

SPECIAL PROVISIONAL PROCEDURAL RULES FOLLOWING THE END OF THE STATE OF EMERGENCY

The state of emergency has ended in Hungary on the 18th of June, 2020. To prepare to the return to the general procedural rules from the special rules applicable under the state of emergency, Act LVIII of 2020 on transitional rules in connection to the cessation of the state of emergency and on the epidemic preparedness ("Provisional Act") was introduced and entered into force on the 18th of June, 2020.

The Provisional Act maintains the former transitional rules of civil and administrative procedural law, which we described in our previous newsletter dated on the 28st of May, 2020, with some amendments detailed below.

CIVIL PROCEEDINGS

From the 1st of June, the service by the administrative departments of the courts to receive inquiries and clients in person is available again.

In case of appeal proceedings or in judicial review procedures before the Kúria (Supreme Court) which commenced before the 1st of June, there are three ways to proceed according to the Provisional Act:

- If the court notified the parties about proceeding without holding a hearing between the 31st of March and the 1st of June in the appeal proceedings or in the judicial review procedures, then it shall proceed without holding a hearing.
- In case a hearing has already been scheduled in an appeal or judicial review procedure initiated before the state of emergency, and the court notified the parties about further proceeding without holding a hearing due to the state of emergency, but the parties exercised their right to request a hearing to be held via electronic device, then the court will schedule a hearing.
- In all other cases, either party may request a hearing within 15 days of the end of the state of emergency (from the 18th of June). In the absence of such a request, the court shall proceed without holding a hearing.

OUT-OF-COURT PROCEEDINGS (company registry, enforcement)

The provisions of the Provisional Act concerning litigation also apply to out-of-court civil proceedings within the competence of the court, with the exceptions arising from the non-litigious nature of the proceedings, unless the Provisional Act provides otherwise with respect to the given procedure. Special provisional rules were introduced for the procedure of

company registration and for the enforcement proceedings.

In the case of company proceedings which have been suspended under the legal arrangements applicable in the state of emergency, the suspension shall remain in force until the 31st of October, 2020, without a separate order.

Until the 31st of October 2020, the court of registration may not declare the company terminated in the judicial oversight proceedings. If the state tax and customs authority initiates proceedings to declare the company terminated due to the final cancellation of the company's tax number, the court of registration shall suspend the proceedings for ex officio declaration of the termination of the company until the 31st of October, 2020 without issuing a separate order.

In involuntary de-registration proceedings suspended due to the state of emergency, if the company demonstrates to the court of registration that it has restored its legal status and its lawful operations, thus eliminating the breach of law which gave a reason to the involuntary de-registration proceeding,, the court of registration ends the proceeding.

If the company did not conclude its dissolution within three years, and did not submit a request for the company's de-registration, but such a request is submitted by the 31st of October, 2020, the opening of an involuntary de-registration procedure cannot be ordered.

These rules do not apply to involuntary de-registration procedure initiated due to a cause of termination of a company without legal succession, and to involuntary de-registration procedures initiated after the entry into force of the Provisional Act.

According to Governmental Decree no. 57/2020. (III. 23.) in the course of the state of emergency the enforcement procedures had been put on hold until the 15th day following the end of the state of emergency. With the end of the state of emergency, this decree is not in force anymore, but the Provisional Act maintained this rule and provides that from the 1st of July, various enforcement procedures can be initiated and conducted as well as enforcement measures that have not been carried out due to the state of emergency, and the deadlines applicable for the procedures will start again from the 2nd of July.

The bailiff shall inform the debtor about the option and conditions of paying in instalments at the time of delivery of the enforcement order until the 1st of July. If the debtor notifies the bailiff that he or she intends to pay in instalments, the bailiff is entitled to allow payment in instalments without the prior authorization of the creditor.

During the enforcement procedure, the person, who was unable to fulfil its obligations prescribed by the law due to special epidemiological measures during the state of emergency shall not be fined for contempt of court. As an exception, at the request of the debtor, the court of origin for authorizing enforcement may also suspend the enforcement procedure, if changes that took place in the circumstances of the debtor in connection with the epidemiological measures, which shall be considered as a justifiable cause.

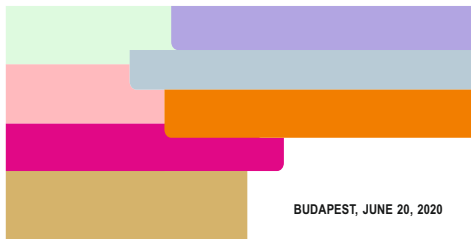
A procedural act or measure may not be taken during the enforcement procedure if it should be carried out in a place that is subject to a specific epidemiological measure. The act or measure may be conducted after the termination of the said epidemiological measure and the relevant deadline shall resume on the day following the termination of such epidemiological measure.

NOTARIAL PROCEDURES (payment order, succession proceeding)

In notarial proceedings, the legislator did not adopt transitional rules, except for the regulation of the legal consequences of omission: during notarial proceedings, if the notary did not postpone the procedural acts required to be performed during the time of the state of emergency and which required in-person presence – with the exception of preparation of a notarial deed, notarial deposit, registration in the credit guarantee system (its modification, cancellation) and the making of a statement of identity in connection with it - the legal consequences of the omission shall not apply in case of missing such procedural acts.

The deadline for the delivery of a payment order by a bailiff starts to run again on the first day after the termination of the state of emergency

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