

Act LXXVIII of 2017

on Legal Practice¹

PART ONE

BASIC PROVISIONS

CHAPTER I

GENERAL REGULATIONS

1. General principles

Section 1

(1) The attorney's profession is the activity -based on expertise in the law and applied in a lawful manner, independent of public authorities - aimed at helping their clients to assert their rights and lawful interests, fulfil their obligations, concluding legal disputes between adverse parties - possibly - by consensus, which activity includes assistance in the administration of justice.

(2) Legal practice is based on trust between the client and the legal practitioner, which shall be respected by everybody.

(3) Legal practitioners shall practice the legal profession conscientiously, to the best of their ability and in compliance with the law.

(4) Legal practitioners shall develop their expertise by self-training and further compulsory training.

(5) Legal practice may not be aimed at evading legal regulations, or for purposes that conflict with legal regulations or participation in such legal transactions.

(6) Everyone has the right to be represented by the attorney of his or her choosing.

2. Legal practice

Section 2

(1) Legal practice includes:

- a)* providing legal representation,
- b)* providing a defence in criminal cases,
- c)* providing legal counsel,
- d)* preparing documents,
- e)* countersigning documents,

*f)*2 in connection with the legal practice set out in paragraphs *a)-e)*, to convert the prepared documents and their appendices into electronic copy or electronic document format (hereinafter collectively referred to as converting into electronic document format),

g) in connection with the legal practice set out in paragraphs *a)-f)*, to hold items deposited.

(2) The following shall not be deemed as legal practice:

¹ Promulgated on 21 June 2017.

² Amended by Paragraph a) of Section 79 of Act LI of 2021.

a)1 within the frameworks of employment relation, government service, public service, tax and customs authority service, health service, public servant, law enforcement administration employee's, national defence employee's, law enforcement, professional and contracted military service, judicial employee's or public prosecutor's office employee's service legal relation, ecclesiastical service relation and voluntary legal relation pursuant to the act on voluntary activity for public purposes existing with a non-natural person subject-at-law, providing legal counsel and preparing documents for²

aa) the employer, in the case of ecclesiastical service relation the ecclesiastical legal person or in the case of voluntary legal relation the host organisation, (for the purposes of this Section, hereinafter collectively referred to as 'employer'),

ab) the employer's affiliated company determined in the act on corporate tax and dividend tax (hereinafter referred to as 'affiliated company') or

ac) the body maintaining control or maintenance relation with the employer;

or

b) carrying out legal representation activity, providing legal counsel and preparing documents on the basis of the authorisation of the law by any person other than the persons listed in Section 4 Subsection (1).

(3) Fulfilling statutory representation and organisation's representation shall not be deemed as legal practise as set out in Subsection (1) paragraph a).

Section 3

(1) Within the frameworks of legal practice, with a supplementary character it is possible to practice:

a) patent attorney's activity,

b) tax consultancy,

c) social security consultancy,

d) insurance consultancy,

e) labour consultancy,

f) representation outside the court, authority and other public authority proceedings,

g) financial and other business consultancy,

h) responsible accredited public procurement consultant's activity,

i) fiduciary asset management activity,

j) real estate agency,

k) condominium owners' representative's activity,

l) converting paper format documents which were not made by a legal practitioner into electronic document format, and

m) mediator's activity carried out in mediation proceedings and criminal cases.

(2) The activities determined in Subsection (1) may be pursued by a legal practitioner in accordance with the provisions set out in legal regulations applying to such activity.

(3) The supplementary activities determined in Subsection (1) paragraphs i)-k) and the legal practice as set out in Section 2 may not be carried out for the same client at the same time, except when the agent is a law firm, the assignment is performed by the various members of the law firm, and the client expressly consents to this in writing.

3. Persons entitled to pursue legal practice

Section 4

(1) Legal practice may be pursued regularly and in return for consideration by

a) attorneys,

b) European Community jurists,

c) foreign legal counsels,

d) bar association legal counsel,

e) employed attorneys,

f) employed European Community jurists,

g) articled clerks and

h) legal clerks registered by the bar association (hereinafter referred to as 'legal clerk').

(2) Legal practice may be pursued within the frameworks specified in this Act.

(3) In the absence of any provisions of this Act to the contrary, the rules applying to legal practitioners shall be applied to law firms.

(4) Natural persons may pursue legal practice simultaneously only in a single bar association form stipulated in Subsection (1).

1 Amended by Paragraph a) of Section 58 of Act CXV of 2018. Amended by Paragraph a) of Section 93 of Act CXVII of 2019, Paragraph a) of Section 60 of Act CLII of 2020.

2 Amended by Paragraph a) of Section 121 of Act CXXII of 2021.

Section 5

(1) Legal practice may be pursued by persons entitled to do so in accordance with this Act in the entire territory of Hungary.

(2) If legal practice is pursued by a person entitled to do so in accordance with this Act outside the territory of Hungary, this Act and the bar association regulations shall be applied to such activity.

(3) An attorney may freely join a foreign law firm as a co-owner.

PART TWO

GENERAL RULES OF LEGAL PRACTICE

CHAPTER II

GENERAL CONDITIONS OF PURSUING LEGAL PRACTICE

4. The attorney's independence

Section 6

Attorneys, European Community jurists and foreign legal counsels shall act freely and independently in their matters and may not assume any obligation that endangers their professional independence.

5. The attorney's oath

Section 7

(1) Attorneys, bar association legal counsel and employed attorneys shall take an oath, articulated clerks and legal clerks shall take a vow within two months from being admitted to or registered in the bar before the president of the regional bar association (hereinafter referred to as 'regional bar association').

(2) Taking the attorney's oath and the vow shall be a prerequisite for commencing legal practice.

(3) The text of the oath is as follows: „I (name of the oath-taker) do solemnly swear to be loyal to Hungary and its Fundamental Law, comply with its legal regulations. During practising the legal profession I shall perform my professional obligations conscientiously and to the best of my ability, acting in the interest of my client/employer and in the course of doing so safeguard all secrets of which I gain knowledge. (According to the belief of the oath-taker) So help me God.”

(4) The text of the oath shall be determined by the bar association regulations.

(5) The regional bar association shall prepare a document concerning the oath- and vow-taking, which shall include the text of the oath and the vow, (hereinafter collectively referred to as 'oath'), the date on which it is taken and the date on which legal practice commences. The regional bar association shall retain the copy of the document concerning the oath.

(6) If there is anything that obstructs the person obliged to take the oath in taking the oath, the deadline specified in Subsection (1) shall be calculated after the removal of such obstacle.

6. Use of name

Section 8

(1) Natural persons practicing the legal profession shall use their own given name and surname, or name at birth, as well as their doctoral title with reference to their capacity stipulated in Section 4 - European Community jurists and employed European Community jurists with reference to their capacity determined in the ministerial decree on the professional designations of European Community jurists.

(2) Legal practice may be pursued under a name entered in the register of attorneys which must not be confused with the name of somebody else formerly entered in the register of attorneys.

(3) Subsection (2) does not have to be applied to bar association legal counsel and legal clerks.

(4) In the case of cooperation between an attorney or law firm registered in Hungary and a foreign legal counsel or foreign law firm, beside the name of the attorney registered in Hungary and in the name of a law firm registered in Hungary it is possible to state the name of the foreign legal counsel or foreign law firm and reference to the cooperation.

(5) Detailed rules applying to the use of name by legal practitioners are stipulated by the bar association regulations.

7. Confidentiality

Section 9

(1) Attorney-client privileged information shall be any and all facts, information and data about which the legal practitioner gains knowledge during the course of carrying out their professional duties.

(2) In the absence of any provisions stipulated under this Act to the contrary, legal practitioners are obliged to keep confidentiality of attorney-client privileged information. This confidentiality obligation extends to documents and other data carriers containing such attorney-client privileged information.

(3) Legal practitioners are obliged to refuse performance of testifying and providing data on attorney-client privileged information in any authority or court proceedings, except when they have been exempted from their confidentiality obligation by the person entitled to waive the attorney-client privileged information, providing that - with the exception stipulated in Section 12 Subsection (4) - it is not allowed to grant exemption validly from making a testimony and providing data on attorney-client privileged information learned of as a defence counsel.

(4) The legal practitioner's confidentiality shall be independent of the existence of a legal relation established for practicing the legal profession and shall survive regardless of the termination of legal practice or the termination of the legal relation.

Section 10

(1) In the absence of any provisions of law to the contrary, the legal practitioner shall not be bound by confidentiality obligation towards the client where they learned of the attorney-client privileged information within the frameworks of the legal practice carried out for the benefit of such client. If the subject of the attorney-client privileged information is information received from another person practising legal profession, the legal practitioner may not disclose it to his own client concerned in the case if the person disclosing the information has expressly prohibited that. Bar association legal counsel and legal clerks are not bound by confidentiality obligation towards their employer either where they learned of the attorney-client privileged information within the frameworks of their employment relation existing with them, or towards the persons specified by this employer or their client.

(2) The confidentiality obligation of a law firm shall extend to the members of the law firm too; however, members shall not be bound by confidentiality obligation towards each other. If law limits the activities that may be carried out jointly for the same client or for clients who are adverse parties, but in the case of assignment given to the law firm it allows that assignments are fulfilled by various members of the law firm, these members shall also be obliged to confidentiality obligation towards each other, and it shall be ensured that the same employee or agent of the law firm may take part in fulfilling the duty only in connection with one of the cases concerned.

(3) Legal practitioners are not bound by confidentiality obligation towards their employees.

(4) Legal practitioners are not bound by confidentiality obligation towards their substitute attorney and - to the extent necessary for providing the service provided by them - towards the following persons:

a) the person who carries out storage, archiving, safekeeping of the data carrier containing the attorney-client privileged information or processing the data contained therein as well as other collaborators engaged by the legal practitioner as data processor,

b) the person providing accounting service for the legal practitioner,

c) the persons assisting in the performance of the attorney's assignment or other persons engaged in relation to performance of the assignment whose collaboration or engagement was approved by the client.

Section 11

(1) Attorney's confidentiality obligation shall also extend pursuant to Section 10 Subsections (3) and (4) to the persons who are entitled to know the attorney-client privileged information.

(2) Bar association bodies and officials shall be obliged to keep confidentiality of the attorney-client privileged information learned of by them in the course of exercising their scope of duties and powers stipulated in this Act.

(3) Courts and authorities may process and use the attorney-client privileged information they learned of during their procedure within the frameworks stipulated in the law applying to their procedure.

Section 12

(1) The client or his legal successor shall be entitled to dispose over the attorney-client privileged information.

(2) In disciplinary and authority cases as specified in this Act, within the scope necessary for conducting the proceedings, legal practitioners may disclose the attorney-client privileged information to the proceeding bar association bodies and court.

(3) Legal practitioners may disclose the attorney-client privileged information in the criminal procedure instituted against them to the extent necessary for asserting their right to defence.

(4) Legal practitioners may disclose the attorney-client privileged information to the extent necessary for exploring and evidencing a crime committed against them not by the client or a crime committed against their client - in the case of a crime committed against their client, with their client's consent.

(5) At the request, initiative of the person entitled to waive the attorney-client privileged information, in court, authority or other public authority proceedings commenced against the person bound by attorney's confidentiality obligation, the person bound by attorney's confidentiality obligation may disclose the attorney-client privileged information to the extent necessary for the defence.

8. The authority's rights related to documents containing attorney-client privileged information, protection of documents made for the purposes of defence

Section 13

(1) The person bound by the attorney's confidentiality obligation may not disclose the documents and data containing the attorney-client privileged information, may not be obliged to testify and provide data concerning the attorney-client privileged information during the authority's revision, inspection, on-site search conducted at him, but may not hinder the authority's procedure.

(2) In derogation from Subsection (1), documents made for the purposes of defence may not be used as evidence in authority, court or other public authority proceedings and - except for the cases specified in this subtitle - may not be examined, may not be seized and may not be copied by public authority bodies; their presentation, handing them over, giving access to them may be refused. The person concerned may waive these rights, except when the document is connected with the defence in a criminal case.

(3) Documents made for the purposes of defence shall be documents or part of documents that were created for the sake or within the frameworks of exercising the client's right to defence in public authority proceedings, during the communication between the legal practitioner and his client or a record of what was said during such communication, and this character is evident from the document itself. Documents that are not in the possession of the client or the legal practitioner shall not be deemed as documents made for the purposes of defence, except when they prove that the document has been removed from their possession unlawfully or under a criminal procedure.

(4) The authority is entitled to have access to the document - without infringement of the right protected in this Section, to the extent absolutely necessary - in order to establish whether reference to classification as a document made for the purposes of defence is obviously groundless or not.

(5)¹ If the classification of the document is disputed between the client and the authority, during the inspection or on-site search the authority may take possession of the document concerned, providing that the document must be placed on a storage device that excludes access to the data and the possibility to make subsequent changes in them.

(6)²

(7) The provisions of this Section shall be applied with the derogations stipulated in the act on criminal procedure.

9. Attorney's liability insurance

Section 14

(1) Except for bar association legal counsel's and legal clerk's activity, compensation for damage caused by legal practice as specified in Section 2 and legal practice of supplementary character specified in Section 3 Subsection (1) paragraphs *a-f*) and *m*) and the cover for payment of the damages for pain and suffering payable due to privacy violation shall be provided by liability insurance.

¹ Established by Subsection (1) of Section 240 of Act CXXVII of 2019, effective as of 1 January 2020.

² Repealed by Section 241 of Act CXXVII of 2019, effective as of 1 January 2020.

(2) The lowest amount of the liability insurance necessary for insuring damages arising from legal practice and the damages for pain and suffering calculated per loss occurrence shall be fifteen million HUF.

(3) In its regulations the Hungarian Bar Association

a) may prescribe existence of liability insurance of an amount higher than specified in Subsection (2) for practicing the legal profession, and

b) determines the annually calculated lowest amount of the attorney's liability insurance and its requirements not regulated in law.

(4) Liability insurance shall be taken out by the law firm to insure members of the law firm, by the employer to insure the employed attorney and employed European Community jurist.

(5) The employer's liability insurance shall also cover the legal practice of the articulated clerks and the activities of the attorney's assistants..

Section 15

(1) Liability insurance shall be taken out to insure damages arising from the legal practice of European Community jurists and employed European Community jurists and foreign legal counsels as well as damages for pain and suffering due to privacy violation to the extent and as long as their attorney's liability insurance or insurance fund membership in accordance with the stipulations of their own EEA State, with a scope also covering their legal practice carried out in the territory of Hungary do not comply with the requirements prescribed by Hungarian legal regulations.

(2) In the case specified in Subsection (1), in order to assert claims against the liability insurer, at the client's request, the bar association will

a) inform the client of the data contained in the European Community jurist's liability insurance contract that are necessary for asserting the claim, and

b) inform the client regarding the manner in which he can initiate assertion of his claim.

10. Office, branch office, sub-office and archives

Section 16

(1) The registered office of attorneys, European Community jurists and foreign legal counsels, (in the application of this section hereinafter collectively referred to as 'attorney'), is their office, which is located on the operational area of the regional bar association of which they are members or which was entered for them in the register of attorneys.

(2) An attorney's sub-office is an office room outside their registered office, located on the operational area of the regional bar association specified in Subsection (1).

(3) An attorney's branch office is an office room located on the operational area of a regional bar association outside Subparagraph (1).

(4) The requirements applying to office rooms suitable for practicing the legal profession and various rules pertaining to attorneys or law firms having an office, branch office or sub-office registered at one address shall be determined by the regulations of the Hungarian Bar Association .

(5) If an attorney retains documents connected with his legal practice partly or in whole at a place outside his office, sub-office or branch office, he shall be obliged to notify the address thereof to the regional bar association that registered him.

11. Substitute attorney

Section 17

(1) Attorneys not having membership in a law firm, (hereinafter referred to as 'sole practitioner attorney'), European Community jurists and sole practitioner law firms, (hereinafter collectively referred to as 'substituted attorney'), will appoint a substitute attorney in the case of being prevented from practicing their profession.

(2) The substitute attorney will proceed with respect to the legal practice as full-scope substitute for the substituted attorney.

(3) Attorneys, European Community jurists or law firms may be a substitute attorney.

(4) The assignment specified in Subsection (1) will enter into effect by entering the substitute attorney in the bar association register as a substitute and will be repealed if

a) the right of the substitute or the substituted attorney to legal practice terminates, is interrupted or suspended; or

b) this capacity of the substitute attorney has been definitely deleted from the bar association register.

(5) The regional bar association will delete this capacity of the substitute attorney from the bar association register

a) as of the date when the resolution becomes final, in the case specified in Subsection (4) paragraph a),

b) simultaneously with registering the new substitute, in other cases.

(6) The agreement entered into on substitution shall not rule out that the substituted attorney should agree with another person - within the frameworks of this Act - on his substitution with respect to specific cases or a specified group of the cases.

12. Use of electronic signature and electronic stamp in the course of performing legal practice

Section 18

(1) In the absence of provisions of law to the contrary, in the course of performing legal practice - if legal regulation prescribes use of electronic signature - only certified electronic signature or secure electronic signature based on certified attestation that meet the following conditions may be used:

a) in the attestation belonging to the electronic signature or the certificate of the scope of function attached thereto, the fiduciary service provider as specified in Act CCXXII of 2015 on the General Rules of Electronic Administration and Fiduciary Services, (hereinafter referred to as 'E-Administration Act'), (hereinafter referred to as 'fiduciary service provider'), stated that the signer's bar association membership exists or the signer is included in the bar association register, and

b) the fiduciary service provider ensures that it will publish the modified withdrawal status on the basis of the valid request for withdrawal concerning the attestation in its register within a maximum of four hours, and will provide information continuously for the users that request checking of the attestation about the withdrawal status of the attestation.

(2) The fiduciary service provider may issue the attestation of the electronic signature or the certificate specified in Subsection (1) only in the event that on the basis of the register of the regional bar association the Hungarian Bar Association or the person or organisation entering into agreement with the Hungarian Bar Association certified to the fiduciary service provider that at the time of issuance the signer's bar association membership existed or the signer appeared in the bar association register as well as that he has not interrupted practising his legal profession and it has not been suspended.

(3) The fiduciary service provider will provide data on issuance of the attestation to the bar associations.

(4) The legal practitioner shall also notify the bar association of performance of his information obligation specified in Section 85 Subsection (1) and Section 97 Subsection (4) of the E-Administration Act, simultaneously with providing the information.

(5) The legal practitioner may not use the electronic signature if

a) his bar association membership has terminated or he has been removed from the bar association register,

b) practicing his legal profession has been suspended,

c) he interrupts his legal practice,

d) he has learned of the loss of the data usable for creating the electronic signature or of the fact that an unauthorised person has become able to create the signature.

(6) The regional bar association in the case set out in Subsection (5) paragraphs a)-c), the legal practitioner in the case set out in Subsection (5) paragraph d) will initiate suspension or withdrawal of the validity of the attestation belonging to the electronic signature, with the fiduciary service provider.

(7) At the request of the regional bar association, the fiduciary service provider will immediately withdraw the attestation, or if the fiduciary service provider ensures suspension of the attestation, it will immediately arrange for suspension of the validity of the attestation.

(8) Except for countersigning documents, the provisions of this Act applying to electronic signature shall be applied to the electronic stamp used by the law firm.

13. Attorney's practice of law

Section 19

(1) Attorney's practice of law shall include the practice of law pursued as an attorney, bar association legal counsel, employed attorney, European Community jurist, employed European Community jurist, constitutional court justice, judge, public prosecutor, notary public, articulated clerk or legal clerk.

(2) Attorney's practice of law performed abroad may be accepted subject to conditions determined in bar association regulations.

(3) The duration of attorney's practice of law shall be taken into account jointly.

LIMITS OF PRACTICING THE LEGAL PROFESSION

Section 20

(1) An attorney, a European Community jurist and a foreign legal counsel, (in the application of this Chapter hereinafter collectively referred to as 'attorney'), may not undertake practicing the legal profession for clients whose interests are in conflict with each other, or if the client's interests are in conflict with the attorney's own interests outside the case. This prohibition shall also be applied if a future conflict of interest can be foreseen.

(2) Legal practitioners may not undertake performance of legal practice in matters in which they have previously acted

a) within the framework of their former legal relation established for fulfilling duties directly connected with the exercise of public authority powers,

b) as a notary public, acting notary public, judicial bailiff, acting bailiff, or

c) as a mediator, arbitrator or in an other dispute settlement capacity, except for setting the arrangement entered into as a result of the mediation in a document and legal representation in related proceedings.

(3)¹ Legal practitioners may not provide legal representation for two years following termination of their legal relation established for fulfilling duties directly connected with exercising public authority powers and may not provide defence in a criminal case in public authority proceedings conducted by the body exercising public authority powers or its legal successor in the activity of which and in fulfilling duties directly connected with the control and supervision thereof they took part on the basis of their relevant legal relation during five years preceding the termination of this legal relation.

(4) Legal practitioners may not carry out legal practice that might be in conflict with their obligation assumed towards their former client, except when there is no connection between the former and the new matter or when the former client - after having been informed - has consented thereto.

(5) Legal practitioners may carry out legal practice against their former employer if the legal relation aimed at performance of work terminated a minimum of three years ago and they did not take part in the administration of the matter. The former employer may give an exemption to this limitation.

(6) In derogation from Subsection (5), bar association legal counsel and legal clerks may perform legal practice against their former employer, in the absence of provisions in the non-competition agreement to the contrary, providing that they may provide legal representation against their former employer if the legal relation aimed at performance of work terminated a minimum of three years ago and as an employee they did not take part in the administration of the matter. The former employer may give an exemption to this limitation.

(7) If the interests of two or more clients conflict or might conflict, the prohibition set out in Subsection (1) will not apply to the attorney if

a) the clients have identical interests concerning the matter,

b) the clients are made aware of the conflict and give their consent to enable the attorney to undertake performance of legal practice for the benefit of the other client as well,

c) the risk of breach of attorney's confidentiality obligation does not exist, and

d) the attorney can reasonably presume that the conflict of interests will not prevent him from representing each client's interests as best as possible.

(8) The attorney is obliged to continuously examine the possibility of the conflict of interests of the clients even after undertaking the assignment. If in the course of doing so he finds that on the basis of Subsection (1) the legal practice could not be undertaken simultaneously with regard to two or more clients, or the conditions set out in Subsection (7) are not satisfied, he shall be obliged to terminate the assignment with all of the clients concerned for the incompatible matter.

Section 21

(1) If any of the grounds for limitation specified in Section 20 exist with regard to

a) any member of the law firm, attorneys' association or attorneys' office community, or

b) any employee performing legal practice, maintaining employment relation with a sole practitioner attorney, law firm,

then the limitation shall apply to the sole practitioner attorney, the complete law firm, attorneys' association or attorneys' office community.

(2) In the case of limitation as set out in Section 20 Subsection (3), Subsection (1) shall not apply, but the client and the body exercising public authority powers shall be immediately notified of the existence of such circumstances.

(3) Subsection (1) shall not apply if specific assignments are performed through the collaboration of natural persons and attorney assistants carrying out various legal practices, attorney's confidentiality is ensured between various collaborators, and the client has expressly consented thereto in writing.

¹ Established by Subsection (1) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

CHAPTER IV

GROUNDS FOR EXCLUSION OF PRACTICING THE LEGAL PROFESSION AND INCOMPATIBILITY

14. Grounds for exclusion of practicing the legal profession*Section 22*

(1) The following persons may not practice the legal profession

- a)* any person against whom grounds for incompatibility specified in this Act exists,
- b)* any person who has a criminal record or is subject to the scope of prohibition barring him from practising a profession made subject to having a university law degree,
- c)* any person who has no criminal record but
 - ca)* whom the court sentenced to prison for five years or a period exceeding that for committing a wilful crime, for eight years from the first effective date of the exemption,
 - cb)* whom the court sentenced to prison for a period not amounting to five years for committing a wilful crime, for five years from the first effective date of the exemption,
 - cc)*1 whom the court sentenced to prison for committing a wilful crime where the sentence was suspended for a probationary period, for three years from commencement of exoneration,
 - cd)* against whom the court applied forced medical treatment, for three years from the date when the order terminating the forced medical treatment becomes final,
- d)* any person who is subject to the scope of disciplinary penalty of disbarment or removal from bar association register, (hereinafter collectively referred to as 'disbarment'),
- e)* any person who is under guardianship or supported decision-making affecting capacity to proceed under the law,
- f)* any person who, owing to his lifestyle or conduct, is unfit for public trust necessary for practicing the legal professions, or
- g)* any person who owes an overdue membership fee debt to the bar association at a rate determined in the bar association regulations or any debt based on enforceable bar association decision, and has not paid it in spite of written notice given by the bar association.

(2) For three years from the date when the resolution applying to it becomes final, legal profession may not be practiced by those against whom it was declared by a final order that they unlawfully performed legal practice regularly and in return for consideration.

(3)2 Subsection (1) paragraph *c)* subparagraphs *ca)*-*cc)* may not be applied in the case of exemption by grace.

15. Activities incompatible with legal practice*Section 23*

(1) The following activities shall be incompatible with practicing the legal profession:

- a)*3 with the exception specified in this Act, employment relation, government service, public service, tax and customs authority service, health service, public servant, law enforcement administration employee's, national defence employee's, law enforcement, professional or contracted military service legal relation, judicial employee legal relation at a judicial expert institute as well as notary public's, judicial bailiff's legal status,
- b)* membership relation in business associations entailing unlimited liability,
- c)* any other activity entailing obligation to perform work and carried out in return for consideration.

(2) Subsection (1) paragraph *b)* shall not apply to bar association legal counsel and legal clerks.

(3) Elected public official's mandate - including the mandate of officers or members of municipalities and local governments for ethnic minorities as well as of officers and members of committees set up by them - shall be incompatible with practicing the legal profession if the law regulating the official's legal status stipulates so.

1 Amended by Paragraph a) of Section 93 of Act CLXV of 2020.

2 Amended by Paragraph b) of Section 79 of Act LI of 2021.

3 Amended by Paragraph a) of Section 58 of Act CXV of 2018, Paragraph b) of Section 93 of Act CXVII of 2019, Paragraph b) of Section 60 of Act CLII of 2020, Paragraph b) of Section 93 of Act CLXV of 2020, Paragraph b) of Section 121 of Act CXXII of 2021.

Section 24

(1) The following shall not fall under the prohibition specified in Section 23 Subsection (1) paragraph c):

- a) teaching,
- b) scientific, academic, cultural and sports activities,
- c) agricultural primary producer's activity,
- d) voluntary reservist's service relation,
- e) foster-parent's employment relation,
- f) acting as an arbitrator,
- g) acting as a legal translator, interpreter,
- h) professional activities of non-judicial nature,
- i) membership in election commissions,
- j)¹ acting as a data protection officer,
- k) fulfilling a liquidator's duties,
- l) fulfilling duties in a supervisory board, audit committee,
- m)² fulfilling the duties of a member or president of a business association's management board consisting of executive officers,
- n)³ fulfilling the duties of an executive officer of a legal person falling under the scope of Paragraph m), and
- o)⁴ the conciliation body activity.

(2) Furthermore, from the activities falling under Section 23 Subsection (1) paragraph c) fulfilling the duties of an executive officer of a legal person shall not be incompatible with pursuing bar association legal counsel's and legal clerk's activity.

(3)⁵ Legal practitioners may perform teaching, scientific, academic and art activity, including the official and executive mandate fulfilled in an organisation that performs such activity as a basic activity also in employment relation, in public servant's legal relation, health service legal relation, law enforcement administration service relation, national defence employee's legal relation, law enforcement, professional or contracted military service relation.

(4) The activity specified in this Section may be pursued separated in every respect from the legal practice in a manner that it should not jeopardise the independence of practicing the legal profession. The activities specified in this Section may be pursued by the legal practitioner, not as an attorney, but in the form stipulated in the legal regulation applying to the relevant activity.

(5) In the same matter, it is prohibited to perform the legal practice specified in Sections 2 and 3 and the activity specified in this Section at the same time.

(6) The activity specified in Subsection (1) paragraphs h), m) and n) and the legal practice specified in Sections 2 and 3 may not be performed for the same client, except when the agent is a law firm, the member of the law firm who pursues the activity specified in Subsection (1) paragraphs h), m) and n) does not take part in performance of the assignment, and the client expressly consents thereto in writing.

Section 25

Bar association legal counsel and legal clerks may pursue activity entailing obligation to perform work, carried out in return for consideration, for their employer and their employer's affiliated company.

Section 26

(1) Occurrence of grounds for incompatibility shall be prevented.

(2) The grounds for incompatibility shall be notified immediately but at the latest

a) within fifteen days from the occurrence thereof to the regional bar association - without violation of the attorney-client privileged information - and

b) shall be terminated within thirty days from such occurrence by the legal practitioner.

(3) Until termination of the grounds for incompatibility, it is prohibited to practice the legal profession, except for protecting the client from any obvious and direct damage that cannot be prevented in any other manner.

PART THREE

1 Amended by Section 161 of Act XXXIV of 2019.

2 Amended by Section 16 of Act CXXXVI of 2020.

3 Established by Section 15 of Act CXXXVI of 2020, effective as of 1 January 2021.

4 Enacted by Section 15 of Act CXXXVI of 2020, effective as of 1 January 2021.

5 Amended by Paragraph b) of Section 58 of Act CXV of 2018, Paragraph c) of Section 121 of Act CXXII of 2021, Section 166 of Act CXXXIV of 2021.

SPECIAL RULES OF THE LEGAL PRACTICE*Section 27*

(1) Legal practice may be pursued on the basis of

a) agency,

b) appointment, or

c)1 in the cases specified in this Act, of employment relation, government service, public service, tax and customs authority service, health service, public servant, law enforcement administration employee's, national defence employee's, law enforcement, professional or contracted military service legal relation, judicial employee legal relation at a judicial expert institute, ecclesiastical service relation as well as voluntary legal relation pursuant to the act on voluntary activity for public purposes.

(2) Parole and probation attorney's representation may be provided by an attorney on the basis of power of attorney, if he operates as a legal helper.

CHAPTER V

THE ATTORNEY'S AGENCY

16. General rules of attorney's agency*Section 28*

(1) Agency given for practicing the legal profession, (hereinafter referred to as 'attorney's agency') - in the absence of any provisions of this Act and the Civil Code to the contrary - is the subject of a free agreement.

(2) The agency contract aimed at practicing the legal profession is entered into by the sole practitioner attorney, the European Community jurist, the foreign legal counsel and the law firm and the client. If the client's prompt legal protection is necessary, and the client is prevented from concluding the agency contract, the client's relative shall be regarded in the scope of concluding the agency contract as the client's representative. This, however, does not prejudice the obligation to identify the client.

(3) In the absence of the parties' provisions to the contrary, on the basis of the agency contract the agent is entitled and obliged to perform any and all acts that are entailed in properly handling the case assigned to him and to also receive the money or property the principal is entitled to and the costs of the procedural actions.

(4) When concluding the contract, the client shall be informed in writing of the costs presumably incurred during performance of the agency and in connection with the matter that are not included in the attorney's fee, irrespective of whether he is obliged to advance such costs on the basis of the parties' agreement or not.

(5) In performance of the agency - if the parties do not provide for the contrary - the sole practitioner attorney, the European Community jurist, the members of the law firm, the substitute attorney, the employed attorney engaged by them, the employed European Community jurist and the articulated clerk as well as the foreign legal counsel may proceed.

(6) The agent's liability for breach of contract may be limited only under the individually negotiated term of contract and only with respect to the part of the damage that exceeds the highest amount of the agent's compulsory liability insurance per loss occurrence.

Section 29

(1) The agency contract shall be put in writing, except when it is only aimed at providing legal advice.

(2) Failure to put in writing as set out in Subsection (1) will not affect the validity of the agency but in such cases the burden of proof concerning the content of the agency rests with the agent.

(3) The content elements of the agency contract aimed at preparing documents and providing legal representation related thereto may be also contained in the contract countersigned by the attorney that prepares the document.

1 Amended by Paragraph a) of Section 58 of Act CXV of 2018, Paragraph a) of Section 93 of Act CXVII of 2019, Paragraph a) of Section 60 of Act CLII of 2020, Paragraph b) of Section 93 of Act CLXV of 2020, Paragraph d) of Section 121 of Act CXXII of 2021.

17. The attorney's fee

Section 30

(1) The parties shall - with the derogations set out in this Section - freely decide the attorney's fee. The parties may also stipulate the use of a flat charge.

(2) Except for overdue claims declared in an enforceable document, the claim for attorney's pay and cost reimbursement may not be transferred without the obligor's consent to a person who is not entitled to know the attorney-client privileged information necessary for asserting the claim.

(3) Attorney's pay made subject to the success of the legal practice may not be enforced before court to the extent and as long as its amount exceeds two-thirds of the total attorney's pay. In the application of this Subsection, the following shall not be calculated as the total part of the attorney's pay

a) the cost incurred by handling the matter, to be paid by the principal as part of the attorney's pay, and

b) the part of the attorney's fee that the attorney waived without any consideration.

Section 31

From the money received for the principal's benefit - while notifying the principal in writing at the same time - it is allowed to satisfy the claim outstanding by virtue of the attorney's fee and cost reimbursement outstanding and overdue against the principal, except when

a) the money must not be released to the principal,

b) the parties have not decided the attorney's fee,

c) other law forbids setting off.

18. Identification

Section 32

(1) Except for assignment for providing legal counsel, before entering into the agency contract the agent, and prior to countersigning the contract between his employer and a third party the bar association legal counsel, (in the application of this subtitle hereinafter referred to as 'attorney') will carry out identification of the client, the bar association legal counsel, the identification of the person contracting with his employer and the person who acts on behalf of them.

(2)¹ The attorney will identify the natural person whom he does not know or regarding whose identity he has doubts by inspecting their document which is suitable for verifying identity or by using the electronic identification services provided by the Government on a compulsory basis pursuant to the E-Administration Act, or, if the attorney has the conditions necessary for it in place, by verification as provided for under Article 24(1) a), b) or d) of Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.

(3) In order to check correspondence of the natural person's data with the registered data and the validity of the documents presented by him, the attorney may request the following data electronically from the register of personal data and addresses, the register of driving licences, the register of travel documents and the central aliens administration register:

a) natural personal identification data,

b) citizenship, statelessness, refugee, immigrated, established and EEA citizen legal status,

c) address,

d) facial image,

e) signature,

f) the facts as set out in Section 18 (5) of Act LXVI of 1992 on Keeping Records on the Personal Data and Address of Citizens,

g) the data and the date of validity of the document as specified in Section 24 (1) f) of Act XII of 1998 on Travelling Abroad,

h) the data as set out in Section 8 (1) b) ba)-bb) of Act LXXXIV of 1999 on Registration of Public Road Transport,

i) the data as set out in Section 76 d), Section 80 (1) b) and c) of Act I of 2007 on the Entry and Residence of Persons with the Right of Free Movement and Residence, and Section 95 (1) g), Section 96 (1) g) and Section 100 (1) b) and c) of Act II of 2007 on Entry and Residence of Third Country Nationals.

(4) The attorney will identify natural persons or other organisations on the basis of the register of the authority that registers the natural persons or other organisations or an extract originating therefrom.

1 Established by Section 39 of Act XLVI of 2023, effective as of 1 January 2024.

(5) If identification of a natural person client is prevented by an external obstacle beyond control, it will not exclude conclusion of the agency contract; however, after termination of such external obstacle the agent shall be obliged to carry out identification of the client immediately.

(6) If an authorised representative acts on behalf of the natural person client, the attorney will omit separate identification of the client, provided that the authorisation containing the data of the client suitable for verifying identity was countersigned by an attorney, was made by a notary public, the authoriser's signature was attested by a notary public, or the authorisation was certified or legalised or an Apostille was affixed thereto by a Hungarian foreign representation authority competent on the place of signature.

(7)¹ Prior to countersigning documents serving as basis for proceedings for registration in certified public records the attorney shall - in order to verify identity and the validity of the document - by application of Subsections (2)-(4) and (6) identify the persons, organisations making the legal statement and the persons acting on behalf of them.

(8)² During identification of persons with Hungarian citizenship or address in Hungary pursuant to Subsection (7) prior to countersigning the document, the attorney is obliged to request the data as set out in Subsection (3), applying to the presented document, except when such data request has been already carried out with regard to the person concerned within thirty days.

(9)³ In the case specified in Subsection (8) or if data request takes place before countersigning the document or entering into an agency contract entailing countersigning the document, no charges, cost reimbursement or other valuable consideration may be claimed for the request for data either from the attorney or from the identified person or organisation.

(10)⁴ If the electronic data request specified in Subsection (8) is not possible for technical reasons, it will not hinder the conclusion of the agency contract and setting the legal statements in a document; the attorney will carry out identification subsequently, immediately after the hindrance has been terminated, and will countersign the document and will submit it under the proceedings only after that and depending on the result thereof;

Section 33

(1) In matters where legal representation is compulsory, the attorney will keep records of natural persons identified at least through the inspection of a document suitable for verifying identity, legal persons and other organisations in order to facilitate security of legal transactions and enforcing the limits of legal practice.

(2) The records kept of identified natural persons shall contain the following data:

- a) natural personal identification data,
- b) address,
- c) citizenship, statelessness, refugee, immigrated, established and EEA citizen legal status,
- d) the type and number of the identity document used for identification,
- e) the identifier of the response received during the data request determined in Section 32 Subsection (3),
- f) the case identifier of cases where identification of natural persons is compulsory,
- g) the data specified in the act on prevention of and combating money laundering and terrorist financing.

(3) If the attorney finds changes in the data specified in Subsection (2) paragraphs a)-d) and g) on the basis of the checking set out in Section 32 Subsection (8), he will record the changed data, while stating the date of checking, in a manner that the formerly registered data remain accessible subsequently.

(4) The records kept of identified legal persons and other organisations shall contain the following data:

- a) name,
- b) registered office, for foreign-registered companies, the address of their branch office in Hungary, if they have any,
- c) the company register number or registration number of the identified legal person or other organisation, for lack of them, the name of the registration organisation and the identification number or the number of the resolution on their establishment, registration or entry in the register,
- d) the personal identification data of the person acting on behalf of the identified legal person or other organisation,
- e) the case identifier of cases where identification of the legal person or other organisation is compulsory,
- f) the data specified in the act on prevention of and combating money laundering and terrorist financing.

(5) If the attorney finds changes in the data specified in Subsection (4) paragraphs a)-c) and f) on the basis of the checking set out in Section 32 Subsection (8), he will record the changed data, while stating the date of checking, in a manner that the formerly registered data remains accessible subsequently.

1 Established by Subsection (2) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.
2 Established by Subsection (2) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.
3 Established by Subsection (2) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.
4 Established by Subsection (2) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

(6) The records determined in Subsections (2) and (4) may contain the contact details of natural persons, legal persons and other organisations, in the case they consent thereto.

(7) The attorney will process the data specified in Subsections (2) and (4) for the period stipulated in the act on prevention of and combating money laundering and terrorist financing.

19. Power of Attorney

Section 34

(1) If representation of the client is necessary for practicing the legal profession, a power of attorney shall be issued to the agent on creation of the power to represent.

(2) The power of attorney granted for practicing the legal profession shall be put in writing, and it shall contain the agent's statement of acceptance too. The power of attorney issued in accordance with this Subsection is a private document with full probative force.

(3) If nothing else is evident from the power of attorney, on the basis of the power of attorney - in the absence of any provisions of law to the contrary - the power to represent will be due to everybody who may proceed during performance of the assignment on the basis of this Act.

(4) The power of attorney authorises the authorised representative to provide representation with regard to receiving money and property the principal is entitled to and the costs of procedural actions.

(5) The power of attorney may at any time be limited or withdrawn by the client. Limitation of the power of attorney towards court, other authority or third parties will be effective as long as the limitation is clear from the power of attorney.

(6) Termination of the agency contract serving as basis of the power of attorney will terminate the power of attorney too.

(7) The authorised representative is obliged to notify the termination or limitation of his power of attorney in writing, immediately to the court, notary public, other authority under the proceedings of which he provides the client's legal representation or defence as authorised representative.

(8) The limitation or termination of the power of attorney will become effective towards third parties - including the bodies specified in Subsection (7) - by being communicated.

20. Termination of the attorney's agency

Section 35

(1) The agency contract will terminate, in addition to the terms set out in the Civil Code and the agency contract

a) by termination of the principal or the assigned law firm without any legal successor,

b) by the termination of the assigned sole practitioner attorney's membership in the bar association, by removal of the European Community jurist, foreign legal counsel from the register of the bar association.

(2) The principal may terminate the agency contract with immediate effect too. The notice of termination shall be served in writing, if the parties put the agency contract in writing.

(3) The agent may terminate the agency contract with a notice period of fifteen days... The parties may agree in a longer notice period too. The agent is also obliged to act in the principal's interest during the notice period.

(4) In the case of change of form in the bar association - if in the new form of operation the legal practitioner may undertake assignments - the assignment will not terminate, but on the strength of this Act legal succession will occur in the identity of the agent. If as a result of the change of form in the bar association, the agent becomes a member of a law firm, the legal successor of the agent will be the law firm. The agent is obliged to notify his principal of the expected change immediately with the latest time frame of fifteen days in advance..

CHAPTER VI

APPOINTMENT

Section 36

(1) If so appointed, an attorney shall proceed as an appointed defender, ad hoc administrator, ad hoc guardian, guardian ad litem, (hereinafter collectively referred to as 'appointed attorney').

(2) An appointed attorney is obliged to proceed in the case, obey the summons of the authority, investigating authority, public prosecutor's office, notary public and court, (in this Chapter hereinafter collectively referred to as 'authority'), and establish a relationship with the accused or, if the nature of the case permits it, the represented person without any delay.

(3) The regional bar association shall provide on-duty legal services on holidays and non-working days in order to perform appointments.

(4) An appointed attorney may require remuneration (pay and cost reimbursement) as stipulated in legal regulation.

(5) An appointed attorney is obliged to arrange for his substitution so that this should not hinder the proceedings and should not violate the interests of the accused or the represented person.

(6) The regional bar association and the appointed attorney will promptly notify the authority if the appointed attorney

a) 's bar association membership terminated,

b) interrupts legal practice,

c) 's legal practice has been suspended,

d) is no longer included in the register of attorneys who can be appointed, or

e) any of the grounds for limitation as set out in Chapter III have occurred against him.

(7) The authority's appointing decision shall serve as a power of attorney for the ad hoc administrator, ad hoc guardian, guardian ad litem.

(8)¹ The hourly rate of the appointed attorney is determined by the Parliament under the Act on the Central Budget in a manner so that its amount may not be lower than the previous year's amount.

Section 37

(1) If stipulated by law, on the basis of the authority's appointing decision, the regional bar association will designate the attorney who proceeds as appointed defender based on the appointment.

(2) The appointed defender may be designated from the register of attorneys who can be appointed.

(3) The regional bar association will designate the attorney who proceeds as appointed defender based on the appointment by electronic random selection, in the manner stipulated in the rules of procedure determined in the bar association regulations.

(4) In designation, it is necessary to ensure the proportionate workload of attorneys who can be appointed as appointed defender and take account of the geographical location of the attorney to be designated and the appointing authority.

(5) The authority's appointing decision and the designation shall serve as a power of attorney for the appointed attorney.

Section 38

(1) The regional bar association shall keep a register of attorneys who can be appointed as appointed defender.

(2) The regional bar association shall compile a register that contains the necessary number of attorneys for fulfilling the duties requiring appointment and for maintaining the operability of the administration of justice.

(3) The bar association shall establish the rules for compiling the register in such a manner that - in addition to voluntary registration - all attorneys are entered in the register on the basis of the principle of equality.

(4) The regional bar association shall continuously update the changes in the register and make such changes public on its website.

CHAPTER VII

SPECIFIC LEGAL PRACTICES

21. Providing legal representation

Section 39

(1) An attorney, bar association legal counsel and European Community jurist, (in the application of this subtitle hereinafter collectively referred to as 'attorney'), as well as the person entitled to substitute them under their control may proceed as the client's legal representative before court, notary public or other authority and against third parties.

¹ Enacted by Section 134 of Act XL of 2018, effective as of 26 July 2018.

(2) If stipulated by law, the client's personal statement for making a legal statement, the attorney may not make the statement as their legal representative, but may provide legal representation for their clients in other matters.

(3) During the course of providing legal representation, the attorney shall proceed on the basis of the priority of the client's interests.

(4) During the course of providing legal representation the attorney is obliged to refuse to carry out the client's instructions if they conflict with the law or are aimed at evading legal regulations.

(5) If the client's instructions are inexpedient with regard to the client's interests, before fulfilling them the attorney shall bring the circumstance to the client's attention.

22. Providing defence in a criminal case

Section 40

(1)¹ An attorney and a European Community jurist may proceed in a criminal case as the defence counsel of the accused.

(2)² During the course of providing the defence the attorney and a European Community jurist shall proceed within the frameworks of the law and exercise the right of defence of the accused on the basis of the priority of the interests of the accused.

23. Providing legal counsel

Section 41

(1) An attorney, bar association legal counsel, European Community jurist and - as stipulated in this Act - a foreign legal counsel, (in the application of this subtitle hereinafter collectively referred to as 'attorney'), as well as the person entitled to substitute them under their control may issue an opinion and may formulate proposals for the client in connection with preparing the making of a manifestation of will suitable for bringing about the legal consequence that is in accordance with the client's interests as well as with legal assessment of past, currently existing and future circumstances.

(2) In the course of providing legal counsel, the attorney will develop his opinion and formulate his proposals on the basis of the Fundamental Law, legal regulations, the European Union's legal acts with binding legal force.

(3) In the course of providing legal counsel - if the parties do not stipulate any stricter requirements - the attorney shall accept the facts pleaded by the client as full-scope, accurate and true.

(4) The attorney is obliged to inform the client about the possible legal risks connected with the opinion developed and proposals formulated by him. Deliberation of the risks appearing in the attorney's information shall be the client's responsibility.

24. Preparing documents

Section 42

(1) Attorneys and European Community jurists as well as the persons entitled to substitute them under their control may prepare a document on the client's legal statement.

(2)³ Bar association legal counsel, the person entitled to substitute them under their control as well as the employee of the client of the bar association legal counsel, which employee complies with the requirements stipulated in the bar association regulations, may prepare a document on the legal statement of their client and the person contracting with him.

(3) The attorney, the bar association legal counsel and the European Community jurist, (in the application of this subtitle hereinafter collectively referred to as 'attorney'), shall be obliged to refuse to prepare the document if the manifestation of will conflicts with law or is aimed at evading legal regulations.

(4) In the course of preparing documents the attorney shall proceed in a manner that the client's manifested will - within the frameworks of the Fundamental Law, legal regulations, the European Union's legal acts with binding legal force - should be in accordance with the client's interests and suitable for bringing about legal consequence.

1 Amended by Paragraph a) of Section 11 of Act XCI of 2018.

2 Amended by Paragraph a) of Section 11 of Act XCI of 2018.

3 Shall enter into force with text pursuant to Section 101 Subsection (1) of Act CXXXVI of 2017.

(5) The attorney may accept the facts pleaded by the client as full-scope, accurate and true; however, in order to enforce the requirement specified in Subsection (3) he must inform the client, with the care that may be expected from an attorney, if he has any doubts concerning the facts pleaded by the client being full-scope, accurate and true.

(6) The attorney is obliged to inform the client about the possible legal risks connected with the legal transaction.

25. Countersigning documents

Section 43

(1)¹ Attorneys and bar association legal counsel, (in the application of this subtitle hereinafter collectively referred to as 'attorney'), may countersign the documents prepared by them and the documents prepared by their law office, substitute or the legal practitioner engaged by them as well as the employee of the client of the bar association legal counsel, which employee complies with the requirements stipulated in the bar association regulations, and professionally approved by the attorney.

(2) The countersigned document - in the absence of statutory provisions to the contrary -

a) shall be equipped with continuous page numbers, in the case of documents consisting of several pages,

*b)*² the initials of the parties or the party authorised to do so in the document shall be affixed for paper format documents, to each of its pages,

c) shall be signed by the parties,

d) shall be signed by the countersigning attorney beside indication of his name, bar association identification number, the fact of countersigning, as well as the place and date of countersigning.

(2a)³ In the case electronic documents, signature as specified in Subsection (2) paragraph *c)* may be carried out by

a) affixing the party's certified electronic signature or secure electronic signature based on certified attestation,

b) certification by the party by document attestation service attributed to identification; or

c) service specified in Section 325 (1) *h)* of Act CXXX of 2016 on the Code of Civil Procedure.

(2b)⁴ For legal entities and organisations not constituting a legal entity, the electronic document shall be signed by the natural person entitled to represent them in accordance with paragraph (2a).

(3) The countersigning attorney shall place the print of his embossed stamp on the page of signature of the paper format document, shall affix his electronic signature complying with the requirements set out in Section 18 Subsection (1) and a time stamp to the electronic document.

(4)⁵ Application of the requirement set out in Subsection (2) paragraph *b)* may be dispensed with, if the countersigning attorney ties the pages of the document together in a manner that it can not be broken up without damaging the document.

(5) If countersigning a document constitutes part of performing the legal practice where any of the contracting parties of such document did not give assignment to the attorney preparing the document for handling the relevant matter, prior to signing the document the attorney preparing the document shall be obliged to inform the party in writing that such countersigning will not create an agency legal relation with the attorney preparing the document. If the contracting party proceeds with a legal representative, this information can be omitted.

(6) The contracting party may give a power of attorney to the countersigning attorney for providing the legal representation necessary for performance of procedural obligations related to the document.

Section 44

(1) By countersigning the attorney confirms that

a) the document conforms to legal regulations,

b) the parties declared that the content of the document corresponds with their intention,

c) he has carried out identification of the parties specified in the document or their proceeding representatives, and

d) the parties signed the document in his presence or acknowledged the signature appearing in the document as their own in his presence.

1 Shall enter into force with text as amended pursuant to Section 102 paragraph a) of Act CXXXVI of 2017.

2 Amended by Paragraph b) of Section 11 of Act XCI of 2018.

3 Enacted by Subsection (3) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

4 Enacted by Subsection (3) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

5 Amended by Paragraph a) of Section 12 of Act XCI of 2018.

(2) A party formerly identified by the countersigning attorney may also proceed in the course of signing the document or acknowledging the signature that appears in the document as his own by using a device that transmits and records the moving picture and the voice at the same time through electronic communications network to the countersigning attorney. The countersigning attorney will retain the recording together with the countersigned document.

(3)¹ During application of Subsection (1) paragraphs *b)-d)* and Subsection (2) the following may proceed

a) the person entitled to substitute the countersigning attorney, or

*b)*² a person practicing the legal profession, registered in his own EEA State and in a Member State of the Organisation for Economic Co-operation and Development, proceeding as assigned by the countersigning attorney,

providing that this circumstance and, in the case set out in paragraph *b)*, the right to confirm Subsection (1) paragraph *d)* must be indicated in the countersignature.

(4)³ During application of Subsection (1) paragraphs *b)-d)*, the employee of the client of the bar association legal counsel countersigning the document, which employee complies with the requirements stipulated in the bar association regulations, may proceed, providing that this circumstance must be indicated in the countersignature.

(5)⁴ The following shall not apply

a) Subsection (1) paragraphs *c)* and *d)* shall not apply if

aa) the party's signature was certified by a consular official competent on the place of signature,

ab) the signature and the print of the stamp of the host state's authority appearing in the document was legalised by the professional consular official,

ac) an Apostille was affixed to the signature and the print of the stamp of the host state's authority appearing in the document; or

ad) the party's signature was attested by a notary public,

b) Subsection (1) paragraph *d)* shall not apply if the electronic document was signed by the party in accordance with Section 43 Subsection (2a) paragraph *a)* or paragraph *b)*.

(6) The document may be countersigned, in addition to the attorney that prepares it - with respect to the specific parties specified in the document, in order to confirm the existence of the circumstances determined in Subsection (1) paragraphs *c)* and *d)* - by another attorney, providing that the circumstances concerned must be indicated in the countersignature.

(7) For the full probative force of a document countersigned by the attorney but signed by the parties abroad, diplomatic certification or legalisation or Apostille certificate is not necessary.

Section 45

During legal practice aimed at legal representation in proceedings conducted with a view to entering rights or facts applying to or related to real property in certified public records, and during legal practice aimed at preparing a document serving as a basis for entering data in certified public records, the legal practitioner shall be obliged to verify the data of the property register and the documents applying to the right of ownership, other rights related to the real property.

Section 45/A5

During legal practice aimed at legal representation in proceedings conducted with a view to entering rights or facts applying to or related to real property in certified public records, and during legal practice aimed at preparing a document serving as a basis for entering data in certified public records, the legal practitioner shall orally inform the client of the option of making use of the data changes management service as specified in Section 11 of Act XXII of 2022 on Certain Issues Related to the Operation of Regional Administration and on the Amendment of Certain Acts Connected with the Eleventh Amendment to the Fundamental Law.

26. Converting paper format documents into electronic format

Section 46

(1) Attorneys and bar association legal counsel, (in the application of this subtitle hereinafter collectively referred to as 'attorney'), may convert paper format documents - except for money orders, securities or other documents embodying valuable rights - into electronic document format.

1 Shall enter into force with text as amended pursuant to Section 102 paragraph b) of Act CXXXVI of 2017.

2 Amended by Paragraph c) of Section 11 of Act XCI of 2018.

3 Shall enter into force with text as amended pursuant to Section 102 paragraph a) of Act CXXXVI of 2017.

4 Established by Subsection (4) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

5 Enacted by Section 19 of Act CXIX of 2021. Amended by Point 1 of Section 208 of Act XXII of 2022.

(2)¹ In the course of converting into electronic document format the attorney may only make electronic copies that faithfully correspond with the pages. In the course of converting into electronic document format, Section 102 (6), Section 103 (4) and (5) of the E-Administration Act do not have to be applied.

(3)² When fulfilling the supplementary activity determined in Section (3) Subsection (1) Paragraph *l*), the attorney may only use his electronic signature that meets the requirements as delineated in Section 18) Subsection (1).

(4)³ If in the course of converting into electronic document format the attorney places his electronic signature and time stamp on the electronic copy in accordance with the requirements as delineated in Section 18 Subsection (1), until the contrary is proved it shall be regarded that the electronic document fully corresponded with the paper format document on the date and at the time specified in the time stamp.

(4a)⁴ If the attorney converts the paper format document countersigned by him into electronic format in accordance with Subsection (4), the electronic document shall be also deemed as a private document countersigned by attorney.

(5) The attorney will retain the electronic document - if the parties did not agree in safekeeping for a period longer than that - for ten years calculated from making a copy.

(6) The attorney will retain the paper format document countersigned by him converted to electronic format - if the parties did not agree in safekeeping for a period longer than that - for five years calculated from conversion.

(7) The conditions of fulfilment of the obligations set out in Subsections (5) and (6) shall be provided by the bar association legal counsel's client in whose matter the document was created.

27. Safe custody

Section 47

(1) An attorney, law firm and European Community jurist (in the application of this subtitle hereinafter collectively referred to as 'attorney'), may receive, retain and handle as deposit money, cash-substitute payment instruments, money orders, securities or other documents

a) as performance of the agency,

b) for payment of the costs of procedural actions related to the agency, or

c) for safeguarding in connection with the agency.

(2) The safe custody contract must be put in writing.

(3) The content elements of the contract for safe custody of the deposits specified in Subsection (1) paragraphs *a*) and *b*) may also be contained in a contract countersigned by the custodian attorney in which the depositor and the person to whom the deposited property must be released are both contracting parties.

(4) The contract for safe custody of the deposit specified in Subsection (1) paragraph *a*) may be terminated by the depositor if he is expressly authorised to do so by the safe custody contract.

(5) Any provision under the safe custody contract that excludes or limits the attorney's liability in connection with safe custody activity shall be null and void.

Section 48

(1) The attorney is obliged to retain the deposit in accordance with the terms of the safe custody contract, safely, in a manner to prevent unauthorised access.

(2) The attorney may not use the deposited items for any purpose other than the purpose of depositing them in safe custody, may not utilise them and may not transfer them into another person's possession or safeguarding in the absence of any provisions of this Act to the contrary. The attorney may tie up the money deposited in safe custody.

Section 49

(1) The attorney will handle money and dematerialised securities separated from all of his other finances and securities, on his safe custody account and securities account. In case of the depositor's request to this effect and at the depositor's expense, the attorney will

a) handle the money and dematerialised securities on a separate sub-account, and

b) ensure that the depositor should receive direct information from the account-keeper about the balance of the sub-account specified in paragraph *a*).

1 Established by Subsection (1) of Section 78 of Act LI of 2021, effective as of 1 July 2021.

2 Established by Subsection (1) of Section 78 of Act LI of 2021, effective as of 1 July 2021.

3 Established by Subsection (1) of Section 78 of Act LI of 2021, effective as of 1 July 2021.

4 Enacted by Subsection (2) of Section 78 of Act LI of 2021, effective as of 1 July 2021.

(2) The attorney will place money received for the purposes of safe custody on his safe custody account within one - for money received abroad, within three - working days.

(3) In the case of depositing money not exceeding the double sum of the monthly amount of compulsory lowest wages, the parties can also agree under the safe custody contract with derogation from the provisions set out in Subsections (1)-(2).

(4) Cash-substitute payment instruments or money orders created in materialised form, securities produced by print as well as other paper format documents may also be retained by use of a strongbox service.

(5) In the safe custody contract, the keeper of the attorney's safe custody account and the securities account and the number of the sub-account and the provider of the strongbox service serving for safeguarding the deposit must be specified.

Section 50

(1) In the safe custody contract, the remuneration of the depositary must be determined or the free of charge status of the deposit must be recorded.

(2) If the parties do not agree under the safe custody contract to the contrary, the interest payable on the financial instrument placed on the attorney's safe custody account shall be due to the depositor, and the costs related to account-keeping and strongbox service shall be borne by the attorney. If the parties agree under the safe custody contract to the extent that the costs incurred in relation to the attorney's safe custody account shall be borne by the depositor, these costs may not be accounted to the debit of the financial instrument placed on the attorney's safe custody account or the interests thereof.

(3) The right to dispose over the safe custody account or the strongbox shall be vested with the attorney, in case he is prevented, with the substitute attorney appearing in the register of the regional bar association and the administrator for a law firm designated by the regional bar association. The attorney may also authorise another person to dispose over the attorney's account and the strongbox.

(4) The attorney shall not be responsible for the activity of the account-keeper of the attorney's safe custody account or the provider of the strongbox service, if actionability does not bind him concerning the selection thereof.

Section 51

(1) The attorney shall record the data of items deposited in his safe custody, attaining the double sum of the monthly amount of the compulsory lowest wages and the changes therein, in order to ensure security of safe custody and to allow the efficient revision of rules pertaining to safe custody, in the electronic safe custody register operated by the regional bar associations.

(2) In the electronic safe custody register, the following shall be recorded

- a) the name and bar identification number of the custodian attorney,
- b) the case identifier of the safe custody contract,
- c) the type of the deposited item,
- d) the subject of the deposited item,
- e) if the custodian attorney places the deposited item in a sub-account, the number of the sub-account,
- f) in the case of money deposited in safe custody, the actual amount and currency of the money in safe custody,
- g) the date of concluding, modifying and terminating the safe custody contract,
- h) the date of recording the data in the safe custody register and of modifying the recorded data.

(3) The attorney will record the data specified in Subsection (2) and the changes therein within one working day calculated from concluding the safe custody contract or from the changes in the data specified in Subsection (2), by making an electronic statement with his certified electronic signature and a time stamp affixed thereto. The electronic register will assign an individual identification number to the deposited item.

(4) The electronic safe custody register will contain the data specified in Subsections (2) and (3) for ten years following termination of the safe custody contract.

(5) From the electronic safe custody register, the bar association will provide data

a) electronically for the depositor about the data of the deposited item, in the case providing the custodian attorney's bar identification number and the individual identification number specified in Subsection (3) are provided,

b) about data of the items deposited in the safe custody of the attorney who is subjected to proceedings, for the disciplinary commissioner conducting the preliminary investigation, the disciplinary tribunal conducting the disciplinary proceedings to ensure successful conducting of the disciplinary proceedings, and for the bar association body checking compliance with the rules of safe custody in order to check adherence to the rules applying to items deposited in the attorney's safe custody.

28. Receiving and issuing money, items of property, documents

Section 52

(1) The legal practitioner is obliged to notify his client immediately of money or items of property he has received on behalf of his client. The rules of this Section do not have to be applied to bar association legal counsel and legal clerks.

(2) The legal practitioner is obliged, at the client's request, to provide a receipt concerning all documents received from or on behalf of the client. The legal practitioner is obliged, at the client's request, to issue the documents after performance or termination of the agency - with the exception specified in Subsection (3).

(3) The legal practitioner is not obliged to release his drafts, the documents containing the client's instructions, the letters addressed to him in the matter, receipts for payments made on behalf of the client and other documents necessary for evaluating the propriety of his actions; if the client so requests, the legal practitioner shall provide copies of such documents with the exception of drafts.

(4) The legal practitioner may not refuse to release documents if he has not been paid the attorney's fee and cost reimbursement that is due to the agent.

(5) The legal practitioner is obliged to compensate for the damage in case any money or item of property he has received under the obligation to return or account for them is missing, except when he can prove that the missing item occurred for a reason beyond his control.

29. Keeping records of cases and handling documents*Section 53*

(1) Attorneys, European Community jurists, foreign legal counsels and law firms, (in the application of this Section hereinafter collectively referred to as 'attorney'), shall keep records of the cases performed on the basis of the agency - to ensure checking adherence to the rules applying to legal practice and to protect the clients' rights in the case of termination of the right to practice the legal profession.

(2) The records kept of cases shall contain the following data:

a) the case identifier created by the attorney,

b) the client's name,

c) the subject of the case,

d) the date of making the agency contract, and

e) the register number of court proceedings related to the case and the reference number of other proceedings.

(3) The attorney will process the data specified in Subsection (2) for five years following termination of the agency, for ten years following countersigning documents in the case of countersigning documents, for ten years following registration of the right in the cases concerning registration of rights applying to real property in certified public records.

(4) The following may have access to and request data from the records kept of cases

a) in the course of bar association authority revision, the person or body conducting the bar association authority revision in order to check adherence to rules applying to legal practice to the extent necessary for this purpose,

b) the substitute attorney and the designated administrator for a law firm in order to protect the clients' rights, to the extent necessary for fulfilling their tasks arising from this Act.

(5) In the case of countersigning documents, the attorney shall retain the document countersigned by him and other documents created in the matter entailed in countersigning the document - if law does not stipulate any longer period of safeguarding or the parties did not agree in safeguarding for any longer period - for ten years from countersigning.

(6) In the case of termination or terminating of his bar association membership or his removal from the bar association register, the attorney shall arrange for issuing documents handled by him that may not be discarded to the client or the attorney performing legal practice for the client in the given matter and entitled to handle the document and shall ensure retaining the records as specified in this Act.

(7) Retaining documents countersigned by a bar association legal counsel and documents that may not be discarded handled by the bar association legal counsel as well as keeping and retaining the records to be kept in accordance with this Act by the bar association legal counsel shall be arranged for by the employer of the bar association legal counsel.

CHAPTER VIII

INTERRUPTING LEGAL PRACTICE

Section 54

(1) Any legal practitioner may interrupt his legal practice for a definite period with the permission of the regional bar association if

a) he has properly provided for handing over or terminating the agencies of his own or of a law firm with no members left who practice the legal profession,

b) he has properly provided for termination of the employment relation of the employed attorney, articulated clerk, employed European Community jurist or attorney assistant employed by him or employed by a law firm with no members left who practice the legal profession, and

c) returns his card with photo to the regional bar association during the period of interruption.

(2) Interruption of the legal practice of a member of a law firm requires the prior consent of the law firm.

(3) The person practicing legal profession shall fulfill his obligations entailed in representation of a sole practitioner law firm, arising from legal regulations during the period of interruption.

(4) If the mandate specified in Section 23 Subsection (3) is incompatible with practicing the legal profession pursuant to the act regulating the legal status of the officer concerned, the natural person who practices the legal profession shall interrupt the legal practice during the period of the mandate. The mandate and its termination must be notified to the regional bar association, which registers it *ex officio*.

(5) The period of interrupting the legal practice may not be shorter than three months and - with the exception specified in Subsection (4) - shall be extended every five years.

Section 55

(1) During the interruption of legal practice the legal practitioner may not exercise the rights arising from his membership in the bar association or registration with the bar association and - except for payment of the membership fee and notifying changes in data - shall not be bound by any obligations arising therefrom.

(2) The mandate of bar association officers who interrupt their legal practice shall terminate from the start date of the interruption.

Section 56

(1) The extension of the interruption of legal practice - if the conditions thereof stipulated in this Act exist - will be permitted by the regional bar association for a definite period.

(2) If an attorney intends to continue his practice before the expiry of the deadline specified when given permission for the interruption, he shall notify his continuation of legal practice to the regional bar association a minimum of thirty days in advance.

(3) If a legal practitioner interrupts his legal practice owing to termination of his employment relation, the legal practice may be continued from the date following certification of the establishment of the new employment relation aimed at practicing the legal profession. In this case the period of interruption does not have to amount to three months.

(4) The regional bar association will check the right to practice legal profession before continuing the legal practice *ex officio*.

(5) The fact of continuing legal practice will be registered by the regional bar association *ex officio*.

PART FOUR**NATURAL PERSON LEGAL PRACTITIONER**

CHAPTER IX

THE ATTORNEY

Section 57

(1) An attorney shall practice the legal profession in a businesslike way, as a sole practitioner attorney or a member of a law firm, at his own economic risk - with the exception specified in this Act - as assigned by his client.

(2) An attorney may pursue legal practice as a member of the regional bar association.

(3) With the exception specified in Section 97 Subsection (2), an attorney may not be a sole practitioner attorney and a member of a law firm at the same time.

(4) An attorney may also pursue legal practice within the frameworks of voluntary legal relation pursuant to the act on voluntary activity for public purposes. The provisions of this Act applying to attorney's agency - except for the provisions pertaining to attorney's pay - shall also be applied to the attorney's voluntary legal relation as set out in this Subsection, the provisions thereof applying to the principal shall also be applied to the host organisation with whom the attorney established a voluntary legal relation for public purposes as set out in this Subsection.

Section 58

(1) Upon request, anybody shall be admitted to the regional bar association as an attorney who

- a) is a citizen of any signatory State to the Agreement on the European Economic Area,
- b) has a university law degree,
- c) has taken the Hungarian bar examination,
- d) pursued attorney's practice of law for a minimum of one year during the ten years period before filing the application,
- e) liability insurance covers compensation for the damages caused by his legal practice and payment of the damages for pain and suffering,
- f) has an office room suitable for continuously practicing the legal profession in the operational area of the regional bar association,
- g) has the conditions necessary for electronic case administration,
- h) except for members of collective law firms, who entered into an agreement with an attorney or law firm for his substitution, and
- i) does not fall under the grounds for exclusion of practicing the legal profession.

(2) Upon request, a European Community jurist shall be admitted to the regional bar association who

- a) pursued legal practice in the territory of Hungary without interruption for at least three years in connection with Hungarian law or application of the European Union's legislation in Hungary,
- b) has proficiency in Hungarian at a level necessary for practicing the legal profession,
- c) liability insurance enforceable in the territory of Hungary which covers compensation for the damages caused by his legal practice and payment of the damages for pain and suffering,
- d) has an office room suitable for continuously practicing the legal profession in the operational area of the regional bar association,
- e) has the conditions necessary for electronic case administration,
- f) except for members of collective law firms, entered into an agreement with an attorney or law firm for his substitution and
- g) does not fall under the grounds for exclusion of practicing the legal profession.

(3) Upon request, a European Community jurist may be admitted to the regional bar association even if his legal practice in Hungary without interruption amounts to three years but his legal practice related to Hungarian law or application of the European Union's legislation in Hungary is of a duration less than three years and in other respects complies with the terms stipulated in Subsection (2).

(4) By admission to the regional bar association, a European Community jurist will become a full-fledged member of the regional bar association. In his use of name, beside the specification attorney he continues to be entitled to indicate his professional designation as specified in the ministerial decree on the professional designations of European Community jurists.

CHAPTER X

THE EMPLOYED ATTORNEY

Section 59

(1) An employed attorney practices law on the basis of employment relation with an attorney or law firm as a substitute for his employer and - if the labour contract so provides for it - an attorney or law firm that belongs to the same attorneys' association or attorneys' office community as his employer, for their clients.

(2) Legal practice may be pursued as an employed attorney as a member of the regional bar association.

Section 60

(1) Upon request, anybody shall be admitted to the regional bar association as an employed attorney who

- a) is a citizen of any signatory State to the Agreement on the European Economic Area,

- b) has a university law degree,
- c) has taken the Hungarian bar examination,
- d) liability insurance covers compensation for the damages caused by his legal practice and payment of the damages for pain and suffering,
- e) maintains an employment relation aimed at practicing law with an attorney or law firm that has an office in the operational area of the regional bar association, maintains an office room suitable also for continuously pursuing the employed attorney's legal practice and
- f) does not fall under the grounds for exclusion of practicing the legal profession.

(2) Upon request, a European Community jurist shall be admitted to the regional bar association as an employed attorney who

- a) liability insurance covers compensation for the damages caused by his legal practice and payment of the damages for pain and suffering,
- b) maintains an employment relation aimed at pursuing legal practice with an attorney or law firm that has an office in the operational area of the regional bar association, maintains an office room suitable for continuously pursuing the employed attorney's legal practice and
- c) does not fall under any of the grounds for exclusion of practicing the legal profession.

Section 61

(1) An employed attorney may maintain employment relation with several attorneys or law firms exclusively when all the employers are members of the same attorneys' association or attorneys' office community and this fact was notified to the regional bar association.

(2) The employment relation of an employed attorney will terminate - in accordance with the rules applying to termination of the employer without legal successor - if the employer's membership in the bar association terminates, the bar association removes the employer from the register or suspends the employer's practice.

(3) An employed attorney may not pursue legal practice independently; he may collaborate in it exclusively within the scope of responsibility and on the basis of the instructions of his employer. Employer's rights over an employed attorney may only be exercised by an attorney.

(4) An employed attorney may only carry out his activity within the frameworks of an agency and appointment given to his employer, and may substitute another attorney, European Community jurist or law firm with his employer's agreement.

(5) The employer will provide the possibility for an employed attorney to attend further training; to this end, it will exempt the employed attorney from performance of work for the period of the training.

(6)¹ The Act on the Labour Code shall govern the employment relation of the employed attorney in all other matters. The provisions of this Act applying to attorneys shall also apply with respect to employed attorneys regarding issues not regulated under this subtitle.

CHAPTER XI

ARTICLED CLERKS

Section 62

(1) An articulated clerk pursues legal practice in order to obtain the required practice of law for passing the bar examination on the basis of employment relation with an attorney, European Community jurist or law firm as a substitute for his employer and - if the labour contract so provides for it - an attorney, European Community jurist or law firm that belongs to the same attorneys' association or attorneys' office community as his employer, according to their instructions, for their clients.

(2) Legal practice may be pursued following admission to the bar association register as an articulated clerk.

Section 63

Upon request, anybody shall be admitted to the bar association register as an articulated clerk who

- a) is a citizen of any signatory State to the Agreement on the European Economic Area,
- b) has a university law degree,
- c) maintains an employment relation aimed at carrying out an articulated clerk's activity with an attorney or law firm that has an office in the operational area of the regional bar association, maintains an office room suitable for continuously pursuing the articulated clerk's activity and
- d) does not fall under any of the grounds for exclusion of practicing the legal profession.

1 Amended by Paragraph d) of Section 11 of Act XCI of 2018.

30. Right to employ articulated clerks

Section 64

(1) The right to exercise employer's rights over articulated clerks shall be vested with attorneys or European Community jurists who

a) are not subject to the scope of disciplinary penalty banning them from employing articulated clerks,
b) provide the conditions determined in the bar association regulations during employment of the articulated clerk and

c) their right to employ articulated clerks appears in the bar association register.

(2) The regional bar association will remove the right to employ articulated clerks from the bar association register if the attorney does not comply with the conditions as set out in Subsection (1).

31. Functioning of articulated clerks

Section 65

(1) An articulated clerk must be given work in the course of which he may acquire the practical knowledge required for practicing law and passing the bar examination.

(2) The regional bar association shall oversee the practice of law of articulated clerks and shall provide for their training.

(3) An articulated clerk may maintain an employment relation with several attorneys or law firms exclusively if all of his employers are members of the same attorneys' association or attorneys' office community, and this fact was notified to the regional bar association.

(4) The employer will provide the possibility for the articulated clerk to take part in the training for articulated clerks organised by the bar association; to this end, it will exempt him from performance of work for the period of the training.

(5) The employment relation of an articulated clerk will terminate - in accordance with the rules applying to termination of the employer without legal successor - if the employer's membership in the bar association terminates, the bar association removes the employer from the register, suspends the employer's practice or removes the employer's right to employ articulated clerks.

(6)¹ The Act on the Labour Code shall govern the employment relation of articulated clerks in all other matters. The provisions of this Act applying to attorneys shall also apply with respect to articulated clerks regarding issues not regulated under this subtitle.

CHAPTER XII

THE BAR ASSOCIATION LEGAL COUNSEL

Section 66

(1)² Bar association legal counsel shall pursue legal practice within the frameworks of their employment relation, government service, public service, tax and customs authority service, health service, public servant, law enforcement administration employee's, national defence employee's, law enforcement, professional and contracted military service legal relation, judicial employee legal relation at a judicial expert institute, ecclesiastical service relation, (in the application of this Chapter hereinafter collectively referred to as 'employment relation'), existing with a non-natural person subject-at-law for³

a) their employer notified to bar association register, in the case of ecclesiastical service relation the ecclesiastical legal person, (in the application of this Chapter hereinafter collectively referred to as 'employer'),

b) their employer's affiliated company, or

c) an organisation maintaining control and maintenance relation with their employer as their client.

1 Amended by Paragraph d) of Section 11 of Act XCI of 2018.

2 Amended by Paragraph a) of Section 93 of Act CXVII of 2019, Paragraph a) of Section 60 of Act CLII of 2020, Paragraph b) of Section 93 of Act CLXV of 2020.

3 Amended by Paragraph a) of Section 58 of Act CXV of 2018, Paragraph e) of Section 121 of Act CXXII of 2021.

(2) Bar association legal counsel may also pursue legal practice within the frameworks of their voluntary legal relation pursuant to the act on voluntary activity for public purposes. The provisions of this Act applying to employment relation shall also be applied to the bar association legal counsel's voluntary legal relation as specified in this Subsection, the provisions thereof applying to the employer shall also be applied to the host organisation with whom the bar association legal counsel established voluntary legal relation for public purposes as set out in this Subsection.

(3)¹ The bar association legal counsel of the mayor's office of a local government, of a joint local government office, greater county local government office, organisations of the body of representatives and the office or organisation of local governments for ethnic minorities may pursue legal practice for the given local government, its body of representatives, general meeting, organisation as well as the given local government for ethnic minorities, its organisation as well as the organisation that has maintainer's relation with the local government and the local government for ethnic minorities, in matters affecting the scope of duties and powers of such organisation.

(3a)² The bar association legal counsel of the ministry may pursue legal practice in cases affecting the scope of duties and powers of the minister whose work is helped by his employer on the basis of the appointment as provided for in Paragraph b) of Subsection (2) of Section 20 of Act CXXV of 2018 on Government Administration.

(4) Of legal practices, a bar association legal counsel as a member of the regional bar association may pursue the following activities

- a) providing legal representation,
- b) providing representation of a legal person in a criminal case,
- c) providing legal counsel,
- d) preparing documents,
- e) countersigning documents,
- f) in connection with the activities specified in paragraphs a)-e), converting prepared documents and their annexes into electronic document format.

(5)³ The bar association legal counsel of an employees' interest representation organisation may on the basis of the authorisation of such organisation provide legal representation in labour or public service actions of own members of the employees' interest representation organisation.

(6)⁴ The bar association legal counsel's contact details for electronic communication shall be determined by the Government in a decree.

Section 67

(1) Upon request, any person shall be admitted to the regional bar association as a bar association legal counsel who

- a) is a citizen of any signatory State to the Agreement on the European Economic Area,
- b) has a university law degree,
- c) has taken the Hungarian bar examination,
- d) maintains an employment relation aimed at pursuing legal practice with a non-natural person subject-at-law not entitled to pursue legal practice,
- e) in his case, any of his employers' registered office or its establishment, branch office where it employs the bar association legal counsel is located in the operational area of the regional bar association,
- f) in his case, all of their employers declare that the conditions of practicing the legal profession are provided,
- g) in his case, all of their employers declare that the conditions necessary for electronic case administration are provided
- h) does not fall under the grounds for exclusion of practicing the legal profession.

(2) Upon request, a European Community jurist shall be admitted to the regional bar association as bar association legal counsel who

- a) pursued legal practice in the territory of Hungary without interruption for a minimum of three years in connection with Hungarian law or application of the European Union's legislation in Hungary,
- b) has proficiency in Hungarian at a level necessary for practicing the legal profession,
- c) maintains an employment relation aimed at pursuing legal practice with a non-natural person subject-at-law not entitled to pursue legal practice,
- d) in his case, any of his employers' registered office or its establishment, branch office where it employs the bar association legal counsel is located on the operational area of the regional bar association,
- e) in his case, all of their employers declare that the conditions of practicing the legal profession are provided,

1 Shall enter into force with text as amended pursuant to Section 102 paragraph c) of Act CXXXVI of 2017. Amended by Point 2 of Section 208 of Act XXII of 2022.
2 Established by Section 177 of Act IV of 2022, effective as of 25 May 2022.
3 Enacted by Subsection (6) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.
4 Enacted by Subsection (6) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

f) in his case, all of their employers declare that the conditions necessary for electronic case administration are provided

g) does not fall under any of the grounds for exclusion of practicing the legal profession.

(3) The minister of justice, (hereinafter referred to as minister), may give exemption from the requirement of citizenship.

Section 68

(1) A bar association legal counsel may maintain an employment relation aimed at practicing legal profession - except for affiliated companies - with a maximum of two non-natural person subjects-at-law.

(2)¹ A bar association legal counsel represents his employer, his employer's affiliated company and an organisation having a controlling or maintainer's relation with his employer and an organisation specified in Section 66 Subsections (3) and (3a) with a general or separate authorisation. The rules pertaining to power of attorney shall be applied to the authorisation.

(3) A bar association legal counsel may not accept agency for pursuing legal practice.

(4)² The bar association legal counsel may enter into a legal relation established by several employers pursuant to the Act on the Labour Code for pursuing legal practice only with employers that are affiliated companies of each other. Under an employment relation established by several employers, the obligations encumbering the employer of the bar association legal counsel pursuant to this Act shall be performed by the employer appointed for fulfilling tax liabilities, who will make the declarations pursuant to Section 67 Subsection (1) paragraphs *f)* and *g)* on behalf of all the employers. When no such appointment is made, the obligations encumbering the employer of the bar association legal counsel shall be performed by all the employers affected under the employment relation.

(5)³ The employment relation established by several employers shall be deemed for the purposes of Subsection (1) as an employment relation existing with one non-natural person subject-at-law.

(6)⁴ Only the client may give instructions to the bar association legal counsel in relation to handling the matter. Any agreement in derogation from this paragraph shall be null and void.

Section 69

(1) With the exception of Section 20 Subsections (5) and (6), the rules of this Act applying to the employment relation and employer of the bar association legal counsel shall be applied to his legal relation specified in Section 66 Subsection (1), established at least partly for performing legal practice. The provisions of the act on employment relation shall be applied to the legal relation between the bar association legal counsel and the employer as specified in this Subsection with the derogations set out in this Act.

(2) A bar association legal counsel is obliged to refuse to fulfil an instruction if the performance thereof would result in committing disciplinary infraction.

(3) Any agreement that attaches legal consequence to the bar association legal counsel's right to refuse instructions specified in Subsection (2) shall be null and void.

(4) A bar association legal counsel is obliged to notify the disciplinary commissioner within thirty days if the employer terminated any of his employment relations by termination of the employment relation with immediate effect by the employer owing to the bar association legal counsel's culpable breach of obligation, as stipulated in the act on job assistance and unemployment benefit.

(5) Performance of the bar association legal counsel's payment obligation towards the bar association may be assumed by his employer.

(6) The employer will provide the possibility for the bar association legal counsel to take part in the training and any further training organised by the bar association; to this end, it will exempt him from performance of work for the period of the training.

CHAPTER XIII

THE LEGAL CLERK

Section 70

1 Amended by Paragraph e) of Section 11 of Act XCI of 2018.

2 Enacted by Subsection (7) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

3 Enacted by Subsection (7) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

4 Enacted by Subsection (7) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

(1)¹ A legal clerk shall pursue the legal practice in order to obtain the practice of law required for passing the bar examination and acquire the professional knowledge necessary for fulfilling the bar association legal counsel's duties, on the basis of his employment relation, government service, public service, tax and customs authority service, health service, public servant, law enforcement administration employee's, national defence employee's, law enforcement, professional and contracted military service legal relation, judicial employee legal relation at a judicial expert institute, ecclesiastical service relation, (in the application of this Chapter hereinafter collectively referred to as 'employment relation'), under the governance and control of the bar association legal counsel for²

a) his employer notified to bar association register, in the case of ecclesiastical service relation the ecclesiastical legal person, (in the application of this Chapter hereinafter collectively referred to as 'employer'),

b) his employer's affiliated company, or

c) an organisation maintaining control and maintenance relation with his employer.

(2) Legal clerks may also pursue legal practice within the frameworks of their voluntary legal relation pursuant to the act on voluntary activity for public purposes. The provisions of this Act applying to employment relation shall also be applied to the legal clerk's voluntary legal relation as specified in this Subsection, the provisions thereof applying to the employer shall also be applied to the host organisation with whom the legal clerk established a voluntary legal relation for public purposes as set out in this Subsection.

(3)³ The legal clerk of the mayor's office of a local government, of a joint local government office, greater county local government office, organisations of the body of representatives and the office or organisation of local governments for ethnic minorities may pursue legal practice for the given local government, its body of representatives, general meeting, organisation as well as the given local government for ethnic minorities, its organisation as well as the organisation that has maintainer's relation with the local government and the local government for ethnic minorities, in matters affecting the scope of duties and powers of such organisation.

(4) Legal clerks may pursue legal practice that may be pursued by bar association legal counsel as a substitute for and in accordance with the instructions of the bar association legal counsel - with the limitation stipulated in this Act - after having been entered in the bar association register as a legal clerk.

Section 71

(1) Upon request, any person shall be entered in the bar association register as a legal clerk who

a) is a citizen of any signatory State to the Agreement on the European Economic Area,

b) has a university law degree,

c) maintains an employment relation aimed at pursuing legal clerk's practice with a non-natural person subject-at-law not entitled to pursue legal practice,

d) in his case, his employers' registered office or its establishment, branch office where it employs the legal clerk is located in the operational area of the regional bar association,

e) in his case, his employers declare that the conditions of practicing the legal profession are provided, and

f) does not fall under any of the grounds for exclusion of practicing the legal profession.

(2) The minister may give exemption from the requirement of citizenship.

(3) A legal clerk may maintain employment relation aimed at practicing legal profession - except for affiliated companies - with one non-natural person subject-at-law.

(4) The provisions of Subsections 68 and 69 shall be applied to legal clerks in other matters.

Section 72

(1) A legal clerk must be given work in the course of which he may acquire the practical knowledge required for the functions of a bar association legal counsel and passing the bar examination.

(2) The regional bar association shall oversee the practice of law of legal clerks and shall provide for their training.

CHAPTER XIV

THE EUROPEAN COMMUNITY JURIST

1 Amended by Paragraph a) of Section 93 of Act CXVII of 2019, Paragraph a) of Section 60 of Act CLII of 2020, Paragraph b) of Section 93 of Act CLXV of 2020.

2 Amended by Paragraph a) of Section 58 of Act CXV of 2018, Paragraph f) of Section 121 of Act CXXII of 2021.

3 Shall enter into force with text as amended pursuant to Section 102 paragraph c) of Act CXXXVI of 2017. Amended by Point 2 of Section 208 of Act XXII of 2022.

Section 73

(1) A European Community jurist is a natural person entitled to practice law in an EEA State who practices the legal profession on an ad hoc or permanent basis, in a businesslike way, at his economic risk-taking - with the exception specified in this Act - as assigned by his client, under his professional designation stipulated in the ministerial decree on the professional designations of European Community jurists.

(2)¹ In the application of this Chapter, an EEA State is a Member State of the European Union and other state signatory to the Agreement on the European Economic Area, and - in the absence of provisions of promulgated international agreement to the contrary - a state whose citizen enjoys a legal status on the basis of the international agreement made between the European Community and its Members States and a state not signatory to the Agreement on the European Economic Area identical with the legal status of a citizen of a signatory state to the Agreement on the European Economic Area.

(3) In the application of this Chapter, the EEA State in which a European Community jurist has acquired the entitlement to use one of the professional designations stipulated in legislation is to be considered the European Community jurist's own EEA State.

32. Forms of the European Community jurist's activity

Section 74

As a European Community jurist, legal practice may be pursued in the territory of Hungary

a) permanently, only after having been entered in the bar association register as a European Community jurist,

b) on an ad hoc basis, after having been entered in the bar association register as a European Community jurist or - with the exception specified in Section 76 Subsection (1) - after having made the notification to the Hungarian Bar Association.

Section 75

Upon request, any person shall be entered in the bar association register as a European Community jurist who

a) is entitled to pursue legal practice in an EEA State,

b) liability insurance enforceable on the territory of Hungary covers compensation for the damages caused by his legal practice and payment of the damages for pain and suffering,

c) except for members of collective law firms, who entered into an agreement with an attorney, European Community jurist or law firm for his substitution and

d) does not fall under the grounds for exclusion of practicing the legal profession.

Section 76

(1) A European Community jurist may pursue legal practice on an ad hoc basis in Hungary if this activity complies with providing cross-border service stipulated in **Act LXXVI of 2009** on the General Rules of the Commencement and Performance of Service Activities.

(2) If the duration of the legal practice pursued continuously or with a maximum of six months interruption per occasion, exceeds three years, it must be presumed that the European Community jurist practices law in Hungary permanently.

(3) If a European Community jurist performs legal practice on an ad hoc basis, without being entered in the bar association register - in the case of his proceeding on the first occasion - he shall be obliged to notify the intention to commence the activity in writing to the Hungarian Bar Association no later than before starting it. Exceptionally, if the delay involved in making the notification in advance might violate material interests of the European Community jurist's client, this notification shall be made on the working day following the procedural action at the latest.

(4) The notification specified in Subsection (3) shall contain the following information about the European Community jurist

a) surname and forename,

b) surname and forename at birth,

c) place and date of birth, mother's name at birth,

d) citizenship,

e) notification address in his own EEA State,

f) the name of the organisation keeping the register of attorneys in the official language of his own EEA State he is a member of,

1 Shall enter into force with text as amended pursuant to Section 102 paragraph d) of Act CXXXVI of 2017.

g) registration number in the organisation specified in paragraph f),
h) professional designation according to his own EEA State and
i) data of the attorneys' association operating in the European Community jurist's own EEA State, if he is a member of such an association.

(5) If the duration of the legal practice pursued by the European Community jurist on an ad hoc basis exceeds one year, he shall be obliged to notify the legal practice pursued on an ad hoc basis to the Hungarian Bar Association every year, before the expiry of the anniversary.

33. Functioning of the European Community jurist

Section 77

(1) European Community jurists may only include their professional designation as specified in the ministerial decree on the professional designations of European Community jurists in the use of their name, and shall be obliged to indicate the specification of their professional organisation they are a member of in the official language of their own EEA State. The professional designation must be furnished with a supplementary explanation in Hungarian if it can be confused with the designation 'attorney'. The European Community jurist may not create the impression that he is a member of the bar association.

(2)¹ In the cases in which legal regulation prescribes compulsory legal representation, a European Community jurist may only provide such representation, and in a criminal case may only provide defence for the accused if he has concluded a collaboration contract with an attorney or law firm for this purpose.

(3) In the cases in which legal regulation provides for a countersignature by an attorney, a European Community jurist may only collaborate if he has concluded a collaboration contract with an attorney or law firm for this purpose and the document is countersigned by the collaborating attorney or an attorney member of the collaborating law firm.

(4)² A European Community jurist, in all

a) of the cases requiring compulsory legal representation in which he proceeds in the representation of his principal; or

b) of the criminal cases, where he proceeds as the defence counsel of the accused for the first time before court or another authority, shall be obliged to present the collaboration contract, and, if it is not in Hungarian, a certified translation thereof into Hungarian.

(5) If the collaboration contract terminates, the European Community jurist shall be obliged to report this fact immediately in writing to the court and other authority before which he previously verified the establishment of collaboration.

(6) The key content elements of the collaboration contract are determined by the bar association regulations.

Section 78

(1) European Community jurists who permanently practice law in the territory of Hungary shall, in the course of their activities, comply with the provisions of this Act and the stipulations set out in bar association regulations.

(2) The provisions of this Act shall govern the activities of European Community jurists who provide temporary services with regard to legal representation; to their other activities the rules of the jurist's own EEA State that govern the practice of law in such cases shall be applied, as shall the provisions of this Act and the stipulations of the rules and regulations of the Hungarian Bar Association, provided that they are applicable even when legal practice in the territory of Hungary is not permanent.

(3) If a European Community jurist provides temporary service without being registered, the regional bar association with jurisdiction over the place in which the services are provided may monitor compliance with the requirements established in this Act with regard to European Community jurists who provide temporary services.

(4) The regulations pertaining to independent attorneys shall be applied to independently operating European Community jurists in other matters.

CHAPTER XV

THE EMPLOYED EUROPEAN COMMUNITY JURIST

¹ Amended by Paragraph f) of Section 11 of Act XCI of 2018.

² Established by Subsection (8) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

Section 79

(1) Employed European Community jurists shall pursue legal practice on the basis of their employment relation with a European Community jurist, attorney or law firm, as substitute of their employer, for their employer's clients.

(2) As an employed European Community jurist, legal practice may be pursued in the territory of Hungary

a) permanently, only after having been entered in the bar association register as an employed European Community jurist,

b) on an ad hoc basis, after having been entered in the bar association register as an employed European Community jurist or after notifying the Hungarian Bar Association.

Section 80

Upon request, any person shall be entered in the bar association register as employed European Community jurist who

a) is entitled to pursue legal practice in a signatory state to the Agreement on the European Economic Area,

b) liability insurance enforceable in the territory of Hungary covers compensation for the damages caused by his legal practice and payment of the damages for pain and suffering,

c) maintains an employment relation aimed at pursuing legal practice with an attorney, European Community jurist or law firm that has an office in the operational area of the regional bar association, maintains an office room suitable for continuously pursuing the employed European Community jurist's activity and

d) does not fall under any of the grounds for exclusion of practicing the legal profession.

Section 81

(1) Employer's rights over an employed European Community jurist may be exercised only by a European Community jurist or attorney.

(2) The provisions applying to employed attorneys govern employed European Community jurists in other matters.

CHAPTER XVI

FOREIGN LEGAL COUNSELS

Section 82

(1) A foreign legal counsel shall provide legal advice on the basis of a collaboration contract concluded with a Hungarian attorney or law firm, concerning the law in the country in which he is a registered attorney as well as international law and practice of law connected therewith. A foreign legal counsel may not pursue other legal practice in Hungary.

(2) In the course of his activities, a foreign legal counsel may - when referring to his capacity as a foreign legal counsel - use his own personal name and the name of his foreign law firm in the form used in the country in which he is registered.

(3) Legal practice may be pursued after having been entered in the bar association register as a foreign legal counsel. This provision does not affect the regulations pertaining to the employment of foreign nationals in Hungary.

Section 83

(1) Upon request, any person shall be entered in the bar association register as a foreign legal counsel who

a) is entitled to practice law abroad,

b) is not subject to criminal or disciplinary proceedings in the country specified in paragraph *a)*,

c) has concluded a collaboration contract with an attorney, law firm that has an office on the operational area of the regional bar association and maintains an office room suitable for continuously pursuing the foreign legal counsel's activity,

d) liability insurance enforceable in the territory of Hungary covers compensation for the damages caused by his legal practice and payment of the damages for pain and suffering and

e) does not fall under any of the grounds for exclusion of practicing the legal profession.

(2) No foreign attorney who or whose foreign law firm has established a commercial representation in Hungary may be entered in the bar association register as a foreign legal counsel.

Section 84

(1) A foreign legal counsel may conduct his activities exclusively on the basis of an agency provided to an attorney or law firm with which he has concluded a collaboration contract.

(2) If the collaboration contract so provides, the foreign legal counsel may accept the agency in his own right within the scope of his activities.

(3) A collaboration contract may also be concluded with the foreign legal counsel's foreign law firm.

(4) In the course of his activities, a foreign legal counsel must make it known that he is not a registered member of the Hungarian bar association, and he must not imply that he is authorised to practice the legal profession in connection with Hungarian law.

CHAPTER XVII

ADMINISTRATOR FOR A LAW FIRM

Section 85

(1) The regional bar association will designate an administrator for a law firm from among attorneys registered as having authorisation to pursue the activities of an administrator for a law firm for:

a) a deceased attorney's and European Community jurist's law firm with no members left who practice the legal profession,

b) an attorney and European Community jurist, if

ba) they are prevented in pursuing legal practice and have no substitute, or

bb) their membership in the regional bar association terminated or the European Community jurist has been removed from the bar association register, and have not properly provided for handling their pending cases, placing their documents or the records kept in accordance with this Act,

c) for a law firm terminated without a legal successor if it

ca) fails to submit for publication its opening and closing balance sheet and assets distribution proposal supported by inventory, approved by the members' meeting,

cb) fails to present its closing account on settlement of accounts with clients and paying out deposits,

cc) fails to certify that it has properly provided for handling its pending cases, or

cd) fails to certify that it has properly provided for releasing documents the clients are entitled to, retaining documents that may not be discarded or their placement in archives,

d) for a law firm under winding-up proceedings.

(2) An administrator for a law firm shall

a) perform - in the cases specified in Subsection (1) paragraphs *c)* and *d)* in cooperation with the director - the urgent legal acts in the matters of an attorney, European Community jurist, law firm, obtain right of disposal over the safe custody account and the items of property received by the attorney, European Community jurist from the clients and - except for bankruptcy and winding-up proceedings - over the law firm's payments accounts, make an attempt at collecting the attorney's fees stipulated but not paid yet, shall be entitled to have access to the documents of the attorney, law firm, or

b) in the case specified in Subsection (1) paragraph *c)* - if the director fails to do it - survey the financial standing of the law firm, collect its receivables, pay its debts, assert its rights, fulfil its obligations and sell its property assets if necessary, distribute the assets remaining after the satisfaction of creditors among members or inheritors of the law firm in cash or in kind and terminate the operation of the law firm.

(3) In his scope of duties specified in Subsection (2), the administrator for a law firm is entitled to represent an attorney, European Community jurist or law firm.

(4) In return for his activity an administrator for a law firm is entitled to remuneration at a rate determined in the bar association regulations, which shall be borne by the person/entity or the legal successor thereof for whom the administrator for a law firm was designated. If the fee of the administrator for a law firm cannot be collected, it shall be borne by the bar association.

(5) Designation of the administrator for a law firm must be terminated if the reason for designation terminated.

Section 86

(1) Upon request, the regional bar association will record his right to pursue the activities of an administrator for a law firm of an attorney with a minimum of five years' attorney's practice who is a member of the bar association in the bar association register. The right to pursue the activities of an administrator for a law firm may not be registered concerning the following persons,

- a) against whom disciplinary proceedings are in progress or who are subject to disciplinary penalty,
b) proceedings for removal of their membership in the bar association is in progress, or
c) who interrupt their activity.
(2) The regional bar association will deny the right to pursue the activities of an administrator for a law firm of those who request it and who do not meet the conditions specified in Subsection (1).

PART FIVE

ORGANISATIONS PURSUING LEGAL PRACTICE

CHAPTER XVIII

LAW FIRMS

Section 87

(1) Law firms are legal persons that are established by one or several attorneys and European Community jurist members for pursuing businesslike joint legal practice, and where a member shall be liable to the law firm for providing the assets specified in the deed of foundation and any other financial contribution determined in the deed of foundation.

(2) An attorney and a European Community jurist may be a member of only one law firm.

(3) A law firm may also be established by registered capital of a rate determined in the deed of foundation.

(4) If a law firm's registered capital amounts to three million HUF, apart from the cases specified in Subsection (5), a member shall not take responsibility for the law firm's liabilities. If the law firm's registered capital does not amount to three million HUF, members of the law firm shall have unlimited, joint and several liability for the liabilities of the law firm not covered by its assets.

(5) If the law firm's assets do not cover the claim, a member of the law firm shall have unlimited liability with his own assets for compensation for the damages caused by him within the scope of his legal practice and payment of the damages for pain and suffering. The member of the law firm that causes damage as set out in this Subsection - without prejudice to his vicarious liability - may also be sued along with the law firm .

Section 88

(1) The law firm's deed of foundation may stipulate that, if the member so wants, the share of the assets due to the member shall stay in the law firm after the membership relation is terminated, including termination of the membership relation because of change of form in the bar association, (hereinafter referred to as 'proprietary membership').

(2) In the event of proprietary membership, the deed of foundation must stipulate the rights and obligations of proprietary members as well as the manner in which accounts are settled.

(3) A proprietary member may not practice law within the frameworks of the law firm. The obligations of a sole practitioner law firm entailed in its representation, arising from legal regulations shall be fulfilled by the proprietary member.

(3a)¹ A proprietary member shall have right to vote during amendment of the deed of foundation of the law firm for the purposes of restoring his membership in the law firm. A proprietary member of a sole practitioner law firm may amend the deed of foundation of the law firm for the purposes of restoring his membership in the law firm.

(4) Proprietary membership may be terminated by mutual agreement and by ordinary notice as specified in Section 92, and will terminate with the termination of the law firm and the death of the proprietary member. In the event of termination of proprietary membership, the law firm shall be obliged to settle accounts with the proprietary member or his heirs.

34. Establishing law firms

Section 89

¹ Enacted by Subsection (9) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

(1) The rules applying to establishing legal persons shall be applied to establishing law firms, providing that a law firm is established by being entered in the register of law firms.

(2) Members will provide for establishing the law firm in a deed of foundation. The deed of foundation must specify, in addition to what is stipulated in the Civil Code:

- a) the law firm's branch office and sub-office, if the law firm has a branch office or sub-office,
- b) the voting rights the members of the law firm are entitled to and the procedure to be followed in the event of tied votes,
- c) the rules for representing the law firm and for accepting agencies,
- d) the effect of the director's mandate, the rules for managing the law firm in the event of several directors,
- e) the rules for the functioning of the members' meeting,
- f) the rules for making settlements among the members,
- g) the rules for being expelled from the law firm, extraordinary dismissal and termination of membership,
- h) the rules for terminating the law firm, and
- i) the rules for accepting the report as set out in the act on accounting.

(3) For sole practitioner law firms, the deed of foundation must specify, in addition to what is stipulated in the Civil Code, the information specified in Subsection (2) paragraphs a) and h), and the member of the law firm shall exercise and fulfil the director's rights and obligations.

(4) Members of a law firm are entitled to have access to the firm's books and accounts. Any arrangement to the contrary shall be null and void.

(5) A law firm's registered office must be the office. An office may be established only in the operational area of a regional bar association where the law firm has a member who is registered or entered in the register. A collective law firm must have an office or branch office in the operational area of all the regional bar associations where the law firm has a member who is registered or entered in the register.

(6) At the director's request, a law firm must be entered in the register of law firms if

- a) the deed of foundation meets the conditions specified in Subsections (1)-(5),
- b) the deed of foundation does not conflict with legal regulations or bar association regulations, and
- c) liability insurance covers compensation for the damages caused by its legal practice and payment of the damages for pain and suffering.

Section 90

(1) The name of a law firm may contain the name of the attorneys' association registered in an EEA State in a foreign language the member of which is a member European Community jurist in the law firm.

(2) Further rules for the name of the law firm are stipulated in the rules and regulations of the Hungarian Bar Association.

35. The organisations of a law firm

Section 91

(1) The decision-making organisation of a law firm is the members' meeting consisting of the law firm's members.

(2) For sole practitioner law firms, the powers of the decision-making organisation are exercised by the sole member, who decides the issues falling under the powers of the decision-making organisation in writing.

(3) Management of a law firm shall be provided by one or several directors elected from the members.

36. Termination of membership in a law firm

Section 92

(1) Membership in a law firm terminates:

- a) with termination of the member's membership in the bar association or the member's removal from the bar association register,
- b) by mutual agreement of the members,
- c) by ordinary notice,
- d) by extraordinary notice,
- e) by expulsion, or
- f) with the termination of the law firm.

(2) The law firm shall settle accounts with the former member or his heir - with the exception of Section 88 Subsection (1) - at the time the membership relation terminates.

Section 93

(1) A member of a law firm may terminate his membership relation - in the absence of any provisions of the deed of foundation to the contrary - with three months' notice. If the notice period expires at an inconvenient time, the law firm may extend the notice period by a maximum of three months.

(2) A law firm may terminate a membership relation - in the absence of any provisions of the deed of foundation to the contrary - with three months' notice, and it shall simultaneously inform the member of the share of the assets he is entitled to that the law firm shall issue on the day on which the membership terminates. If the member disputes the share of the assets so determined, he shall inform the law firm thereof within fifteen days from the day on which notice is given. The membership relation of a member having right to majority vote may not be terminated.

(3) A member of the law firm may terminate his membership relation with immediate effect, if another member of the law firm materially breached the provisions of the deed of foundation or engages in a conduct that seriously jeopardises collaboration with him or the law firm's practice.

Section 94

The members' meeting of a law firm consisting of at least three members may expel a member if he seriously jeopardises the law firm's activity by his conduct.

37. Transformation of a law firm

Section 95

(1) A law firm may not be transformed into another type of legal entity.

(2) A law firm may only merge with a law firm and may only demerge into law firms. The provisions of the Civil Code pertaining to the merger and demerger of legal entities shall be applied to merger and demerger of law firms with the exceptions stipulated in this Act.

(3) The provisions of the Civil Code pertaining to transformation, merger and demerger of business associations shall be applied to the obligations of a transforming law firm or a law firm established through transformation to prepare a statement of source and application of funds and to ascertain and value its assets as well as to the procedural rules of transformation.

(4) Merger or demerger of a law firm shall be decided by the members' meeting of the law firm or law firms concerned. The merger and demerger shall become effective by being entered in the bar association register.

(5) The assigned law firm will notify the principal immediately but no later than simultaneously with submitting the application for registration of changes to the bar association about transferring the agency to the legal successor law firm, and will at the same time inform them about the conditions of terminating or limiting the agency.

(6) The legal successors of a demerging law firm are liable for those of the law firm's obligations incurred prior to demerger in the proportion in which the assets were distributed. If any assets are not provided for during the demerger, the assets or consideration for them shall be due to all the legal successor law firms in the proportion in which the assets were distributed. If an obligation is unknown until after the demerger, the liability of the legal successor law firms shall be joint and several. The legal successor law firms shall also have joint and several liability when they provided for the obligation during the demerger, but the obligor law firm did not perform the obligation. These provisions may be applied, with regard to any obligations arising from agency, only to any possible liability for indemnification.

38. Termination of a law firm

Section 96

(1) A law firm shall terminate when it is removed from the register of law firms.

(2) The regional bar association shall remove a law firm from the register of law firms if

- a) the members' meeting of the law firm resolves to terminate the law firm with a legal successor,
- b) the members' meeting of the law firm resolves to terminate the law firm without a legal successor,
- c) it is a law firm with no attorney or European Community jurist or proprietary member left,
- d) the law firm fails to meet the conditions prescribed for establishing a law firm in spite of being called upon to do so,
- e) the court terminates the law firm without a legal successor under winding-up proceedings,

f) the law firm's tax number is definitively deleted, or
g) an administrator has been designated to the law firm, and termination of the designation or termination of the law firm without a legal successor does not take place within three years from such designation.

(3) If a law firm fails to meet the conditions prescribed for establishing it, the regional bar association will call upon it to meet these conditions within thirty days.

(4)¹

(5)² If after a law firm has been removed from the register of law firms without a legal successor any asset turns up the owner of which was the law firm removed from the register, property settlement proceedings pursuant to the Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings must be conducted, providing that the provisions pertaining companies removed from the register shall be applied to the law firm removed from the register.

Section 97

(1) The members' meeting of the law firm may resolve to terminate the law firm without a legal successor if it

a) has properly provided for transferring or terminating its agencies,

b) has properly provided for terminating the employment relation of the employed attorney, articulated clerk, employed European Community jurist and attorney assistant employed by the law firm, and

c) has properly provided for placing the law firm's documents with an attorney, law firm or attorneys' archives or otherwise, which ensures keeping confidentiality of attorney-client privileged information and subsequent retrieval of documents.

(2) In its decision on its termination without a legal successor, a sole practitioner law firm may transfer its rights and obligations arising from all of its agencies regarding its legal practice to its member effective as of his registration as a sole practitioner attorney - even without its clients' consent - providing that after the registration the law firm may not pursue legal practice.

(3) If the regional bar association - except for winding-up - does not remove the law firm from the register for any reason within two years from the decision on its termination without a legal successor,

a) the regional bar association will release the director or the administrator for a law firm by its resolution, and will designate an administrator for a law firm for completing the tasks of terminating the law firm without a legal successor, and

b) it will ban a person from legal practise for three years who was the law firm's director or a member with majority vote at the time of resolving to terminate the law firm without a legal successor or during the one year preceding it, except when he proves that failure of the removal was caused by an unforeseeable circumstance beyond his control and it could not be expected from him to avoid such circumstance or prevent the occurrence of such circumstance.

(4) If a law firm terminates without a legal successor, the assets remaining after the debts have been settled shall be due to the members of the law firm in proportion to their pecuniary contributions, unless a provision of the deed of foundation or an agreement stipulates otherwise.

(5) If the law firm is terminated because of the death of its member, the assets specified in Subsection (4) shall be due to the heir.

(6) Each member of a law firm terminated without a legal successor or his heir shall be liable for the law firm's debts up to the amount of his part of the law firm's assets.

(7) In the event of termination without a legal successor - if it doesn't take place under winding-up proceedings - the rules pertaining to bookkeeping and report-making obligations of organisations under voluntary liquidation shall be applied.

Section 98

(1) During bankruptcy and winding-up proceedings, the law firm's name must be used with the extension „u.b.” or “u.w.”.

(2) If it can be established on the basis of the opening balance sheet that the law firm's assets are not sufficient for paying debts, and the members fails to make the missing amount available to the law firm as pecuniary contribution within thirty days, the person entrusted with tasks connected with terminating the law firm shall immediately submit an application for conducting winding-up proceedings to the court. Submitting the application for winding-up does not require the resolution of the members' meeting, but the person entrusted with the tasks connected with terminating the law firm must inform the members' meeting of the initiation of winding-up at the same time.

(3) In terms of bankruptcy and winding-up proceedings, the law firm's assets shall not include any money, securities, other items of property deposited for safe custody at the law firm by the clients or for the clients' benefit or received by the law firm from the clients for safeguarding.

¹ Repealed by Paragraph a) of Section 13 of Act XCI of 2018, effective as of 1 January 2019.

² Enacted by Subsection (10) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

(4) If the court orders winding-up of a law firm or terminates the winding-up proceedings, it will send the final decision thereon within three working days from the date it becomes final, and also to the regional bar association in the operational area of which the law firm operates. The regional bar association will within three working days from receipt of the decision designate an administrator for a law firm or will terminate the designation of the administrator for a law firm, and will notify the court and - if an administrator for a law firm is designated - the liquidator of this fact within three working days by sending the bar association resolution containing the designation.

(5) After the winding-up proceedings have been ordered, the director of the law firm shall perform his obligations as stipulated in Section 31 of Act XLIX of 1991 on Bankruptcy Proceedings and Liquidation Proceedings, (hereinafter referred to as Bankruptcy Act), with the deviation that he shall be obliged to hand over the assets specified in Subsection (3), the documents, accountancy documents related thereto as well as the documents containing attorney-client privileged information to the administrator for a law firm.

(6) The law firm's director is obliged to collaborate with the liquidator and the administrator for a law firm to enable the collection of its receivables arising from agency relations still in progress.

(7) In case of the winding-up of a law firm, in the list of documents as set out in Section 31 (1) *b*) of the Bankruptcy Act the documents handed over to the administrator for a law firm as specified in Subsection (5) do not have to be stated. The administrator for a law firm is obliged to make a separate list of documents from them and deliver it to the president of the regional bar association.

39. The agency of the law firm

Section 99

(1) The agency provided to a law firm will terminate with the termination of the assigned law firm without a legal successor.

(2) If the membership relation of a member of a law firm terminates in a manner that he continues to pursue legal practice, the attorney will - if the client consents thereto - become the agent in the agency contract issued to him in the settlement of accounts.

40. The European Community jurist's office

Section 100

If a law firm only has European Community member(s), or the firm's name does not include the surname of at least one attorney member, in the firm's name then the term 'European Community jurist's office' shall be used instead of 'law firm'. The rules applying to law firms shall govern European Community jurist's offices in other matters.

CHAPTER XIX

ATTORNEYS' ASSOCIATIONS AND ATTORNEYS' OFFICE COMMUNITIES

Section 101

(1) For the purposes of permanently providing legal practice, with a written association agreement, an attorneys' association not constituting a separate legal entity, operating under its own name may be created.

(2) Attorneys, European Community jurists, foreign legal counsels or law firms may be members of attorneys' associations.

(3) The name, creation, termination of an attorneys' association, the name of the attorney that manages, represents the attorneys' association, the names of attorneys participating in the attorneys' association, the manner of the use of name of participants in the attorneys' association and the changes in the identity of participants must be put in writing and must be notified to the regional bar association.

Section 102

(1) In the event of pursuing legal practice permanently while using a joint infrastructure and bearing costs jointly, partly or fully, in every other respect autonomously and independently, with a written agreement, an attorneys' office community not constituting a separate legal entity, which cannot be operated under its own name, may also be created.

(2) Attorneys, European Community jurists, foreign legal counsels or law firms may be members of attorneys' office communities.

(3) The creation, termination of an attorneys' office community, participants in the collaboration and changes in the identity of participants must be notified to the regional bar association.

Section 103

Detailed rules pertaining to attorneys' associations and attorneys' office communities are stipulated in the bar association regulations.

CHAPTER XX

ATTORNEY ASSISTANTS

Section 104

(1) Attorneys, European Community jurists and law firms in order to help their own work or the work of the attorneys' association or attorneys' office community may employ one or several attorney assistants who also have the general rights of representation in an employment relation.

(2) An attorney assistant shall represent the attorney or law firm under the control of a sole practitioner attorney, European Community jurist or the law firm's director within the frameworks and with the exceptions stipulated in this Act.

(3) Attorney assistant's activity may be carried out by a person who has been entered by the regional bar association in the bar association register as an attorney assistant.

41. Attorney assistants' right of representation

Section 105

(1) An attorney assistant may not represent his employer

- a) in pursuing legal practice,
- b) during undertaking, modifying or terminating attorney's agencies,
- c) during acceptance of the power of attorney,
- d) during preliminary investigation, in disciplinary, ethical proceedings or mediation proceedings as specified in this Act,
- e) during its participation in the organisations of the bar association,
- f) in court proceedings against the law firm's resolution, and
- g) in recording, modifying or deleting data of money deposited for safe custody in electronic registers.

(2) In derogation from Subsection (1), an attorney assistant is entitled, in the representation of his employer or under an attorney's or a European Community jurist's control, to

- a) verify the identity of the client or his representative,
- b) access and check data of real properties,
- c) receive documents received from or for the principal, give notice of receipt thereof,
- d) issue documents to the client,
- e) except for disciplinary and ethical proceedings, proceed before the bar association on behalf of the employer,
- f) make electronic copy of paper format documents faithfully corresponding with pages,
- g) electronically transfer documents which were electronically signed by the legal practitioner, and
- h) request data from records kept of money deposited for safe custody.

(3) An attorney assistant is entitled to contractual agency to represent his employer in its transactions and to represent his employer as the subject of the proceedings in court, authority proceedings, if legal representation is not compulsory.

(4) An attorney assistant employed by a law firm - except for representation in legal disputes with the law firm - is entitled to represent the members of the law firm if legal representation is not compulsory.

42. Conditions of pursuing attorney assistant's activities

Section 106

(1) The following persons shall be entered in the bar association register as an attorney assistant at his employer's request: who are of legal age and whose capacity to proceed under the law has not been limited in the scope necessary for performing their relevant activity and do not fall under any of the grounds for exclusion as specified in Subsection (2). To the petition put forward by the law firm, the amendment to the deed of foundation must be attached and the attorney assistant's statement of consent must be obtained.

(2) The following persons may not be an attorney assistant:

a) who was sentenced to prison for committing a crime by a final decision, until exempted from the detrimental legal consequences of having a criminal record,

b) who has been barred from practising a profession or pursuing legal practice by a final decision, until he is subject to the scope of the prohibition or disciplinary penalty of disbarment, and

c) for three years from the date the relevant decision becomes final, against whom it was declared by a final decision that he unlawfully performed legal practice regularly and in return for consideration.

(3) An attorney assistant may be the attorney assistant of several attorneys, European Community jurists or law firms at the same time exclusively when all attorneys, European Community jurists or law firms concerned consent thereto, within the frameworks of employment relation with all attorneys, European Community jurists or law firms.

(4) The following attorney assistants shall be removed from the bar association register:

a) who do not meet the conditions specified in Subsection (1),

b) who has no employment relation with an attorney, European Community jurist or law firm,

c) who has died, or

d) who requests it or with respect to whom his employer requests it.

(5) In the case specified in Subsection (3), if any of the grounds for exclusion as set out in Subsection (4) paragraphs b) or d) hold only with respect to any of his employers, the attorney assistant must be removed from the bar association register only with respect to this employer. Dismissal of an application for being entered in the bar association register and removal from the register will not terminate the attorney assistant's employment relation.

PART SIX

DISCIPLINARY RESPONSIBILITY

43. Disciplinary infractions

Section 107

A bar association member or a registered natural person pursuing, interrupting legal practice or under the scope of suspension of legal practice commits a disciplinary infraction if

a) in the course of practicing law he wilfully or out of negligence breaches his obligations arising from pursuing this activity, stipulated in legal regulations, the Rules and Regulations of the Hungarian Bar Association and the rules and regulations of the regional bar association, (hereinafter collectively referred to as 'rules and regulations'), or code of ethics, or

b) by his wilful or negligent conduct outside the scope of legal practice seriously jeopardises the respect of the legal profession.

44. Disciplinary penalties

Section 108

The following penalties may be applied against persons who commit disciplinary infractions - except for the penalties that may be imposed on persons who commit disciplinary infractions in disciplinary proceedings ordered as a result of preliminary investigation commenced pursuant to Section 188 Subsection (3):

a) written censure,

b) fine,

c) barring from public affairs of the bar association,

d) barring from employing articulated clerks, and

e) disbarment.

Section 109

(1) The disciplinary tribunal will impose the disciplinary penalty paying regard to the weight and recurrence of the disciplinary infraction and the impact produced by it on the merits of the case affected by the disciplinary infraction, in accordance with the degree of the intention to commit it or of the negligence, taking account all of the aggravating or mitigating circumstances explored by it - including if the person who is subjected to proceedings has prevented the violation of rights caused by him or other legal consequence was applied against him because of the act that is the object of the disciplinary proceedings - in its discretionary jurisdiction.

(2) The amount of the fine - except for the penalties that may be imposed on persons who commit disciplinary infractions in disciplinary proceedings ordered as a result of preliminary investigation commenced pursuant to Section 188 Subsection (3) - may be up to

a) one million HUF for attorneys, bar association legal counsel and European Community jurists,

b) five hundred thousand HUF for persons pursuing other legal practice.

(3) The fine shall be paid to the regional bar association that registers the legal practitioner at the time of committing the disciplinary infraction, for lack of it, to the Hungarian Bar Association. The provisions of the rules and regulations of the Hungarian Bar Association govern the use of the fine.

(4) Barring from public affairs of the bar association shall last for a definite period from the date when the disciplinary decision becomes final; its shortest duration is one year and its longest duration is five years. During the effect of being barred from public affairs of the bar association, the person who committed the disciplinary infraction may not hold office in the bar association, his right to vote and elect arising from membership in the bar will be interrupted and he may not be an administrator for a law firm.

(5) Barring from employing articulated clerks shall be valid for a definite period. The duration of this prohibition lasts for a minimum of one year and a maximum of five years from the date of when the disciplinary decision becomes final.

(6) The shortest and the longest duration of the disciplinary penalty of disbarment is three and ten years respectively. Under the effect of the disciplinary penalty of disbarment legal practice may not be pursued.

(7) Disciplinary penalties may be applied along with each other. It is not allowed to apply to

a) other disciplinary penalty along with written censure, and

b)1 barring from public affairs of the bar association or barring from employing articulated clerks along with disbarment not suspended in its execution.

45. Special rules for disciplinary proceedings instituted after verification of prevention of and combating money laundering and terrorist financing

Section 110

(1) The following penalties may be applied against persons who commit disciplinary infractions in disciplinary proceedings ordered as a result of preliminary investigation commenced pursuant to Section 188 Subsection (3):

a) written censure,

b) in case of breach of the obligations stipulated in the act on prevention of and combating money laundering and terrorist financing, in the act on the implementation of financial and asset restraint measures imposed by the European Union and the Security Council of the UN and in the regulations adopted by the law firm or the Hungarian Bar Association for implementing these acts, (in the application of this Act hereinafter referred to as 'provisions on prevention of and combating money laundering and terrorist financing'), obliging the person to terminate the violation of law and refrain from repeating it,

c) in the case of breach of obligations as set out in the provisions on prevention of and combating money laundering and terrorist financing, fine amounting up to 400 000 000 HUF,

d) disbarment.

(2) When imposing the disciplinary penalty specified in Subsection (1), it will be taken into account:

a) the seriousness of the violation of the rule or the fault,

b) the rate of responsibility of the person responsible for the violation of law,

c) in the case of breach of obligations as set out in the provisions on prevention of and combating money laundering and terrorist financing, the collaboration engaged by the responsible person towards the regional presidency,

d) the duration, recurrence or frequency of the violation of rules or the fault.

(2a)¹ If on the basis of the decision of the members' meeting the law firm performs the obligations as set out in the provisions on prevention of and combating money laundering and terrorist financing, the disciplinary responsibility for performing the obligation shall bind

a) the natural person who is actually responsible for performing the obligation, or

b) if the person specified in paragraph a) cannot be identified or the disciplinary powers of the regional bar association does not cover him, the director attorney - in the event of several directors - the director attorneys jointly.

(3) The disciplinary decision that is final or is declared to be enforceable without paying regard to legal remedy shall be made public by the regional presidency - simultaneously with serving it to the legal practitioner - in the case of breach of obligations as set out in the provisions on prevention of and combating money laundering and terrorist financing on its website in a manner to enable access to the data, information regarding at least the character of the violation of the rule or the fault and the person of the offender.

(4) The regional presidency may postpone the performance of the publication obligation as set out in Subsection (3) or may be exempted from performance of the obligation if

a) the data, information regarding the person of the offender becoming public might cause disproportionate disadvantage to the data subject;

b) paying regard to the weight of the violation of the rule or the fault it might be disproportionate;

c) it might jeopardise commencing the authority proceedings or conducting the already commenced proceedings.

(5) Until termination of the cause specified in Subsection (4) paragraph a), the publication obligation can be performed on the basis of the decision of the regional presidency without the data and information regarding the person of the offender, in a form providing anonymity.

(6) When making a decision declared to be enforceable without paying regard to legal remedy public as specified in Subsection (5), the regional presidency is obliged to also make the information regarding the result of the legal remedy public - simultaneously with the decision becoming final - on its website.

(7) The regional presidency is obliged to provide accessibility to the information made public pursuant to Subsection (3) for five years from publication. The statutory provisions applying to the protection of personal data govern the accessibility to the data, information regarding the person of the offender.

46. Suspension of the implementation of disciplinary penalties

Section 111

(1) Except for written censure, implementation of disciplinary penalties may be suspended for a definite period, for a minimum of one year and a maximum of three years.

(2) Owing to another disciplinary infraction committed during the period of suspension of the implementation of the disciplinary penalty of disbarment, application of suspended disciplinary penalty does not lie, and the disciplinary tribunal may order implementation of the disbarment. In case of a new disciplinary penalty imposed by a final decision owing to committing another disciplinary infraction during the suspension of the implementation of other disciplinary infractions, the suspended penalty shall be implemented.

(3) During suspension of the implementation of the disciplinary penalty of disbarment, application of suspended disciplinary penalty does not lie owing to a disciplinary infraction committed prior to the suspension. During suspension of the implementation of other disciplinary penalty, in case of a new disciplinary penalty imposed owing to committing disciplinary infraction prior to the suspension, the disciplinary tribunal may order implementation of the suspended penalty.

47. Reasons that terminate claiming disciplinary responsibility

Section 112

(1) Disciplinary proceedings may not be started if the disciplinary commissioner has not initiated them within six months from the time he learns of the disciplinary infraction.

(2) Disciplinary proceedings may not be started if three years have passed since the date of commencement of limitation. The date of commencement of limitation shall be

a) in case of disciplinary infraction realised through failure to fulfil an obligation made subject to a deadline, the day on which the obligation could have still been fulfilled,

b) in case of disciplinary infraction committed by maintaining an unlawful state, the day when the unlawful state terminated, and

c) in cases not regulated under paragraphs a) and b), the day when the disciplinary infraction is realised.

1 Shall enter into force with text pursuant to Section 503 Subsection (1) of Act CXCVII of 2017.

(3) A disciplinary infraction that achieves the legal status of a crime shall lapse simultaneously with the limitation of culpability of the crime.

(4) The term of limitation shall be held in abeyance for the duration of the period available for initiating the mediation proceedings, for the duration of the mediation proceedings, the preliminary investigation and the disciplinary proceedings regulated under a separate law, started by the employer against a bar association legal counsel or legal clerk.

Section 113

(1) Claiming disciplinary responsibility against deceased persons does not lie.

(2)¹ Termination of membership in the bar association or removal from the bar association register - with the exception specified in Subsection (1) - and interruption or suspension of legal practice will not hinder initiating, conducting a preliminary investigation and the disciplinary proceedings, establishing the disciplinary responsibility or applying disciplinary penalties.

(3) With the exception specified in Subsection (4), claiming disciplinary responsibility of a bar association legal counsel and legal clerk does not lie owing to a disciplinary infraction committed exclusively to the injury of their employer, their employer's affiliated company or an organisation in controlling or maintainer's relation with their employer.

(4) If the employer terminated the employment relation of a bar association legal counsel or legal clerk partly or fully owing to the disciplinary infraction stipulated in Subsection (3) by notice with immediate effect by the employer because of culpable breach of obligation, as stipulated in the act on job assistance and unemployment benefit, exclusively the disciplinary penalty of written censure or disbarment may be applied owing to this disciplinary infraction.

(5) The disciplinary proceedings may be initiated within six months from the date of when the disciplinary commissioner learns of the circumstance specified in Subsection (4).

48. Proceeding bodies and calculation of the deadline²

Section 114

(1) A disciplinary tribunal formed in the first instance from the regional disciplinary committee and in the second instance from the national disciplinary committee shall conduct the disciplinary proceedings against legal practitioners.

(2)³ A regional disciplinary tribunal shall be competent to conduct the proceedings when the person who is subjected to proceedings at the time of committing the disciplinary infraction is included in the register of the regional bar association that operates in the operational area of such disciplinary tribunal. In the absence thereof, a disciplinary tribunal formed from the regional disciplinary committee designated by the president of the national disciplinary committee shall proceed.

(3) A disciplinary tribunal formed from the regional disciplinary committee, appointed by the president of the national disciplinary committee, shall proceed in disciplinary cases involving the president, vice president, presidency member, secretary general, secretary of a bar association, the president and member of the regional disciplinary committee, the disciplinary commissioner and the national disciplinary high commissioner.

(4) A disciplinary tribunal formed from the regional disciplinary committee appointed by the president of the Hungarian Bar Association shall proceed in disciplinary cases involving the president or member of the national disciplinary committee.

(5)⁴ The disciplinary commissioner who functions in the area of jurisdiction of the regional bar association which the person subjected to proceedings is a member of at the time of committing the disciplinary infraction or that registers the person subjected to proceedings at the time of committing the disciplinary infraction shall be competent to conduct the preliminary investigation. If the person who is subjected to proceedings is registered by the Hungarian Bar Association at the time of committing the disciplinary infraction, the preliminary investigation shall be conducted by the disciplinary commissioner designated by the president of the Hungarian Bar Association.

Section 115

(1) The disciplinary tribunals of the first instance and the second instance shall consist of three members, with the exception specified in Subsection (2).

(2) The disciplinary tribunal of the second instance shall consist of five members if the disciplinary tribunal of the first instance applied a disciplinary penalty of disbarment, or if the disciplinary commissioner appeals the first decision by calling for the penalty of disbarment.

1 Shall enter into force with text as amended pursuant to Section 102 paragraph e) of Act CXXXVI of 2017.

2 Amended by Paragraph h) of Section 11 of Act XCI of 2018.

3 Amended by Paragraph i) of Section 11 of Act XCI of 2018.

4 Established by Subsection (11) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

(3) If the disciplinary proceedings were commenced against a bar association legal counsel or legal clerk, one member of the disciplinary tribunal of the first instance and the second instance shall be a bar association legal counsel.

(4) If the disciplinary proceedings were commenced against an employed attorney, one member of the disciplinary tribunal of the first instance and the second instance shall be an employed attorney.

(5) If the disciplinary tribunal cannot be formed from the regional disciplinary committee in accordance with rules paying regard to the provisions as set out in Subsections (3) and (4), the president of the national disciplinary committee shall take measures to designate the member of the disciplinary tribunal from another regional disciplinary committee.

(6) If the disciplinary tribunal no longer constitutes of a quorum, the president of the disciplinary committee shall appoint a new disciplinary tribunal.

Section 116

(1) The disciplinary commissioner shall act as the elected officer of the regional bar association, the national disciplinary high commissioner shall act as the elected officer of the Hungarian Bar Association.

(2) The duties involved in the office of the disciplinary commissioner and the national disciplinary high commissioner may be performed by a number of officers stipulated in the regulations of the Hungarian Bar Association.

Section 116/A1

The deadline determined in this part shall not include the period from 15 July to 20 August and from 24 December to 1 January of each year.

49. Grounds for exclusion

Section 117

(1) The following may not act as a member of a disciplinary tribunal, as a disciplinary commissioner and national disciplinary high commissioner,

a) any person who is under the effect of disciplinary proceedings or criminal proceedings owing to a crime liable to prosecution upon public prosecution,

b) any person who is a relative (as stipulated in the Civil Code) of the notifier or the person who is subjected to proceedings,

c) any person whose appearance as a witness might become necessary in the proceedings,

d) any person who holds the office of president, vice president, presidency member, secretary general, secretary of the regional bar association which the person subjected to proceedings is a member or a registered person of,

e) in the proceedings of the second instance, any person who acted in the proceedings of the first instance, or

f) any person from whom an unbiased evaluation of the case cannot be expected for any other reason.

(2) In the cases stipulated in the disciplinary regulations of the Hungarian Bar Association, bias shall be presumed.

Section 118

(1) The members appointed to the disciplinary tribunal, the disciplinary commissioner and the national disciplinary high commissioner shall immediately report if any of the grounds for exclusion exist against them.

(2) If any circumstance arises that casts doubt on the impartiality of the president or members of the disciplinary tribunal, the disciplinary commissioner or the national disciplinary high commissioner, the person who is subjected to proceedings may lodge a complaint on the grounds of bias.

(3) The president of the disciplinary committee shall decide on the issue of exclusion; the president of the national disciplinary committee shall decide on the issue of exclusion of the president of the regional disciplinary committee acting as a member of the disciplinary tribunal.

50. Preliminary investigations and initiating disciplinary proceedings

1 Enacted by Subsection (12) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

2 Established by Subsection (2) of Section 503 of Act CXCVII of 2017, effective as of 1 July 2018.

3 Established by Subsection (13) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

Section 119

- (1) The disciplinary commissioner
- a) shall order the preliminary investigation ex officio upon the proposal of the president of the regional bar association, or
 - b) may order it ex officio on the basis of notification or gaining knowledge of the case officially.
- (2) The disciplinary commissioner will not order the preliminary investigation if
- a) on the basis of the data he learned of the suspicion of committing a disciplinary infraction cannot be ascertained,
 - b) the conduct or default he gained knowledge of has already been definitively judged on the merits under proceedings as stipulated in this part,
 - c) judging the conduct or default he gained knowledge of under disciplinary proceedings initiated by the employer against a bar association legal counsel or legal clerk, regulated under a separate law is in process, or
 - d) the possibility to claim disciplinary responsibility terminated.
- (3) If the disciplinary commissioner does not order the preliminary investigation, he shall inform the president of the regional bar association of this fact.

Section 120

- (1) In case of notification, the president of the regional bar association will inform the notifier within sixty days from receipt by the regional bar association if the preliminary investigation has not been ordered.
- (2) The national disciplinary high commissioner may instruct the disciplinary commissioner within one hundred and twenty days from receipt of the notification by the regional bar association to order the preliminary investigation.

Section 121

- (1) The disciplinary commissioner will inform the person who is subjected to proceedings about ordering the preliminary investigation, simultaneously with ordering it, by sending the decision and will explain to him the reason for the proceedings.
- (2) The disciplinary commissioner will notify the president of the regional bar association of ordering the preliminary investigation.
- (3) The president of the regional bar association will inform the notifier of ordering the preliminary investigation.
- (4) It is the duty of the disciplinary commissioner to clarify the circumstances necessary for establishing the state of facts. To this end, he must request the person who is subjected to proceedings to make a statement, may hear witnesses, engage the cooperation of experts, request the documents of the case from the legal practitioner and conduct other demonstrations of evidence. Minutes must be kept of all the procedural actions.
- (5) The investigation of the disciplinary commissioner shall not be impeded if the person who is subjected to proceedings did not appear at the hearing or does not make a statement. The person who is subjected to proceedings shall be informed of this.

Section 122

- (1) The preliminary investigation shall be completed within three months from the date it was ordered.
- (2) The deadline stipulated in Subsection (1) may be extended by the disciplinary commissioner in justified cases once for three months. The decision shall be delivered to the person who is subjected to proceedings and his representative. Autonomous legal remedy against this decision does not lie.

Section 123

- (1) In his decision the disciplinary commissioner, depending on the result of the preliminary investigation
- a) for disciplinary infractions of lesser severity, may issue a written admonition in addition to terminating the preliminary investigation,
 - b) if he did not apply written admonition, in case of well-grounded suspicion of disciplinary infraction, will initiate disciplinary proceedings, or
 - c) will terminate the preliminary investigation.
- (2) The disciplinary commissioner will terminate the preliminary investigation on the basis of Subsection (1) paragraph c) if

- a) suspicion of committing disciplinary infraction cannot be ascertained,
b)1 judging the conduct or default on the merits serving the basis for the preliminary investigation under proceedings as stipulated in this part by a final decision has already been completed,
c) judging the conduct or default specified in Section 113 Subsection (3), serving the basis for the preliminary investigation under disciplinary proceedings initiated by the employer against a bar association legal counsel or legal clerk, regulated under a separate law by a final decision has already been completed, and application of Section 113 Subsection (4) does not lie,
d) the possibility to claim disciplinary responsibility of the person who is subjected to proceedings terminated.
- (3) Within the deadline available for the preliminary investigation, measures shall be taken to deliver the decision to the person who is subjected to proceedings and his representative.
- (4) Within fifteen days from receipt of the decision as set out in Subsection (1) paragraph a) the person who is subjected to proceedings may initiate conducting the disciplinary proceedings with the disciplinary commissioner. Simultaneously with initiating the disciplinary proceedings, the decision shall be repealed.
- (5) With the exception as set out in Subsection (4), autonomous legal remedy against the decision as specified in Subsection (1) does not lie.

Section 124

- (1) The disciplinary commissioner will notify the president of the regional bar association of the result of the preliminary investigation by sending the office copy of the decision specified in Section 123 Subsection (1).
- (2) The president of the regional bar association may within thirty days term of preclusion, calculated from receipt of the notice, instruct the disciplinary commissioner to initiate the disciplinary proceedings.
- (3) If the president of the regional bar association instructs the disciplinary commissioner to initiate the disciplinary proceedings, the disciplinary commissioner will withdraw his decision adopted on the subject of termination of the proceedings and will initiate disciplinary proceedings.
- (4) The disciplinary commissioner will inform the notifier of the result of the preliminary investigation after expiry of the deadline as set out in Subsection (2), by sending the abstract of the decision. The abstract of the decision may not contain any attorney-client privileged information or any data that the notifier is not entitled to know.
- (5)2 The national disciplinary high commissioner may, within thirty days from gaining knowledge of termination of the proceedings but within a maximum of sixty days from adopting the decision on termination of the proceedings, instruct the disciplinary commissioner to initiate disciplinary proceedings.

Section 125

- (1) The disciplinary commissioner will send his decision on initiating the disciplinary proceedings and the documents of the case within eight days to the president of the regional disciplinary committee.
- (2) The president of the regional disciplinary committee will within eight days from receipt of the documents appoint the proceeding disciplinary tribunal of the first instance and its president, and will forward the decision together with the documents of the case to the president of the regional disciplinary tribunal.

51. Proceedings of the disciplinary tribunal of the first instance

Section 126

- (1) The disciplinary proceedings shall start on the day when the decision on initiating the disciplinary proceedings and the documents of the case are received by the president of the disciplinary tribunal.
- (2) The president of the disciplinary tribunal may within fifteen days from the commencement of the disciplinary proceedings - while simultaneously informing the person who is subjected to proceedings and the notifier - take the following actions:
- a) order the completion of the investigation and return the documents to the disciplinary commissioner,
b) initiate judging the case without a hearing, or
c) set a date for a hearing.
- (3) If the president of the disciplinary tribunal of the first instance orders the completion of the preliminary investigation, the disciplinary commissioner will proceed forthwith, and will immediately inform the president of the disciplinary tribunal of the result of the investigation.

1 Amended by Paragraph j) of Section 11 of Act XCI of 2018.

2 Amended by Paragraph k) of Section 11 of Act XCI of 2018.

(4) The disciplinary tribunal shall adopt a decision within one hundred and twenty days. This deadline shall not include the time available for the measures of the president of the disciplinary tribunal, the duration of judging the case without a hearing, the time of completing the preliminary investigation and the duration of the suspension of the proceedings.

(5) If the disciplinary tribunal exceeds the double of the deadline as set out in Subsection (4), in addition to establishing that disciplinary infraction was committed, it may exclusively apply the disciplinary penalty of written censure. In this case new disciplinary proceedings may not be initiated in connection with committing the same disciplinary infraction.

(6) In the disciplinary proceedings ordered as a result of preliminary investigation started pursuant to Section 188 Subsection (3), application of Subsection (5) does not lie.

52. Judging the case without a hearing

Section 127

(1) In cases that can be simply adjudicated, the disciplinary tribunal shall adopt its decision without a hearing.

(2) In the decision adopted without a hearing, any disciplinary penalty may be applied, except for disbarment.

(3) Only the disciplinary commissioner may appeal the decision adopted without a hearing; the attorney who is subjected to proceedings may request a hearing, within fifteen days from delivery of the decision.

(4) If the person who is subjected to proceedings

a) requests a hearing, the decision adopted without a hearing shall be repealed and the president of the disciplinary tribunal of the first instance shall convene a hearing,

b) does not request a hearing and the disciplinary commissioner does not appeal this, the decision adopted without a hearing will become final upon the expiry of the deadline available for lodging appeals.

53. Hearings

Section 128

(1) The person who is subjected to proceedings, his representative and the disciplinary commissioner shall be summoned to the hearing at least eight days prior to the hearing.

(2) If the person who is subjected to proceedings fails to appear at the hearing in spite of being properly summoned, the hearing may proceed in his absence. The legal practitioner must be informed of this in the summons.

(3) The person who is subjected to proceedings, his representative and the disciplinary commissioner may, at any stage of the proceedings, make statements pertaining to the proceedings and the evidence, examine documents, question witnesses and experts and request additional evidence.

Section 129

(1) Hearings are not open to the public, except for the disciplinary proceedings conducted on the subject of the disciplinary infraction specified in Section 107 paragraph *b*). The disciplinary tribunal may bar the public from the public hearing conducted on the subject of the disciplinary infraction specified in Section 107 paragraph *b*), in order to protect the privacy of the persons taking part in the proceedings or attorney-client privileged information, upon request or ex officio.

(2) Minutes must be kept of the hearing. The minutes shall be signed by the president of the disciplinary tribunal and the keeper of the minutes.

(3) The rules applying to the exclusion of members of the disciplinary tribunal shall be applied to the exclusion of the keeper of the minutes.

54. Suspension of legal practice

Section 130

(1) The disciplinary tribunal of the first instance may suspend the legal practice if

1 Shall enter into force with text pursuant to Section 101 Subsection (3) of Act CXXXVI of 2017.

2 Shall enter into force with text pursuant to Section 101 Subsection (4) of Act CXXXVI of 2017.

a)1 the legal practitioner is subject to the effect of criminal proceedings - not including private prosecution and subsidiary private prosecution proceedings - owing to a wilful crime or

b) continuing the legal practice might harm or jeopardise the clients' rights, lawful interests or public trust vested in the legal profession to such an extent that exceeds the violation of individual interests arising from the suspension of legal practice.

(2) If the disciplinary tribunal of the first instance applied disbarment and has not suspended execution thereof, the legal practice shall be suspended in the decision until the final conclusion of the disciplinary proceedings. A special appeal, which has no suspensory effect, can be lodged against this provision.

(3) The duration of the suspension shall be six months, which may be extended once for a maximum of six months.

(4) The person who is subjected to proceedings may appeal the decision on suspension adopted by the disciplinary tribunal of the first instance to the disciplinary tribunal of the second instance within fifteen days from delivery thereof. The appeal has no suspensory effect, the disciplinary tribunal of the second instance will decide the appeal forthwith.

(5) During the period of suspension, except for the rights and obligations under the proceedings conducted against the person who is subjected to proceedings, the rights and obligations arising from membership in bar association or registration in the bar association register shall be interrupted.

(6) The rules of interruption shall be applied to the suspension in other matters.

55. Decisions of the disciplinary tribunal of the first instance

Section 131

(1) Deliberation and voting shall be carried out in closed session.

(2) The disciplinary tribunal shall pass its decision by a majority vote. The president of the disciplinary tribunal shall cast the final vote.

(3) In its decision the disciplinary tribunal shall

a) declare the responsibility of the person who is subjected to proceedings and apply a penalty, or

b) conclude the proceedings,

and decide who shall bear the costs of the proceedings.

(4) The decision shall be signed by the president and members of the disciplinary tribunal.

(5) The decision and its reasons shall be announced orally and measures shall be taken within thirty days to deliver them to the person who is subjected to the proceedings, his representative and the disciplinary commissioner.

(6) The president of the disciplinary tribunal shall notify the president of the regional bar association by sending the office copy of the decision.

(7) The president of the disciplinary tribunal shall inform the notifier of the result of the disciplinary proceedings by sending the abstract of the final decision. The abstract of the decision may not contain any attorney-client privileged information or any data that the notifier is not entitled to know.

(8) The disciplinary tribunal shall take measures to make its final decision adopted on the merits of the case public on the website of the Hungarian Bar Association in digital form within ninety days from the date when the decision becomes final, except when the decision was contested in an administrative lawsuit. The data enabling identification of the persons who appear in the decision made public shall be erased in a manner not to hinder access to the established state of facts.

56. Modification, withdrawal, correction and completion of decisions

Section 132

(1) If the disciplinary commissioner, the national disciplinary high commissioner or the disciplinary tribunal finds and declares that their decision adopted within the frameworks of disciplinary proceedings not having been judged by

a) the court,

b) the national disciplinary high commissioner in the event of the disciplinary commissioner's decision, or

c) the disciplinary tribunal of the second instance in the event of the decision of the disciplinary tribunal of the first instance

violates legal regulations or bar association regulations - except for the decision on ordering the preliminary investigation or initiating the disciplinary proceedings - they will modify or withdraw their decision. The decision shall be delivered to the person to whom the modified or withdrawn decision was delivered.

(2) In the absence of any provisions of law to the contrary, the disciplinary commissioner, the national disciplinary high commissioner or the disciplinary tribunal shall be entitled to conduct the proceedings specified in Subsection (1) only on one occasion, within one year from the date when the decision becomes final. If judicial revision of the decision is in process, the disciplinary commissioner, the national disciplinary high commissioner or the disciplinary tribunal may modify or withdraw their decision until the document of defence is submitted.

Section 133

(1) The disciplinary commissioner, the national disciplinary high commissioner or the disciplinary tribunal shall correct their decision adopted within the frameworks of disciplinary proceedings in the case of name, number or calculation errors or other similar clerical errors.

(2) The disciplinary commissioner, the national disciplinary high commissioner or the disciplinary tribunal may complete their decision adopted within the frameworks of disciplinary proceedings if they did not adopt a decision on issues belonging to the merits of the case. The completion shall not affect the other parts of the decision. The completion of the decision may be requested, within fifteen days from delivery thereof at the latest, by those to whom it was delivered.

(3) The disciplinary commissioner, the national disciplinary high commissioner or the disciplinary tribunal shall adopt the decision on correction and completion ex officio or upon request, after hearing the persons concerned as necessary. The decision shall be delivered to whom the corrected or completed decision was delivered.

Section 134

No legal remedy against the correction lies. Legal remedy identical with the remedies that could be asserted against the original decision lies against the modification and completion of the decision.

57. Appeal

Section 135

(1) The person who is subjected to proceedings and the disciplinary commissioner may appeal the decision of the disciplinary tribunal of the first instance to the disciplinary tribunal of the second instance.

(2) The president of the regional bar association may instruct the disciplinary commissioner to lodge an appeal.

(3) The appeal shall be lodged within fifteen days from delivery of the decision of the first instance with the disciplinary tribunal of the first instance, and the reasons for the appeal shall also be presented.

(4) It shall be possible to refer to any new fact or evidence in the appeal, if the appellant did not refer to it in the proceedings of the first instance through no fault of his own.

(5) The appeal shall have suspensory effect on the execution of the decision.

(6) After expiry of the deadline for lodging appeals, the disciplinary tribunal of the first instance shall send the appeal and the documents of the case within eight days to the president of the national disciplinary committee.

58. Appointment of the disciplinary tribunal of the second instance

Section 136

The president of the national disciplinary committee shall appoint the disciplinary tribunal of the second instance and its president, and shall forward the appeal together with the documents of the case to the president of the disciplinary tribunal of the second instance.

59. Proceedings of the disciplinary tribunal of the second instance

Section 137

(1) The rules of the proceedings of the first instance shall be applied in the proceedings of the second instance with the deviations stipulated in this subtitle.

(2) The national disciplinary high commissioner - simultaneously with sending the appeal - shall be summoned to the hearing.

(3) The disciplinary tribunal of the second instance shall dismiss the appeal if it does not originate from a party entitled to do so or it was lodged after deadline or does not contain reasons.

(4) In the disciplinary proceedings of the second instance it shall be possible to refer to any new fact or evidence, if the appellant did not refer to it in the proceedings of the first instance and the appeal through no fault of his own.

(5) In addition to the case set out in Subsection (3), the disciplinary tribunal of the second instance shall adjudicate the appeal at a hearing. The president of the disciplinary tribunal of the second instance shall set a date for the appellate hearing.

(6) The documents of the proceedings of the first instance and the content of the appeal shall be made known at the hearing. The person who is subjected to proceedings, his representative and the national disciplinary high commissioner may speak at the hearing.

(7) If it proves necessary to supplement the evidence, the disciplinary tribunal of the second instance may do so through the disciplinary tribunal of the first instance too.

60. Decisions of the disciplinary tribunal of the second instance

Section 138

(1) The disciplinary tribunal of the second instance shall - within the frameworks of the application for appeal -

a) overturn the decision of the disciplinary tribunal of the first instance and direct the disciplinary tribunal of the first instance to launch new proceedings if the decision is unfounded or if it was adopted by breach of procedural rules affecting the merits of the case and the unfoundedness or the irregularity of the proceedings cannot be eliminated in the proceedings of the second instance;

b) change the decision if the decision of the disciplinary tribunal of the first instance is unfounded or if it was adopted by breach of procedural rules affecting the merits of the case and the unfoundedness or the irregularity of the proceedings can be eliminated in the proceedings of the second instance; or

c) affirm the decision if overturning or changing it does not lie.

(2) The disciplinary tribunal of the second instance orders prompt execution of the disciplinary decision if postponement of the execution of the decision might harm or jeopardise the clients' rights, lawful interests or public trust vested in the legal profession to such an extent that exceeds the violation of individual interests arising from execution of the decision.

(3) The disciplinary tribunal of the second instance shall announce its decisions and the reasons for them orally, and shall deliver them to the person who is subjected to the proceedings, his representative and the national disciplinary high commissioner within thirty days.

(4) The president of the disciplinary tribunal of the second instance shall notify the president of the regional bar association and the president of the Hungarian Bar Association by sending the office copy of the decision.

(5) The president of the disciplinary tribunal of the second instance shall inform the notifier of the result of the disciplinary proceedings by sending the abstract of the decision. The abstract of the decision may not contain any attorney-client privileged information or any data that the notifier is not entitled to know.

61. Administrative lawsuit

Section 139

(1) The final decision may be contested by the person who is subjected to proceedings and the national disciplinary high commissioner in an administrative lawsuit. Submission of the statement of claim shall have a suspensory effect on the disciplinary decision coming into effect, except when the disciplinary tribunal ordered prompt execution of the disciplinary decision.

(2) The president of the Hungarian Bar Association may instruct the national disciplinary high commissioner to contest the decision before court.

(3) The lawsuit shall be instituted against the national disciplinary committee.

(4) In its decision the court shall void disciplinary decisions that violate law or were adopted by breaching procedural rules affecting the merits of the case and

a) shall instruct the disciplinary tribunal of the first instance to launch new proceedings,

b) shall instruct the disciplinary tribunal of the first instance to terminate the proceedings, or

c) shall sustain the disciplinary decision of first instance in its effect.

(5) The court shall inform the notifier of the final conclusion of the disciplinary proceedings by sending the abstract of the decision. The abstract of the decision may not contain any attorney-client privileged information or any data that the notifier is not entitled to know.

62. Suspension of proceedings

Section 140

(1)¹ The disciplinary proceedings may be suspended until conclusion of the criminal proceedings against the person who is subjected to proceedings by the court's final and unappealable peremptory decision or non-peremptory order having become final or until adoption of the decision of the public prosecutor's office or the investigating authority on suspension thereof for the purposes of conditional suspension by the public prosecutor or mediation proceedings or terminating the proceedings that may not be contested by any further legal remedy.

(2) The court, public prosecutor's office or investigating authority proceeding in a criminal case shall inform the president of the regional bar association of any criminal proceedings launched against the legal practitioner, bringing the charge and the conclusion of the criminal proceedings.

(3) If conducting the disciplinary proceedings depends on the adjudication of a prior matter for which the proceedings fall within the powers of another authority, the disciplinary proceedings may be suspended until the final conclusion of such other proceedings.

(4) The disciplinary proceedings shall be suspended until the final conclusion of disciplinary proceedings commenced by the employer against a bar association legal counsel or legal clerk, regulated under a separate law.

(5) If a bar association legal counsel or legal clerk who is subjected to disciplinary proceedings pursuant to Section 113 Subsection (4) files a petition to court seeking declaration of the unlawfulness of termination of their legal relation as specified in Section 113 Subsection (4), the disciplinary proceedings shall be suspended until the final conclusion of the court proceedings.

63. Initiating new proceedings

Section 141

(1) After a final decision has been adopted, the president of the regional bar association or the legal practitioner, or, in the event of the legal practitioner's death, his relative as stipulated in the Civil Code may initiate new proceedings if

a) they refer to a fact, evidence or a final authority decision that the disciplinary tribunal has not considered, provided that if it would have been considered, it would have had a substantial impact on the disciplinary decision, or

b) in the original case a member of the disciplinary tribunal breached his obligation in a manner that comes into conflict with the Criminal Code.

(2) New proceedings may only be initiated against a legal practitioner within the legal practitioner's lifetime and within the term of limitation.

(3) The disciplinary tribunal of the first instance shall decide on ordering new proceedings without a hearing, after hearing the applicant and the legal practitioner as necessary. The person initiating the new proceedings may appeal the decision of dismissal within fifteen days from delivery thereof to the disciplinary tribunal of the second instance, which shall adopt a decision without a hearing, after hearing the applicant and the legal practitioner, as necessary.

64. Costs

Section 142

(1) The person who is subjected to proceedings shall advance his own costs, and with the exception specified in this Section, shall bear them himself; other costs of the disciplinary proceedings shall be advanced by the bar association that registers the legal practitioner at the time of committing the disciplinary infraction or, for lack of it, by the Hungarian Bar Association.

(2) If the responsibility of the person who is subjected to proceedings was established during the disciplinary proceedings, the disciplinary tribunal shall oblige him to reimburse the costs of the proceedings partly or fully.

(3) The rate of the costs that may be charged to the person who is subjected to proceedings shall be stipulated by the Hungarian Bar Association under disciplinary regulations.

1 Established by Section 505 of Act CXCVII of 2017, effective as of 1 July 2018.

(4) If the preliminary investigation or the disciplinary proceedings were terminated, the person who is subjected to proceedings may claim reimbursement of his certified costs incurred in connection with the disciplinary proceedings as costs of procedural actions in accordance with the provisions set out in the regulations of the Hungarian Bar Association.

(5) The disciplinary tribunal may oblige any participant in the proceedings, irrespective of the result of the proceedings, to bear the costs of the procedural actions caused by unlawful acts or acts in bad faith.

65. Exemption from prejudicial effect

Section 143

(1) The disciplinary tribunal may

a) after at least half of the effect of the disciplinary penalties of disbarment, barring from public affairs of the bar association and barring from employing articulated clerks has passed, or

b) following payment of at least half of the fine exempt the person subject to the effect of disciplinary penalty, who deserves it, from further legal consequences of the disciplinary penalty in equity.

(2) The disciplinary tribunal may authorise payment in instalments or deferred payment for payment of the fine on one occasion in accordance with the conditions stipulated under the bar association regulations for the person who deserves it.

(3) No legal remedy against the decision specified in Subsections (1) and (2) lies)

(4) In the event of disciplinary penalty specified in Section 110, exemption does not lie.

PART SEVEN

THE BAR ASSOCIATION

CHAPTER XXI

GENERAL RULES

Section 144

(1) The Hungarian Bar Association and the regional bar association, (hereinafter collectively referred to as 'bar association'), is a public body of legal practitioners based on the principle of self-government and engaged in performing professional duties and duties in connection with interest representation.

(2) The bar association will not be entered into the register by the court of justice, but if legal regulations attach legal consequence to registration of a legal entity, it shall be applied to the bar association too.

(3) The bar association performs public duties in connection with the professional guidance, representation of the interests of legal practitioners, the security of legal transactions related to legal practice and the public duties stipulated in its rules and regulations.

(4) The rules of the general code of administrative procedure applying to delivery and the provisions of the E-Administration Act shall be applied to the delivery of documents in the public authority proceedings of the bar association.

66. Territorial scope of membership in a bar association

Section 145

(1) A person entitled to practice law may be a member of one regional bar association in Hungary.

(2) An attorney may maintain a branch office in the territory of any regional bar association.

67. Admission to the regional bar association

Section 146

- (1) Simultaneously with filing the application for admission to the bar, the applicant shall
- declare that grounds for incompatibility against him do not exist,
 - certify that other conditions of admission to the bar are satisfied, and
 - disclose his data to be registered in the bar association register to the regional bar association.
- (2) If with submitting the application for admission to the bar the applicant does not certify
- his law degree, the regional bar association shall verify it by data request from the register of diplomas of the higher education information system,
 - have taken the Hungarian bar examination, the regional bar association shall verify it by data request from the register maintained by the minister,
 - lack of grounds for exclusion as specified in Section 22 Subsection (1) paragraphs *b*) and *c*) or the fact that no proceedings owing to committing a wilful crime liable to prosecution upon public prosecution were initiated against him, by an official certificate, the regional bar association shall verify it by data request from the register of criminal records,
 - attorney's practice of law or lack of grounds for exclusion specified in Section 22 Subsection (1) paragraph *e*), the regional bar association shall verify it by data request from regional bar associations and the records kept by the court of justice.
- (3) Data requests specified in Subsection (2) paragraphs *c*) and *d*) may only seek clarification whether the circumstance determined therein exists or not.
- (4) In the event that the applicant intends to maintain a branch office in the operational area of another regional bar association, the regional bar association will request information from the regional bar association competent in accordance with the address of such branch office as a regulatory authority regarding the issue of whether or not the branch office meets the conditions stipulated in this Act and the bar association regulations.
- (5) The applicant shall certify the existence of the conditions specified in Section 58 Subsection (2) paragraphs *a*) and *b*) and Section 67 Subsection (2) paragraphs *a*) and *b*) by documents regarding the number and character of the cases performed by him, by language examination and in a personal hearing before the regional bar association.

Section 1471

If criminal proceedings were instituted against the applicant for committing a wilful crime liable to prosecution upon public prosecution, the bar association shall suspend the proceedings until conclusion of the criminal proceedings by the court's final and unappealable peremptory decision or non-peremptory order having become final or until adoption of the decision of the public prosecutor's office or the investigating authority on suspension thereof for the purposes of conditional suspension by the public prosecutor or mediation proceedings or terminating the proceedings that may not be contested by any further legal remedy.

68. Termination and terminating membership in a bar association

Section 148

- (1) Membership in a regional bar association terminates if
- the member of the bar association resigns from membership in the bar association, on the date when resignation is served to the regional bar association,
 - the member of the bar association has been definitively disbarred or has been definitively barred from legal practice, on the date when the decision thereon becomes final,
 - the member of the bar association has become a member of another regional bar association through re-registration or as a result of change in form has been entered in the register of the bar association, on the date when the relevant decision becomes final, or
 - the member of the bar association dies, on the date of the death of the member of the bar association.
- (2) The regional bar association shall declare termination of the membership of a member of the bar association ex officio, simultaneously it shall provide for removing the member of the bar association from the register and for appointing an administrator for a law firm if necessary.

Section 149

- (1) The bar association shall terminate membership in the regional bar association if the member of the bar association
- does not comply with the conditions required for admission to the bar,
 - failed to fulfil his obligation to pay the bar association membership fee or his payment obligation arising from enforceable disciplinary decision in spite of notice to do so,

- c) failed to terminate incompatibility existing against him, in spite of notice to do so.
- d) is under guardianship or supported decision-making affecting capacity to proceed under the law,
- e) has not taken the attorney's oath,
- f) fails to fulfil his obligation to attend further training prescribed in the bar association regulations, or
- g) his tax number has been definitively deleted.

(2) The bar association shall terminate the membership of an attorney admitted to a regional bar association pursuant to Section 58 Subsection (2) or Subsection (3) if the attorney's right to practice law in his own EEA State terminated and the conditions of membership in the bar association as specified in Section 58 no longer exist.

(3) The regional bar association shall terminate the membership of an employed attorney who has not established an employed attorney's employment relation with another attorney, law firm within three months from the date when his employment relation terminated.

(4) The regional bar association shall terminate the membership of a bar association legal counsel who has not established an employment relation for practicing law within three months from the date when his employment relation terminated and he does not interrupt his legal practice.

(5) The regional bar association shall terminate the membership of an attorney and shall remove a European Community jurist and sole practitioner law firm from the bar association register that does not properly provide for concluding a new substitution agreement within three months from the date of termination of the agreement concluded for their substitution.

(6) Any person whose membership is terminated by the regional bar association for reasons regulated under Subsection (1) paragraphs *a*) and *b*) may be admitted to a regional bar association as a member and may be entered in a bar association register following the fulfilment of his payment obligations but the earliest after one year has passed from the date when the decision becomes final.

(7) Any person whose membership is terminated by the regional bar association for reasons regulated under Subsection (1) paragraph *f*) may not be admitted to a regional bar association as a member and may not be entered in a bar association register until the obligation to attend further training has been certified. Paying regard to lack of membership or removal from the bar association register, attendance of prescribed bar association further training may not be refused.

Section 150

(1) If a member of a regional bar association fails to fulfil his obligation to pay the bar association membership fee or his payment obligation arising from enforceable disciplinary decision within deadline, or grounds for incompatibility arise against him, the regional bar association shall call upon the attorney to fulfil his payment obligations within fifteen days or terminate the incompatibility within thirty days.

(2)¹

(3) If the tax number of a member in a bar association has been definitively deleted, membership in the bar association may be terminated after the state tax and customs authority, the municipality tax authority competent on the location of the attorney's office and the pension insurance administration organisation have made a statement that the member in the bar association has fulfilled his obligation to file a tax return and supply pension insurance data, has no tax liability, no tax payment obligation declared in a decision having become final and no other public debt that may be collected as tax, no tax authority, customs authority proceedings are in progress at the attorney and no revision, execution is initiated by the state tax authority or customs authority.

(4) Decision on issuing the statement as specified in Subsection (3) upon the request of the regional bar association shall be made within thirty days; in case of failure to meet this deadline, the regional bar association shall terminate the membership relation of the member in the bar association. The time passed until obtaining the statement shall not be included in the deadline available for making the decision.

Section 151

(1) Termination of membership in a bar association shall be registered in the bar association register immediately after it has become final.

(2) The regional bar association shall make termination of the membership of the member of the bar association public by disclosing his name and the address of his office within fifteen days following termination on the website of the regional bar association, except when membership terminated as a result of death.

CHAPTER XXII

ELECTION OF BAR ASSOCIATION OFFICERS AND TERMINATION OF THEIR MANDATES

¹ Repealed by Paragraph b) of Section 13 of Act XCI of 2018, effective as of 1 January 2019.

Section 152

(1) In the election of bar association officers, attorneys may elect and may be elected.

(2) The bar association legal counsel and employed attorney members of the elected bodies of the Hungarian Bar Association shall be delegated by their national section. The bar association legal counsel and employed attorney members of the elected bodies of regional bar associations shall be delegated by their regional section.

(3) The regional bar association shall provide European Community jurists entered in the bar association register with right to vote during the election of the presidency at the general meeting.

Section 153

(1) Officers - except for the president, presidency, committees and members of the Hungarian Bar Association and with the exception set out in Subsection (3) - shall be directly elected by a secret ballot every four years, (hereinafter referred to as 'general election').

(2) The general election is preceded by nomination; several persons may be nominated for one office, or one person may be nominated for several offices. Any person who is elected to several offices may hold only one office, which shall be of his choice, in any one bar association.

(3) The regulations of the Hungarian Bar Association may provide for the election in accordance with this Chapter of officers other than those stipulated in this Act.

(4) In its regulations the Hungarian Bar Association may allow the use of electronic telecommunication devices during the nomination, electronic devices with respect to counting the ballots, if the regulations determine the electronic devices that may be used and the conditions and manner of using them in a manner to ensure identification of the members who hand in nominations during the nomination process and checking the result subsequently - even without using any electronic device - during the counting of the ballots.

Section 154

(1) The mandates of officers shall terminate

a) on the date of the general election of the new officers,

b) on the date of their death,

c) on the date when their resignation is served in writing to the presidency of the bar association,

d) on the date of their recall,

e) on the date of the termination of their bar association membership,

f) on the date of commencement of interruption of legal practice,

g) with barring from public affairs of the bar association.

(2) One-third of the members of the body electing him may initiate the recall and removal of an officer.

(3)¹

(4) Officers elected formerly shall

a) from termination of their mandate as specified in Subsection (1) paragraph *a)*,

b) and in the event that the newly elected officer is not able to fulfil his mandate for reasons related to the validity of his election, from the occurrence of such reasons

until the date of commencement of the new officer's mandate or until termination of the reasons specified in paragraph *b)*, exercise their powers as managers; in the course that they shall prepare the matters falling within their powers for the handing over/taking over procedure; shall only exercise their powers in order to perform their urgent duties necessary for the newly elected officers obtaining their mandates and arising from legal regulations or bar association regulations.

CHAPTER XXIII

THE HUNGARIAN BAR ASSOCIATION

Section 155

(1) The Hungarian Bar Association is a public body and the national organisation of legal practitioners, which has an independent administrative organisation and budget.

(2) The Hungarian Bar Association shall with national jurisdiction

a) properly provide for protection of the rights of persons entitled to practice law, facilitate fulfillment of their obligations,

b) create professional rules pertaining to legal practice,

1 Shall not enter into force pursuant to Section 103 Subsection (2) paragraph a) of Act CXXXVI of 2017.

- c) express opinions on issues related to legal practice,
 - d) keep records of the bar association register and provide the technical/information technology conditions related thereto,
 - e) properly provide for accreditation of places of training,
 - f)1 compile the themes of professional trainings and further trainings, make decision on training programmes, professional and academic activities acceptable within the scope of the further training obligation of legal practitioners and on examining prescribed for acquiring the right to proceed in property register matters,
 - g) operate and maintain national archives, (hereinafter referred to as 'attorney archives'), independently or together with other professional chamber, and
 - h) perform the duties determined in legal regulations and its regulations.
- (3) The regional bar associations are the members of the Hungarian Bar Association.
- (4) The Hungarian Bar Association shall pursue its activity for the benefit of regional bar associations, their members and the persons appearing in the bar association register, in accordance with their joint interests. The services provided by the Hungarian Bar Association and by a legal person with the participation of any regional bar association or exclusively of a bar association under the coordination of the Hungarian Bar Association for the benefit of the members of the regional bar associations and persons included in the bar association register shall be considered as if they were provided by regional bar associations for their own members.
- (5) The headquarters of the Hungarian Bar Association are in Budapest.

Section 156

- (1) The bodies of the Hungarian Bar Association are
- a) the meeting of delegates,
 - b) the presidency,
 - c) the incompatibility committee,
 - d) the election committee and
 - e) the national disciplinary committee.
- (2) The bar association legal counsel' sections and employed attorneys' sections shall create the national bar association legal counsel' section and the national employed attorneys' section by delegation. The members of the national sections are officers of the Hungarian Bar Association.
- (3) For adopting the regulations and making non-individual decisions falling under the powers of the bodies of the Hungarian Bar Association, the opinion of the national sections determined in Subsection (2) shall be requested with respect to the rules applying to them and their agreement is necessary for the rules applying exclusively to them.
- (4) In addition to the bodies listed in Subsections (1) and (2), other committees determined in the Rules and Regulations of the Hungarian Bar Association, (hereinafter referred to as 'Rules and Regulations'), may also be elected.
- (5) The duties, powers, operations and rules of procedure of other committees, bodies and officers of the Hungarian Bar Association shall be stipulated by the Rules and Regulations.
- (6) The sessions of the bodies of the Hungarian Bar Association shall be attended - apart from their members - by the persons invited by the president of the bar association body and those who are listed in the Rules and Regulations.
- (7) To provide funds for performance of its duties, the Hungarian Bar Association shall be entitled to at least one-fourth, and a maximum of half of the amount of the bar association membership fee stipulated in the regulations.
- (8)2 The sessions of the bodies of the Hungarian Bar Association may be also held through electronic communications devices or by using other electronic devices that enable personal identification, or written consultations and decision-making can also take place. The written consultations and decision-making may be also performed by exchanging electronic messages (e-mail).

69. The meeting of delegates

Section 157

- (1) The supreme decision-making body of the Hungarian Bar Association is the meeting of delegates, which consists of one hundred and fifty members. Its members are
- a) the presidents of the regional bar associations,
 - b) one member designated by each of the regional bar associations,
 - c) delegates proportionately elected into the meeting of delegates of the Hungarian Bar Association by the general meetings of the regional bar associations in a manner in which the number of members from each regional bar association is compared to the total number of attorneys,

1 Amended by Paragraph l) of Section 11 of Act XCI of 2018, Paragraph a) of Section 108 of Act CXLVI of 2021.

2 Enacted by Section 292 of Act XCIX of 2021, effective as of 1 December 2021.

d)1 the bar association legal counsel and employed attorney members delegated to the presidency of the Hungarian Bar Association pursuant to Section 159 Subsection (2).

(2) The meeting of delegates

a) elects and holds accountable and may recall the president, the presidency, the committees and their members,

b) adopts the budget and the budgetary report,

c) expresses its opinion and makes proposals in legislative and application of law matters that affect legal practitioners,

d) adopts the Rules and Regulations,

e) may issue regulations,

f) performs the duties assigned to its jurisdiction by the Rules and Regulations.

(3) The presidency of the Hungarian Bar Association shall convene the meeting of delegates when necessary, but not less than once a year. The meeting of delegates shall be convened when so requested by at least one-third of the members. The members of the meeting of delegates shall be informed of the provisions set out in Subsections (4) and (5) in the invitation.

(4) The meeting of delegates shall constitute a quorum if more than half of the members are present. If the meeting of delegates fails to constitute a quorum, a meeting of delegates convened for a date of at least eight days later, with the same agenda shall constitute a quorum, with respect to the original agenda, regardless of the number of members present.

(5) A majority of the votes in favour cast by the members present is necessary for adopting the resolutions of the meeting of delegates, while two-thirds of the votes in favour cast by the members present is required for adopting or amending the regulations.

(6)2

Section 158

(1) The meeting of delegates shall under the regulations provide for

1. the rules of conduct of the legal profession and legal practice (ethical rules),

2. the use of legal practitioners' names,

3.3 the requirements applying to advertisements related to legal practice,

4. procedural rules for admission to the bar,

5. the requirements of attorney's liability insurance,

6. the amount of the bar association membership fee and distribution of the bar association membership fee between the regional bar associations and the Hungarian Bar Association,

7. the list of attorneys that may be appointed and the designation of appointed attorneys,

8. detailed rules for disciplinary proceedings,

9. the vow of articulated clerks and legal clerks,

10. the rules for articulated clerks' and legal clerks' committees,

11. the election, delegation and recall of bar association officers,

12. the powers, duties and the detailed rules of the procedures and remuneration of administrators for a law firm,

13. the handling of a deceased attorney's papers,

14. the detailed rules for managing deposits and money and the deposit register,

15. the key content elements of collaboration contracts concluded by European Community jurists and foreign legal counsels,

16. the technical conditions of converting documents and their annexes prepared by persons entitled to practice law into electronic document format for the purposes of electronic case administration, the detailed rules for retaining the original documents and their annexes - in the course of pursuing, interrupting the legal practice and following its termination - the operation of attorney archives and the rules for placing documents in attorney archives, their processing and presenting them upon the request of the Court of Registration,

17. the detailed rules for the use of electronic signature obtained for pursuing the legal practice and the bar association tasks related thereto,

18. the conditions of electronic case administration necessary for pursuing the legal practice,

19. the detailed rules for bar associations authority revision of attorneys' and attorney assistant's activity,

20.4 the performance of the tasks falling within the scope of obligations stipulated in the act on prevention of and combating money laundering and terrorist financing and in the act on the implementation of financial and asset restraint measures imposed by the European Union and the Security Council of the UN, the rules of procedure of supervision, risk assessment and guidance and minimum requirements for audited electronic telecommunication devices and their operation, the form of their auditing and implementation of know-your-client due diligence carried out through such devices,

1 Shall enter into force with text as amended pursuant to Section 102 paragraph f) of Act CXXXVI of 2017.

2 Repealed by Paragraph c) of Section 13 of Act XCI of 2018, effective as of 1 January 2019.

3 Shall enter into force with text as amended pursuant to Section 102 paragraph g) of Act CXXXVI of 2017.

4 Shall enter into force with text pursuant to Section 101 Subsection (5) of Act CXXXVI of 2017. Amended by Paragraph m) of Section 11 of Act XCI of 2018.

21.1 legal practitioners' obligation to attend further trainings, the registration thereof, the requirements for trainings, professional and academic activities that may be accepted within the frameworks of further training and the rules for their authorisation and acceptance, and for the further training and examining prescribed for acquiring the right to proceed in property register matters,

22. the rules for training of articulated clerks and legal clerks, the tasks of persons entitled to practice law, articulated clerks and legal clerks related thereto and the tasks of the bar associations connected with organising the training of articulated clerks and legal clerks,

23. the conditions of accepting an attorney's practice of law abroad,

24. the requirements for office rooms suitable for pursuing legal practice, the highest amount of the supervision fee that may be requested for fulfilling tasks related to keeping records and authority revision of branch offices as well as the different rules applying to attorneys and law firms that have an office, branch office or sub-office registered at one address,

25. the conditions of employing articulated clerks, legal clerks and employed attorneys,

26. the rate of membership fee and other debts as specified in Section 22 Subsection (1) paragraph *g*),

27. the detailed rules for attorneys' associations and attorneys' office communities,

28.2 the professional requirements for preparing and countersigning documents by bar association legal counsel and the requirements for the employee of the client of the bar association legal counsel engaged with respect to preparing and countersigning documents,

29. the mediation proceedings and the cost of mediation proceedings,

30. the bar association collaboration with the organisations of other EEA States that maintain the register of attorneys,

31. the electronic form to be used for requesting information from the account-keeper in the course of the bar association authority revision of safe custody activity,

32.3 the use of fine that may be applied as a disciplinary penalty,

33. the detailed rules for regional disciplinary committees,

34. the rules for keeping records of legal practitioners and attorney assistants,

35. the rules for the consistency of the data structure of the bar association register, creating the bar association identification number, operating the information technology system of the bar association register and operating the attorney search function,

36. all the issues that it is authorised to do so by the Rules and Regulations,

37.4 the rules for deliberation and decision-making through electronic communications devices or other electronic devices that enable personal identification, and the manner of conducting vote by secret ballot.

(2)⁵ The Rules and Regulations as well as the regulations listed in Subsection (1) paragraphs 8, 11, 14, 20 and 21 shall be the priority regulations of the Hungarian Bar Association.

(3) The Rules and Regulations shall be compulsory for the members of the Hungarian Bar Association, the regulations of the Hungarian Bar Association shall be compulsory for the regional bar associations, the members of the regional bar associations and the persons entered by the regional bar association in the bar association register.

(4) The Rules and Regulations and the regulations of the Hungarian Bar Association shall be made public on the website of the Hungarian Bar Association.

(5) Resolutions adopted in non-individual cases are public to the members.

(6) The amount of the bar association membership fee to be paid by employed attorneys or bar association legal counsel shall be eighty percent of the amount of the bar association membership fee to be paid by attorneys.

(7)⁶ At least a five year's cycle shall be determined in the regulations on legal practitioners' further training, and accountability for performing such further training obligation, with the exception of the further training prescribed for acquiring the right to proceed in property register matters, may not be prescribed.

70. The presidency

Section 159

(1) The presidency shall consist of the president, vice presidents, secretary general and secretary, the presidents of the regional bar associations and the members of the presidency elected by the meeting of delegates. The number of elected attorney members shall be - in the absence of any provisions of the Rules and Regulations to the contrary - ten.

1 Amended by Paragraph b) of Section 108 of Act CXLVI of 2021.

2 Shall enter into force with text as amended pursuant to Section 102 paragraph a) of Act CXXXVI of 2017.

3 Amended by Paragraph b) of Section 12 of Act XCI of 2018.

4 Enacted by Section 293 of Act XCIX of 2021, effective as of 1 December 2021.

5 Amended by Paragraph c) of Section 79 of Act LI of 2021.

6 Amended by Paragraph c) of Section 108 of Act CXLVI of 2021.

(2) The presidency of the Hungarian Bar Association shall have - in a number that is in accordance with the proportion of their total number existing on the date of announcing the general election - a minimum of one, and a maximum of three bar association legal counsel members and a minimum of one, and a maximum of three employed attorney members. From these members, the president of the national section of the bar association legal counsel shall be one of the vice presidents of the Hungarian Bar Association.

(3) The president of the disciplinary committee of the Hungarian Bar Association and the national disciplinary high commissioner shall attend the session of the presidency with the right of consultation.

(4) The presidency

a) convenes the meeting of delegates, makes proposals for the agenda of the session, prepares the activities of the meeting of delegates, organises the execution of the resolutions of the meeting of delegates,

b)¹ presents the budget of the Hungarian Bar Association and the budgetary report, reports on its activities to the meeting of delegates,

c) proceeds in bar association authority matters,

d) may initiate declaration of incompatibility,

e)²

f)³

g) makes decisions on officers' remuneration,

h) overturns the decisions of regional bar association presidencies which were not adopted in authority matters that violate legal regulations or the rules and regulations,

i) adjudicates appeals against the decision of the president of the Hungarian Bar Association,

j) expresses an opinion and makes proposal in legislative and application of law matters that affect persons who are entitled to pursue legal practice,

k) bestows attorney's honorary titles and award decorations,

l) determines the dates of bar association elections,

m) when called upon by the minister proceeding in his powers of regulatory supervision

ma) in order to restore the lawful operation of the regional bar association or make up for the default, it may convene the body entitled to make decision and by setting a date it may call upon it to take the necessary measures for lawful operation,

mb) if the lawful operation of the regional bar association cannot be restored or cannot be ensured in any other manner, it will appoint the appropriate body, officer of another regional bar association or regional bar associations to fulfil the duty that falls within the powers of the president, presidency or disciplinary committee of the regional bar association concerned, or will appoint a member of the regional bar association, who may be elected by a bar association officer to fulfil other bar association public duties or other matters, and

n) performs other duties stipulated by the meeting of delegates and the Rules and Regulations.

(5)⁴

(6) The decisions adopted by the presidency in non-individual matters are public to the members.

71. President of the Hungarian Bar Association

Section 160

(1) The president of the Hungarian Bar Association

a) represents the Hungarian Bar Association,

b) directs the operations of the presidency and the committees, and reports to the presidency on his activities,

c) performs the duties stipulated in this Act in disciplinary proceedings,

d) may initiate declaration of incompatibility,

e) directs the administrative organisation of the Hungarian Bar Association, exercises employer's rights over the employees, and

f) performs the duties that the law and the Rules and Regulations assign to his scope of duties.

(2) Any regional bar association affected by the decision of the president of the Hungarian Bar Association may appeal the decision to the presidency within fifteen days from the date when the decision is served.

(3) The decisions adopted by the president of the Hungarian Bar Association in non-individual matters are public to the members.

CHAPTER XXIV

1 Shall enter into force with text as amended pursuant to Section 102 paragraph h) of Act CXXXVI of 2017.

2 Shall not enter into force on the basis of Section 103 Subsection (2) paragraph b) of Act CXXXVI of 2017.

3 Repealed by Section 109 of Act CXLVI of 2021, effective as of 1 April 2022.

4 Repealed by Paragraph d) of Section 13 of Act XCI of 2018, effective as of 1 January 2019.

REGIONAL BAR ASSOCIATIONS

Section 161

(1) The regional bar association is a public body, which has a representative and administrative organisation and an independent budget.

(2) In its operational area, a regional bar association

a)1 organises, conducts, authorises and controls the training of articulated clerks and legal clerks as well as organises and controls the compulsory further training of persons entitled to practice law,

b) arranges for conducting the election of bar association officers,

c) collects the bar association membership fees,

d) fulfils the duties assigned to its powers by the law and its rules and regulations.

(3) The operational area of the regional bar associations shall be the same area as the jurisdiction of the courts of justice. The operational area or headquarters of a regional bar association shall appear in its name.

(4) Regional bar associations may collaborate concerning the training of articulated clerks and legal clerks as well as the further training of persons entitled to practice law.

72. Bodies of regional bar associations*Section 162*

(1) The bodies of a regional bar association are

a) the general meeting or meeting of delegates,

b) the presidency of the regional bar association, (hereinafter referred to as 'regional presidency'),

c) the incompatibility committee,

d) the supervisory committee and

e) the regional disciplinary committee.

(2) For regional bar associations that have a total number of members higher than one thousand, the regulations of the Hungarian Bar Association may provide for the election of a meeting of delegates. The meeting of delegates shall consist of the elected officers of the regional bar association, more specifically, the delegates directly elected by the general meeting in a number specified in the regulations of the Hungarian Bar Association.

(3) The bar association legal counsel and employed attorney members of regional bar associations shall, on the strength of this Act, constitute bar association legal counsel' and employed attorneys' sections. The sections'

a) opinion shall be requested for non-individual decisions applying to them

b) agreement is necessary for non-individual decisions applying exclusively to them that fall within the powers of the bodies of the regional bar association.

(4) European Community jurists may create the European Community jurists' committee, articulated clerks the articulated clerks' committee, legal clerks the legal clerks' committee, whose opinion shall be requested for regulations and non-individual decisions that apply to them.

(5) A regional bar association may elect further committees stipulated in its rules and regulations.

Section 163

(1) The sessions of the bodies of a regional bar association may be attended - apart from its members - by the persons invited by the president of the bar association body and those who are listed by its rules and regulations.

(2) The duties, powers, operations and rules of procedure of the bodies, other committees and officers of a regional bar association shall be stipulated by the rules and regulations of the regional bar association.

(3)2 The sessions of the bodies of a regional bar association may be also held through electronic communications devices or by using other electronic devices that enable personal identification, or written consultations and decision-making can also take place. The written consultations and decision-making may be also performed by exchanging electronic messages (e-mail).

73. The general meeting

1 Amended by Paragraph d) of Section 108 of Act CXLVI of 2021.

2 Enacted by Section 294 of Act XCIX of 2021, effective as of 1 December 2021.

Section 164

- (1) The general meeting shall consist of the members of the regional bar association.
- (2) The general meeting
 - a) adopts the rules and regulations of the regional bar association,
 - b) elects and holds accountable and may recall the president of the regional bar association, the regional presidency, the committees, the officers and members of the committees,
 - c) elects and may recall the members delegated to the Hungarian Bar Association,
 - d) adopts the budget and the budgetary report,
 - e) makes proposals to the Hungarian Bar Association in matters affecting persons entitled to practice law, and
 - f) performs other duties specified in the rules and regulations of the regional bar association.
- (3) The rules and regulations of the regional bar association shall be priority regulations.
- (4) The rules and regulations of the regional bar association - in the manner determined therein - shall be made accessible to the members and to everybody whose rights they affect.
- (5) Where a meeting of delegates is elected on the basis of the regulations of the Hungarian Bar Association, the powers of the general meeting shall cover the election and recall of the officers, more specifically delegates; other powers of the general meeting stipulated in this Act shall be exercised by the meeting of delegates. The provisions of this Act applying to general meetings shall be applied to the meeting of delegates.
- (6) The members delegated by the bar association legal counsel' regional section to the presidency of the regional bar association shall be the members of the meeting of delegates of the regional bar association.

Section 165

- (1) The rules and regulations of the regional bar association shall be sent to the Hungarian Bar Association.
- (2) The rules and regulations of the regional bar association are binding to the members of the regional bar association, the persons entered by the regional bar association in the bar association register and the branch offices operating on the area of the regional bar association.
- (3)¹

Section 166

- (1) The regional presidency shall convene the general meeting whenever necessary but not less than once a year. The general meeting shall be convened when requested by at least one-third of the bar association members. The members of the general meeting shall be informed of the provisions of Subsection (2) and (3) in the invitation.
- (2) The general meeting shall constitute a quorum if more than half of the bar association members are present.
- (3) If the general meeting fails to constitute a quorum, a general meeting convened for a date at least eight days later, and a maximum of fifteen days later with the same agenda shall constitute a quorum, regardless of the number of members present.
- (4) A majority of the votes in favour cast by the members present is necessary for adopting the resolutions of the general meeting, while two-thirds of the votes in favour cast by the members present is required for adopting or amending the regulations of the regional bar association.
- (5) General meeting resolutions are public to the members.

74. The regional presidency*Section 167*

- (1) The regional presidency shall consist of the president, one or more vice presidents, the secretary general or secretary and the members of the regional bar association. The number of attorney members shall be - if the bar association regulations do not provide for the contrary - fifteen.
- (2)² If regarding the members of the regional bar association entitled to elect on the date of announcing the general election, at least
 - a) five percent of them are bar association legal counsels or employed attorneys, the regional presidency shall have one,

¹ Repealed by Paragraph e) of Section 13 of Act XCI of 2018, effective as of 1 January 2019.

² Established by Subsection (14) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

b) ten percent of them are bar association legal counsels or employed attorneys, the regional presidency shall have two,

c) twenty percent of them are bar association legal counsels or employed attorneys, the regional presidency shall have three bar association legal counsel members and employed attorney members.

(3) For regional bar associations that have a total number of members higher than one thousand, or if at least twenty percent of the members of the regional bar association are bar association legal counsel, from the members specified in Subsection (2), the president of the regional section of the bar association legal counsel shall be one of the vice presidents of the regional bar association.

(4) The president of the regional disciplinary committee shall attend the session of the regional presidency with the right of consultation.

(5) The regional presidency

a) convenes the general meeting of the regional bar association, makes proposals for its agenda, prepares the activities of the general meeting, organises the execution of the resolutions of the general meeting,

b) submits the budget of the regional bar association and the budget report, and reports on its activity to the general meeting,

c) proceeds in bar association authority matters,

d) may initiate declaration of incompatibility,

e) adjudicates appeals against the decisions of the president of the regional bar association,

f) makes decision on the remuneration of the officers of the regional bar association, and

g) performs other duties stipulated by the general meeting and the rules and regulations of the regional bar association.

(6) A member of the bar association and any person whose right or lawful interest is directly affected thereby may appeal the non-authority decision of the regional presidency within fifteen days from the date the decision is served - by making reference to the violation of law, the rules and regulations of the regional bar association or the regulations of the Hungarian Bar Association - to the presidency of the Hungarian Bar Association. This right shall not prejudice the option of legal remedy specified separately in this Act for specific cases.

(7) Decisions of the presidency adopted in non-individual matters are public to the members.

75. The president of the regional bar association

Section 168

(1) The president of the regional bar association

a) represents the regional bar association,

b) directs the activities of the regional presidency and the committees, provides for the execution of the resolutions of the general meeting,

c) reports on his activities to the presidency of the regional bar association and the general meeting,

d) performs the duties stipulated in this Act in disciplinary proceedings,

e) directs the operations of the administrative organisation of the regional bar association, exercises employer's rights over the employees,

f) directs the business management of the regional bar association,

g) may initiate declaration of incompatibility, and

h) performs other duties stipulated by the general meeting and the rules and regulations of the regional bar association.

(2) Any person whose right or lawful interest is directly affected thereby may appeal the non-authority decision of the president of the regional bar association within fifteen days from the date the decision is served - by making reference to the violation of law, the rules and regulations of the regional bar association or the regulations of the Hungarian Bar Association - to the regional presidency.

(3) Decisions of the president of the regional bar association adopted in non-individual matters are public to the members.

76. The regional disciplinary committee

Section 169

(1) To exercise disciplinary powers, regional bar associations shall create a regional disciplinary committee, which elects its president from its members itself. The rules of the election of the regional disciplinary committee and the national disciplinary committee shall be stipulated by the Hungarian Bar Association under regulations.

(2) The regional disciplinary committee shall be set up in proportion to the total number of the members of the regional bar associations.

(3) The regional disciplinary committee shall have - in a number that is in accordance with the proportion of their total number existing on the date of announcing the election -

- a) a minimum of one, and a maximum of three bar association legal counsel members,
- b) a minimum of one, and a maximum of three employed attorney members.

(4) The operational area of the regional disciplinary committee shall be stipulated by the Hungarian Bar Association under regulations, providing that their operational area must be determined in line with the jurisdiction of regional bar associations. The operational area of the regional disciplinary committee may fall in the area of jurisdiction of a single regional bar association, if the regional bar association has at least one thousand members.

(5) Maintenance of the regional disciplinary committee shall be the joint responsibility of the regional bar associations operating in its area of jurisdiction.

(6) In the name of the regional disciplinary committee, reference shall be made to the place of its operation.

CHAPTER XXV

BAR ASSOCIATION AUTHORITY MATTERS

Section 170

(1) A bar association shall proceed as an administrative authority in the following bar association authority matters:

- a) admission to the regional bar association,
- b) termination of membership in a bar association,
- c) change of form in a bar association,
- d) establishing termination of membership in a bar association,
- e) maintaining the bar association register,
- f) keeping the register of law firms,
- g) suspension of legal practice outside disciplinary proceedings and termination thereof,
- h) authorising interruption and extension of the interruption of legal practice,
- i) registration of the right to employ articulated clerks and to pursue the activity of an administrator for a law firm,
- j) appointment and termination of the appointment of an administrator for a law firm,
- k) re-registration,
- l) issuing an authority certificate,
- m) issuing and revoking cards with a photo, and
- n) authority revision of attorneys' and attorney assistants' activity.

(2) In its regulations the Hungarian Bar Association may

- a) also order the application of specific rules applying to administrative proceedings in bar association proceedings that are not deemed as bar association authority matters, and
- b) allow application of the rules of maintaining contact electronically as specified in the E-Administration Act in any matters and may make maintaining contact electronically compulsory.

77. Powers and jurisdiction

Section 171

(1) In bar association authority matters in the first instance - if this Act does not provide for the contrary - the president of the regional bar association shall proceed.

(2)¹ The presidency of the regional bar association shall proceed in the first instance, except for proceedings of

- a) admission to the bar,
 - b) termination of membership in the bar association,
 - c) registration of changes and the proceedings specified in Section 177 Subsection (1) paragraph c), in proceedings of registration and removal from the register, and
 - d) change of form in the bar association
- providing that decrees that may not be appealed independently may also be adopted by the president of the regional bar association.

(3) The authority revision specified in Section 186 Subsection (6) shall be conducted by the investigator appointed by the presidency of the regional bar association.

1 Established by Subsection (15) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

(4) No appeal lies against the authority decision of the regional bar association. In bar association authority matters in the second instance the presidency of the Hungarian Bar Association shall proceed.

Section 172

(1) The area of jurisdiction of the regional bar association is identical with its operational area.

(2) In bar association authority matters, the following bar association shall proceed from regional bar associations,

a) of which the applicant intends to become a member or at which he requests his registration, or

b) of which the client is a member or which registered him.

(3) The regional bar association in the area of which the legal practitioner, the person pursuing attorney assistant's activity or their employer have a branch office may also verify the legal practice and attorney assistant's activity. The regional bar association of which the person verified is a member or which entered the verified person in the bar association register shall be notified of the commencement of the authority revision.

(4) The regional bar association in the area of which the registered office of a bar association legal counsel's any employer or the employer's site, branch office where it employs the bar association legal counsel is located shall also be entitled to verify the bar association legal counsel's legal practice. The regional bar association of which the person verified is a member shall be notified of the commencement of the authority revision.

78. Application of the rules of the general code of administrative procedure

Section 173

(1) In bar association authority matters - with the exception stipulated in the regulations of the Hungarian Bar Association - electronic case administration is compulsory. The bar association may introduce an electronic form for electronic case administration, the application of which is compulsory.

(2) Any person other than those obliged to keep confidentiality and those entitled to dispose over privileged information may only have access to any document created in bar association authority matters, containing attorney-client privileged information if the person entitled to dispose over the privileged information has consented thereto.

(3) In bar association authority matters

a) applications may not be submitted at a government window,

b) no summary procedure lies in matters that fall within the powers of the regional presidency,

c)¹

d) with respect to implementing a determined act, the organisation putting implementation into effect is the bar association that adopts the decision of the first instance.

(4) The bar association may also suspend the bar association authority proceedings if deciding the matter on the merits depends on the preliminary adjudication of an issue that falls within the powers of another organisation or cannot be decided in a well-founded manner without another authority decision of the proceeding bar association closely connected with the relevant matter.

(5) Data that is public knowledge or the bar association has official knowledge of may not be requested from the applicant.

(6) In bar association authority matters, the administration deadline is thirty days.

(7) If the bar association does not adopt a decision within the administration deadline, the applicant shall not be entitled to the right to start or continue the activity applied for.

Section 1742

(1) For bar association authority proceedings commenced upon by an application, administrative service fee stipulated by the minister under decree shall be paid to the proceeding bar association.

(2) No administrative service fee shall be paid for

a) registration of changes occurred in the name of a natural person who pursues legal practice, of changes arising from changes in legal regulations or of data to be registered that fall within a new scope of data,

b) registration of the right to carry out activities of an administrator for a law firm,

c) issuance of a certificate in Hungarian related to bar association membership or to registration through electronic communication.

79. Entry in the bar association register

¹ Repealed by Section 48 of Act XXX of 2020, effective as of 1 July 2020.

² Established by Subsection (16) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

Section 175

(1) Simultaneously with submitting the application for being entered in the bar association register, the applicant shall

- a) make a statement that grounds for incompatibility do not exist against him,
- b) certify the existence of other conditions of entry in the register, and
- c) disclose his data to be registered in the bar association register to the proceeding bar association.

(2) If with the application for being entered in the bar association register the applicant does not certify

a) his law degree, the bar association shall verify it by data request from the register of diplomas of the higher education information system,

b) lack of grounds for exclusion as specified in Section 22 Subsection (1) paragraphs b) and c) or the fact that no proceedings owing to committing a wilful crime liable to prosecution upon public prosecution were initiated against him, by an official certificate, the bar association shall verify it by data request from the register of criminal records,

c) lack of grounds for exclusion specified in Section 22 Subsection (1) paragraph e), the proceeding bar association shall verify it by data request from the records kept by regional bar associations and the court of justice.

(3) Data requests specified in Subsection (2) paragraphs b) and c) may only seek clarification whether the circumstance determined therein exists or not.

(4) In the event that the applicant intends to maintain a branch office in the operational area of another regional bar association, the proceeding bar association will request information from the regional bar association competent in accordance with the address of such branch office as a regulatory authority regarding the issue of whether or not the branch office meets the conditions stipulated in this Act and the bar association regulations.

(5)¹ If criminal proceedings were instituted against the applicant for committing a wilful crime liable to prosecution upon public prosecution, the bar association shall suspend the proceedings until conclusion of the criminal proceedings by the court's final and unappealable peremptory decision or non-peremptory order having become final or until adoption of the decision of the public prosecutor's office or the investigating authority on suspension thereof for the purposes of conditional suspension by the public prosecutor or mediation proceedings or terminating the proceedings that may not be contested by any further legal remedy.

80. Special rules for entering European Community jurists and employed European Community jurists in the register

Section 176

(1) The Hungarian Bar Association shall enter the data of European Community jurists pursuing legal practice in the territory of Hungary on an ad hoc basis that appear in the notification in the register for a one-year period ex officio.

(2) European Community jurists who practice law in Hungary while being entered in the register shall submit an application for entry in the bar association register to the regional bar association with jurisdiction over

a) the location of the office established for his legal practice when practicing law permanently,

b) the location of the office of the attorney or law firm with which a collaboration contract was concluded or, in the absence of such a contract, the place where the service is provided, when practicing law temporarily.

(3) Employed European Community jurists shall submit an application for entry in the bar association register to the regional bar association with jurisdiction over the location of the office of his employer.

(4) The following shall be attached to European Community jurists' and employed European Community jurists' application for entry in the bar association register

a) a certified translation of a document issued within the previous three months by an organisation in his own EEA State which keeps the register of attorneys that certifies that the applicant is entitled to practice law in the relevant EEA State, and

b) the document that certifies that his liability insurance that provides cover for compensation for the damages caused by his legal practice and payment of the damages for pain and suffering may be enforced in Hungary or the applicant's consent necessary for verifying the above.

(5) European Community jurists' and employed European Community jurists' application for entry in the bar association register must state the data of the attorneys' association operating in the applicant's own EEA State, if the applicant is a member of such an association.

1 Established by Subsection (2) of Section 506 of Act CXCVII of 2017, effective as of 1 July 2018.

(6) The bar association shall notify the organisation of the applicant's own EEA State that keeps the register of attorneys about entry of the European Community jurist and the employed European Community jurist in the bar association register.

81. Removal from the bar association register

Section 177

- (1) The following persons shall be removed from the bar association register: any person
- a) who requests it,
 - b) on whom the disciplinary penalty of disbarment has been imposed,
 - c) who has been entered by another regional bar association in the bar association register as a result of re-registration or who has become a member of the regional bar association as a result of change of form,
 - d) who has died,
 - e) who does not comply with the requirements for entry in the bar association register,
 - f) who failed to fulfil his obligation to pay the bar association membership fee or payment obligation arising from an enforceable disciplinary decision in spite of notice to do so,
 - g) who has not terminated the incompatibility that exists against him in spite of notice to do so,
 - h) who is under guardianship or supported decision-making affecting capacity to proceed under the law or the attorney assistant who is under guardianship affecting capacity to proceed under the law in the scope necessary for performing his relevant activity,
 - i) who did not perform his obligation to take an attorney's oath within deadline,
 - j) who failed to fulfil his obligation to attend further training prescribed in the bar association regulations.
- (2) With respect to issues not regulated in this subtitle, the provisions applying to the termination of bar association membership shall be applied to removal from the bar association register.

Section 178

- (1) European Community jurists and foreign legal counsels shall also be removed from the bar association register if
- a) they create the impression that they are attorneys or they use a title, name, addition or description on the basis of which they create the impression that they are entitled to use the title of attorney, or
 - b) their tax number has been definitively deleted.
- (2) Employed European Community jurists shall also be removed from the bar association register in the event that they did not establish a new employed European Community jurist's employment relation that is in accordance with this Act within three months from the date of termination of their employment relation.
- (3) Articled clerks shall also be removed from the bar association register in the event that they did not establish a new articled clerk's employment relation that is in accordance with this Act within three months following the date of termination of their employment relation.
- (4) Legal clerks shall also be removed from the bar association register in the event that they did not establish a new legal clerk's employment relation that is in accordance with this Act within three months from the date of termination of their employment relation.
- (5) Articled clerks and legal clerks shall also be removed from the register after three months passed from the date of taking the bar examination.
- (6) The following foreign legal counsels shall also be removed from the register,
- a) whose collaboration contract as stipulated in this Act terminated, or
 - b) who or whose foreign office has established a commercial representation in Hungary.
- (7) The regional bar association shall send the final decision on removal of the foreign legal counsel from the register to the foreign bar association having jurisdiction.

82. Removal of law firms from the bar association register

Section 179

- (1) A law firm shall be removed from the register by the regional bar association effective from
- a) the accounting date of the closing balance sheet of the law firm, in the case of termination of the law firm without a legal successor upon request,

b) the date when the resolution on registration of legal succession becomes final, but the earliest the date specified in the resolution or resolutions of the members' meeting, in the case of termination of the law firm with a legal successor,

c) the date of the termination of the relevant membership of the last member or proprietary member of the law firm, in the case specified in Section 96 Subsection (2) paragraph c),

d) the date when the resolution ordering removal of the law firm becomes final, in the case specified in Section 96 Subsection (2) paragraph d),

e) the date when the decree ordering termination of the firm without a legal successor is published in the Companies' Gazette, in the case of winding-up proceedings,

f) the date when the relevant resolution becomes final, in the case of deletion of the tax number of the law firm,

g) the date when three years passed from the appointment of the administrator for a law firm, in the case specified in Section 96 Subsection (2) paragraph g).

(2) A law firm may be terminated in the case specified in Subsection (1) paragraphs a), c) and d) after the state tax and customs authority, the municipality tax authority competent on the location of the law firm and the pension insurance administration organisation have made a statement that the law firm has fulfilled its obligation to file a tax return and supply pension insurance data, has no tax liability, no tax payment obligation declared in a final decision and no other obligation to pay contribution to public revenues that may be collected as tax, no tax authority, customs authority proceedings are in progress at the law firm and no revision, execution is initiated by the state tax authority or customs authority.

(3) Decision on issuing the statement as specified in Subsection (2) upon the request of the bar association shall be made within thirty days; in case of failure to meet this deadline, the bar association shall remove the law firm from the register. The time passed until obtaining the statement shall not be included in the administration deadline.

83. Suspension of pursuing legal practice

Section 180

(1) The president of the regional bar association shall suspend legal practice with immediate effect if a charge is brought against the legal practitioner for committing a wilful crime for which the sentence is more than five years' imprisonment.

(2) If the court proceeding in the criminal case finds and declares that the violation of individual interests arising from suspension of legal practice as specified in Subsection (1) significantly exceeds violation or jeopardising of the clients' rights, lawful interests or public trust vested in the legal profession that may be expected in case of continuing the legal practice, it shall inform the president of the regional bar association. The president of the regional bar association shall, on the basis of the notice, withdraw the decision on suspension and shall inform the court sending the notice about the withdrawal of the decision.

(3) The presidency of the regional bar association shall, simultaneously with commencing or during the proceedings for termination of the bar association membership or removal from the bar association register, suspend pursuing the legal practice with immediate effect, for a maximum of six months if grounds for exclusion of pursuing the legal practice arise, and continuing the legal practice might entail violation or jeopardising of the clients' rights, lawful interests or public trust vested in the legal profession to such an extent that exceeds the violation of individual interests arising from suspension of legal practice. Suspension of pursuing the legal practice may be extended once for six months during its effect.

(4) The appeal against suspension of pursuing the legal practice shall have no suspensory effect on the execution of the decision.

(5) The suspension of pursuing the legal practice shall be immediately terminated if the reason for ordering it terminated.

(6) During the period of suspension, except for the rights and obligations under the proceedings conducted against the legal practitioner, the rights and obligations arising from membership in bar association or entry in the bar association register shall be interrupted.

84. Change of form in the bar association

Section 181

If a member of the regional bar association or other person pursuing legal practice entered in the bar association register intends to continue legal practice in another form, the application for change of form in the bar association shall be judged in accordance with the rules for admission to the regional bar association, or entry in the bar association register. The procedure of change of form in the bar association shall be free of charge for members of the bar association.

85. Notification of changes, carrying over changes and re-registration

Section 182

(1) Legal practitioners are obliged to notify any changes which occurred in their data that appear in the bar association register within thirty days from the occurrence of such changes to the bar association that entered them in the register and shall request carrying them over in the bar association register.

(2) With submitting the application for registration of changes, the existence of the conditions of registration of changes must be certified.

(3) Termination of the employment relation of legal practitioners may be notified by their employer, termination of the employment relation of attorney assistants may be notified by the attorney assistant, termination of an agreement concluded for substitution may be notified by the substitute attorney and they may request carrying over the changes in the register.

(4) Law firms shall submit the resolution of the members' meeting providing for amendment of the deed of foundation, in the case of termination of a law firm with legal succession, the deed of foundation or deeds of foundation of the new firm or firms within thirty days following the decision of the members' meeting, together with notification of the changes to the bar association and shall request carrying them over in the bar association register.

(5) The bar association shall dismiss the application for registration of changes if the changes set out in the application, the registration thereof or the document serving as basis thereof conflicts with law or bar association regulations.

(6) If a legal practitioner intends to operate a new branch office or intends to terminate his existing branch office, the application must be submitted to the regional bar association having jurisdiction over the location of the branch office.

(7) If the regional bar association finds and declares that a branch office operating in its operational area fails to comply with the conditions stipulated in this Act or bar association regulations, it shall remove the branch office from the bar association register.

Section 183

(1) The application for re-registration for transferring attorney's or attorney assistant's activity to the area of jurisdiction of another regional bar association shall be submitted to the relevant regional bar association according to the address of the applicant's office, in the absence thereof, the address of his employer registered at the time of submitting the application.

(2) Re-registration of a law firm shall be conditional upon the law firm having a registered member or a member entered in the register in the relevant the regional bar association according to the address of the law firm's new office or upon any of its members requesting his re-registration to the relevant regional bar association according to the new address of the law firm's office.

(3) The application for re-registration together with the documents shall be forwarded by the relevant regional bar association according to the former office to the relevant regional bar association according to the application, which shall serve its decision adopted on the application to the relevant regional bar association according to the former office too.

(4) Once the decision sustaining the application for re-registration has become final, the regional bar association adopting the decision of the first instance shall provide for entering the legal practitioner in the bar association register.

86. Issuing and revoking the card with a photo

Section 184

(1) The regional bar association shall issue a card with a photo ex officio to members of the bar association, European Community jurists, employed European Community jurists practicing law permanently in Hungary, articulated clerks, legal clerks and foreign legal counsels at the time when they are admitted to the regional bar association or entered in the bar association register.

(2) The regional bar association shall revoke the card with a photo if

a) the membership relation of a member in the bar association terminated and

b) it removes a European Community jurist, employed European Community jurist, foreign legal counsel, articulated clerk or legal clerk from the bar association register.

(3) During the period of the interruption or suspension of legal practice and following the termination of membership in the bar association or removal from the bar association register, the card with a photo may not be used, it shall be returned to the regional bar association immediately, but not later than within eight days.

(4) The regional bar association may also issue the card with a photo as a card issuer having joined the uniform electronic card issuing framework as a card as stipulated in Act LXXXIII of 2014 on the Uniform Electronic Card Issuing Framework and on the Certification System.

87. Authority certificate

Section 185

(1) The regional bar association shall issue an authority certificate on the data of the bar association authority register at the request of persons who are entitled to have access to them.

(2) If access to the data of the bar association authority register is only allowed for a defined purpose, this fact must be stated in the authority certificate.

88. Bar association authority revision

Section 186

(1) Except for bar association legal counsel and legal clerks, compliance with the conditions of pursuing legal practice and attorney assistant's activity as stipulated in this Act, the implementing decrees thereof, the provisions on prevention of and combating money laundering and terrorist financing, the bar association regulations and enforceable decisions adopted in bar association authority matters shall be verified by the regional bar association within the frameworks of authority revision.

(2) Compliance with the conditions of pursuing legal practice of bar association legal counsel and legal clerks as stipulated in this Act, the implementing decrees thereof, the provisions on prevention of and combating money laundering and terrorist financing, the bar association regulations and enforceable decisions adopted in bar association authority matters shall be verified by the regional bar association in collaboration with the employer.

(3) The bar association authority revision shall not cover the content of the legal practice and performance of obligations the verification of which falls within the powers of other authority.

(4) The bar association authority revision shall be commenced by the regional bar association *ex officio*.

(5)¹ In order to perform its verification obligation specified in Subsection (1) and (2), the regional bar association shall adopt an annual verification plan and shall make it public in accordance with the rules for providing information electronically.

(6)² The regional bar association shall classify the legal practitioners supervised by it into risk groups determined in the supervisory risk assessment as stipulated in the act on prevention of and combating money laundering and terrorist financing. Verification in accordance with the verification plan shall be conducted at least annually but at a maximum of every half year for persons who fall within the group with the highest risk and at least every five years for those falling in the group with the lowest risk.

Section 187

(1) During the authority revision, the regional bar association may oblige the verified person to supply data and may enter the office, branch office, sub-office of the verified person, may have access to the documents and records of the verified person, may request copies thereof to the extent necessary for achieving the purpose of the verification.

(2) For the purposes of verifying safe custody, the regional bar association shall be entitled to know the name of the account-keeper that keeps the attorney's account used for safe custody, the number, balance of the safe custody account and the movements in the account in ten years preceding the date of commencement of the bar association authority revision. The account-keeper shall make the data stipulated in this Subsection, applying to the safe custody account of the verified person available to the regional bar association within three days from serving the request for information submitted in the printed form or form determined in the bar association regulations.

(3) The decree ordering the measures must specify the purpose of the act of verification and the data supply obligation and must give reasons for its necessity.

Section 188

(1) The regional bar association shall record the findings of the authority revision in minutes.

¹ Shall enter into force with text as amended pursuant to Section 102 paragraph j) of Act CXXXVI of 2017.

² Shall enter into force with text pursuant to Section 101 Subsection (6) of Act CXXXVI of 2017.

(2) If during the authority revision the regional bar association finds and declares violation of law, bar association regulations or enforceable bar association decisions, (in the application of this subtitle hereinafter collectively referred to as 'breach of obligations'), and

a) it can be remedied by termination of the breach of obligations or restoration of the lawful state, the regional bar association shall oblige the legal practitioner or the person pursuing attorney assistant's activity to do so in a decree, by setting a proper but a minimum of fifteen days deadline and by warning them of the legal consequences,

b) the deadline specified in paragraph a) passed without any result or application of paragraph a) is excluded, it shall start the authority proceedings specified in this Act or - if suspicion of committing a disciplinary infraction arises - shall initiate conducting a preliminary investigation.

(3) The regional bar association shall also proceed in accordance with the provisions set out in Subsection (2) when the breach of obligations is based on violation of the provisions on prevention of and combating money laundering and terrorist financing.

(4) If the breach of obligations is failure to fulfil the notification obligation prescribed in case of the occurrence of any data, fact or circumstance implying money laundering or terrorist financing, the regional bar association shall make the notification instead of the legal practitioner.

(5) Application of Subsection (2) paragraph a) shall be excluded if

a) the violation of law can be remedied exclusively by conducting new authority proceedings,

b) it is excluded by the bar association regulations by clearly specifying the violation of law,

c) a regional bar association established legal consequences definitively within two years against the same verified person owing to the warning specified in Subsection (2) paragraph a) bringing no result,

d) the regional bar association proceeded against the same verified person owing to the same violation of law within two years in accordance with Subsection (2) paragraph a), and

e) the violation of law is failure to fulfil the obligation to notify information to certified public records.

(6) In the bar association authority register, for the purposes of verifying the terms set out in Subsections (2)-(4), it shall be required to register the following as certified public records

a) the warning specified in Subsection (2) paragraph a) with specification of the violation of law and the date of serving the decree containing the warning,

b) the fact that the warning specified in Subsection (2) paragraph a) brought no result, and the date when the decision containing the legal consequence established for this reason becomes final.

(7) If as a result of the authority revision any data that imply the committing of a crime in connection with the attorney's safe custody activity arise, the regional bar association shall report the case to the organisation having powers to conduct the proceedings.

CHAPTER XXVI

BAR ASSOCIATION REGISTER AND DATA PROCESSING

Section 189

(1) The bar association register - in the scope specified in Annex 1, as certified public records - contains the data of the natural person who pursues legal practice or attorney assistant's activity determined in Annex 1.

(2) The existing, erased or changed data of the bar association register specified in Annex 1 are public, and its existing and public data shall be made public in an up-to-date form in the attorney search function.

(3) The bar association shall take over the data as specified in line 20 of the table set out in Annex 1 from the register of disposals as stipulated in the E-Administration Act

Section 190

(1) The bar association register contains the following data of a law firm

1. its bar association registration number,

2. its name,

3. the address of its office,

4. the address of its branch office,

5. the address of its sub-office,

6. its telephone number,

7. its contact details serving for maintaining contact as stipulated in the E-Administration Act,

8. its electronic correspondence address,

9. its website address,

1 Amended by Paragraph c) of Section 12 of Act XCI of 2018.

2 Established by Subsection (17) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

3 Established by Section 169 of Act LXVI of 2019, effective as of 10 July 2019.

10. the name of its director or directors, the type of their right of representation and the effect of their mandate,
 11. the name and bar association identification number of its members,
 12. the name and registration number of the attorneys' association and the registration number of the attorneys' office community operating with its participation,
 13. the name of its proprietary member,
 14. its proprietary member's personal identification data outside his name,
 15. the address of its archives,
 16. its tax number and
 17. the rate of its registered capital.
- (2) The bar association register contains
- a) the data applying to the merger, demerger, legal successor and legal predecessor of the law firm,
 - b) the date of commencement and the date of conclusion of the proceedings for terminating the law firm without a legal successor,
 - c) for law firms under bankruptcy proceedings, the name of the proceeding court, the name, official correspondence address of the trustee appointed by the court,
 - d) for law firms under winding-up proceedings, the name, official correspondence address of the liquidator appointed by the court and of the insolvency practitioner appointed by the liquidator,
 - e) the name, official correspondence address of the administrator for a law firm appointed by the regional bar association, and
 - f) the name and bar association identification number of the substitute attorney of a sole practitioner law firm.
- (3) The bar association register contains the data specified in Subsection (1) paragraphs 1-13 and Subsection (2) paragraphs a) and b) as certified public records.
- (4) The data of the bar association register specified in Subsection (1) paragraphs 1-12 and Subsection (2) are public, may be made public or may be released to anybody, its existing data shall be made public in an up-to-date form in the attorney search function.
- (5)¹ The bar association shall take over the data specified in Subsection (1) paragraph 7 from the register of disposals as stipulated in the E-Administration Act

Section 191

The bar association register contains the date of registration and erasure of registered data and the number and date of the bar association decision serving as basis thereof.

Section 192

- (1) The Hungarian Bar Association shall in accordance with the provisions stipulated in its regulations with the involvement of regional bar associations ensure
- a) consistency of the data structure of the bar association register,
 - b) creation of the bar association identification number,
 - c) operation of the information technology system of the bar association register and
 - d) operation of the attorney search function.
- (2) The Hungarian Bar Association shall arrange for registering the data of European Community jurists practicing law temporarily in the bar association register for one year from notification, carrying over the changes of their data and corrections of their data in the bar association register and shall supply data from them.
- (3) The regional bar association shall arrange, with the exception specified in Subsection (2), for carrying over the data of legal practitioners, changes of their data and corrections of their data in the bar association register and shall supply data from them.
- (4) The bar association that has powers and jurisdiction as stipulated in this Act to enter the data concerned in the register, if it gains official knowledge of a circumstance that provides reasons for it, shall erase unlawful entries, correct erroneous entries and make up for missed entries.

Section 193

- (1) Individual data supply from the public data of the bar association register may be performed for anybody free of charge.
- (2) Grouped data supply from the data of the bar association register may be provided in return for a procedural fee at a rate determined in the regulations of the Hungarian Bar Association, provided that the purpose of use is certified. Grouped data supply for compiling lists serving for direct marketing purposes may not be performed.
- (3) Data supply from non-public data of the bar association register may be performed for those who are entitled to have access to the data.

1 Established by Section 170 of Act LXVI of 2019, effective as of 10 July 2019.

(4) The data made public in the attorney search function, in the absence of the data subject's provisions to the contrary, may also be forwarded to the attorneys' and European Community jurists' interest representation organisation of their own EEA State, consisting of professional organisations that provide their representation at the highest level, representing them before the bodies and institutions of the European Union, for the purposes of operating a uniform attorney search within the European Economic Area.

Section 194

(1) The regional bar association and the Hungarian Bar Association shall be entitled to have access to and process the data of the bar association register to the extent necessary for fulfilling their duties stipulated in law, rules and regulations and the bar association regulations.

(2) In the course of their procedure and performing service, the regional bar association and the Hungarian Bar Association may have access to and process the natural personal identification data and address of natural persons who take part in the procedure and use the service as well as the personal data absolutely necessary for conducting the procedure and providing the service.

CHAPTER XXVII

THE MEDIATION PROCEEDINGS

Section 195

(1) The president of the regional bar association shall - if on the basis of the notification the dispute between the notifier and the legal practitioner, connected with their agency relation can be presumably settled during mediation proceedings - inform the notifier and the legal practitioner about the essence of the mediation proceedings and the possibilities for using them.

(2) If the notifier

a) intends to use the mediation proceedings and gives exemption from keeping the confidentiality of attorney-client privileged information to an extent necessary for conducting the proceedings, and this does not violate others' attorney-client privileged information, participation in the mediation proceedings is compulsory for the legal practitioner;

b) does not intend to use the mediation proceedings or fails to make a statement thereon in accordance with the provisions set out in paragraph *a)* within thirty days, the president of the regional bar association may make a proposal in conducting a preliminary investigation.

(3) The duration of mediation proceedings is a maximum of three months.

(4) The rules applying to mediation proceedings and bearing the costs of the mediation proceedings shall be stipulated in the bar association regulations.

CHAPTER XXVIII

COOPERATION WITH THE BODIES THAT KEEP THE REGISTER OF ATTORNEYS IN OTHER EEA MEMBER STATES

Section 196

(1) In any and all matters that arise in connection with the legal practice of European Community jurists, bar associations shall cooperate and provide assistance by providing the data in the register kept pursuant to this Act or in other form to each other and the organisation that keeps the register of attorneys in the jurist's own EEA State.

(2) Within the context of cooperation, the bar association shall

a) inform the organisation that keeps the register of attorneys in the jurist's own EEA State of any disciplinary proceedings launched against the European Community jurist before the disciplinary proceedings are initiated, cooperate in the proceedings, send the decision adopted in the disciplinary proceedings and afford the representative of the organisation that keeps the register of attorneys in the jurist's own EEA State the opportunity to express his comments on the appeal in the appellate forum,

b) inform the organisation that keeps the register of attorneys in the jurist's own EEA State of removal of the European Community jurist from the register, and

c) in the case of bar association members or persons entered in the bar association register who also practice law in other EEA States, inform the organisation that keeps the register of attorneys in the EEA State concerned of the termination of the attorney's bar association membership or removal from the bar association register.

(3) The organisations concerned shall maintain confidentiality with regard to all of the facts and data of which they gained knowledge of within the context of the obligation to cooperate.

(4) In the rules and regulations, the Hungarian Bar Association shall stipulate any additional provisions in connection with fulfilling the obligation to cooperate.

PART EIGHT

REGULATORY SUPERVISION

Section 197

(1) The minister shall exercise regulatory supervision over the operations of regional bar associations and the Hungarian Bar Association, (in the application of this Chapter hereinafter collectively referred to as 'bar association').

(2) The regulatory supervision does not cover - with the exception set out in this Chapter - individual decisions adopted by the bar association and cases where court of administrative proceedings shall be conducted.

Section 198

(1) The minister shall within his powers of regulatory supervision ensure that the operations of the bar association not be in conflict with law, rules and regulations and the regulations of the Hungarian Bar Association.

(2) If the minister finds and declares that the operations of any of the bodies of the bar association conflicts with law, rules and regulations or the regulations of the Hungarian Bar Association, (in the application of this section hereinafter collectively referred to as 'violation'), he shall call upon the bar association concerned, by setting a deadline of a minimum of fifteen days, and a maximum of thirty days, to terminate the violation.

(3) The bar association concerned shall terminate the violation - within the deadline provided by the minister - or inform the minister that it disagrees on the matter within fifteen days from the date of serving the notice.

Section 199

(1) If the bar association concerned does not terminate the violation within the deadline stipulated by the minister in the notice, the minister shall call upon the presidency of the Hungarian Bar Association in accordance with the rules set out in Section 198 to take the measures acting in its powers specified in Section 159 Subsection (4) paragraph *m*) necessary for restoring the lawful operation of the bar association concerned.

(2) If the presidency of the Hungarian Bar Association does not terminate the violation within thirty days from expiry of the deadline specified in the notice either, the minister shall seek remedy at the court proceeding in administrative cases.

(3) If as a consequence of the proceedings initiated on the basis of Subsection (2) the court established the violation,

a) it shall oblige the bar association concerned or its body to take the measures necessary for the legality of the operation,

b) it shall overturn the unlawful rules and regulations, regulations or the unlawful part thereof and order new proceedings,

c) it may order that the bar association body authorised to elect the unlawfully operating bar association body or officer be convened in order to restore the legality of the operation,

d) it may suspend the operation of the unlawful bar association body or officer or

e) may appoint a supervisory commissioner, if there is no lawfully operating bar association body that might proceed instead of the unlawfully operating bar association body.

Section 200

(1) The supervisory commissioner may within the scope of duties and powers of the bar association concerned and the bodies thereof

a) take all of the measures that are necessary for setting up the lawfully operating bar association body,

b) make all legal statements that are inevitably necessary for restoring the legality of the operation of the bar association concerned.

(2) Only bar association members having at least a membership of ten years relation who are not members of the bar association body concerned in the regulatory supervision proceedings may be supervisory commissioners.

Section 201

(1) The minister shall arrange for the legality of bar association regulations

a) by preliminary verification of priority regulations, and

b) by subsequent verification of non-priority regulations.

(2) The bar association shall send its priority regulations to the minister within fifteen days from adopting them. The priority regulations or the amendments thereof shall be valid if their legality is established by the minister.

(3) The minister shall examine the legality of the priority regulations within a maximum of thirty days in the case of the Rules and Regulations or regional bar association regulations, and within a maximum of fifteen days in the case of other priority regulations. If the priority regulations do not conflict with law, or the regional bar association regulations do not conflict with the regulations of the Hungarian Bar Association, the minister shall approve them and shall send his approval electronically immediately to the bar association.

(4) If the priority regulations conflict with law or the regional bar association rules and regulations conflict with the regulations of the Hungarian Bar Association, the minister shall immediately serve the refusal of the approval of the regulations and the reasons for the refusal electronically to the bar association. The bar association concerned

a) shall modify the section of the priority regulations objected to within thirty days, or

b) may make remarks within five days from the service of the refusal.

(5) If the minister and the bar association concerned do not agree as specified in Subsection (4) paragraph b), the bar association concerned may seek remedy at the court proceeding in administrative cases requesting it to declare the validity of the priority regulations. The court shall decide the issue forthwith by applying the rules of the code of administrative procedure *mutatis mutandis*.

Section 202

(1) The minister shall verify the legality of non-priority regulations within sixty days from the date they are adopted.

(2) The bar association shall send its non-priority regulations to the minister within eight days from the date they are adopted.

(3) If the non-priority regulations conflict with law, rules and regulations or other regulations, the minister shall call upon the bar association concerned immediately, by setting a deadline, to modify the non-priority regulations.

(4) The validity of non-priority regulations is not prejudiced by the minister's subsequent verification.

Section 203

(1) If the minister establishes that the bar association failed to fulfil its obligations as set out in law or rules and regulations and such default jeopardises the operation of the bar association, he shall call upon the bar association, by setting a minimum of five days, and a maximum of fifteen days deadline, to take the measures failed to have been performed.

(2) The bar association shall within the deadline specified in the notice take the measures failed to have been performed or adopt the decision failed to have been taken, or shall inform the minister that it disagrees on the matter within fifteen days from the date of serving the notice.

(3) If the bar association concerned does not make up for the default within the deadline specified by the minister, the minister shall call upon the presidency of the Hungarian Bar Association to take the measures acting in its powers specified in Section 159 Subsection (4) paragraph m) necessary for restoring the lawful operation of the bar association concerned.

(4) If the default exists even after the proceedings specified in Subsection (3), the minister shall seek remedy at a court proceeding in an administrative case within thirty days.

(5)¹ If the court establishes the fact of the default, it shall, by setting a proper deadline, oblige the presidency of the Hungarian Bar Association to take the measures failed to have been performed. In proceedings instituted in case of failure to meet the deadline stipulated in the judgment, for coercing performance, as a measure the court may, in addition to imposing performance penalty, only appoint a supervisory commissioner.

(6) The supervisory commissioner shall be entitled instead and on behalf of the bar association body in default - except for creating the regulations - to take all of the measures falling within the scope of duties and powers of the bar association concerned and its bodies necessary for remedying the default.

1 Amended by Subsection (2) of Section 240 of Act CXXVII of 2019.

Section 204

In the course of exercising his rights exercised in this Chapter, the minister

a) may request statistics from the bar associations, and

b) may only get into possession of personal data in order to ensure the legality of the operation and shall be entitled to have access to documents only without injury to attorney-client privileged information.

PART NINE**CLOSING PROVISIONS**

89. Authorising provisions

Section 205

The Government is hereby authorised to decree regulations pertaining to the detailed rules of the procedure for the payment of parole and probation attorneys fee.¹

Section 206

The minister is hereby authorised to decree regulations pertaining to

a) the legal costs that may be established in court proceedings,

b) the remuneration of parole and probation attorneys and appointed defenders and the fee for performance of the appointment,²

c) the professional designations of European Community jurists under which the professional activities of attorneys may be pursued by them in accordance with Directive 77/249/EEC of the Council of the European Communities and Directive 98/5/EC of the European Parliament and of the Council,

d) detailed rules applying to cards with a photo,³

*e)*⁴ in agreement with the minister responsible for taxation policy, the rules applying to the amount, payment, refunding and registration of administrative service fee to be paid for bar association authority proceedings initiated upon request as well,⁵

*f)*⁶

90. Enacting provisions

Section 207

(1) This Act - with the exception specified in Subsections (2)-(4) - shall enter into force on the eighth day following its promulgation.

(2) Section 206 paragraph *f)* and Section 208 Subsections (1)-(32) shall enter into force on 1 October 2017.

(3) Sections 1-36, Sections 38-205, Section 206 paragraphs *a)-e)*, subtitle 92 and Section 210 paragraphs *a)-c)* and Annex 1 shall enter into force on 1 January 2018.

(4) Section 37 and Section 210 paragraph *d)* shall enter into force on 1 July 2018.

91. Transitional provisions

Section 208

(1) Regional bar associations shall admit persons who are included in the list of employed attorneys on 31 December 2017 to the bar as a member as an employed attorney as of 1 January 2018 ex officio.

1 See: Chapter XI of Government Decree No. 421/2017. (XII. 19.) Korm.

2 See: Sections 1-4, Sections 7-12 of Ministry of Justice Decree No. 32/2017. (XII. 27.) IM

3 See: Ministry of Justice Decree No.15/2017. (XI. 30.) IM.

4 Amended by Paragraph d) of Section 12 of Act XCI of 2018.

5 See: Ministry of Justice Decree No. 16/2017. (XII. 7.) IM.

6 Repealed by paragraph d) of Section 210 of this Act, effective as of 1 July 2018.

(2) The persons and data that appear in the regional bar association list on 31 December 2017 shall be entered in the bar association register as stipulated in this Act as of 1 January 2018 ex officio.

(3) Applications for admission to a regional bar association as a bar association legal counsel may be submitted from 1 October 2017. Decision on the application will be made by the presidency of the bar association on the basis of the conditions stipulated in this Act. If the presidency of the regional bar association sustains the application, it shall admit the legal counsel to the regional bar association as a member the earliest effective from 1 January 2018.

(4) Applications for entry to the register of attorneys as a legal clerk may be submitted from 1 October 2017. Decision on the application will be made by the presidency of the bar association on the basis of the conditions stipulated in this Act. If the presidency of the regional bar association sustains the application, it shall enter the legal clerk to the register the earliest effective from 1 January 2018.

(5)¹ The applications specified in Subsections (3) and (4) shall be submitted electronically. On the basis of the decision sustaining the application, by applying the rules that are effective from 1 January 2018,

a) the applicant may take the oath or vow as stipulated in this Act,

b) a card with a photo as specified in this Act, which may be used from 1 January 2018, may be issued, produced and released to the applicant prior to 1 January 2018 .

(6) A bar association legal counsel and a legal clerk who submits their application as specified in Subsections (3) and (4) until 31 October 2017 the latest, if the procedure is not suspended, until taking the oath or vow, or if the application is not sustained, until the final conclusion of the procedure, may pursue their legal counsel's or legal clerk's activity in accordance with the provisions of Law-Decree No. 3 of 1983 on legal counsels and the Ministry of Justice Decree No. 7/1983. (VIII. 25.) IM on the implementation of Law-Decree No. 3 of 1983 on legal counsels that are effective on 31 December 2017.

(7) The legal counsel's cards issued pursuant to Law-Decree No. 3 of 1983 on legal counsels shall become invalid on 1 January 2018, and they shall be revoked until 31 January 2018 in accordance with Section 8 (2) of the Ministry of Justice Decree No. 7/1983. (VIII. 25.) IM on the implementation of Law-Decree No. 3 of 1983 on legal counsels that are effective on 31 December 2017.

(8) The provisions applying to the protection as stipulated in this Act of documents made for the purposes of defence shall also be applied to documents created before 1 January 2018. In the application of Section 13 Subsection (3), legal counsel's activity carried out before 1 January 2018 shall be deemed as attorney's activity.

(9) The amount of liability insurance necessary for insuring damages arising from legal practice and the damages for pain and suffering shall be

a) at least ten million HUF per loss occurrence from 1 January 2018 to 31 December 2018,

b) at least eleven million HUF per loss occurrence until 31 December 2019,

c) at least twelve million HUF per loss occurrence until 31 December 2020,

d) at least thirteen million HUF per loss occurrence until 31 December 2021,

e) at least fourteen million HUF per loss occurrence until 31 December 2022.

(10) If a member of a sole practitioner law firm continued his activity as a sole practitioner attorney before 1 January 2018 on the basis of the decision of the bar association, the state tax authority will, at the request of the sole practitioner attorney concerned, carry over the overpayment of the law firm to the sole practitioner attorney's current account, and submission of such a request shall suspend the statute of limitation.

(11) The provisions of this Act pertaining to the appointment, rights and obligations of administrators for a law firm shall also be applied from 1 January 2018 in cases pending on 1 January 2018. An administrator for a law firm shall be appointed pursuant to the provisions of this Act if the circumstances providing reasons for the appointment as stipulated in this Act commenced prior to 1 January 2018 and exist on 1 January 2018.

(12) Attorneys, European Community jurists and sole practitioner law firms that are included in the bar association register on 1 January 2018 are obliged to conclude an agreement for their substitution with an attorney or law firm and notify it to the regional bar association until 28 February 2018.

(13) The regional bar association shall call upon attorneys, European Community jurists, law firms and foreign legal counsels whose tax number was suspended or deleted by a final decision until 1 January 2018 in writing until 1 January 2018, and warn them of the legal consequences, to restore the lawful state; and, in case of failure to perform the above, shall terminate their membership in the bar association or remove them from the bar association register as of 31 January 2018.

(14) The regional bar association shall call upon those who have overdue payment obligation arising from enforceable disciplinary decision outstanding on 1 January 2018 in writing, and warn them of the legal consequences, to perform their payment obligations within fifteen days from service of the warning, and, in case of failure to perform the above, shall terminate the membership in the bar association of those in default or remove them from the bar association register.

1 Established by Section 101 Subsection (7) of Act CXXXVI of 2017, effective as of 18 November 2017.

2 Established by Section 101 (8) of Act CXXXVI of 2017, effective as of 18 November 2017.

(15) The regional bar association shall call upon persons interrupting the legal practice who have overdue membership fee payment obligation or overdue payment obligation arising from enforceable disciplinary decision outstanding on 1 January 2018 in writing, and warn them of the legal consequences, to perform their payment obligations within thirty days from service of the warning, and, in case of failure to perform the above - while waiving their payment obligation - shall terminate the membership in the bar association of those in default or remove them from the bar association register.

(16) The grounds for incompatibility generated through entry into force of the provisions of this Act shall be terminated until 30 June 2018.

(17) With respect to detrimental legal consequences attached to disciplinary penalties imposed pursuant to Act XI of 1998 on Attorneys at Law, the rules applicable at the time of imposing the disciplinary penalty shall be applied.

(18) The rules of this Act pertaining to the termination of a law firm without a legal successor shall be applied in proceedings for termination without a legal successor initiated before 1 January 2018 in the event that the person/entity entitled to initiate termination without a legal successor requests that in writing after 1 January 2018.

(19) In derogation from the provisions of this Act and Act XI of 1998 on Attorneys at Law

a) the first general election of the officers of regional bar associations following entry into force of this Act shall be held until 15 December 2018,

b) the first general election of the officers of the Hungarian Bar Association following entry into force of this Act shall be held until 28 February 2019,

c) the sections of bar association legal counsel and employed attorneys shall delegate members to the bodies of the Hungarian Bar Association and regional bar associations and disciplinary committees following the general election stipulated in paragraph a).

(20) Bar association legal counsel and employed attorneys who are included in the bar association register on 1 February 2018 shall until 1 March 2018 by delegation create a national section of bar association legal counsel and a national section of employed attorneys, which exercise the powers stipulated in this Act in the event of regulations adopted pursuant to Subsection (21). The rules of delegation shall be stipulated by the Hungarian Bar Association under temporary regulations adopted until 1 February 2018. The mandate of these officers shall terminate on the date of the first general election following entry into force of this Act at the latest.

(21) Between entry into force of this Act and 31 December 2017, regulations that are in harmony with this Act may be adopted, providing that the regulations may enter into force the earliest on 1 January 2018. The provisions of the regulations regarding which the national sections specified in Subsection (20) have not granted their agreement necessary in accordance with this Act shall become void from 1 July 2018.

(22) Until 1 January 2019 but the latest until setting up the regional disciplinary committees, the disciplinary proceedings shall be conducted in accordance with the provisions of Act XI of 1998 on Attorneys at Law. The Hungarian Bar Association shall make an announcement on the proper establishment of regional disciplinary committees public on its official website.

(23) The provisions effective on 31 December 2017 shall be applied to the effect of disciplinary penalties imposed prior to entry into force of this Act, providing that natural persons under the effect of disciplinary penalties of disbarment or removal from the list may not practice law.

(24) With respect to persons who have been interrupting legal practice for more than five years at the time of entry into force of this Act, Section 54 Subsection (5) shall be applied.

(25) In the case of applications submitted until 31 October 2017, practice of law pursued as legal counsel entered in court of justice register during one year preceding submission of the application shall qualify as attorney's practice of law.

(26) In the case of applications submitted until 31 December 2018, practice of law pursued as legal counsel entered in court of justice register during one year preceding 1 January 2018 shall qualify as attorney's practice of law.

(27) Regional bar associations, in addition to keeping the register pursuant to this Act, may keep bar association registers and lists in accordance with the provisions of Act XI of 1998 on Attorneys at Law until 31 December 2018.

(28) Compliance with having the conditions necessary for electronic case administration may be investigated from 1 January 2019 with regard to bar association legal counsel and in the case of attorneys, European Community jurists and sole practitioner law firms that appear in the bar association register on 1 January 2018.

(29) Employed attorneys who interrupt legal practice on 31 December 2017 shall be registered in the bar association register from 1 January 2018 exclusively as an employed attorney.

(30) In the case of attorneys who proceed as an appointed defender, the decision of the appointing authority shall serve as a power of attorney until 30 June 2018.

(31) Section 30 Subsection (3) shall be applied to agreements on attorney's pay concluded or modified after 1 January 2018.

(32) The plenary meeting of the Hungarian Bar Association shall continue to operate as the meeting of delegates of the Hungarian Bar Association from 1 January 2018.

(33) Bar associations are obliged to send their regulations for transfer of information as stipulated in Section 109 Subsection (3) of the E-Administration Act with content adhering to rules effective from 1 January 2018 to the Supervisory Authority until 1 October 2017 for the purpose of expressing its opinion thereon.

(34)¹ If legal regulations applicable in court, authority or other public authority proceedings commenced before 1 January 2018 provide for legal counsel's right of legal representation, as from 1 January 2018 bar association legal counsel may proceed - with the exception specified in Subsection (6) - and in accordance with the rules of such legal regulations applying to legal clerks as from 1 January 2018 legal clerks entered in bar association register may proceed as legal representative.

(35)² Until 1 July 2018, liability insurance shall be considered to be compliant with the rules of this Act if it complies - with the deviation specified in Subsection (9) paragraph *a*) -with regulations and guidelines of the Hungarian Bar Association effective on 31 December 2017.

Section 208/A3

(1) The legal practitioner shall notify the data set out in line 46 of the table in Annex 1 until 31 March 2019, if they are not contained in the bar association register.

(2) Section 167 Subsection (2) amended by Act XCI of 2018 on Amendment of Certain Acts on Justice shall apply to general elections announced after the amendment enters into effect.

Section 208/B4

Section 208/C5

The petition for registration of the right to proceed in property register matters may be submitted from 1 January 2023. Decision on the petition will be made by the president of the bar association on the basis of the conditions determined in Section 183/A being effective from 1 February 2024. If the president of the regional bar association sustains the petition, he will register the right to proceed in property register matters with effect from 1 February 2024 the earliest.

92. Compliance with European Union law

Section 209

This Act shall serve compliance with

a)⁶ Directive 98/5/EC of the European Parliament and of the Council of 16 February 1998 to facilitate practice of the profession of lawyer on a permanent basis in a Member State other than that in which the qualification was obtained,

b)⁷ Council Directive 77/249/EEC of 22 March 1977 to facilitate the effective exercise by lawyers of freedom to provide services, and

c) Article 24 of Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States amending Regulation (EEC) No 1612/68 and repealing Directives 64/221/EEC, 68/360/EEC, 72/194/EEC, 73/148/EEC, 75/34/EEC, 75/35/EEC, 90/364/EEC, 90/365/EEC and 93/96/EEC,

d) Articles 58-60 of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC.

93. Repealing provisions

1 Enacted by Section 101 (9) of Act CXXXVI of 2017, effective as of 18 November 2017.

2 Enacted by Section 507 of Act CXCVII of 2017, effective as of 1 January 2018.

3 Enacted by Subsection (18) of Section 10 of Act XCI of 2018, effective as of 1 January 2019.

4 This provision shall enter into force on the date of withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union in the absence of the agreement concluded in accordance with Article 50 (2) of the Treaty on European Union.

5 Established by Section 59 of Act XLVIII of 2022, effective as of 1 December 2022.

6 Shall enter into force with text as amended pursuant to Section 102 paragraph k) of Act CXXXVI of 2017.

7 Shall enter into force with text as amended pursuant to Section 102 paragraph l) of Act CXXXVI of 2017.

Section 210

The following shall be repealed:

a)-c)¹

d)²

Annex 1 to Act LXXVIII of 2017**The data content of the bar association register with respect to natural persons**

C = data registered as certified public records with regard to the relevant person

+ = data not registered as certified public records with regard to the relevant person

- = data not registered with regard to the relevant person

	A	B	C	D	E	F
1		attorney	employed attorney	bar association legal counsel	articled clerk	legal clerk
2		I. Public data to be obligatorily registered i				
3	bar association identification number	C	C	C	C	C
4	regional bar association	C	C	C	C	C
5	name in bar association, for lack of it, given name and surname	C	C	C	C	C
6	number, validity of card with a photo	+	+	+	+	+
7	date of suspension of legal practice	C	C	C	C	C
8	date of termination of suspension of legal practice	C	C	C	C	C
9	start date and end date of interrupting legal practice	C	C	C	C	C
10	date of continuing legal practice	C	C	C	C	C
11	limitation stipulated in Section 20 Subsection (3)	C	C	C	C	C
12	office held in bar association	C	C	C	C	C
13	address, telephone number of his office, branch office, sub-office	C	-	-	-	-
14	address of his archives or several archives	+	-	-	-	-
15	key areas of law specified by him where he pursues his activity	C	-	-	-	-
16	name, contact details, appointment and date of withdrawal of appointed administrator for a law firm	C	-	-	-	-
17	name and registration number of the attorneys' association operating with his participation	C	-	-	-	-
18	registration number of the attorneys' office community operating with his participation	C	-	-	-	-
19	substitute attorney's name, bar association identification number, if a law firm, tax number	C	-	-	-	-
203	contact details serving for maintaining contact as stipulated in the E-Administration Act	C	-	-	-	-
21	right to employ articled clerks	C	-	-	-	-
22	his employer's name	-	C	C	C	C
23	his employer' address	-	-	C	-	C
24	his employer's bar association identification number, if a law firm, tax number	-	C	-	C	-

1 Repealed under Section 12 of Act CXXX of 2010, effective as of 2 January 2018.

2 Repealed under Section 12 of Act CXXX of 2010, effective as of 2 July 2018.

3 Established by Subsection (19) of Section 10, Point 1 of Annex 1 of Act XCI of 2018, effective as of 1 January 2019.

25	name of his employer's affiliated company	-	-	+	-	+
26	company registration number of his employer's affiliated company	-	-	+	-	+
27	collaborating attorney's name, bar association identification number and tax number	-	-	-	-	-
28	character of his activity (providing permanent, temporary service)	-	-	-	-	-
29	the foreign language in which he undertakes to pursue legal practice	-	-	-	-	-
30	name of his own EEA State and his notification address	-	-	-	-	-
31	professional designation according to his own EEA State (if necessary, with supplementary explanation in Hungarian)	-	-	-	-	-
32	professional designation of his attorneys' association according to his own EEA State	-	-	-	-	-
33	the liability insurer and rate of his compulsory liability insurance	+	+	-	-	-
33a1	tax number	+	-	-	-	-
34		II. Non-public data to be obligatorily registered				
35	natural personal identification data not registered pursuant to section I	+	+	+	+	+
36	home address	+	+	+	+	+
37	citizenship	+	+	+	+	+
38	date of admission to the bar as a member or entry in the register	C	C	C	C	C
39	disciplinary penalty, its effect	C	C	C	C	C
40	number and date of university diploma	+	+	+	+	+
41	number and date of bar examination or examination authorising him to pursue legal practice	+	+	+	+	+
42	date of taking the oath	C	C	C	C	C
43	name of his electronic signature certification service provider and start and expiry of the validity of its attestation	+	-	+	-	-
44	name of the organisation keeping the register of attorneys in the official language of his own EEA State he is a member of and its registration number	-	-	-	-	-
452		III. Data to be registered in the bar association register, which are p				
46	electronic correspondence address	C	C	C	C	C
46a3		IV. Data to be registered in the bar association register on the basis to the applicant's decision				
47	website address	C	-	-	-	-
484	foreign language skills	+	+	+	+	+
49	his award decorations	C	C	C	C	C
50	legal qualification	+	+	+	+	+
51	academic degree	+	+	+	+	+

1 Enacted by Subsection (19) of Section 10, Point 2 of Annex 1 of Act XCI of 2018, effective as of 1 January 2019.
2 Established by Point 3 of Annex 1 of Act XCI of 2018, effective as of 1 January 2019.
3 Enacted by Subsection (19) of Section 10, Point 4 of Annex 1 of Act XCI of 2018, effective as of 1 January 2019.
4 Shall enter into force with text pursuant to Section 101 paragraph 10, Annex 1 Point 1 of Act CXXXVI of 2017.

TARTALOMJEGYZÉK

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