

Hungary

Rescue procedures in insolvency

Phase	Act 49 of 1991 on bankruptcy and liquidation proceedings; Act 64 of 2021 on restructuring and the amendment of certain laws for law harmonisation purposes
Native name	1991. évi XLIX. törvény a Csődeljárásról és a Felszámolási eljárásról; 2021. évi LXIV. Törvény a szerkezetátalakításról és egyes törvények jogharmonizációs célú módosításáról
Type	Rescue procedures in insolvency
Added to database	07 December 2016
Access online	Click here to access online

Article

Act 49/1991 Articles 6, 7, 8, 9, 25, 26, 27, 40, 57, 65 Act 64/2021 whole law

Description

In 2021, Act 64 of 2021 on restructuring was enacted in order to harmonise with EU law. A company can also apply for bankruptcy or liquidation under Act 49/1991 with provisions in the law for voluntary reorganisation. A company facing financial difficulties might apply for voluntary reorganisation. The reorganisation agreement must include the following (Act 49/1991, Articles 19-21):

- a list of creditors participating in the reorganisation agreement, their classification, the sums of their registered claims recognised or uncontested and the size of their voting rights;
- the settlement and restructuring programme approved by the creditors and the method of implementation and supervision;
- any modification of performance deadlines, any waiver or assumption of claims and all other factors deemed necessary for the purpose of restoring or preserving the debtors' solvency; and

- the name and mailing address of each creditor, and regarding creditors' committees and creditors' representatives, the specifics of their scope of representation.

If the court, taking into account the creditors' claims, agrees with the reorganisation plan, the company can continue its preparations under the supervision of an appointed administrator. The creditors do not have a say in this decision. Employees must be notified and the announcement published in the Official Companies' Gazette (Cégekzlöny). If the voluntary reorganisation plan is not concluded within 120 days from the date of this publication, the court proceeds with the regular bankruptcy proceedings.

Under a change from August 2020 in Act 49/1991, Article 84/A (1)b-c, the state is authorised to practice pre-emption rights in the purchase of companies it recognises as strategically important.

Commentary

The number of bankruptcy cases filed in Hungary has been falling steadily from 190 in 2010, to 50 in 2016 and 15 in 2018. Researchers suggest procedures should be simplified and more assistance from the bankruptcy officer should be provided to improve the situation (Barta, 2018). The number of bankruptcy cases went up slightly to 22 in 2019, stayed at 22 in 2021, rose to 30 in 2022, according to court records cited by penzcentrum.hu.

[The Hungarian Insolvency register](#) contains data on insolvency proceedings initiated after 26 June 2018. Due to current legislation, bulk data access is not permitted. However, users can search the register by entering a name, registration or civil registration number, or case number.

Additional metadata

Cost covered by	None
Involved actors other than national government	Other Court
Involvement (others)	Administrator

Thresholds

Affected employees: No, applicable in all circumstances
Company size: No, applicable in all circumstances
Additional information: No, applicable in all circumstances

Sources

- [Barta Judit ed. \(2018\) A fizetésképtelenség aktuális jogi problémái nemzetközi kitekintéssel. Miskolc, Patrocinium.](#)~~~ [Insolvency law, policy and procedure - Hungary. The Insolvency Review - Edition 6. Nov 2018.](#)~~~ [Act XLIX of 1991 on Bankruptcy Proceedings and Liquidation Proceedings](#)~~~ [The number of registered companies, 2018 \(Hungarian Central Statistical Office](#)~~~ [The number of registered companies, 2019 \(Hungarian Central Statistical Office](#)~~~ [Court records for insolvency 2019](#)~~~ [Shocking how many companies go under fast - penzcentrum.hu](#)~~~

Citation

Eurofound (2016), Hungary: Rescue procedures in insolvency, Restructuring legislation database, Dublin