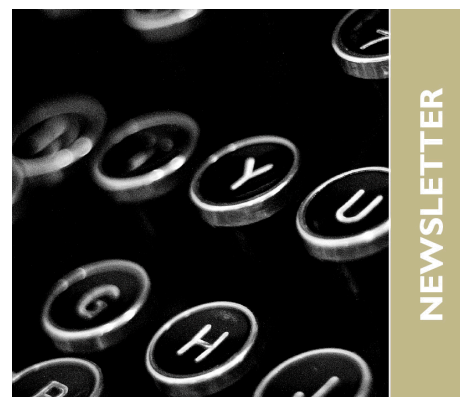


# Salans News

## April 2010



### The new Civil Code will not enter into force as of May 1, 2010

With its ruling No. 436/B/2010 of April 26, 2010 (“CC Ruling”) the Constitutional Court deemed certain provisions of Act XV of 2010 (“CCIA”) on the entry into force and the implementation of Act CXX of 2009 on the Civil Code (“new Civil Code”) unconstitutional and annulled these provisions. In the reasoning of the CC Ruling, the Constitutional Court explained that the timeframe available to prepare for the application of the new law is so short that it would have gravely jeopardized legal certainty.

Originally the new Civil Code would have entered into force in two stages: its first two books would have been applicable as of May 1, 2010 and, according to the CCIA, its other provisions will enter into force on January 1, 2011.

### Provisions affected by the CC Ruling

The first two books of the new Civil Code contain introductory provisions and the rules on the law of persons.

The new Civil Code significantly amended the regulatory framework applicable to legal entities and foundations. Furthermore, the new regulation radically transformed the provisions on the legal competency of persons of full age; the rules to be applied to decision-making and legal declarations in case a person’s ability to reason change fundamentally. Finally, the code amended the Hungarian system of personal rights to a great extent, in particular the legal consequences of the infringement of personal rights.

### Lack of reasonable time for preparation

The Constitutional Court pointed out that as little as sixty days would have passed between the publication of the CCIA and the entry into force of the first two books of the new Civil Code. However, as even this part is a law, which regulates the basic, everyday legal relationships of a wide range of persons, hence according to the Constitutional Court the timeframe of sixty days available to prepare for the new law is extraordinarily short, which would have gravely jeopardized legal certainty.

*The Constitutional Court, with its ruling of April 26, 2010, annulled certain provisions of the act on the entry into force and the implementation of the new Civil Code.*

The entry into force in two stages would also have resulted in the partially parallel application of the new Civil Code and the old Civil Code until the five other books of the new Civil Code enter into force on January 1, 2011, which would have constituted an additional burden particularly for persons outside authorities and for non-professionals as to the application of the law.

In the given situation, it is still questionable whether the entire new Civil Code will enter into force on January 1, 2011 and if so, in what form and with what content.

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