



BALÁZS & KOVÁTSITS  
LEGAL PARTNERSHIP



Dear Readers,

It is my pleasure to inform you that in our present Newsletter we introduce some relevant topics from the expertise of our Legal Partnership in Real Estate Law, Labour Law and consumer protection. Inter alia, you can read about the termination of the arable land of undivided joint ownership, EU consumer protection becoming more effective in the light of the Omnibus Directive, and the significant changes in Hungarian labour law from 01 January 2023.

In addition, we would also like to kindly inform you that on behalf of our Legal Partnership Dr. Tamás BALÁZS, Managing Partner and Éva SÁNDOR, Marketing Manager participated at the Legal Netlink Alliance Annual Meeting in Rome on 27-28 January 2023.

Should you have any remarks, questions regarding the articles presented in our newsletter or the activity of our Legal Partnership, please do not hesitate to contact us.

Best regards,

Éva SÁNDOR  
Marketing Manager

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- *Termination of the Arable Land of Undivided Joint Ownership*
- *EU Consumer Protection Become More Effective in the Light of the Omnibus Directive*
- *The Significant Changes in Hungarian Labour Law from 01 January 2023.*

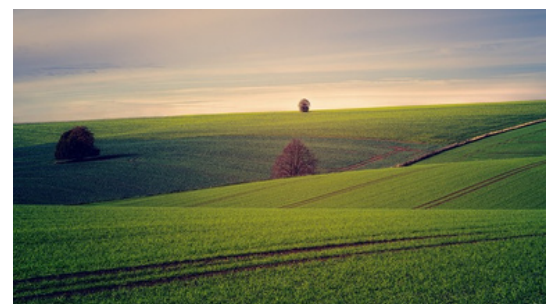
## TERMINATION OF THE ARABLE LAND OF UNDIVIDED JOINT OWNERSHIP

After the change of regime in 1989, a special form of ownership has been created by the legislator, the arable land of undivided joint ownership. The essence of the institution is that every owner has a 'theoretical' ownership stake in the arable land of which framework are not exactly determined in the reality. Therefore, it is unknown where the ownership stake begins and ends in the arable land. Likewise, it is not possible to define who is entitled to use the arable land and which parts of it. With regard to these difficulties, the legislator passed an Act in 2020 for termination of these arable lands in order that the ownership and use relationship of them can be clear. In Hungary, there are thousands of arable lands in undivided joint ownership and thousands of people have ownership stakes in them. After the date of entry into force, our Legal Partnership has received several inquiries of which subject is consultation or legal representation regarding the termination of the arable land of undivided joint ownership. Therefore, we consider summarizing the most important rules of this procedure actual.

In general, every owner who has ownership stake in the arable land of undivided joint ownership is entitled to initiate the procedure for termination. In one procedure, only one arable land of undivided joint ownership can be terminated. After the initiation of the procedure, this fact will be registered on the title deed of the arable land in order that everybody will be informed about the start of this procedure. The costs of the procedure is HUF 15,000 and there are 120 days to finish the procedure. Under the Act, the procedure cannot be accelerated and held in abeyance (excluding the correction of the surveying, cartography and calculation errors).

There are 4 ways to terminate the arable land of undivided joint ownership:

- division of the arable land;
- acquisition of all ownership stakes of the arable land by only one owner;
- expropriation;
- by special rules in case of inheritance.







Independently of the way of termination which is applied in the procedure, there are some common rules prescribed by the Act which shall be enforced unconditionally in the procedure:

- information of every owner about the most important procedural steps;
- insuring reasonable time to every owner and beneficiaries for making statements;
- lack of making statements does not obstruct the continuance of the procedure.

According to our experience, preparation of the documentation for termination of the arable land of undivided joint ownership requires high and relevant legal competencies which are essential for the successful process. If you also have ownership stake(s) in such type of arable land(s), please do not hesitate to contact us.

Dr. Károly BAGÓCSI  
Junior Partner  
Attorney at law





## EU CONSUMER PROTECTION BECOME MORE EFFECTIVE IN THE LIGHT OF THE OMNIBUS DIRECTIVE

Directive 2019/2161 on modernising and better enforcing EU consumer protection rules, also known as the "Omnibus Directive", amends or complements four consumer protection directives, including the Unfair Commercial Practices Directive and the Consumer Rights Directive.

Member States had until 28 November 2021 to adopt the relevant national legislative provisions transposing the Directive, which apply from 28 May 2022.

One of the most important innovations of the Omnibus Directive is that it allows for the imposition of fines for breaches of national legislation adopted under the Directive, similar to the GDPR. The maximum amount of the fine will be at least 4% of the trader's turnover in the Member State(s) concerned. If no information on turnover is available, the fine will be at least €2 million.

When Member States impose penalties, the Directive sets out criteria which are recommended to be taken into account when imposing penalties, such as the nature, gravity, extent and duration of the infringement, the measures taken by the trader to reduce and remedy the harm suffered by the consumer and the financial benefit gained by the trader as a result of the infringement.

Among the most important provisions of the Directive is the rule that, when notifying a price reduction, the trader must indicate the previous price applied before the price reduction.

In addition, new rules on consumer ratings of products have been introduced to better inform consumers. It will be prohibited for traders to display consumer reviews that cannot be clearly verified as having been posted by persons who have actually bought or used the product, and it will be prohibited for traders to delete unfavourable reviews.

For sales on online marketplaces, the ranking of search results should inform consumers about the parameters used to rank search results, whether the search result is a paid ad and whether the purchase is from a trader or a private individual. The latter is important because consumers only benefit from EU consumer protection rules if they buy from a trader.



Specific additional information requirements apply to contracts concluded on online marketplaces, for example, before a consumer can be bound by a distance contract on an online marketplace, information on the product, price, right of withdrawal and termination must be provided to the consumer.

Another innovation of the Omnibus Directive is the extension of consumer protection to users of free digital and online content. For example, if users of a free social media application are required to provide their email address or other personal information for using the free service, the data provided is considered equivalent to money. The consumer is “purchasing” the free service in exchange for his personal data and must therefore be given consumer protection rights, such as the right to withdraw from the contract after the “purchase”.

In the course of our Legal Partnership’s activities, questions concerning the new legislation referred above arise on a regular basis, so we are at our clients’ disposal for any further questions.

Zita BALOGH  
Legal Assistant





## SIGNIFICANT CHANGES IN HUNGARIAN LABOUR LAW FROM 01 JANUARY 2023

Labour law is one of the key areas of expertise of our Legal Partnership, so the significant changes to the Labour Code that entered into force on 01 January 2023, which may require the revision of employment contracts or the revision of employer procedures and regulations, are of great importance to us. The following is a brief description of the most significant changes to help you understand the new labour law rules.

An EU directive has shortened the deadline for the mandatory orientation to be provided to employees relating to the employment relationship, employers now have to provide the mandatory orientation to employees within seven days from the start of the employment relationship. The content of the orientation is also extended from this year, the employee must now also be informed about the workplace, the start and duration of the employment relationship, the rules on termination of the employment relationship, the possible working hours schedule (days of the week, possible start and end times of the working day), the employer's training policy, the length of time the employee can take part in training and the authority responsible for collecting public charges relating to the employment relationship.

Substantial changes have also been made regarding absence from work. The law introduces carer's leave as a new legal institution, under which employees are exempted from the obligation to work for up to five working days a year to provide personal care for a relative or a person living in the same household who needs care for serious health reasons.

The period of paternity leave after the birth of a child has also been extended from five to ten days, but only 40% of the absence allowance is paid for the second half of the leave (from day 6). Additional parental leave has also been introduced allowing a total of forty-four days up to the age of three of the child, provided that the employment relationship has lasted for one year.

The prohibitions on dismissal have been extended by the newly introduced forms of absence from work, therefore employers cannot terminate employment during paternity, parental and carer's leave.





The rules on probationary periods have also changed. No probationary period may be imposed on the renewal of a fixed-term employment contract or for employment in the same or a similar job within six months of the termination of the fixed-term employment contract. In the case of fixed-term employment contracts of a maximum duration of twelve months, the length of the probationary period is to be determined on a pro rata basis, e.g. if the fixed-term employment contract lasts for six months, the probationary period may not exceed one and a half months.

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