

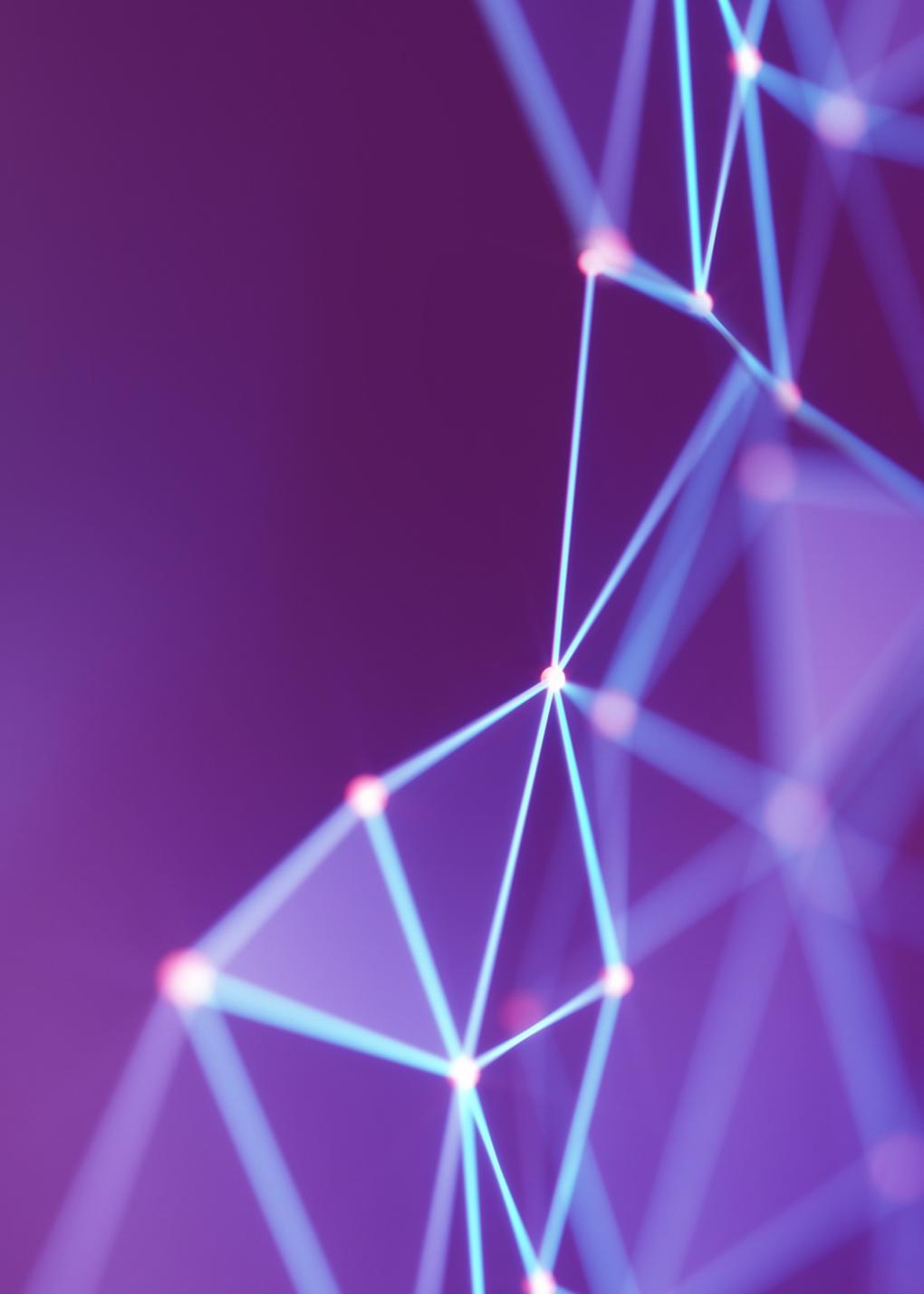


Digital courts in Hungary

Effects of Covid-19 on digital courts

KPMG Legal Tóásó Law Firm

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Company registration proceedings

In order to reduce the length of procedures, liaising with the courts by electronic means is becoming either optional or mandatory for specific parties and their representatives in more and more court procedures.

- Company registration proceedings are being conducted exclusively electronically in both the first and second-instance procedures since 2012.
- As of 1 July 2014, it is also **possible** – and in certain cases, **mandatory** – to submit applications for review of the legality of procedures to the court of registry electronically.

Contentious and non-contentious civil court proceedings 1.

- Electronic liaising in civil litigations is available in all cases as an option since 2015, including district courts and regional courts both in first-instance and second-instance cases.
- As of 2016, electronic liaising with the court is **mandatory for parties acting via a legal representative, business entities and administrative bodies** in civil litigations.
- In **insolvency and liquidation proceedings**, electronic liaising has been **mandatory** since 2016.
- **Civil registration proceedings** can be initiated by electronic means since 2015. Electronic liaising is **mandatory** for certain organisations, applicants who have a legal representative, applicants submitting an application for simplified registration proceedings or proceedings for the amendment of registration or an application for the establishment of 'public benefit' status, as well as public benefit organisations.
- The **forms to be used** during the proceedings are published on the central website of the courts (<https://birosag.hu/eljarasok-nyomtatvanyai/polgari-peres-elektronikus-urlapok>). The forms can be filled and submitted via **the general form filling program** (Általános Nyomtatványkitöltő Program - ÁNYK).

Contentious and non-contentious civil court proceedings 2.

- **Full-scale electronic administration** was introduced with regard to **court proceedings** from 1 January 2018. The National Office for Judiciary and the courts – as bodies providing for electronic administration – are obliged to allow for the electronic administration of all cases within their scope of responsibilities and authority for the clients.
- From 1 January 2018, the bodies and persons specified in Section 9 (1) of the ‘E-administration Act’ (e.g. economic operators, notaries, municipal governments etc. when acting as clients, and also their legal counsel) **are obliged to liaise with the court by electronic means in all cases**, also in non-litigious civil and economic proceedings.
- Electronic liaising **remains optional** for **natural persons acting in person** in litigious and non-litigious court cases after 1 January 2018.

Administrative court procedures

- As of 1 July 2016, electronic liaising with the court is **mandatory for parties acting via a legal representative, business entities and administrative bodies** in administration litigations.
- **Initiating administrative litigation:** In administrative litigations, **the claimant is obliged to submit his / her claim to the administrative authority** acting generally at the first instance of the administrative part of the procedure, **via the form published by the competent authority**. To this date, however, it is a huge problem and still generates a great number of disputes and protracted procedures that the authorities do not publish their forms for submitting the claim or publish it in an inappropriate form.
- **Full-scale electronic administration** was introduced with regard to **court proceedings** from 1 January 2018. The National Office for Judiciary and the courts – as bodies providing for electronic administration – are obliged to allow for the electronic administration of all cases within their scope of responsibility and authority for the clients.
- From 1 January 2018, the bodies and persons specified in Section 9 (1) of the ‘E-administration Act’ (e.g. economic operators, notaries, municipal governments etc. when acting as clients, and also their legal counsels) **are obliged to liaise with the court by electronic means in all cases**, also in public administration proceedings.
- The **forms to be used** during the administrative litigation before the court are published on the central website of the courts (<https://birosag.hu/eljarasok-nyomtatvanyai/polgari-peres-elektronikus-urlopok>). The forms can be filled and submitted via **the general form filling program (Általános Nyomtatványkitöltő Program - ÁNYK)**.

Electronic administrative services

- **Client Portal** allows clients of the courts to submit their complaints in administrative matters 24/7 electronically via the digital gateway. It is important to note that public interest disclosures are excluded from the scope of this service.
- **Lawsuit Duration Calculator** informs the clients about the estimated duration of certain legal proceeding completed by a specific court.
- **The Judicial Electronic Information and Warning System** provides the registered clients and their legal representatives with the basic data and status of their case. With the help of the system, they can also receive text messages and e-mail notifications about the most important procedural acts (e.g. submission of an expert opinion, filing of the appeal).
- **The Civil Integrated Information System (CIIS)** assists the clients in civil registry matters via electronic means.
- **The Court Payment Portal** allows clients to fulfil their payment obligations arising from court proceedings. In addition to the previously introduced methods (used in debt settlement, bankruptcy, liquidation, fact cancellation and property distribution proceedings), the portal now also offers the possibility to execute payments to courts' deposit accounts, advance litigation costs or make penalty-type payments.

Digital court project - The E-folder

The future goal of the National Office for Judiciary is to ensure the online availability of the legal proceedings' documentation, thus enabling the clients to inspect such files from anywhere, anytime.

The overall purpose of the project is to reduce bureaucracy, as well as to minimize the costs and time associated with court-based tasks (e.g. clients don't have to pay for the copy of certain documents, nor waste time on traveling) and decrease the administrative burden of the courts.

The three cornerstones of the digital court project:

1. Developing the process of publication and anonymization of judicial decisions

- improving the search engine of the Collection of Judicial Decisions by optimizing the search process and the browsing of the anonymous judicial decisions,
- taking further steps toward the automation of the anonymization process by improving the software performing the anonymization of the judicial decisions.

2. Digitalizing the documentation of the judicial proceedings (E-folder) and ensuring the electronic inspection of the judicial files

- digitalization of all documents of the judicial files,
- electronic availability of the documentation for the judges,
- ensuring online inspection of the files for the clients anywhere, anytime.

3. Connecting the specialized judicial systems with the Central Governmental Service Bus

- online connection of the electronically available authentic public registries with the specialized judicial systems.

Via video project

- The benefits of audio and video recordings of court procedures are twofold: on the one hand, it replaces the traditional, time consuming method of minute-keeping, thus reducing the time required by courts for preparing decisions, and on the other hand, it ensures the accuracy of the trials' documentation.
- The both domestically and nationally interconnected system of courtrooms makes it possible to conduct remote hearings which guarantee the safety of the persons participating in the litigation and help reducing the costs and time of personal appearance before the court.
- Currently 215 remote hearing end-points are being established in courts, district and government offices, government customer services and prison facilities across the country within the framework of a project titled 'Electronic solution for the improvement of the organisation of work and communication for public administration proceedings conducted at different geographic locations' (VIKI) by National Infocommunications Services Ltd.
- A significant portion of these end-points (72) will be installed in courtrooms.
- In addition to the instalments of the 'VIKI' project, remote hearing end-points will also be created from own funds in a further 112 courtrooms, making all court buildings accessible via videoconference. The National Office for Judiciary also plans to install video and audio recording systems in all courtrooms in the near future.

Speech recognition and transcription software

- Speech transcriptions are used to transform the speech of a person into editable text instantly, whether it has to be transcribed simultaneously with the speech or from an audio recording, hence facilitating compliance with the deadlines related to the obligation of putting court decisions and minutes into writing.
- The software also has the capability of recognizing acronyms, abbreviations, symbols, Arabic and Roman numerals, fraction numerals and references to legislation.

Digital solutions under Covid-19

- Special legislation was introduced in Hungary regarding the procedural rules for the period of state of emergency:
 - During the state of emergency the court proceeded without holding a hearing in principal both in civil and administrative litigations.
 - In civil litigations, hearings on the merits of the case were conducted by way of an electronic communications network or other means suitable for image and sound transmission, where it was possible. Otherwise, the court obtained the statements of the parties in writing.
 - In administrative litigations, if special conditions were met, the parties could request the court to postpone the hearing to a date after the period of state of emergency, instead of having adjudicated without a hearing. Otherwise, the court obtained the statements of the parties in writing.
 - However, the special legislation declared that the procedural actions could be conducted by way of an electronic communications network or other means suitable for image and sound transmission, if possible, the courts did not really take advantage of this opportunity, rather written actions were preferred.
 - The courts mainly **adopted judgements without holding a hearing.**

Effects of Covid-19 on court procedures

- In connection with the state of emergency, electronic administration and communication has become more important in the courts. During the state of emergency a short film was prepared and published to facilitate the use of electronic solutions and to help clients find out what court services are available online, what cases can be initiated in this form and what are the basic conditions required to access them.
- As it was mentioned above, however, the special legislation for the period of state of emergency declared that the procedural actions could be conducted by way of an electronic communications network or other means suitable for image and sound transmission, if possible, the courts did not really take advantage of this opportunity, rather written actions were preferred.
- It was declared by the head of the courts that the state of emergency has proved that remote work can also be smooth and effective. Therefore, from now on, remote work will be more widely available for judges and judicial officers as well.
- Moreover, the head of the Curia (Supreme Court in Hungary) declared that the Curia is initiating an amendment to the procedural act in order to decrease the number of (public) hearings.
- **It means that the electronic communication and digital solutions will play a more crucial role in the future.**

Should you have any questions, feel free to contact our experts



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