

Act CIV of 2023

on certain rules regarding Internet intermediary services¹

The National Assembly adopts the following Act to ensure the security of the online space, to regulate the liability of intermediary service providers, to strengthen the protection of consumers' rights in the online space, to promote e-commerce, to ensure effective cooperation between EU bodies and regulatory authorities, and to comply with EU legislation:

1. General provisions

Section 1 (1) This Act shall apply to intermediary services provided by an intermediary service provider established in Hungary and to intermediary services provided on the territory of Hungary.

(2)² Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC ('Regulation') and Regulation (EU) 2019/1150 of the European Parliament and of the Council of 20 June 2019 on promoting fairness and transparency for business users of online intermediation services ('P2B Regulation') shall apply with the additions provided for in this Act.

Section 2 (1) For the purposes of this Act:

1. *digital service rule*: this Act, the legislation issued on the basis of this Act on the implementation of the Act, the directly applicable EU legal act on digital services, the decision of the President of the National Media and Infocommunications Authority ('President') and the public contract concluded by the President with the client.

2. *intermediary service provider*: a service provider providing a service or services within the meaning of Article 3(g) and (j) of the Regulation.

(2)³ All other terms used in this Act in relation to digital services shall have the meaning given in Article 3 of the Regulation and Article 2 of the P2B Regulation.

2. Certain rules on intermediary service providers

Section 3 (1) If the intermediary service provider, on the basis of an order pursuant to Article 9 of the Regulation, or the providers of hosting services established in Hungary, on the basis of Article 16 of the Regulation, becomes aware that any illegal content is available through its service, it shall remove or disable access to such content without undue delay.

(2) The provisions on compensation in Article 54 of the Regulation shall be governed by the provisions of [Act V of 2013 on the Civil Code](#) on the liability for damage caused by breach of contract.

(3) The recipient of the service may initiate civil proceedings against the intermediary service provider in order to settle disputes relating to the service, in particular for breach by the intermediary service provider of the terms and conditions referred to in Article 14 of the

Regulation ('terms and conditions') and for breach of the fundamental rights of the recipients of the service provided for in Article 14(4) of the Regulation, against a decision or measure taken by the intermediary service provider pursuant to Articles 16(5) and 17(1) of the Regulation, and against a decision taken by the provider of online platform on a complaint submitted through the internal complaint handling system.

(4) If the intermediary service provider concerned is not established in Hungary but in another Member State of the European Union and the recipient of the service is a consumer, the consumer may bring proceedings before the court of his/her domicile in the event of a breach of his/her right or legitimate interest relating to the contract, unless the parties have agreed otherwise in an agreement pursuant to Article 19 of Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters.

(5) If the terms and conditions of the intermediary service provider established in Hungary and its decision or measure pursuant to Articles 16(5) and 17(1) of the Regulation do not comply with the rules of the Regulation, the recipient of the service may initiate the general administrative supervisory procedure pursuant to Section 10.

Section 4 (1) In order to cover the costs incurred in connection with the President's official activities under this Act and the Regulation, providers of online platforms established in Hungary, with the exception of providers of online platforms meeting the conditions set out in paragraph (5) ('online provider of the platform service'), shall pay a supervisory fee. The amount of the fee shall not exceed 0.35 per cent of the net turnover of the provider of the online platform from the services covered by the Regulation in the previous financial year, as specified in the President's decree, or, in the absence of the turnover of the previous year, up to 0.35 per cent of the pro rata share of the annual turnover of the current year. Turnover is that part of the income of the intermediary service provider, excluding VAT, which is obtained as consideration for services covered by the Regulation.

(2) The President shall set in his or her decree the level of the supervisory fee to be paid so that the level of the fee is proportionate to the costs incurred in relation to the monitoring of the obligations imposed on providers of online platforms and the total amount of the supervisory fee to be paid by providers is limited to the costs of this official activity.

(3) In connection with the payment and use of the supervisory fee, the provisions on supervisory fee of [Act CLXXXV of 2010 on media services and mass media](#) shall apply.

(4) The amount of the supervisory fee, the method and the conditions of its payment shall be determined by the President by decree. In order to ensure that the amount of the supervisory fee payable by the provider of the online platform can be verified, the provider of the online platform shall provide the President by 31 May of each year, without a specific request or decision by the President, with data on the amount of its net turnover from the services covered by the Regulation in the previous financial year or, in the absence of a turnover in the previous year, on the amount of the pro rata share of the annual turnover for the current year.

(5) The following shall be exempt from the obligation to pay the supervisory fee:

a) a provider of the online platform that qualifies as a micro or small enterprise under [Act XXXIV of 2004 on small and medium-sized enterprises and aid for their development](#) and

b) a provider of the online platform whose net turnover from the services covered by the Regulation in the previous financial year or, in the absence of a turnover in the previous year, the pro rata share of the annual turnover for the current year does not exceed HUF 100 million.

3. General rules on the activities and procedures of the digital services coordinator

Section 5 (1) The President shall, in administrative cases falling within the scope of this Act, with the additions and derogations provided for under Regulation and this Act, act in accordance with the rules of procedure laid down in [Act C of 2003 on Electronic Communications \('Act on Electronic Communications'\)](#).

(2)⁴ Communication between the President and the intermediary service provider established in Hungary shall be carried out exclusively by electronic means as defined in the act on the digital state and certain rules for the provision of digital services. The data required under the digital service rule may be submitted by the intermediary service provider electronically using the electronic form provided by the National Media and Infocommunications Authority ('Authority').

(3) The time limit for the President's proceedings, unless otherwise provided by this Act, shall be 90 days.

Section 6 (1) In order to achieve the objectives of the Regulation and this Act, the President shall cooperate with the digital services coordinators of the Member States, the European Commission and the European Board for Digital Services.

(2) In order to exercise his/her powers, the President shall have the right to request information from the relevant national digital services coordinators and the European Commission.

(3) The President shall, at the request of the national digital services coordinators exercising their powers of investigation or of the European Commission, provide the information available in relation to their investigations under the Regulation.

(4) The President shall, for the purpose of performing his/her functions under the Regulation and this Act, pursuant to the rules of the [Act on Electronic Communications](#) cooperate with

(a) the Hungarian Competition Authority on issues affecting competition in the digital services market, in order to ensure consistent enforcement of competition protection and to promote uniform application of the law;

(b) the Hungarian Authority for Consumer Protection and the Hungarian Competition Authority in matters concerning users in the digital services market, in accordance with the rules of competence laid down by law; and

(c) the National Authority for Data Protection and Freedom of Information in matters relating to the protection of personal data in the digital services market.

Section 7 (1) The client and other participants in the procedure may designate the data which they consider necessary to be handled confidentially, with the exception of data which are of

public interest or which cannot otherwise be classified as legally protected secrets pursuant to the law, by reference to the protection of legally protected secrets, in particular business secrets, other legitimate interests and significant aspects of market competition. In this case, the client and the other party to the proceedings shall also be required to produce a version of the document which does not contain the information specified above.

(2) To the extent necessary for the performance of their activities in relation to the subject matter of the administrative case, the data handled confidentially may, at the discretion of the President, be disclosed to other public authorities or public bodies, provided that they ensure that the data thereby disclosed are granted at least the same protection as those granted by the authority which disclosed them.

(3) Where it is justified for the proper administration of justice, the enforcement of the law or the exercise of the rights of the clients, the President may request the client and other participants in the proceedings to lift the data from being confidentially handled pursuant to paragraph (1).

(4) If the client and other participants to the proceedings do not lift the classification pursuant to paragraph (1) by means of a declaration, the President may, in his/her order, order to lift the data from being confidentially handled if it is indispensable for the administration of justice, the enforcement of the rights of the client or the exercise of his/her rights. This order may be challenged in contentious administrative proceedings, the statement of claim must be filed within 15 days of the date of notification of the order and the statement of claim has suspensory effect. Data cannot be lifted from being confidentially handled within the time limit for bringing an action. Within 3 working days of receipt of the statement of claim, the court shall, at the same time as the statement of defense is notified, set a time limit for the parties to lodge their applications, which shall not be less than 3 days. The court will decide within thirty days.

Section 8 (1) The President may, and in the event of a repeated infringement shall, impose a fine on the client, other participants in the proceedings and any person required to cooperate in clarifying the facts, in particular if they

- a) provide incorrect, incomplete or false information,
- (b) omit any information relevant to the assessment of the case,
- (c) do not provide information within the time limit or at all,
- (d) otherwise obstruct the establishment of the facts or the conduct of the proceedings; or
- (e) in the course of the proceedings, engage in conduct which may result in the proceedings being delayed or the discovery of the true facts being thwarted.

(2) The maximum amount of the procedural fine shall be 1% of the global turnover or income of the infringer in the previous financial year. In the absence of turnover or income data or the provision of relevant data, the maximum amount of the fine is HUF 10 million.

(3) The maximum amount of the procedural fine for an infringer of a natural person shall be HUF 1 million.

(4) In addition to the provisions of paragraphs (2) and (3), the President may impose a fine of up to HUF 3 million on the executive officer of the infringer in the event of obstruction of the procedure, or non-compliance or partial compliance with the reporting obligation, and shall be obliged to impose such fine in the event of a repeated infringement.

Section 9 (1) In order to avert the risk of serious and imminent harm to a wide range of recipients of the service, the President may, as an interim measure, lay down conditions for the provision of the service, impose obligations or adopt other measures.

(2) The provisional measure shall remain in force, unless revoked earlier, until the final conclusion of the proceedings, but up to a maximum of 90 days.

(3) The interim measure may be modified or revoked by the President in the course of the proceedings, either upon application or *ex officio*.

(4) The order imposing an interim measure may be challenged in contentious administrative proceedings; the statement of claim must be lodged within 15 days of the notification of the order, and the court shall decide on the application within 15 days in a simplified procedure on the basis of the documents available.

(5) The President shall not issue a separate order for the rejection of an application requesting modification or revocation of an interim measure, but shall specify the grounds for the rejection in the decision on the merits closing the proceedings.

4. Specific procedures for the digital services coordinator

Section 10 (1) The President in the framework of an official control or official procedure shall, in accordance with the rules of the [Electronic Communications Act](#) on general administrative supervisory procedure, supervise compliance with the provisions laid down in the digital service rule by intermediary service providers established in Hungary and by intermediary service providers under the jurisdiction of Hungary pursuant to Article 56(6) and (7) of the Regulation, unless the Commission has exclusive competence pursuant to Article 56(2) and (3) thereof.

(2) The President shall, in his/her powers of general official supervision, exercise the powers of investigation under Article 51(1) of the Regulation pursuant to the rules of the [Electronic Communications Act](#) on the clarification of the facts.

(3) Any person may submit a complaint to the President concerning a violation of the rules of the Regulation and of this Act by an intermediary service provider.

(4) In the case of a complaint concerning non-compliance of a decision taken by a provider of the online platform with a digital service rule pursuant to Articles 16(5) and 17(1) of the Regulation, the President shall initiate the procedure on condition that the complainant has exhausted the procedures and remedies available under the internal complaint handling system of the intermediary service provider.

(5) If the complainant has not fulfilled the condition set out in paragraph (4) before lodging the complaint, the President shall inform the complainant by letter of the procedural condition set out in paragraph (4).

(6) The President shall investigate the complaint referred to in paragraph (3) in accordance with the Regulation and this Act and, if he/she has jurisdiction and competence in relation to the intermediary service provider concerned, shall issue a administrative decision by applying the relevant procedural rules of the [Electronic Communications Act](#). In the case of infringements detected in the framework of general official supervision, the President may apply the legal consequences provided for in Section 16.

(7) If the President does not have jurisdiction and competence in relation to the intermediary service provider concerned, but the complaint indicates a potential infringement of the rules of the Regulation, the President shall, pursuant to Article 53 of the Regulation, forward the complaint, together with an indication of the legal provision infringed, the facts and data found in his/her investigation, the grounds for the infringement and his/her opinion on the case, to the digital services coordinator having jurisdiction in the place of establishment of the intermediary service provider or to the Commission.

Section 11 (1) If the President finds the rules of the Regulation being infringed by the intermediary service providers for which he/she has jurisdiction and competence, either at the request of the digital services coordinator of another Member State or of the European Board for Digital Services or on his/her own initiative, he/she shall initiate official proceedings pursuant to the general rules on official supervision under the [Electronic Communications Act](#).

(2) If the President finds an infringement of the rules of the Regulation *ex officio*, but has no jurisdiction or competence over the intermediary service provider concerned, he/she shall inform the digital services coordinator having jurisdiction in the place where the intermediary service provider is established or the Commission of the infringement in writing, stating the legal provision infringed, the facts and data found in his/her investigation, the reasons for the infringement and his/her opinion, and request the latter to take action.

Section 12 (1) The President may, by an administrative decision, order the intermediary service provider established in Hungary and an intermediary service provider subject to the jurisdiction of Hungary pursuant to Article 56(6) and (7) of the Regulation, to provide all data, even if they are legally protected secrets except for classified data, which are necessary

(a) for the performance of the tasks entrusted to the President in the exercise of his/her prerogatives; or

(b) for the performance of the President's non-administrative tasks provided for by law, in particular compliance with the obligation to provide data or information to the bodies of the European Union or to the digital services coordinator of another Member State, to provide the basis for regulatory decisions and analyses, and for the purpose of continuous analysis and evaluation of the digital services market.

(2) Where the provision of data pursuant to paragraph (1)(a) or (b) above is not sufficient for the performance of the President's task for which the provision of data was ordered, the President may require an undertaking operating in the digital services market or in another sector directly related to it, including the entities carrying out the controls referred to in Article 37 of the Regulation, to provide the necessary data.

- (3) The President may request, by reasoned request, the transfer of data submitted to the digital services coordinator of another Member State, if the data concerned are necessary for the performance of the President's tasks under this Regulation and are retained by the digital services coordinator of another Member State. The President shall ensure that the level of protection of the data transferred is equal or higher than at the transferring digital services coordinator.
- (4) The President may, in an administrative decision, require an intermediary service provider established in Hungary to provide data periodically or continuously.
- (5) The President may, in an administrative decision, require an intermediary service provider established in Hungary to provide data remotely from a control system on-premise or installed or incorporated in the official register.
- (6) The President shall inform the provider of the data about the processing and use of the data concerned, the legal basis and purpose of the provision of the data and the possible legal consequences of failure to provide the data, as referred to in paragraph (9). An appropriate deadline for the provision of data should be set.
- (7) When providing data pursuant to paragraphs (1) to (5) above, the data provider shall be responsible for the adequacy, timeliness, authenticity, accuracy, verifiability and correctness of the data content.
- (8) A statement of claim against a decision pursuant to paragraphs (1) to (5) may be lodged within 15 days of its notification. The statement of claim submitted has suspensory effect. The court will decide in a simplified procedure within thirty days. Within 3 working days of receipt of the statement of claim, the court shall, at the same time as the statement of defense is notified, set a time limit for the parties to lodge their applications, which shall not be less than 3 days.
- (9) In the event of non-compliance or partial compliance with the reporting obligation of the party set out in paragraphs (1) to (5), the President shall impose a fine of up to 6% of the global annual turnover of the previous financial year in the case of an intermediary service provider, and up to HUF 50 million in the case of an undertaking referred to in paragraph (2) above.
- (10) In the absence of turnover, revenue or relevant data, the amount of the fine shall be not less than HUF 100,000 and not more than HUF 50 million. In addition, the President may also impose a fine of between HUF 50,000 and HUF 3 million on the executive officer of the infringing service provider in the event of its non-compliance or partial compliance with the reporting obligation.
- (11) In determining the amount of the fine under paragraph (9), the President shall weigh and consider all the circumstances of the case, in particular the turnover of the infringer and the seriousness of the damage caused by the failure to provide the data.
- (12) The President may, by order issued in the form and content specified in Article 10 of the Regulation, require the intermediary service provider to provide information.

Section 13 (1) The President shall keep a public official register of the out-of-court dispute settlement bodies referred to in Article 21 of the Regulation ('dispute settlement body').

(2) On the basis of an application by an organisation which meets the conditions laid down in the Regulation and in the President's decree, the President shall decide by an administrative decision on the certification and registration of the organisation as a dispute settlement body. The President shall decide by an administrative decision to revoke the certificate of the dispute settlement body and to remove it from the register.

(3) The register referred to in paragraph (1) above shall contain:

(a) the name, registered office and contact details of the dispute settlement body,

(b) the period of validity of the certificate of the dispute settlement body; and

(c) where the administrative decision issuing the certificate specifies, the subjects on which and the languages in which the dispute settlement body is authorised to conduct the dispute settlement procedure.

(4) The data in the register referred to in paragraph (1) shall be public and made available on the Authority's website.

(5) The dispute settlement body shall notify the President within fifteen days of any change in the information contained in its register or in the conditions for certification.

(6) The detailed rules for the certification and registration of the dispute settlement body shall be laid down by the President in a decree.

Section 14 (1) The President shall keep a public official register of trusted flaggers as defined in Article 22 of the Regulation.

(2) On the basis of an application by an organisation established in Hungary that meets the conditions laid down in the Regulation and the President's decree, the President shall, by decision, designate the applicant organisation as a trusted flagger and add it to the register. The President shall issue an administrative decision to suspend or revoke the effect of the classification of the trusted flagger status and, in the event of revocation, to remove the organisation from the register.

(3) The register referred to in paragraph (1) above shall contain:

(a) the name, registered office and e-mail address of the trusted flagger,

(b) the area or areas of expertise of the trusted flagger, as designated by the President, and

(c) in the case of suspension of the status of trusted flagger, the details of the suspension.

(4) The data in the register referred to in paragraph (1) shall be public and made available on the Authority's website.

(5) A trusted flagger shall notify the President within fifteen days of any change in its details contained in the register or in the conditions for classification as a trusted flagger.

(6) The President shall lay down detailed rules for the classification and registration of trusted flaggers by decree.

Section 15 (1) The President shall keep an official register of vetted researchers pursuant to Article 40(8) of the Regulation.

(2) If a researcher established in Hungary demonstrates in his/her application that he/she fulfils the conditions set out in Article 40(8) of the Regulation and that the purpose of the research contributes to the detection, identification and understanding of systemic risks in the European Union as defined in Article 34(1) of the Regulation and to the assessment of the appropriateness, effectiveness and impact of risk mitigation measures pursuant to Article 35, the President shall register him/her as a vetted researcher.

(3) The register referred to in paragraph (1) above shall contain:

(a) the researcher's name,

(b) the researcher's postal and e-mail address and telephone number,

(c) the name and registered office of the research organisation to which the researcher belongs, and

d) the purpose of the research.

(4) A vetted researcher shall notify the President within fifteen days if there is a change in his/her details in the register or in the conditions for classification as a vetted researcher.

(5) The register referred to in paragraph (1), with the exception of the researcher's personal data referred to in paragraph (3)(b), shall be publicly accessible on the Authority's website and shall be considered as a public official register for this purpose.

(6) The President shall process the natural person researcher's the personal data referred to in paragraph (3)(a) and (b) until their deletion from the register for the performance of his/her official duties and for the provision of the information referred to in Article 40(8) of the Regulation.

5. Legal consequences

Section 16 (1) In the event of an infringement of the digital service rule, the President shall apply the legal consequence provided for in this section against the intermediary service provider established in Hungary.

(2) In applying the legal consequence, the President shall act in accordance with the principle of equal treatment, having regard to the principles of gradual approach and proportionality; he/she shall apply the principle of gradual approach in accordance with the gravity or repetition of the infringement and shall apply a legal consequence proportionate to all the circumstances of the case and the aim pursued by the legal consequence, taking into account

the need to ensure that the legal consequence is suitable to deter the perpetrator of the infringement or any other person from further infringements.

(3) The President shall impose the legal consequence — depending on the nature of the infringement — taking into account the gravity of the infringement, whether it was committed on one or more occasions or on an ad-hoc or continuous basis, its duration, the pecuniary benefits earned as a result of the infringement, the damage to interests caused by the infringement, the number of persons aggrieved or jeopardized by the damage to interests, the damage caused by the infringement, the privacy violation and the impact of the infringement on the market and other considerations that may be taken into account in the particular case.

(4) For the purposes of the application of the legal consequence, the infringement shall be deemed to be repeated if the infringer repeatedly commits the infringement established in the final administrative decision on the same legal basis and in the same provision, in the same subject matter, within three hundred and sixty-five days.

(5) Without applying the discretionary criteria set out in paragraph (3), where the infringement is of minor gravity and there is no evidence of repetition, the President may, while establishing the fact of the infringement, call upon the infringer to cease the infringing conduct, to refrain from future infringements and to conform to the law, setting an appropriate time limit and determine the conditions for such action.

(6) If a call pursuant to paragraph (5) is not applicable in all the circumstances of the case or would not be an effective means of enforcing the obligation to cease the infringement, the President may, without giving reasons for not issuing a call, apply additional legal consequences pursuant to paragraph (7) or accept and make binding a voluntary undertaking offered by the intermediary service provider to settle the case in the public interest and in the interest of the client, and may conclude an authoritative contract with the intermediary service provider in accordance with the rules of the [Electronic Communications Act](#).

(7) The President may, as an additional legal consequence:

(a) prohibit the unlawful conduct, order the intermediary service provider to cease the illegal conduct and impose obligations to enforce the provisions of the Regulation and this Act,

(b) require the intermediary service provider to publish a notice or the decision on the home page of its website in the manner and for the period specified in the decision; or

(c) impose a fine.

(8) The legal consequences defined under Paragraph (7) above may also be imposed jointly.

(9) In the case of the infringements referred to in Article 51(2)(c) and Article 52(3) of the Regulation, the maximum amount of the fine referred to in paragraph 7(c) shall be 6% of the global annual turnover of the infringing intermediary service provider in the preceding financial year, and in the case of the infringements referred to in Article 51(2)(d) of the Regulation, the maximum amount of the daily fine shall be 5% of the average daily global turnover or income of the intermediary service provider concerned in the preceding financial year.

(10) In case of failure to disclose turnover or revenue data or the relevant data, the amount of the fine shall be not less than HUF 1 million and not more than HUF 100 million, and in case of a daily fine not less than HUF 50,000 and not more than HUF 5 million.

(11) In the cases referred to in Article 51(3) of the Regulation or at the request of the Commission pursuant to Article 82, the President may require the intermediary service provider to carry out an investigation, adopt and submit an action plan or report pursuant to Article 51(3)(a) of the Regulation.

(12) The President may accept and make binding a voluntary undertaking offered in the action plan by the intermediary service provider to settle the case in the public interest and in the interest of the client, and may conclude an authoritative contract with the intermediary service provider in accordance with the rules of the [Electronic Communications Act](#).

(13) If the intermediary service provider fails to comply with the obligation under paragraph (11), or if the action plan is incomplete or cannot be assessed, or otherwise does not comply with the digital service rule, the President may determine the content of the action plan in a decision.

(14) If the intermediary service provider fails to comply or fails to comply properly with the action plan, the President shall apply the legal consequence provided for in paragraph (7)(c) and impose a fine of up to HUF 3 million on the infringer's executive officer.

(15) In the case referred to in Article 51(3)(b) of the Regulation, the President may, in accordance with the provisions of the Regulation, restrict access to the service or order the intermediary service provider to suspend the service, on the basis of a decision of the court.

(16) In the administrative proceedings under this Act, the warning sanction pursuant to [Act CXXV of 2017 on sanctions of administrative offences](#) shall not apply.

6. General rules on out-of-court dispute settlement

Section 17 (1) The dispute settlement body registered under Section 13 shall be competent for the out-of-court settlement of disputes between the provider of the online platform and the recipient of the service under Article 21 of the Regulation, initiated in the subject matter as defined in the certificate under Section 13(2) and in the register. The role of the dispute settlement body is to try to reach an agreement between the parties to resolve the dispute and, if this is not successful, to make a recommendation in the case to ensure that the rights of the recipients of the service are enforced in a simple, quick, efficient and cost-effective manner.

(2) The dispute settlement body shall not be an administrative authority in the context of its activities, nor shall it have judicial or administrative powers, powers of public authority, or the power to perform administrative or judicial acts. The procedure of the dispute settlement body is not an administrative procedure and it cannot exercise official powers. A dispute settlement initiative or complaint submitted to a dispute settlement body is not an administrative case.

(3) The detailed rules governing the procedure and operation of the dispute settlement body shall be laid down by the President by decree.

(4) The dispute settlement body shall establish its own rules of procedure. The rules of procedure shall contain the rules governing the organisation and conduct of business of the dispute settlement body and the conflicts of interest of its members.

(5) The dispute settlement body shall report in its annual report pursuant to Article 21(4) of the Regulation, in addition to the provisions set out therein, on cases in which the provider of the online platform concerned has failed to comply with the decision or recommendation pursuant to Section 19(2).

(6) The dispute settlement bodies shall cooperate to improve jurisprudence and to adopt best practices in alternative dispute resolution procedures.

Section 18 (1) The dispute settlement body shall initiate its proceedings upon the initiation of a dispute settlement procedure or upon a complaint ('application' for the purposes of this Section) by the recipient of the service as defined in Article 21(1) of the Regulation ('applicant'). To initiate the procedure, the applicant must attempt to settle the dispute directly with the relevant intermediary service provider or the applicant must use the internal complaints handling system of the online platform provider in accordance with Article 20 of the Regulation.

(2) If the applicant has not fulfilled the condition set out in paragraph (1) above before submitting the application, the dispute settlement body shall inform the applicant of the procedural condition set out in paragraph (1).

(3) The dispute settlement body shall examine the application and, if the application is manifestly unfounded or the interest or matter raised therein is outside its competence, the body shall notify the applicant thereof within fifteen days. The dispute settlement body shall inform the applicant in the notification, as appropriate, of his/her rights and obligations under the Regulation and the terms and conditions, as well as of the procedures and remedies available to him/her.

(4) For the purposes of the investigation of the application and the settlement of the case, the dispute settlement body shall process the natural person's identification data necessary for the identification of the applicant and other participants in the procedure, as well as other personal data indispensable for the effective conduct of the procedure, until the report pursuant to Article 21(4) of the Regulation is sent to the digital services coordinator.

(5) The applicant may request the confidential handling of his/her natural identity data and address. In this case, in order to ensure the right of access to the file, the dispute settlement body shall prepare an extract of the application in such a way that no inference can be drawn as to the identity of the applicant. The dispute settlement body may only provide this extract to a third party.

Section 19 (1) In the course of the procedure, the dispute settlement body shall attempt to reach an agreement between the parties. If the agreement complies with the digital service rules, the body proves it, otherwise, or in the absence of an agreement, it continues the procedure.

(2) In the absence of an agreement, the dispute settlement body shall, on the merits of the dispute,

(a) issue a binding decision, if the application is justified and the provider of the online platform recognizes in a statement at the start of the procedure or at the latest by the time the decision is issued that it is bound by the decision of the body,

(b) make a recommendation if the application is justified but the provider of the online platform has not accepted the decision of the dispute settlement body as binding on it; or

(c) take a decision rejecting the application if the application is unfounded.

(3) The dispute settlement body shall make provision for the costs of the proceedings in accordance with Article 21(5) of the Regulation and the President's Decree.

(4) The decision or recommendation of the dispute settlement body shall not affect the applicant's right to pursue his/her claim at any stage of the procedure in court.

(5) The intermediary service provider shall inform the dispute settlement body without undue delay upon receipt of the decision pursuant to paragraphs (2)(a) and (b) or, if the decision sets a time limit for the implementation of the provisions of the decision, after the deadline for the implementation set out in the decision:

(a) in the case of paragraph (2)(a), on the implementation of the decision,

(b) in the case referred to in paragraph (2)(b), whether the decision has been implemented.

(6) If the intermediary service provider disregards or fails to comply with the provisions of a decision or recommendation by the dispute settlement body, the dispute settlement body shall require the intermediary service provider to comply with the provisions of its decision or recommendation. If the call is unsuccessful, the dispute settlement body shall make public, without specifying the applicant's personal data, a brief description of the content of the dispute and the outcome of the procedure, and shall provide the President with information on the details of the individual dispute in its annual report pursuant to Article 21(4) of the Regulation.

Section 20 (1) The Online Platform Dispute Resolution Board ('Board') shall be competent, after registration pursuant to Section 13(2), to settle out of court any dispute arising in a contractual relationship under Article 21 of the Regulation.

(2) The Board shall be a professionally independent body within the meaning of Article 21(6) of the Regulation, operated by the Authority.

(3) The Board shall be composed of a chair and a number of members to be determined by decree of the President. The chair and the members of the Board shall be nominated by the President and by the organisations carrying out digital services activities as defined in the President's decree.

(4) The chair and the members of the Board shall be persons who have a law degree and at least 3 years of professional experience. The President may by decree lay down further conditions of eligibility of a member of the Board.

(5) The chair of the Board and its members from the list of candidates shall be appointed by the President for a term of 5 years. The members of the Board shall perform their duties under a service contract and shall be remunerated for their services at the rates laid down by the President's Decree. A board member may not be instructed in his/her decision-making powers in relation to a dispute.

(6) The Board shall determine its own rules of procedure, which shall be approved by the President.

(7) The financial resources necessary for the functioning of the Board shall be provided by the Authority and budgeted separately within the budget of the Authority. The tasks related to the operation of the Board are carried out by the Authority.

7. Orders to act against illegal content and to provide information

Section 21 For the purpose of taking action against illegal content, orders issued by a court or authority in the form, content and language specified in Articles 9 and 10 of the Regulation shall be forwarded to the President in the manner and form specified in the President's decree.

7/A⁵ Rules for the implementation and supervision of the P2B Regulation

Section 21/A (1) The President shall perform the official tasks related to the P2B Regulation.

(2) Pursuant to the rules of [Electronic Communications Act](#) on general official supervision, the President shall, upon request, in the framework of official control or official procedure supervise compliance with the P2B Regulation by online intermediary service providers and providers of online search engines.

(3) The President may also supervise compliance with the P2B Regulation by online intermediary service providers and providers of online search engines established in Hungary *ex officio* pursuant to the rules of [Electronic Communications Act](#) on general official supervision.

(4) The President shall, in the course of his/her administrative activities pursuant to paragraphs (2) and (3), apply a legal consequence pursuant to Section 16(2) to (7) against the online intermediary service provider and the provider of online search engine in the event of an infringement of the P2B Regulation. In the event of an infringement being established, a warning shall not be applied.

(5) In the case of an infringement, the maximum amount of the fine pursuant to Section 16(7)(c) shall be 6% of the global annual turnover of the offending online intermediary service provider or online search engine provider in the previous financial year.

(6) In the absence of the disclosure of turnover or revenue data or data relating thereto, the amount of the fine shall be not less than 1 million HUF and not more than 500 million HUF.

8. Closing provisions

Section 22 The President is empowered to establish by decree:

(a) the rules relating to the certification and registration of the out-of-court dispute settlement body, and the withdrawal of certification and the operation thereof;⁶

(b) the detailed rules of the procedure of the out-of-court dispute settlement body, the content of the application and the manner of its submission;⁷

(c) the requirements for the independence and impartiality of the members of the out-of-court dispute settlement body and the rules for the selection of its members;⁸

(d) the rules governing the organisations nominating the members of the Board, the nomination and selection, the remuneration and the conditions of eligibility of its members;⁹

(e) detailed rules on the classification and registration as a trusted flagger, and of the suspension and withdrawal of such classification;¹⁰

(f) detailed rules on the establishment, payment and monitoring of the supervisory fee applicable to the providers of online platforms established in Hungary, and¹¹

(g) the detailed rules on the forwarding to the President of orders on acting against illegal content.

Section 23 (1) This Act shall enter into force on 17 February 2024, with the exception in paragraph (2).

(2) Section 35 shall enter into force on 18 October 2024.

Section 24 In this Act,

a) Section 1-22, based on [Article 23 of the Fundamental Law](#),

b) Section 33, based on [Article IX \(6\)](#) and [Article 23 of the Fundamental Law](#),

c) Section 34, based on [Article 40 of the Fundamental Law](#),

are considered cardinal.

Section 25¹² This Act lays down the provisions necessary for the implementation of

(a) Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC, and

b) Regulation (EU) 2019/1150 of the European Parliament and of the Council of 20 June 2019 on promoting fairness and transparency for business users of online intermediation services.

9. Amendment to [Act LXXVI of 1999 on Copyright](#).

Section 26¹³

10. Amendment to [Act CVIII of 2001](#) on certain issues of electronic commerce and information society services

Section 27¹⁴

Section 28¹⁵

Section 29¹⁶

Section 30¹⁷

Section 31¹⁸

Section 32¹⁹

11. Amendment to [Act CLXXXV of 2010](#) on media services and mass media

Section 33²⁰

12. Amendment to [Act CXCV of 2011 on the Economic Stability of Hungary](#)

Section 34²¹

13. Amendment to [Act XXIII of 2023 on cybersecurity certification and cybersecurity supervision](#)

Section 35²²



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