Hundred Sixty Four Million Five Thousand Eight Hundred Fifty Nine Dollars and Ninety Cents (\$1,964,005,859.90).

17. Can enforcement procedures be started in your jurisdiction if there is a pending appeal in the foreign jurisdiction?

The Rules of Court and caselaw require that a foreign judgment or order must be final. Hence, it is premature to seek recognition and enforcement in the Philippines of a foreign judgment or order that is subject of a pending appeal.

18. Can you appeal a decision recognising or enforcing a foreign judgment in your jurisdiction?

Yes. The decision of the Philippine court recognising or enforcing a foreign judgment is a domestic judgment that is subject to available appeal mechanisms:

A court judgment recognizing a foreign judgment that has not become final and executory may be challenged by the following:

Motion for New Trial

An aggrieved party may move the trial court to set aside the judgment and grant a new trial for the following causes materially affecting substantial rights:

1. Fraud, accident, mistake, or excusable negligence which impaired the rights of the aggrieved party; or
2. Newly discovered evidence that would probably alter the result (*Rules of Court, Rule 37, Sec. 1 (a)*).

Motion for Reconsideration

An aggrieved party may also move for reconsideration on the following grounds:

1. Damages awarded are excessive.
2. The evidence is insufficient to justify the domestic judgment; or
3. The domestic judgment is contrary to law (*Rules of Court, Rule 37, Sec. 1 (b)*).

Appeal

An appeal is a remedy obtained from a next level higher court seeking reversal or modification of a domestic judgment rendered by an inferior court. Only judgments that completely dispose of the case or a matter therein may be the subject of an appeal (*Rules of Court, Rule 41, Sec. 1*).

The judgment rendered by the Regional Trial Court enforcing and recognizing the foreign judgment may be appealed to the Court of Appeals by ordinary appeal. Additionally, an appeal by certiorari may be elevated to the Supreme Court only on questions of law (*Rules of Court, Rule 41, Sec 2*).

A court judgment recognizing a foreign judgment that has become final and executory may be challenged by the following:

Petition for Relief from Judgment, Orders, or other Proceedings

After a judgment becomes final and executory, an aggrieved party is allowed to file a petition in the same court and in the same case seeking to set aside the proceeding due to fraud, accident, mistake, or excusable negligence.

A petition for relief from judgment is an equitable remedy

that is allowed only in exceptional cases. The aggrieved party must file the petition within sixty days after learning the judgment, and not more than six months after such judgment was entered (*Mercury Drug Corporation v. CA*, G.R. No. 138571, 13 July 2000).

Annulment of judgment

Judgments rendered by the Regional Trial Courts may be annulled by the Court of Appeals when the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available through no fault of the aggrieved party (*Rules of Court, Rule 47, Sec. 1*). The grounds for an annulment of judgment are extrinsic fraud and lack of jurisdiction or denial of due process.

Challenging the writ of execution

While a final judgment is immutable and unalterable and, as such, execution follows as a matter of right, a recognized exception that would stay or stop execution is the happening of a *supervening event* that alters or modifies the situation of the parties under the decision as to render the execution inequitable, impossible, or unfair. A supervening event consists of facts transpiring and circumstances developing only after the finality of judgment. The interested party may seek the stay the writ of execution or move to modify or alter the judgment to harmonize it with justice and the supervening event (*Heirs of Maravilla v. Tupas*, G.R. No. 192132, 14 September 2016).

Additionally, a writ of execution must substantially conform to the judgment sought to be enforced. Courts may not go beyond the terms of the judgment and a writ of execution that expands the scope of the judgment sought to be executed is invalid (*Titan Dragon Properties Corporation v. Galenzoga*, G.R. No. 246088, 28 April 2021).

19. Can interest be claimed on the judgment sum in your jurisdiction? If so on what basis and at what rate?

Generally, yes and provided that the interest imposed by the foreign judgment or final order is fixed with certainty by the foreign court. The reason is that the Philippine court cannot delve into the merits of the foreign judgment and is incompetent to substitute its own judgment. Nonetheless, the Philippine court will apply public policy in determining whether the interest rate awarded is iniquitous and unconscionable. In one case, the Supreme Court awarded temperate damages instead in view of the

failure of the foreign court to "specify the rate of interest and the manner of its accrual, compounded by the iniquitous result of applying the supposed prevailing rate of post-judgment interest in California" (*Bankruptcy Estate of Mitich v. Mercantile Insurance Co., Inc.*, G.R. Nos. 238041 & 238502, 15 February 2022).

20. Do the courts of your jurisdiction require a foreign judgment to be converted into local currency for the purposes of enforcement?

Conversion is not required. Under Article 1249 of the Civil Code, "[t]he payment of debts in money shall be made in the currency stipulated, and if it is not possible to deliver such currency, then in the currency which is legal tender in the Philippines."

21. Can the costs of enforcement (e.g. court costs, as well as the parties' costs of instructing lawyers and other professionals) be recovered from the judgment debtor in your jurisdiction?

Only the award indicated in the foreign judgment or final order can be recovered upon enforcement in the Philippines.

Generally, judicial costs are allowed to the prevailing party as a matter of course unless the court, for special reasons, adjudges that either party will bear their respective cost or be divided equitably (*Rules of Court, Sec. 1, Rule 142*).

Meanwhile, attorney's fees and expenses of litigation cannot be recovered except when, among others, exemplary damages are awarded, the plaintiff was compelled to litigate with third persons or to incur expenses to protect interests due to act or omission of the defendant, when the defendant acted in gross and evident bad faith in refusing to satisfy a plainly valid, just, and demandable claim, and when the court deems it just and equitable (*Civil Code, Art. 2208*).

22. Are third parties allowed to fund enforcement action in your jurisdiction? If so, are there any restrictions on this and can third party funders be made liable for the costs incurred by the other side?

The rule in our jurisdiction is that the recognition and enforcement of a foreign judgment or final order must be pursued by a real party in interest, which the rules define

as the party who stands to be benefited or injured by the judgment in the suit or the party entitled to avail of the suit (*Rules of Court, Sec. 1, Rule 3*).

23. What do you think will be the most significant developments in the enforcement process in your jurisdiction in the next 5 years?

Except for the recognition of divorce proceedings obtained abroad, the Philippines' rules and caselaw on the recognition and enforcement of foreign judgments have remained relatively unchanged. Hence, unless the country enters into multilateral or bilateral treaties or revises the existing procedural rules, we do not anticipate major changes or developments to occur within the next five years.

24. Has your country ratified the Hague Choice of Courts Convention 2005, and if so when did it (or will it) come into force? If not, do you expect it to in the foreseeable future?

No, the Philippines has not ratified the Hague Choice of Courts Convention 2005. While the Philippines is a state party to six HCCH Conventions: (a) Intercountry Adoption (in 1996), (b) Civil Aspects of International Child Abduction (in 2016), (c) Apostille (in 2019), (d) Service (in 2020), (e) Child Support (in 2022), and (f) Evidence (in 2025), we are not yet aware of concrete steps to accede to the Choice of Courts Convention. Nonetheless, being party to some HCCH Conventions, acceding to the Hague Choice of Courts Convention 2005 may be possible.

25. Has your country ratified the Hague Judgments Convention 2019, and if so when did it (or will it) come into force? If not, do you expect it to in the foreseeable future?

No, the Philippines has not ratified the Hague Judgment Convention 2019. Similarly, we are not yet aware of any concrete steps to accede to it in the foreseeable future. Nonetheless, being party to some HCCH Conventions, acceding to the Hague Judgment Convention 2019 may be possible.

Contributors

Oliver L. Pantaleon
Senior Partner

olpantaleon@accralaw.com



Antonio Eduardo S. Nachura, Jr.
Partner

asnachurajr@accralaw.com



Charlemagne P. Chavez
Senior Associate

cpchavez@accralaw.com

