

**Act CLXXX of 2007**  
**on the implementation of financial and asset-related restrictive measures**  
**ordered by the European Union, and on respective amendments of other**  
**laws**

*Interpretative provisions*

1. § For the purpose of this Act the following definitions shall apply:

- a) Community legal act shall mean regulations adopted under Article 60 of the Treaty establishing the European Community, or on the basis of regulations or decisions adopted under authorization by these regulations;
- b) dispensation (exemptions) shall mean the purpose-limited permission of exercising the right to dispose of funds or economic resources covered by the financial and asset-related restrictive measures on a case-by-case basis;
- c) financial and asset-related restrictive measures shall mean freezing of funds and economic resources ordered by Community legal act, and preventing the execution of a transaction from which the subject of the financial and asset-related restrictive measures would obtain any asset-related benefit;
- d) subject of the financial and asset-related restrictive measures shall mean any natural or legal person, group or entity designated by the Community legal act or the members thereof;
- e) Asset registration shall mean the real estate register, register of companies, vehicle register, ship register, aircraft register and the cultural heritage register as defined by specific legal acts.

*Scope of application*

2. § When a community legal act orders a financial and asset-related restrictive measure, it shall be executed in accordance with this Act and the Act LIII of 1994 on Judicial Enforcement.

*Execution of financial and asset-related restrictive measures*

3. § (1) Within 30 days after entering into force of the Community legal act on ordering financial and asset-related restrictive measures the authority being responsible for the execution of financial and asset-related restrictive measures (hereinafter: Authority) examines whether the subject of the financial and asset-related restrictive measures has funds or economic resources covered by the financial and asset-related restrictive measures within the territory of the Republic of Hungary.

(2) After the examination laid down in Subsection (1) within the period of financial and asset-related restrictive measures in force the Authority monitors constantly whether the individual or organisation subject to financial and asset-related restrictive measures has funds or economic resources covered by the financial and asset-related restrictive measures within the territory of the Republic of Hungary.

(3) If the individual or organisation subject to financial and asset-related restrictive measures has funds or economic resources covered by the financial restrictive measures within the territory of the Republic of Hungary, or the individual or organisation subject to financial restrictive measures gains advantage from a transaction, the Authority referring to the applicable Community legal act, after the examination has to inform – with sending the results

of the examination laid down in Subsection (1)-(2) and Subsection (3)-(4) Section 10, and data laid down in Subsection (4) – without delay

- a) the County (Capital) Court being competent according to the location of asset or economic resources (hereinafter: Court);
- b) the competent Company Registration Court;
- c) the minister being responsible for tax policy;
- d) if the individual or organisation subject to financial and asset-related restrictive measures has economic resources registered in an asset registration, the authority operating the asset registration.

(4) The notice of the Authority according to the Subsection (3) contains the personal data laid down in Subsection (1) Section 7 and

- a) according to the form of the organization determined by special Acts, the appropriate identification data of the legal person or organization without legal entity which has entitlement to obstruct the execution of the financial and asset-related restrictive measure;
- b) all necessary identification data of funds and economic resources covered by the financial and asset-related restrictive measures

**4. § (1)** The Court orders freezing in non-trial legal procedure on the basis of the notice of the Authority according to the Subsection (3) Section 3 in order to execute the financial and asset-related restrictive measures. The Court has to inform – by means of electronic message having enhanced secured electronic signature or fax – the Authority without delay about ordering freezing.

(2) When the court on the basis of the notice of the Authority according to the Subsection (3) Section 3 concludes that the conditions of the freezing do not exist, it has to inform the authority by the way determined in the Subsection (1).

(3) The execution shall be ordered on funds and economic resources which are covered by financial and asset-related restrictive measures.

**5. § (1)** The court bailiff has to inform within three working days the Authority and the minister being responsible for tax policy about the execution of the financial and asset-related restrictive measure, and about the end of the execution.

The Company Registration Court has to inform within three working days the Authority and the minister being responsible for tax policy about the suspension of the company according to the article 85 section 1 point b of Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings and about the termination of operation of the company according to the Article 85 Section 2 of Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings.

(2) The minister responsible for tax policy informs the other Member States and Institutions of the European Union on the executed measures and other circumstances determined by the community legal act ordering the financial and asset-related restrictive measures.

### *Dispensation process*

**6. § (1)** If the Community legal act on ordering financial and asset-related restrictive measures allows an exemption from the restrictive measure, the discharge is set in place according to this Section.

(2) The application for discharge shall be submitted to the Authority but it shall be addressed to the Court. The Authority:

- a) informs the minister responsible for tax policy about the application for discharge

b) shall commence and carry out the necessary consultation procedures with the competent Sanctions Committee of the United Nations Security Council according to the concerned decision without delay if the financial and asset-related restrictive measure ordered by the European Union is based on a Resolution of the United Nations Security Council

c) informs the Court without delay - following completion of the consultation process - about the outcome and simultaneously sends the application as well.

(3) the Court shall take its decision on the dispensation in extrajudicial procedure within 60 days from the filing of the application also taking into consideration its freezing order issued earlier.

(4) the Court shall disclose its order to the Authority and the minister responsible for tax policy.

(5) the minister responsible for tax policy – according to the Community legal act – informs the Member States and the Institutions of the European Union.

### ***Data processing and request***

7. § (1) The Authority in order to determine whether the individual or organisation subject to financial and asset-related restrictive measures has funds or economic resources covered by the financial and asset-related restrictive measures in the territory of the Republic of Hungary, is entitled to handle personal data on

a) the birth name and married name, date of birth, the place of birth, place of living or residence, of the subject of financial and asset-related restrictive measures; furthermore any other identification data published in the Community legal act ordering financial and asset-related restrictive measures

b) the birth name and the married name, date of birth, place of birth, place of living or residence data of the natural person entitled to obstruct the execution of the financial and asset-related restrictive measure

(2) The Authority shall delete without delay the data collected during its process if the conditions of the freezing do not exist any more.

8. § (1) The Authority may request information from any administrative authority in order to fulfill its task laid down in Section 3 if

a) such data or factual knowledge is necessary and can be obtained from the register or file of the requested administrative authority

b) a document or other evidence which exist or can be obtained from the requested administrative authority ( public or local administrative authority) is requested.

(2) In the request - according to the subsection 1 - the purpose of the use of data, file or other evidence shall be marked and it shall contain that the personal data will be obtained under this Act.

(3) The requested authority may refuse the request only in case if it violates the law. If other authority is entitled to fulfill the request, the requested authority shall forward the request - without delay and not later than within five days from the date of reception of the request - to the competent authority, and he shall inform the requesting authority at the same time.

(4) If legislation does not impose a shorter deadline, the request shall be fulfilled within eight days.

(5) In case a Hungarian foreign representation authority is requested, the deadline to fulfill the request commences on the date of the reception of the request by the Hungarian foreign representative authority.

9. § The Authority - in order to examine the data laid down in Section 3 subsection 4 and section 7 subsection 1; and in order to fulfil its task – is entitled to request data laid down Section 3 subsection 4 and section 7 subsection 1 from the:

- a) personal data and address register
- b) register of persons disposing of work permit
- c) register of companies
- d) register of persons disposing of private entrepreneur's licence
- e) real estate register
- f) ship register
- g) aircraft register
- h) central alien policing register
- i) public road transport register (vehicle and driving licence register)
- j) cultural heritage register.

(2) the authority responsible for the handling of the personal data and address register shall inform the Authority about the

- a) death occurred in Hungary or name change
- b) the termination or change of the announced residence of the subject of the financial and asset-related restrictive measures.

(3) If the subject of the financial and asset-related restrictive measure does not fall under of the scope of the act on registration of personal data and residence of citizens, the central alien policing authority shall inform the Authority about the change of the announced residence of the subject of financial and asset-related restrictive measures.

***The obligations of service providers and authorities operating asset registrations and the applicable measures***

10. § (1) The persons and organisations being subject to Act on Prevention and Combating Money Laundering and Terrorist Financing (hereinafter: service providers) and authorities operating asset registrations are obliged to report –by sending the personal data laid down in Subsection (1) Section 7 – to the Authority without delay any data, fact, circumstance indicating that the individual or organisation subject to financial and asset-related restrictive measures has funds or economic resources covered by the financial and asset-related restrictive measures in the territory of the Republic of Hungary.

(2) The service providers and authorities operating asset registrations are obliged to report –by sending the personal data laid down in Subsection (1) Section 7 – to the Authority without delay any data, fact, circumstance indicating that the individual or organisation subject to financial and asset-related restrictive measures gains advantage from a transaction.

(3) The Authority examines the report sent by the service providers in line with Subsection (1)-(2)

- a) in the case of a domestic transaction within one working day
- b) in the case of a non-domestic transaction within two working days.

(4) The Authority examines the report sent by the authorities operating asset registrations in line with Subsection (1)-(2) within three working days.

(5) The Authority on the basis of the examination laid down in Subsection (3)-(4)

a) acts in accordance with Subsection (3)-(4) Section 3, and informs – besides the authorities determined by Subsection (3) Section 3 – the service providers or the authorities operating asset registrations, or

b) informs the service providers or the authorities operating asset registrations that the requirements laid down in Subsection (3)-(4) Section 3 are not met.

(6) The service provider after sending a report in accordance with Subsection (1)-(2)

a) in the case of domestic transaction within one working day  
b) in the case of non-domestic transaction within two working days  
is obliged to refrain from carrying out the transaction that – on the basis of the report – is involved into the funds or economic resources covered by the financial and asset-related restrictive measures unless it was informed by the Authority according to the Point b) Subsection (5).

(7) The transaction shall be carried out – if other conditions exist-

a) in the case of domestic transaction on the second working day

b) in the case of non-domestic transaction on the third working days

from the reception of the report except for the service provider received notification laid down in subsection 5 point a).

(8) The authority operating an asset registration must not carry out the request for registration or request for registration of changes within three working days from the time when the report was sent if data, fact, circumstance indicating that the request is connected to fund or economic resources covered by financial and asset-related restrictive measures except for the authority operating an asset registration received notification as laid down in subsection 5 point a).

The request for registration or request for registration of changes shall be carried out – if other conditions exist - on the fourth working day from the reception of the report except for the authority operating an asset registration received notification laid down in subsection 5 point a).

11-19. §

### ***Compliance/harmonisation with the law of the European Union***

**20. §.** This act lays down provisions for the implementation of the following, partially several times amended Community legal acts:

a) COUNCIL REGULATION (EC) No 2580/2001 of 27 December 2001 on specific restrictive measures directed against certain persons and entities with a view to combating terrorism

b) COUNCIL REGULATION (EC) No 881/2002 of 27 May 2002 imposing certain specific restrictive measures directed against certain persons and entities associated with Usama bin Laden, the Al-Qaida network and the Taliban, and repealing Council Regulation (EC) No 467/2001 prohibiting the export of certain goods and services to Afghanistan, strengthening the flight ban and extending the freeze of funds and other financial resources in respect of the Taliban of Afghanistan

c) COUNCIL REGULATION (EC) No 1210/2003 of 7 July 2003 concerning certain specific restrictions on economic and financial relations with Iraq and repealing Regulation (EC) No 2465/96

d) COUNCIL REGULATION (EC) No 314/2004 of 19 February 2004 concerning certain restrictive measures in respect of Zimbabwe

e) COUNCIL REGULATION (EC) No 872/2004 of 29 April 2004 concerning further restrictive measures in relation to Liberia

f) COUNCIL REGULATION (EC) No 1763/2004 of 11 October 2004 imposing certain restrictive measures in support of effective implementation of the mandate of the International Criminal Tribunal for the former Yugoslavia (ICTY)

g) COUNCIL REGULATION (EC) No 560/2005 of 12 April 2005 imposing certain specific restrictive measures directed against certain persons and entities in view of the situation in Côte d'Ivoire

- h) COUNCIL REGULATION (EC) No 1183/2005 of 18 July 2005 imposing certain specific restrictive measures directed against persons acting in violation of the arms embargo with regard to the Democratic Republic of the Congo
- i) COUNCIL REGULATION (EC) No 1184/2005 of 18 July 2005 imposing certain specific restrictive measures directed against certain persons impeding the peace process and breaking international law in the conflict in the Darfur region in Sudan
- j) COUNCIL REGULATION (EC) No 305/2006 of 21 February 2006 imposing specific restrictive measures against certain persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafiq Hariri
- k) COUNCIL REGULATION (EC) No 765/2006 of 18 May 2006 concerning restrictive measures against President Lukashenko and certain officials of Belarus
- l) COUNCIL REGULATION (EC) No 817/2006 of 29 May 2006 renewing the restrictive measures in respect of Burma/Myanmar and repealing Regulation (EC) No 798/2004
- m) COUNCIL REGULATION (EC) No 329/2007 of 27 March 2007 concerning restrictive measures against the Democratic People's Republic of Korea
- n) COUNCIL REGULATION (EC) No 423/2007 of 19 April 2007 concerning restrictive measures against Iran

#### *Transitional and Final Provisions*

21. § (1) This act shall enter into force on the first day of the second month following the proclamation. (date of proclamation: 29.12.2007. entry into force: 01.02.2008. )
- (2)
  - (3)
  - (4)
  - (5) The government is herewith empowered to designate the Authority in a decree.