

# Reports of Cases

# JUDGMENT OF THE COURT (Second Chamber)

9 March 2017\*\*

(Reference for a preliminary ruling — Judicial cooperation in civil matters — Regulation (EC) No 805/2004 — European Enforcement Order for uncontested claims — Requirements for certification as a European Enforcement Order — Concept of 'court' — Notary who has issued a writ of execution based on an 'authentic document' — Authentic instrument)

In Case C-484/15,

REQUEST for a preliminary ruling under Article 267 TFEU from the Općinski sud u Novom Zagrebu — Stalna služba u Samoboru (Municipal Court of New Zagreb — Samobor Permanent Service, Croatia), made by decision of 7 September 2015, received at the Court on 11 September 2015, in the proceedings

### Ibrica Zulfikarpašić

ν

# Slaven Gajer,

### THE COURT (Second Chamber),

composed of M. Ilešič, President of the Chamber, A. Prechal, A. Rosas, C. Toader (Rapporteur) and E. Jarašiūnas, Judges,

Advocate General: Y. Bot,

Registrar: M. Aleksejev, Administrator,

having regard to the written procedure and further to the hearing on 14 July 2016,

after considering the observations submitted on behalf of:

- the Croatian Government, by A. Metelko-Zgombić, acting as Agent,
- the Spanish Government, by V. Ester Casas, acting as Agent,
- the European Commission, by C. Cattabriga, S. Ječmenica and M. Wilderspin, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 8 September 2016,

gives the following

<sup>\*</sup> Language of the case: Croatian.



### **Judgment**

- This request for a preliminary ruling concerns the interpretation of 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 (OJ 2004 L 143, p. 15).
- The request has been made in proceedings between Mr Ibrica Zulfikarpašić and Mr Slaven Gajer regarding an application for a European Enforcement Order certificate in respect of a writ of execution, adopted by a notary, in Croatia, based on an 'authentic document'.

# Legal context

EU law

- According to recitals 3, 5, 7, 10, 12 and 18 of Regulation No 805/2004:
  - '(3) The European Council meeting in Tampere on 15 and 16 October 1999 endorsed the principle of mutual recognition of judicial decisions as the cornerstone for the creation of a genuine judicial area.

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(5) The concept of "uncontested claims" should cover all situations in which a creditor, given the verified absence of any dispute by the debtor as to the nature or extent of a pecuniary claim, has obtained either a court decision against that debtor or an enforceable document that requires the debtor's express consent, be it a court settlement or an authentic instrument.

...

(7) This Regulation should apply to judgments, court settlements and authentic instruments on uncontested claims and to decisions delivered following challenges to judgments, court settlements and authentic instruments certified as European Enforcement Orders.

. . .

(10) Where a court in a Member State has given judgment on an uncontested claim in the absence of participation of the debtor in the proceedings, the abolition of any checks in the Member State of enforcement is inextricably linked to and dependent upon the existence of a sufficient guarantee of observance of the rights of the defence.

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(12) Minimum standards should be established for the proceedings leading to the judgment in order to ensure that the debtor is informed about the court action against him, the requirements for his active participation in the proceedings to contest the claim and the consequences of his non-participation in sufficient time and in such a way as to enable him to arrange for his defence.

. . .

- (18) Mutual trust in the administration of justice in the Member States justifies the assessment by the court of one Member State that all conditions for certification as a European Enforcement Order are fulfilled to enable a judgment to be enforced in all other Member States without judicial review of the proper application of the minimum procedural standards in the Member State where the judgment is to be enforced.'
- 4 Article 1of that regulation provides:

'The purpose of this Regulation is to create a European Enforcement Order for uncontested claims to permit, by laying down minimum standards, the free circulation of judgments, court settlements and authentic instruments throughout all Member States without any intermediate proceedings needing to be brought in the Member State of enforcement prior to recognition and enforcement.'

5 Article 3(1) of that regulation is worded as follows:

'This Regulation shall apply to judgments, court settlements and authentic instruments on uncontested claims.

A claim shall be regarded as uncontested if:

- (a) the debtor has expressly agreed to it by admission or by means of a settlement which has been approved by a court or concluded before a court in the course of proceedings; or
- (b) the debtor has never objected to it, in compliance with the relevant procedural requirements under the law of the Member State of origin, in the course of the court proceedings; or
- (c) the debtor has not appeared or been represented at a court hearing regarding that claim after having initially objected to the claim in the course of the court proceedings, provided that such conduct amounts to a tacit admission of the claim or of the facts alleged by the creditor under the law of the Member State of origin; or
- (d) the debtor has expressly agreed to it in an authentic instrument.'
- 6 Article 4 of that regulation provides:

'For the purposes of this Regulation, the following definitions shall apply:

- 1. "judgment": any judgment given by a court or tribunal of a Member State, whatever the judgment may be called, including a decree, order, decision or writ of execution, as well as the determination of costs or expenses by an officer of the court;
- 2. "claim": a claim for payment of a specific sum of money that has fallen due or for which the due date is indicated in the judgment, court settlement or authentic instrument;
- 3. "authentic instrument":
- (a) a document which has been formally drawn up or registered as an authentic instrument, and the authenticity of which:
  - (i) relates to the signature and the content of the instrument; and
  - (ii) has been established by a public authority or other authority empowered for that purpose by the Member State in which it originates;

or

(b) an arrangement relating to maintenance obligations concluded with administrative authorities or authenticated by them;

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- 6. "court of origin": the court or tribunal seised of the proceedings at the time of fulfilment of the conditions set out in Article 3(1)(a), (b) or (c);
- 7. in Sweden, in summary proceedings concerning orders to pay (betalningsföreläggande), the expression "court" includes the Swedish enforcement service (kronofogdemyndighet).'
- 7 Article 5 of Regulation No 805/2004, entitled 'Abolition of exequatur', provides
  - 'A judgment which has been certified as a European Enforcement Order in the Member State of origin shall be recognised and enforced in the other Member States without the need for a declaration of enforceability and without any possibility of opposing its recognition.'
- 8 Chapter III of that regulation, which contains Articles 12 to 19, sets out the minimum standards for uncontested claims procedures, in particular those relating to the service of the document instituting the proceedings or an equivalent document and to the provision of information to the debtor.
- 9 Article 12 of that regulation, entitled 'Scope of application of minimum standards', provides:
  - '1. A judgment on a claim that is uncontested within the meaning of Article 3(1)(b) or (c) can be certified as a European Enforcement Order only if the court proceedings in the Member State of origin met the procedural requirements as set out in this Chapter.
  - 2. The same requirements shall apply to the issuing of a European Enforcement Order certificate or a replacement certificate within the meaning of Article 6(3) for a decision following a challenge to a judgment where, at the time of that decision, the conditions of Article 3(1)(b) or (c) are fulfilled.'
- Article 16 of Regulation No 805/2004, entitled 'Provision to the debtor of due information about the claim', provides:

'In order to ensure that the debtor was provided with due information about the claim, the document instituting the proceedings or the equivalent document must have contained the following:

- (a) the names and the addresses of the parties;
- (b) the amount of the claim;
- (c) if interest on the claim is sought, the interest rate and the period for which interest is sought unless statutory interest is automatically added to the principal under the law of the Member State of origin;
- (d) a statement of the reason for the claim.'
- 11 Article 25(1) of that regulation, relating to the certification of authentic instruments, states:

'An authentic instrument concerning a claim within the meaning of Article 4(2) which is enforceable in one Member State shall, upon application to the authority designated by the Member State of origin, be certified as a European Enforcement Order, using the standard form in Annex III.'

- Article 30(1)(c) of that regulation provides that the Member States are obliged to notify the European Commission of 'the lists of the authorities referred to in Article 25 ... and any subsequent changes thereof.'
- Pursuant to that provision, the Republic of Croatia notified the following list:

'Courts having jurisdiction, administrative authorities, notaries and natural and legal persons associated with public authorities who are authorised to issue enforceable documents or enforceable titles in respect of uncontested claims under the applicable national legislation.'

### Croatian law

- Article 31 of the Ovršni zakon (Law on Enforcement, Narodne novine, br. 112/12, 25/13 and 93/14) provides:
  - '(1) Under this law, an authentic document means an invoice ... an extract from accounting records, a legalised private document or any document considered to be an official document under specific rules. The calculation of interest is also regarded as an invoice.
  - (2) An authentic document shall be enforceable if it includes reference to the identity of the creditor and of the debtor, as well as the subject matter, nature, scope and due date of the pecuniary obligation.
  - (3) In addition to the information referred to in paragraph 2 of this article, an invoice sent to a natural person who does not carry on a registered activity must inform the debtor that, in the event of non-performance of the pecuniary obligation that has fallen due, the creditor may apply for enforcement based on an authentic document.

. . . .

- 15 Article 278 of that law is worded as follows
  - 'Notaries shall decide on applications for enforcement based on authentic documents in accordance with the provisions of this law.'
- Article 281(1) of that law sets out the conditions under which notaries may adopt writs of execution based on an 'authentic document', while paragraphs 2 to 8 of that article relate to the procedure followed in the event that the notary does not adopt such a writ.
- Article 282 of that law provides for an appeal, by way of opposition, against a notary's writ of execution and establishes the procedure for examining such appeals.
- Article 283(1) of the Law on Enforcement provides that the notary is to append, at the applicant's request, the order for enforcement to an authenticated copy of the writ of execution that the notary has issued if, within eight days of expiry of the deadline for lodging an opposition, no opposition has been lodged.
- 19 Article 356 of that law states:

'The provisions of this chapter are governed by the procedure for the issue of a European Enforcement Order for uncontested claims in accordance with Regulation [805/2004] creating an enforcement procedure based on the European Enforcement Order.'

20 Article 357 of that law provides:

'In the Republic of Croatia, the following have the power to issue:

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— certificates enforcing other official documents which are enforceable in the Republic of Croatia under the provisions of Article 25(1) of Regulation [No 805/2004],

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'the courts, administrative authorities, notaries and natural and legal persons associated with public authorities who are authorised to issue enforceable copies of European Enforcement Orders handed down by a national court which relate to uncontested claims'.

- 21 Article 358 of that law provides:
  - '(1) The certificates referred to in Article 9(1), Article 24(1), Article 25(1) and Article 6(3) of the Regulation shall be issued without a prior hearing of the debtor.
  - (2) The authority or person who issued the certificate shall be required to automatically provide an authenticated copy to the debtor.

...

(4) if the notary finds that the conditions for the issuing of the certificates referred to in the first paragraph of this article are not fulfilled, he shall forward the application for certification, together with a copy of the relevant instruments or documents, to the municipal court of the place where the notary has his office in order to adopt a decision. The notary is obliged to explain why he considers that the necessary conditions for accepting the party's application are not fulfilled.'

# The dispute in the main proceedings and the question referred for a preliminary ruling

- Mr Zulfikarpašić, a lawyer, concluded an assistance and representation contract with Mr Gajer, his client, who failed to settle the invoice issued.
- Mr Zulfikarpašić brought an application for enforcement before a notary against Mr Gajer, on the basis of that invoice, which was classified as an 'authentic document' under the Law on Enforcement. On 12 February 2014, the notary issued a writ of execution based on that document which became definitive in the absence of any objection by the debtor.
- On 13 November 2014, Mr Zulfikarpašić applied to a notary for certification, as a European Enforcement Order, of that writ of execution.
- That notary nonetheless took the view that the conditions required for the issuing of the certificate applied for had not been met. The notary observed that, according to Article 3(1) of Regulation No 805/2004, the claim must be regarded as uncontested. Pursuant, first, to Article 3(1)(a) to (c) of that regulation, only claims which have been the subject of court proceedings and second, to Article 3(1)(d), only those claims expressly agreed to in an authentic instrument, a term which, for the purposes of the provisions of that regulation, should cover the document drawn up by a notary such as the writ of execution issued on the basis of an 'authentic document', would be regarded as uncontested. However, such a writ would not fulfil the condition of the debtor's express agreement to the claim.

- That notary also observed that, although it is specifically provided, in Article 4(7) of Regulation No 805/2004 that, in Sweden, in summary proceedings concerning orders to pay, the expression 'court' includes the Swedish enforcement service, neither that provision, the other provisions of that regulation nor those of other EU legal instruments relating to enforcement proceedings place notaries in Croatia on the same footing as a 'court'.
- Accordingly, pursuant to Article 358(4) of the Law on Enforcement, the same notary referred the case in the main proceedings to the Općinski sud u Novom Zagrebu Stalna služba u Samoboru (Municipal Court of New Zagreb Samobor Permanent Service, Croatia) for that court to rule on the application for certification submitted by Mr Zulfikarpašić.
- In those circumstances, the Općinski sud u Novom Zagrebu Stalna služba u Samoboru (Municipal Court of New Zagreb Samobor Permanent Service, Croatia) decided to stay the proceedings and to refer the following question to the Court of Justice for a preliminary ruling:

'[Do] the provisions of the Law on Enforcement, concerning the European Enforcement Order, comply with Regulation No 805/2004, that is to say, in Croatia in relation to the issue of a writ of execution based on an authentic document in enforcement proceedings, [does] the term 'court' include notaries, [can] notaries ... issue European Enforcement Orders in respect of definitive and enforceable writs of execution based on authentic documents when those writs have not been contested, and where the answer is in the negative, [can] the courts ... issue European Enforcement Orders in respect of writs of execution based on an authentic document prepared by a notary, when the content of those writs relates to uncontested claims, and in such a case what form should be used?'

# Consideration of the question referred

The question referred may be divided into three parts.

### First part of the question

- By the first part of its question, the referring court asks, in essence, whether Regulation No 805/2004 must be interpreted as meaning that, in Croatia, notaries, acting within the framework of the powers conferred on them by national law in enforcement proceedings based on an 'authentic document', fall within the concept of 'court' within the meaning of that regulation.
- The Croatian and Spanish Governments submit that an affirmative answer should be given to that question. The terms 'court' and 'court proceedings' used in that regulation cover not only courts in the strict sense, but also, in general, any authority where it exercises an essentially judicial function, which is the case here. For its part, the European Commission submits that the answer to that question should be in the negative.
- As a preliminary point, it should be recalled that, according to settled case-law of the Court of Justice, the need for a uniform application of EU law and the principle of equality require that the wording of a provision of EU law which does not expressly refer to the law of Member States in order for its meaning and scope to be determined must normally be given an independent and uniform interpretation throughout the European Union; that interpretation must take into account the context of the provision and the objective pursued by the relevant legislation (see judgment of 13 October 2016, *Mikołajczyk*, C-294/15, EU:C:2016:772, paragraph 44 and the case-law cited).
- As regards the scheme of Regulation No 805/2004, it should be observed that, although that regulation makes several references to the concepts of 'court' and 'court proceedings', it does not specify the constituent elements thereof. Thus, Article 4(6) of that regulation defines the concept of 'court of

origin' as 'the court or tribunal seised of the proceedings at the time of fulfilment of the conditions set out in Article 3(1)(a), (b) or (c)'. Article 4(1) of that regulation defines the concept of 'judgment' as 'any judgment given by a court or tribunal of a Member State'.

- Article 4(7) of that regulation provides that, in Sweden, in summary proceedings concerning orders to pay (betalningsföreläggande), the expression 'court' includes the Swedish enforcement service (kronofogdemyndighet). Since that article relates specifically to the authority that it mentions, notaries, in Croatia, do not fall within that article.
- It should also be noted that, unlike, for example, Regulation (EU) No 650/2012 of the European Parliament and of the Council of 4 July 2012 on jurisdiction, applicable law, recognition and enforcement of decisions and acceptance and enforcement of authentic instruments in matters of succession and on the creation of a European Certificate of Succession (OJ 2012 L 201, p. 107), whose Article 3(2) specifies that the term 'court', for the purposes of that regulation, encompasses not only the judicial authorities, but also any authority competent in that area which exercises judicial functions and which satisfies certain conditions listed in that provision, Regulation No 805/2004 does not include any general provision having such an effect.
- That finding is supported by the case-law relating 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 (OJ 2012 L 351, p. 1), according to which Article 3 of that regulation, which provides that the term 'court' encompasses the Swedish Enforcement Authority and notaries in Hungary, does not include notaries in Croatia (see, to that effect, the judgment delivered today, *Pula Parking*, C-551/15, paragraph 46).
- It is therefore necessary, as was noted in paragraph 32 of this judgment, to examine the concepts of 'court' and 'court proceedings' in the light of the objectives pursued by Regulation No 805/2004, the interpretation of which is requested by the referring court in the present case.
- In that regard, it should be observed that it is apparent from the wording of Article 1 of that regulation that that regulation seeks to ensure, for uncontested claims, the free circulation of judgments throughout all Member States without any intermediate proceedings needing to be brought in the Member State of enforcement prior to recognition and enforcement.
- According to recital 10 of that regulation, that objective cannot, however, be attained by undermining in any way the rights of the defence (see, by analogy, judgment of 14 December 2006, *ASML*, C-283/05, EU:C:2006:787, paragraph 24 and the case-law cited).
- Moreover, it is apparent from recital 3 of Regulation No 805/2004 that the principle of mutual recognition of judicial decisions constitutes the cornerstone for the creation of a genuine judicial area. That principle is based in particular on mutual trust in the administration of justice in the Member States to which recital 18 of that regulation refers.
- The principle of mutual trust between the Member States is, in EU law, of fundamental importance given that it allows an area without internal borders to be created and maintained, founded on the high level of confidence which should exist between the Member States (judgment of 5 April 2016, *Aranyosi and Căldăraru*, C-404/15 and C-659/15 PPU, EU:C:2016:198, paragraph 78).
- That principle results, under Article 5 of Regulation No 805/2004, in the recognition and enforcement of judgments which have been certified as European Enforcement Orders in the Member State of origin, in the other Member States.

- The preservation of the principle of legitimate expectations, in a context of the free circulation of judgments as noted in paragraphs 38 and 39 of this judgment, requires a strict assessment of the defining elements of the concept of 'court', for the purposes of that regulation, in order to enable the national authorities to identify judgments delivered by other Member States' courts. Compliance with the principle of mutual trust in the administration of justice in the Member States of the European Union which underlies that regulation requires, in particular, that judgments the enforcement of which is sought in a Member State other than that of the Member State of origin have been delivered in court proceedings offering guarantees of independence and impartiality and of compliance with the principle of *audi alteram partem*.
- In the present case, it should be noted that, pursuant to the provisions of the Law on Enforcement, in Croatia, notaries have the power to give decisions by writ on applications for enforcement based on authentic documents. Once the writ has been served on the defendant, the latter may lodge objections. A notary before whom an admissible, well-founded opposition to a writ issued by that notary is raised in timely fashion is to transfer the file to the court with jurisdiction and the court must take a decision on the opposition.
- It follows from those provisions that the writ of execution based on an 'authentic document', issued by the notary, is served on the debtor only after the writ has been adopted, without the application by which the matter is raised with the notary having been communicated to the debtor.
- Although it is true that debtors have the opportunity to lodge objections against writs of execution issued by notaries and it appears that notaries exercise the responsibilities conferred on them in the context of enforcement proceedings based on an 'authentic document' subject to review by the courts, to which notaries must refer possible challenges, the fact remains that the examination, by notaries, in Croatia, of an application for a writ of execution on such a basis is not conducted on an *inter partes* basis
- 47 According to Article 12 of Regulation No 805/2004, a judgment on a claim that is uncontested within the meaning of Article 3(1)(b) or (c) of that regulation can be certified as a European Enforcement Order only if the court proceedings in the Member State of origin have met the minimum standards referred to in Chapter III of that regulation.
- Article 16 of that regulation, read in the light of recital 12 thereof, provides for the communication of 'due' information to the debtor in order to enable him to arrange for his defence and thus ensure the *inter partes* nature of the proceedings leading to the issuing of the enforcement order capable of giving rise to a certificate. Those minimum standards reflect the EU legislature's intention to ensure that proceedings leading to the adoption of judgments on uncontested claims offer adequate guarantees of respect for the rights of the defence (see, to that effect, judgment of 16 June 2016, *Pebros Servizi*, C-511/14, EU:C:2016:448, paragraph 44).
- A national procedure whereby a writ of execution is adopted without service of the document instituting the proceedings or the equivalent document, and whereby information is provided, in that document, to the debtor about the claim, having the effect that a debtor is aware of the claim only when that writ is served on him, cannot be classified as *inter partes*.
- In the light of the foregoing considerations, the answer to the first part of the question is that Regulation No 805/2004 must be interpreted as meaning that, in Croatia, notaries, acting within the framework of the powers conferred on them by national law in enforcement proceedings based on an 'authentic document', do not fall within the concept of 'court' within the meaning of that regulation.

### The second and third parts of the question

- By the second and third parts of the question, which it is appropriate to examine together, the referring court asks, in essence, first, whether Regulation No 805/2004 must be interpreted as meaning that a writ of execution prepared by a notary, in Croatia, based on an 'authentic document' and which has not been contested may be certified as a European Enforcement Order and, second, whether that regulation must be interpreted as meaning that the power to issue such a certificate lies with notaries or as meaning that that power lies with the national courts.
- Article 3 of that regulation, headed 'Enforcement titles to be certified as a European Enforcement Order', lays down the conditions under which a claim is to be regarded as uncontested by distinguishing between the situations referred to in paragraph 1(a) to (c) of that article, which relates to claims established in the context of court proceedings, and those referred to in paragraph 1(d) of that article, which relates to claims expressly agreed to by the debtor in an authentic instrument.
- While it is apparent from the answer to the first part of the question that the writ of execution adopted by a notary, in Croatia, based on an 'authentic document' cannot be classified as a court decision, on the ground that that national authority does not have the status of court and that, therefore, it cannot be considered that that writ is issued in the context of court proceedings, it must still be examined whether such a writ may be classified as an authentic instrument relating to an uncontested claim for the purposes of Article 3(1)(d) of Regulation No 805/2004.
- In that regard, Article 4(3) of that regulation defines an authentic instrument either as a document which has been formally drawn up or registered as an authentic instrument, and the authenticity of which, relating to the signature and the content, has been established by any authority empowered for that purpose, or as an arrangement relating to maintenance obligations concluded with administrative authorities or authenticated by them.
- It must be stated that, although, in the Croatian legal order, notaries are empowered to draw up authentic instruments, the uncontested nature of the claim established by a writ of execution adopted on the basis of an 'authentic document' is lacking.
- In accordance with recital 5 of Regulation No 805/2004, Article 3(1)(d) of that regulation provides that an authentic instrument may be certified as a European Enforcement Order only to the extent that, in that instrument, the debtor has expressly agreed to the claim.
- In the main proceedings, the notary issued a writ of execution based on an 'authentic document', namely the invoice issued by Mr Zulfikarpašić in respect of an assistance and representation contract, an invoice which was unilaterally drawn up by the lawyer. It is not apparent from the content of that writ that the debtor expressly agreed to the claim.
- Moreover, the absence of any objection by the debtor cannot be placed on the same footing as express agreement to the claim, for the purposes of Article 3(1)(d) of Regulation No 805/2004 since that agreement must appear in the authentic instrument which is the subject of the certification.
- In the light of the foregoing considerations, the answer to the second and third parts of the question is that Regulation No 805/2004 must be interpreted as meaning that a writ of execution adopted by a notary, in Croatia, based on an 'authentic document', and which has not been contested may not be certified as a European Enforcement Order since it does not relate to an uncontested claim within the meaning of Article 3(1) of that regulation.

### **Costs**

Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the referring court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Second Chamber) hereby rules:

- 1. 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 must be interpreted as meaning that, in Croatia, notaries, acting within the framework of the powers conferred on them by national law in enforcement proceedings based on an 'authentic document', do not fall within the concept of 'court' within the meaning of that regulation.
- 2. Regulation No 805/2004 must be interpreted as meaning that a writ of execution adopted by a notary, in Croatia, based on an 'authentic document', and which has not been contested may not be certified as a European Enforcement Order since it does not relate to an uncontested claim within the meaning of Article 3(1) of that regulation.

[Signatures]