

## Main Changes in Corporate Legislation

Act CLX of 2007 on the Cross-Border Mergers of Companies (effective as of December 15, 2007) set forth detailed rules on the registration in the Hungarian Companies Register of companies created by cross-border mergers. The Act applies only if each company participating in the merger was established by the laws of a Member State of, and has its seat in the European Union.

Act LXI of 2007 on the Amendment of the Registration Act and other Acts introduced certain major corporate law changes. These include:

- law firms may provide certain company secretary services
- the person entitled to represent the company may exercise his/her right in e-mails by using his/her digital signature
- the company may publish some of its mandatory announcements on its website (as opposed to in the official companies' gazette)
- the headings of the Companies Register (the indication of the data registered therein) may be displayed in English, German, French and Russian
- the company may choose the date of effectiveness of the change of its corporate data
- the appointment of a delivery agent (for persons/entities having no address/seat in Hungary) is optional (however, it is advisable to do so)
- anyone having an address/seat in Hungary may be a delivery agent (as opposed to the significant restrictions effective prior to September 1, 2007)
- mortgages over quotas may (and must) be registered in the Companies Register
- members of companies, except for public Rts, may decide on all corporate matters without holding a meeting (e.g. in writing) providing that the company's constitutive document so provides
- executive officers may perform their duties under an employment contract (as opposed to a special agency agreement)
- starting from July 1 2008, all requests to the Court of Registration, in their entirety, may only be filed digitally
- Kfts may be established with HUF 500,000 initial capital (EUR 2,000 – as opposed to HUF 3 million (EUR 12,000) formerly)
- private Rts may be established with HUF 5 million (EUR 20,000, as opposed to HUF 20 million (EUR 80,000) formerly, which is still the requirement for public Rts)

Please note that the above list is far from exhaustive. For details or specific advice in corporate matters please contact ITD Hungary's Investment Directorate which will liaise you with legal professionals.