
COVID-19 MEASURES – HUNGARY

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1. GENERAL INFO

The coronavirus or covid-19 is certainly one of the biggest challenges facing mankind nowadays. Recently, the legislation has been accelerated to address the effects of the coronavirus.

The Hungarian Government declared a state of emergency on March 11, 2020. Since then, Parliament adopted a law that allows the Government to take the necessary extraordinary measures with regard to the coronavirus through decrees. The aim is to limit the impact of current economic downturn. There is significant uncertainty among people and economic operators about current legislative measures.

2. LABOUR AND EMPLOYMENT

According to Government Decree 47/2020 employers may unilaterally order a remote work and home office. With using the forms of atypical employment physical contact can be minimized. Employers may depart from the rules for amending the communicated work schedule. This means that within 96 hours in advance before the start of the scheduled daily working time employers can modify the communicated work schedule. Employers are entitled to take the necessary and reasonable measures to monitor the employee's health. Employers and employees may deviate from the Labor Code by accepting mutual agreements. By Government Decree 104/2020, this possibility of derogation does not refer to the rule of the daily working time and rest period.

Steps have been taken to protect workplaces and slow down the rise in unemployment. According to Government Decree 103/2020, employers who are employing researchers and developers may request subsidy for maximum 3 months. The amount of the subsidy depends on the amount of the gross income but may not exceed HUF 318 920. By Government Decree 105/2020, reduced working time subsidy may offer a solution for the preservation of jobs. In this case, an agreement on reduced working time – at least 4 hours part time employment is necessary - between employers and employees is required. The subsidy can be requested for a 3 months period from the respective government agency.

3. BANKING AND FINANCE

By Government Decree 47/2020 payment moratorium has been imposed until 31st December, which means that capital, interest and fee payment obligation arising from loan, credit and leasing agreements have been suspended. Moratorium does not affect the right of the debtors to perform their contractual obligations. With the time of the moratorium, the payment deadline will be extended. Series of clarifications have been made by Government decree 62/2020. The capital may not be increased with the unpaid interest during the moratorium or after the moratorium. The conditions of the moratorium also apply to employer loans and guarantees. The annual percentage rate of consumer credit arrangements not secured by mortgages is limited by Government Decree 47/2020.

4. TAX LAW

Changes in tax law are an integral part of the economic protection plan. Accordingly, Government Decree 108/2020 imposes an extraordinary tax on financial institutions for the tax year of 2020. By Government Decree 109/2020 progressive extraordinary tax is imposed on contestants of retail sector, which affects both domestic and foreign businesses.

According to Government Decree 47/2020, service provider economy entities in the sector of tourism, restaurant and catering, entertainment, gambling, film industry, performing art, party-service and sport industry do not have to pay public charges after their employees from March to June. This exemption does not apply to the payment of health care contributions. Government Decree 61/2020 goes into details about the applicable rules of public charges during the time of the state of emergency.

5. CORPORATE LAW

According to the instructions of limited stay at home order, people are not allowed to leave their homes in the purpose of exercising their membership rights, which may restrain the legitimate operation. This problem is solved by the solution of Government decree 102/2020. It entitles decision-making bodies of legal entities to make decisions without personal presence, so meetings can be hold electronically, or decisions can be taken through written communications. The decree lays down different limits for the quorum of the decision-making bodies than in the Civil Code in order to facilitate decision-making. The decree provides extended competence to the management with certain exceptions.

6. DATA PROTECTION

By Government Decree 93/2020, the coronavirus Operational Body may request information from any organization or entities in order to prevent the spread of the virus and to discover and prevent the pandemic. In this content, the Operational Body may learn personal data.