

Act LXXI of 1994

on Arbitration

Chapter I

GENERAL PROVISIONS

Scope

Section 1.

This Act - unless it provides otherwise - shall apply if the venue (seat) of the "ad hoc" or standing arbitration tribunal is in Hungary.

Section 2.

(1) Any standing arbitration tribunal operating within the organizational structure of a specific organization may be chartered by a national chamber of economy, unless otherwise provided by law. Several national chambers of economy may also establish a standing arbitration tribunal collectively.

(2) An arbitration tribunal may be granted exclusive jurisdiction for specific matters as prescribed by an act of Parliament, where this Act may prescribe derogative provisions in connection with the procedures of such arbitration tribunal

(3) In any legal dispute arising out of a contract concluded between parties having their head-quarters or failing this their company seat exclusively in Hungary concerning law of substantive law effect related to real property on inland territory, as well as lease and tenancy contracts – should the Hungarian law apply to the contract – only permanent arbitration court seated in Hungary may proceed in accordance with its own rules of proceedings.¹

(4) The language of the arbitration proceedings as per lit. (3) shall be Hungarian.²

Applicability of Arbitration and Submission to Arbitration

Section 3.

(1) Instead of the court of law, disputes may be settled by way of arbitration if:

a) at least one of the parties is professionally engaged in business activities and the legal dispute arises out of or in connection with this activity; furthermore

b) the parties may dispose freely of the subject-matter of the proceedings; and

c) arbitration was stipulated in an arbitration agreement.

(2) In the absence of the requirement set out in Paragraph a) of Subsection (1) arbitration may be stipulated nonetheless if permitted by law.

¹ Enacted by the Act LXV. of 2012.. Effective as of 13 June 2012. It shall apply in the proceedings commenced after the coming into force of this Act.

² Enacted by the Act LXV. of 2012.. Effective as of 13 June 2012. It shall apply in the proceedings commenced after the coming into force of this Act.

Section 4.

No arbitration may take place in the procedures regulated in Chapters XV to XXIII and XXV of the Code of Civil Procedure (CCP), furthermore in cases where an Act excludes the settlement of a legal dispute in the framework of arbitration.³

Section 5.

(1) Arbitration agreement means an agreement of the parties to submit their disputes which may arise between them in respect of a specific contractual or other relationship, to arbitration.

(2) An arbitration agreement may be concluded as part of another contract or in the form of a separate agreement, and it may contain a clause for an "ad hoc" or standing arbitration tribunal.

(3) Arbitration agreements must be made in writing. Any agreement that has come into existence through an exchange of letters, telegrams, through telex or any other means of correspondence between the parties with facilities to record the messages shall be construed as an agreement made in writing.

(4) Any allegation made by one of the parties in a statement of claim that an arbitration agreement was in fact concluded between them shall also be construed as an arbitration agreement made in writing, if it is not refuted by the other party in his statement of defense.

(5) Reference to a document containing an arbitration clause in a contract concluded in writing shall be treated as an arbitration agreement, whereby the clause shall comprise an integral part of the contract.

Waiver of the Right of Objection

Section 6.

A party who has knowledge of any fact of non-compliance with any provision of this Act that provides for a derogation in connection with the parties' agreement with any provision of the arbitration agreement, and this party continues to participate in the proceedings without lodging an objection to such non-compliance without delay within the prescribed deadline where applicable, shall be deemed to have waived his right to lodge an objection.

Capacity of the Courts of Law

Section 7.

The cases governed in this Act may be heard by a court only where so provided in this Act.

Section 8.

(1) Any court in which an action is filed in a matter that is the subject of an arbitration agreement - with the exception of the action filed in accordance with Section 54 - shall reject the statement of claim without issuing any summons or shall dismiss the action upon the request of either party, unless it declares the arbitration agreement null and void, inoperative or inadmissible. The respondent may submit the request for dismissal upon entering a counterclaim on the merits of the case, at the latest.

(2) If the case is dismissed the legal facilities attached to the submission of the statement of claim shall remain in effect for thirty days.

(3) The submission of the statement of claim mentioned in Subsection (1) shall not impede the opening or continuance of the arbitration proceeding, and it shall not impede the adoption of the arbitration tribunal's decision while the issue is pending before the court.

³ Enacted by the Act VII. of 2015. Effective as of 19.03.2015.

Other General Provisions

Section 9.

(1) Where this Act contains provisions to permit the parties to determine a certain issue, such freedom includes the right of the parties to authorize a third party, including an organization, to make that determination.

(2) Where this Act contains provisions to permit the parties to agree on a certain issue, or if this Act refers to an agreement of the parties in any other way, any arbitration rules stipulated by the parties shall be construed as such an agreement.

Section 10.

(1) Unless otherwise agreed by the parties, any written communication shall be deemed delivered on the day:

a) when it is served to the addressee personally; or
b) it is delivered at his main offices, permanent establishment or permanent residence (hereinafter referred to collectively as "registered office"), habitual residence or mailing address.

(2) If neither of the addresses referred to in Paragraph b) of Subsection (1) is available, the written communication dispatched in a registered letter or by any other means providing reliable proof of the attempt to have it delivered to the last known registered office, habitual residence or mailing address of the addressee shall be deemed delivered on the eighth or fifteenth day of dispatch, respectively, if delivered within or outside the country.

Chapter II

FORMATION OF THE ARBITRATION TRIBUNAL

Appointment of Arbitrators

Section 11.

Arbitrators are independent and impartial, and shall not be considered as representatives of the parties. Arbitrators shall not accept any instruction in their official capacity, and shall be fully committed to confidentiality with regard to all information they have received when discharging their responsibilities, including after the termination of the proceedings, for which the arbitrators elected (appointed) to a standing arbitration tribunal shall make a written statement.

Section 12.

The following may not serve as arbitrators:

a) persons under twenty-four years of age;
b) persons barred from public affairs by final court verdict;
c) persons placed under guardianship or conservatorship by final court decision;
d) persons sentenced to imprisonment by final court verdict, until exonerated from the detrimental consequences of having a criminal record.

Section 13.

(1) The parties may freely agree upon the number of the arbitrators as long as it is an odd number.

(2) Failing an agreement of the parties, the number of arbitrators appointed to a tribunal shall be three.

(3) For the purposes of this Act, the concept of an arbitration tribunal shall also include a sole arbitrator or a panel of arbitrators.

Section 14.

(1) Subject to the provisions contained in Sections 15 and 16, the parties may freely agree on a procedure for the appointment of the arbitrator or arbitrators. In the absence of such agreement, Subsections (2)-(4) shall apply.

(2) In connection with an arbitration tribunal which consists of three arbitrators, each party shall have the right to appoint one arbitrator, and the two arbitrators thus appointed shall designate the third arbitrator. Where either party fails to appoint its own arbitrator within thirty days from the date of receipt of the other party's request to do so, or if the two arbitrators fail to agree on the third arbitrator within thirty days of their appointment, the third arbitrator shall be appointed - upon the request of any of the parties - by the court specified in Section 51.

(3) If the arbitration tribunal consists of more than three arbitrators, the provisions of Subsection (2) shall be duly applied, with the exception that the appointment of the missing arbitrator shall be decided by voting if supported by the majority of the arbitrators elected.

(4) If the tribunal consists of a sole arbitrator - if the parties fail to agree on the person of the arbitrator - he shall be appointed upon the request of either party by the court specified in Section 51.

Section 15.

Where in the course of an appointment procedure agreed upon by the parties:

a) either party breaches any provision of the agreement; or
b) the parties or the arbitrators fail to reach an agreement expected of them under such procedure; or
c) a third party, including if an organization, fails to perform any of the tasks conferred upon it under such procedure,

either party may request the court specified in Section 51 to take the necessary measures for the appointment, unless the agreement for the appointment procedure prescribes other means for securing the appointment under such circumstances.

Section 16.

In the process of the appointment of the missing arbitrator, the requirements set out in the agreement of the parties concerning the arbitrator's qualifications shall be duly observed along with all other considerations with a view to securing the appointment of an independent and impartial arbitrator.

Section 17.

(1) The person proposed or appointed as an arbitrator shall forthwith disclose to the parties any circumstance that is likely to give rise to justifiable doubts as to his lack of prejudice, independence or impartiality, unless they have already been informed beforehand.

(2) The arbitrator shall communicate his acceptance of the appointment by written notice addressed to the parties. The arbitrator's signature of the document on his appointment shall be regarded as acceptance.

(3) The members of the arbitration tribunal - unless the parties agree otherwise - shall elect a presiding umpire from among themselves.

Termination of the Assignment of an Arbitrator

Challenge Procedure

Section 18.

(1) A challenge may be exercised for the disqualification of an arbitrator only under any circumstance that is likely to give rise to justifiable doubts as to his lack of prejudice, independence or impartiality, or if he does not have the qualifications agreed upon by the parties.

(2) A party may challenge an arbitrator that he has appointed or in whose appointment he has participated under Subsection (1) only for reasons of which he has learned after the appointment has been made.

Section 19.

(1) The parties shall have the right to freely agree upon the procedure for challenging an arbitrator in due observation of the provisions contained in Section 20.

(2) Failing such agreement, a party who intends to challenge an arbitrator, shall send a written statement containing the reasons for the challenge to the arbitration tribunal within fifteen days after being informed of the composition of the arbitration tribunal or after learning about circumstances referred to in Subsection (1) of Section 18.

(3) If the challenged arbitrator refuses to resign, or if the other party does not agree to the challenge, the arbitration tribunal shall decide on the challenge.

Section 20.

If a challenge under the procedure prescribed in Section 19 did not succeed, the challenging party may request, within thirty days of receiving notice of the decision rejecting the challenge, the court specified in Section 51 to adjudge the challenge. While such request is pending the arbitration tribunal - including the challenged arbitrator - may continue the arbitration proceedings and may adopt a decision.

Other Cases of Termination of an Arbitrator's Assignment

Section 21.

(1) The appointment of an arbitrator may terminate by way of resignation, or on the basis of the agreement of the parties only in the cases specified in Subsections (2) and (3) of Section 19.

(2) If an arbitrator fails to comply with the conditions specified in Section 12 due to a reason arising after the acceptance of the appointment or he de facto becomes unable to perform his functions, furthermore, in the event where he fails to act in due time for any reason, he may resign his office or the parties may agree on the termination of his appointment.

(3) If an arbitrator resigns his office or a party agrees to the termination of the assignment of an arbitrator, it shall not imply the recognition of the existence of any ground referred to in Section 18 or in Subsection (2) of this Section.

Section 22.

If a dispute arises between the parties in connection with the termination of the assignment of an arbitrator, any party may request the court specified in Section 51 to decide on the termination of the assignment.

Appointment of Substitute Arbitrator

Section 23.

Where the assignment of an arbitrator terminates for any reason specified in this Act, a substitute arbitrator shall be appointed according to the provisions applicable to the appointment of the previous arbitrator.

Chapter III

JURISDICTION OF THE ARBITRATION TRIBUNAL

Decision of the Arbitration Tribunal Concerning its Own Jurisdiction

Section 24.

(1) The arbitration tribunal shall make its own decision concerning its jurisdiction, including any objection with respect to the existence or validity of the arbitration agreement. In this context, any arbitration clause installed in a contract shall be treated as an agreement independent from all other terms of the contract.

(2) Any decision of the arbitration tribunal declaring a contract null and void shall not ipso facto entail the invalidity of the arbitration clause.

(3) Any objection concerning the arbitration tribunal's jurisdiction shall be lodged at the time of submission of the statement of defense at the latest, while any plea asserting the arbitration tribunal exceeding its jurisdiction shall be lodged without delay when the alleged excess of the jurisdiction was made. The arbitration tribunal may admit a later plea as well, if it finds the delay justified.

(4) A party is not blocked from lodging an objection concerning the jurisdiction of the arbitration tribunal by the fact that it has appointed, or participated in the appointment of, an arbitrator.

Section 25.

(1) The arbitration tribunal may rule on the objections referred to in Section 24 either when the objection is lodged or in its decision adopted on the merits of the case. If the arbitration tribunal rules that it has jurisdiction, either party may request the court specified in Section 51, within thirty days of receiving notice on that ruling, to adjudge the jurisdiction of the arbitration tribunal.

(2) While such request is pending the arbitration tribunal may continue the proceedings and may adopt a decision.

Provisional Measures

Section 26.

(1) Unless otherwise agreed by the parties, the arbitration tribunal may, upon request, order either party to implement provisional measures to the extent the arbitration tribunal deems it necessary with respect to the subject-matter of the dispute. The arbitration tribunal may require either party to provide appropriate security in connection with such measure.

(2) A decision adopted with respect to the provisional measure shall remain in force until a new decision of the arbitration tribunal is adopted to replace it or until it makes an award in the same issue.

Chapter IV

PROCEDURE OF ARBITRATION TRIBUNAL

Equal Treatment of Parties

Section 27.

In the course of arbitration proceedings the parties shall be afforded equal treatment, and each party shall be given the opportunity for presenting his case.

Determination of the Rules of Procedure

Section 28.

Subject to the provisions of this Act, the parties may freely agree on the rules of procedure to be observed by the arbitration tribunal, or they may stipulate the use of the rules of procedure of another standing arbitration tribunal. Failing such agreement the arbitration tribunal may determine the rules of procedure at its own discretion, within the framework of this Act.

Exclusion of Publicity

Section 29.

In the absence of any agreement of the parties to the contrary, arbitration proceedings are not public.

Language

Section 30.

(1) The parties may freely agree on the language to be used in the proceedings. Failing such agreement, the Hungarian language shall be used in the proceedings.

(2) Unless otherwise agreed by the parties, the language specified in accordance with Subsection (1) shall be used for any statements of the parties, in hearings, for the awards and decision and any other communication by the arbitration tribunal.

Place of Arbitration

Section 31.

(1) The parties may freely agree on the place of arbitration. Failing such agreement, the place of arbitration shall be determined by the arbitration tribunal in due consideration of the circumstances of the case. A standing arbitration tribunal shall conduct its proceedings at the place registered in the charter documents as its seat.

(2) The provision of Subsection (1) notwithstanding, the arbitration tribunal may - unless otherwise agreed by the parties - convene at any place for consultation among its members, for hearing the parties, witnesses or experts, as well as for the inspection of physical evidence and documents.

The Opening of Arbitration Proceedings

Section 32.

(1) Unless otherwise agreed by the parties, the proceedings of an "ad hoc" arbitration tribunal shall open on the day on which the adverse party (hereinafter referred to as "respondent") receives the request to refer the dispute to arbitration.

(2) If the parties have stipulated the jurisdiction of a standing arbitration tribunal, the proceedings shall open on the day when the statement of claim is received by the arbitration tribunal.

Statement of Claim and Statement of defense

Section 33.

(1) The claimant shall present its claim, the facts supporting it and the subjects at issue within the time limit prescribed by the parties or by the arbitration tribunal, and the respondent shall present his statement of defense relating thereto. The parties may agree in derogation as to the required elements of such statements and pleadings.

(2) The parties may submit, together with their statements and pleadings, all other documents which they consider to be relevant for the case, or may refer to any document or other evidence which they plan to submit.

(3) Unless otherwise agreed by the parties, either party may alter or supplement its statement of claim or statement of defense during the course of the arbitration proceedings, unless the arbitration tribunal refuses to allow the submission thereof on the grounds of delay of the proceedings caused by this procedure.

(4) Where a provision of this Act - other than Subsection (1) of Section 35 - makes any reference to a claim, it also applies to the counterclaim, and where it makes reference to a statement of defense, it also applies to the reply made to the counterclaim.

Hearings and Written Proceedings

Section 34.

(1) Subject to an agreement of the parties to the contrary, the arbitration tribunal shall hear the parties and shall give them the opportunity to submit their petitions. The arbitration tribunal shall hear the witnesses and experts present; however, it cannot impose a fine or apply any means of coercion.

(2) The parties shall be given sufficient advance notice of any hearing and of any action of the arbitration tribunal undertaken for the purpose of inspection of physical evidence or documents.

(3) All statements submitted to the arbitration tribunal by one party shall be communicated to the other party. Furthermore, any expert report or evidentiary document on which the arbitration tribunal may rely in making its decision shall be communicated to the parties.

(4) Minutes shall be prepared of the arbitration proceedings, and one copy thereof shall be served upon each of the parties.

Default of Party

Section 35.

(1) Unless otherwise agreed by the parties, the arbitration tribunal shall terminate the proceedings if the claimant fails to present his statement of claim without showing sufficient cause.

(2) If the respondent fails to present his statement of defense, the arbitration tribunal shall continue the proceedings without treating such failure in itself as admission of the claimant's allegations.

(3) If either party fails to appear at the hearing of the arbitration tribunal or to produce his evidence, the arbitration tribunal may continue the proceedings and make the award on the basis of the evidence before it.

Appointment of an Expert

Section 36.

(1) Unless otherwise agreed by the parties, if any special expertise is required in the proceedings of the arbitration tribunal for the establishment or judgment of any relevant fact or other circumstance which the arbitration tribunal is lacking, the arbitration tribunal may:

- a) appoint one or more experts to provide an opinion on specific issues defined by the arbitration tribunal;
- b) require either party to give or present information to the expert, or to provide access to any relevant documents or objects to the expert for inspection.

(2) Unless otherwise agreed by the parties, if either party so requests or if the arbitration tribunal deems it necessary, the expert shall, after the delivery of his written or oral report, participate in a hearing where the parties have the opportunity to interrogate the expert, and present witnesses or experts in order to testify regarding the points at issue.

Court Assistance

Section 37.

(1) Any request submitted by either party before or during arbitration proceedings to a court to impose provisional measures, and the court's granting of such measures, shall not be deemed incompatible with the arbitration proceedings.

(2) The court may order protective measures in a case pending before an arbitration tribunal, if the party requesting the protective measure is able to produce an authentic instrument or a private document with full probative force in proof of the inception, quantity, and expiry of his claim.

(3) If the presentment of evidence before the arbitration tribunal is likely to entail considerable difficulties or unreasonable extra costs, upon the request of the arbitration tribunal the local court shall provide legal assistance in the form of conducting the procedure for the presentment of evidence and by the application of the coercive means necessary in the procedure for the presentment of evidence if conducted by the arbitration tribunal.

(4) The arbitration tribunal shall approach that local court on whose territory the presentment of evidence may be conducted the most efficiently. In the city of Budapest, the Pest Central District Court shall have jurisdiction.

Chapter V

MAKING OF AWARD AND TERMINATION OF PROCEEDINGS

Making of Award

Section 38.

(1) Arbitration tribunals consisting of more than one arbitrator shall make their decisions, unless otherwise agreed by the parties, by a majority of votes. In the absence of majority the presiding umpire shall have the decisive vote.

(2) Questions of procedure may be settled by the presiding umpire if so authorized by the parties or by all members of the arbitration tribunal.

Settlement

Section 39.

(1) If during arbitration proceedings the parties reach a settlement, the arbitration tribunal shall terminate the proceedings by way of a ruling.

(2) If requested by the parties, the arbitration tribunal shall fix the settlement in the form of an award under the agreed terms, provided that it finds the settlement in compliance with the law.

(3) An award under agreed-upon terms has the same effect as that of any other award made by the arbitration tribunal.

Form and Content of Award

Section 40.

The award of the arbitration tribunal and the ruling for the termination of the proceedings shall be committed to writing and shall be signed by the arbitrator or arbitrators. In arbitration proceedings with more than one arbitrator the signature of the majority of all members shall suffice, provided that the reason for any omitted signature is stated.

Section 41.

(1) The award and the ruling terminating the proceedings shall contain provisions concerning the costs of the proceedings - including the remuneration of the arbitrators - and the manner in which they are to be satisfied.

(2) The award shall state the reasons upon which it is based, unless it is an award on agreed terms.

(3) The award shall contain its date and the place of arbitration as determined in accordance with Section 31. The award shall be deemed to have been made at the place specified therein.

(4) One copy bearing the signature of the arbitrators in accordance with Section 40 of the award shall be delivered to each party.

Termination of Proceedings

Section 42.

(1) The arbitration proceedings are concluded by a final award adopted on the merits of the case, or by a ruling for termination of the arbitration tribunal.

(2) The arbitration tribunal shall adopt a ruling for the termination of the proceedings, if:

a) the claimant fails to present its statement of claim [Subsection (1) of Section 35];

b) the claimant withdraws its claim, unless the respondent objects thereto, and the arbitration tribunal recognizes the latter's legitimate interest in obtaining a final settlement of the dispute;

c) the parties agree to dismiss the proceedings;

d) the arbitration tribunal finds that the continuation of the proceedings has, for any other reason, become unnecessary or impossible.

(3) The assignment of the arbitration tribunal terminates upon the termination of the proceedings, except for the proceedings specified in Sections 43-45.

Correction, Interpretation of Award; Supplementary Award

Section 43.

(1) Within thirty days of receipt of the award, unless the parties have agreed upon another time limit:

a) either party may request the arbitration tribunal - of which the other party shall be informed simultaneously - to correct in the award any errors of names, including if misspelled, any errors in numbers or calculations, or any other typing errors of the kind;

b) if so agreed by the parties, either party may request the arbitration tribunal - of which the other party shall be informed simultaneously - to provide an interpretation of a specific part or point of the award.

(2) If the arbitration tribunal finds the request justified, it shall make the correction or provide the interpretation within thirty days of receipt of the request. The interpretation shall comprise a part of the disposition of the award.

(3) The arbitration tribunal may, within thirty days of making the award, correct the error of the type referred to in Paragraph a) of Subsection (1) on its own initiative.

Section 44.

(1) Unless otherwise agreed by the parties, either party may request, within thirty days of receipt of the award, the arbitration tribunal - of which the other party shall be informed simultaneously - to make a supplementary award for the claims that were presented in the arbitration proceedings but were excluded from the award.

(2) If the arbitration tribunal finds the request justified, it shall make the supplementary award within thirty days, following a hearing if necessary.

Section 45.

The arbitration tribunal may extend, if necessary, the time limit specified for making a correction, interpretation, or a supplementary award.

Chapter VI

INTERNATIONAL ARBITRATION PROCEEDINGS

Procedure in International Cases

Section 46.

(1) In international arbitration proceedings the provisions of Chapters I-V shall apply subject to the exceptions set out in this Chapter.

(2) In connection with international arbitration Section 8 and - in the case of reciprocity - Subsection (1) of Section 37 shall also apply if the seat of the arbitration tribunal is not in Hungary.

(3) In international cases - unless otherwise provided by law - the Arbitration Tribunal attached to the Hungarian Chamber of Commerce and Industry shall function as a standing arbitration tribunal.

International Proceedings

Section 47.

(1) An arbitration proceeding shall be treated international, if:

a) the parties to the arbitration agreement have, at the time of the conclusion of the agreement, their registered offices in different States, or failing this, their places of business in different States; or

b) one of the following places is situated outside the State in which the parties have their registered office (place of business):

ba) the place of arbitration as determined in the arbitration agreement;

bb) any place where a substantial part of the obligations originating from the relationship of the parties is to be performed, or to which the subject-matter of the dispute is most closely linked.

(2) For the purposes of Subsection (1):

a) if a party has more than one place of business, the one that has the closest relationship to the arbitration agreement shall be taken into account;

b) if the party has no place of business, reference is to be made to his habitual residence.

Language

Section 48.

(1) The parties may freely agree on the language or languages to be used in international arbitration proceedings. Failing such agreement, the language or languages to be used in the course of the proceedings shall be defined by the arbitration tribunal.

(2) The arbitration tribunal may order that a translation shall be attached to any written evidence in the language or languages defined by the parties or by the arbitration tribunal.

Definition of the Governing Substantive Law

Section 49.

(1) The arbitration tribunal shall decide the dispute in accordance with the provisions of the governing law selected by the parties as applicable to the substance of the dispute. Any designation of the law or legal system of a particular State shall be construed - unless the parties have agreed otherwise - as one referring to the law of the State in question, having a direct bearing on the points in issue.

(2) In the event of the parties' failure to select the governing law, it shall be determined by the arbitration tribunal.

(3) The arbitration tribunal may adopt a decision according to principles of equity and will not be bound by particular provisions of any country's law if it was expressly authorized to do so by the parties.

Section 50.

The arbitration tribunal shall adopt its decision in accordance with the terms of the contract as well as by taking into account the trade practices applicable to the transaction.

Chapter VII

PROCEEDINGS OF THE COURT

Jurisdiction, Competence

Section 51.

Cases in connection with arbitration proceedings shall fall - with the exceptions governed in Section 37 - within the jurisdiction of the general courts.

Section 52.

Competence for hearing cases in connection with arbitration proceedings shall be conferred upon the general court that is located in the territory where the registered office (place of business) of the respondent is located, or in the territory of which the contract resulting in the dispute was concluded. If the competent court may not be established this way the Fővárosi Törvényszék (Budapest Metropolitan Court) shall have jurisdiction.

Section 53.

The court shall act - with the exception of the action for invalidating the arbitration award - in non-judicial proceedings, without the involvement of lay assessors. The ruling of the court may not be appealed.

Overturing the Award of an Arbitration Tribunal

Section 54.

Decisions of an arbitration tribunal may not be appealed; however, a request for having the award overturned may be requested from the court of law for the reasons listed in Section 55.

Section 55.

(1) The party, furthermore any person who is affected by the award, may file for action - within sixty days of the date of delivery of the award of the arbitration tribunal - at the court of law to have the award overturned if:

- a) the party having concluded the arbitration contract was lacking legal capacity or competence;
- b) the arbitration agreement is not considered valid under the law to which the parties have subjected it, or in the absence of such indication, under Hungarian law;
- c) the party was not given proper notice of the appointment of an arbitrator or of the arbitration proceedings, or was unable to present his case due to other reasons;
- d) the award was made in a legal dispute to which the clause for submission to arbitration did not apply or that was not covered by the provisions of the arbitration agreement; if the award contains decisions on matters beyond the scope of the arbitration agreement where the decisions on matters submitted to arbitration can be separated from those to which the clause for submission to arbitration did not apply, only that part of the award which contains decisions not submitted to arbitration may be overturned;
- e) the composition of the arbitration tribunal or the arbitration procedure did not comply with the agreement of the parties, unless such agreement was in conflict with any provision of this Act from which the parties cannot derogate, or failing such agreement, was not in accordance with this Act.

(2) An action for overturning the arbitration award may also be filed alleging that:

- a) the subject-matter of the dispute is not capable of settlement by arbitration under Hungarian law; or
- b) the award is in conflict with the rules of Hungarian public policy.

(3) Failing to keep the time limit specified in Subsection (1) entails the forfeiture of right. In the case of a supplementary award the time limit shall be reckoned from the delivery thereof.

Section 56.

- (1) The court may suspend the enforcement of the award of an arbitration tribunal upon the request of a party.
- (2) The judgment of the court shall be confined exclusively to overturning the award of the arbitration tribunal.

Section 57.

In other issues of proceedings of the court the provisions of the CPC shall apply, with the exception that the court's decisions may not be appealed; however, a petition for review may be submitted.

Recognition and Enforcement of the Award of the Arbitration Tribunal

Section 58.

The decision of an arbitration tribunal shall have the same effect as that of a binding court decision, and its implementation shall be governed by the regulations on judicial enforcement.

Section 59.

The court shall refuse to execute the award of the arbitration tribunal, if, in its judgment:

- a) the subject-matter of the dispute is not subject to arbitration under Hungarian law; or
- b) the award is contrary to Hungarian public policy.

Section 60.

The party that makes a reference to an award of the arbitration tribunal or applies for its enforcement shall supply the original award or a certified copy thereof. If the award is not written in the Hungarian language, the party shall attach a certified Hungarian translation as well.

Chapter VIII

MISCELLANEOUS AND CLOSING PROVISIONS

Derogations

Section 61.

Parties may derogate from the provisions of this Act where it is expressly permitted by this Act.

Entry Into Force, Transitional Provisions

Section 62.

(1) This Act shall enter into force on the fifteenth day following its promulgation and it shall apply to proceedings opened after the time of this Act entering into force.

(2) Any reference made in legal regulations to arbitration settlement shall mean to be understood as the settlement included in an award by the arbitration tribunal.

Section 63.

Sections 64-65.