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## HUNGARY: CHANGES IN RULES OF CIVIL PROCEDURE DURING COVID-19 CRISIS

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[https://www.wolftheiss.com/covid\\_19/](https://www.wolftheiss.com/covid_19/)

Due to the COVID-19 crisis, the Hungarian government has declared a state of emergency as of 11 March 2020 by Government Decree 40/2020 (III.11.). As a result of the state of emergency, several economic measures have been introduced which are to be applied until the lifting of the state of emergency.

The Hungarian government introduced specific procedural rules by adopting Government Decree 74/2020 (III.31.) which impact civil court procedures ("Government Decree"). The Government Decree is effective as of 31 March 2020 and the specific provisions must also be applied in pending procedures. The Hungarian government introduced new provisions in enforcement procedures by adopting Government Decree 57/2020 (III.23.), effective as of 24 March 2020. The following new provisions are worth highlighting.

### SUMMARY OF THE CHANGES

#### CIVIL PROCEDURE

- During the state of emergency, specific provisions shall apply to civil procedure governed by the Original Act No. III. of 1952 on Civil Procedure ("Original Civil Procedure Act") and the new Act No. CXXX. of 2016 on Civil Procedure ("Civil Procedure Act").
- Deadlines running: Unless otherwise provided for in the Government Decree, the deadlines applicable in civil procedure are not impacted by the state of emergency.
- No preparatory hearings: In civil procedure falling within the scope of the Civil Procedure Act, in the first phase of the procedure, the preparation of the case before the court shall be carried out without a preparatory hearing. The court may request

the parties to submit additional statements in writing if it is necessary. If a personal interview of a party or legal representative is required, their statement shall be obtained in writing or by means of an electronic device for identification and, as necessary, shall be recorded in a report. The court shall not hold a preparatory hearing at the request of the parties. Before closing the process for the preparation of the case, the court shall notify the parties in writing and provide for the opportunity to submit additional statements in writing. The court shall notify the parties in writing upon closing the process for the preparation of the case.

- E-hearings: Hearings in procedures under the Original Civil Procedure Act, and hearings on the merits in procedures under the Civil Procedure Act shall, as far as possible, be held via an electronic communications network or using other electronic devices for the transmission of image and sound. If these conditions are not met, instead of holding the hearing, the statements shall be obtained by the court in writing or by means of an electronic device for identification and, as necessary, shall be recorded in a report.
- Inevitable personal involvement: In case personal involvement is required for carrying out a procedural step, which cannot be done in the above-mentioned ways (i.e. in writing or by electronic means), the court shall proceed with the procedural steps that can be carried out outside of the hearing and in the above-mentioned ways (i.e. in writing or by electronic means). If these procedural steps have been carried out by the court or there are no such procedural steps, the period - starting from this date until the removal of the obstacle to the procedural action that cannot be done in the above-mentioned ways or the lifting of the state of emergency - shall not be included in the deadlines.
- Stay of procedure: A stay of procedure can be applied upon the joint request of the parties in unlimited number of cases.
- Interim measures: If the court orders interim measures upon request before initiating the procedure, the deadline for bringing action shall start on the day following the lifting of the state of emergency. In terms of the assessment of interim measures, the parties can only file written submissions with the court.
- E-interview: If a personal interview is required in the procedure, the statement shall be obtained in writing or by means of an electronic device for identification and, as necessary, shall be recorded in a report.
- Location constraints: During the state of emergency, no procedural step shall be carried out if it should be carried out in a place which is subject to emergency measures, except for a procedural step in relation to measures restricting personal freedom. The procedural steps can be carried out after the lifting of the state of emergency. The deadline for procedural steps shall start again on the day following the lifting of the state of emergency.
- Single judge: The first instance court shall consist of a single judge even in case of different provisions of law.

- Filing in writing: During the state of emergency, a party without legal representation shall file the statement of claim, the counterclaim, the statement of defence, and the submission containing setoff with the court in writing only. If the statement of claim, which is filed by a party without legal representation, does not contain the mandatory elements the court shall indicate all deficiencies in the statement of claim and provide comprehensive information in order for it to be remedied. In the event of non-compliance, the statement of claim will be rejected.
- No submissions in person: During the state of emergency, submissions cannot be filed in person at the court's office. Submissions can be placed in a secure locker at the entrance of the court.
- Delivery by public notice: If a document is to be delivered by way of public notice during the state of emergency, the procedure shall be interrupted until the reasons for delivery by way of public notice have ceased to exist or the lifting of the state of emergency.
- Decision outside of hearings: After the hearing in the procedure, which was held before the state of emergency, when no further procedural steps are required during the state of emergency or the procedural steps have been carried out under the provisions of Government Decree, the court shall notify the parties about the close of the hearing in writing and provide for the opportunity to submit additional statements in writing. The court shall render its judgment outside the hearing. The court may approve the settlement between the parties outside of the hearing by way of an order after the parties have been requested to submit their statements. An appeal filed against the court's order approving the settlement in the procedure shall have suspensive effect on the enforcement of the settlement.
- Main rule: no hearing in appeal and Supreme Court procedures: The parties cannot request a hearing to be held in appeal procedures and judicial review procedures. If a hearing has been scheduled previously upon the request of the parties, the court may adjudicate in the case outside the hearing. The court shall notify the parties accordingly. After this notice and upon the joint request of the parties filed within 15 days, the court shall arrange for the holding of a hearing via an electronic communications network or by way of another electronic device for the transmission of image and sound.

## PAYMENT ORDER PROCEDURES

- No oral submissions can be filed with a public notary until the day following the lifting of the state of emergency.
- The delivery of payment orders directly by the bailiff cannot take place until the lifting of the state of emergency. The deadline for delivery shall start again on the day following the lifting of the state of emergency.

## ENFORCEMENT PROCEDURES

- In enforcement procedures, upon request of the debtor, the court may exceptionally suspend enforcement in the event that the debtor is in a situation due to the emergency measures that is deemed an equitable circumstance by the court.
- Upon request of the debtor, the bailiff may allow payment in instalments without the prior consent of the party seeking enforcement.
- The bailiff cannot: (i) arrange for the sale by auction of real properties of private individuals; (ii) conduct on-site procedures and on-site evacuation procedures for real properties; (iii) arrange for traditional auctions; (iv) conduct on-site enforcement actions and specified enforcement actions.
- The deadlines for the above-mentioned enforcement actions will start again on the 15th day following the lifting of the state of emergency.
- In the course of enforcement procedures, the delivery of documents directly by the bailiff cannot take place, the documents will only be delivered by post or by electronic means.
- Enforcement procedures regarding taxes, initiated by the Hungarian tax authority, will be suspended until the 15th day following the lifting of the state of emergency.

## INSOLVENCY PROCEEDINGS

- In insolvency proceedings, no specific provisions have been introduced by the Hungarian government yet. The deadlines applicable in insolvency proceedings are not impacted by the state of emergency.

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