

**NMHH Decree No. 4/2024 (III.21.)**

**on the detailed rules regarding out-of-court dispute settlement bodies**

Pursuant to the powers conferred by Section 22(a)-(d) of Act CIV of 2023 on certain rules for Internet intermediary services, and acting within my function laid down in Section 110(1)(i) of Act CLXXXV of 2010 on media services and mass media, I hereby order the following:

1. Scope of the Decree

Section 1 This Decree shall apply to

- (a) out-of-court dispute settlement bodies ('dispute settlement bodies') within the meaning of Article 21 of Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on the single market for digital services and amending Directive 2000/31/EC ('Regulation'),
- (b) the provider of the online platform ('service provider'), and
- (c) the recipient of the online platform service.

2. Rules applicable to the members of the dispute settlement body

Section 2 (1) The chair or member of the dispute settlement body may be a Hungarian citizen who has the capacity to act, has a university degree in law and

- (a) a bar examination,
- (b) an academic degree recognized in Hungary or
- (c) at least ten years' experience as a lecturer of law in a higher education institution.

(2) The chair and the members of the dispute settlement body shall, in addition to the conditions set out in paragraph (1), have at least three years of professional experience in one of the fields of expertise indicated in the certificate of the dispute settlement body.

(3) The chair or member of the dispute settlement body shall, during his/her term of office in a certified dispute settlement body

- (a) not be employed or otherwise engaged in an employment relationship with a service provider,
- (b) not have a direct or indirect shareholding in a company that operates an online platform,
- (c) not be an executive officer or member of the supervisory board of a service provider, and
- (d) not be a member of a political party or engage in political activity.

(4) The conditions of conflict of interest pursuant to paragraph (3)(a)-(c) shall also be fulfilled by the close relative of the chair or member of the dispute settlement body within the meaning of the Civil Code.

(5) The chair or the members of the dispute settlement body can be only a person who

- (a) has no criminal record,
- (b) is not under a disqualification from pursuing a profession linked to a university law degree, and
- (c) meets the conditions set out in paragraphs 1 to 3.

(6) The chair and the member of the dispute settlement body shall be bound to maintain complete confidentiality with regard to facts and data which come to their knowledge in the course of the

dispute settlement body's activities, even after the termination of their mandate, and shall make a written declaration to that effect upon acceptance of their appointment.

(7) Persons who have or previously had an employment relationship with the dispute settlement body shall, during the term of that relationship and after its termination, keep confidential any personal data, classified information, business secrets and any other data, facts or circumstances of which they have become aware in connection with the activities of the dispute settlement body and the performance thereof.

(8) Unless otherwise provided in this Decree, the rules of procedure of the dispute settlement body shall include detailed rules on the following with respect to the member and the chair of the dispute settlement body

- (a) verification of eligibility criteria,
- (b) selection, appointment, registration of members, duties and remuneration,
- (c) conflicts of interest and the legal consequences of conflicts of interest, and
- (d) the suspension and termination of the mandate.

### 3. The acting board

Section 3 (1) Unless otherwise provided in the rules of procedure of the dispute settlement body, the dispute settlement body shall act in a board of three members ('acting board'). The chair of the dispute settlement body shall select the chair and members of the acting board as specified in the Rules of Procedure, in such a way that they have the appropriate expertise in the subject matter of the dispute.

(2) If a member of the dispute settlement body acts alone in the case, the member may take any action and make any decision which the law or this Decree confers to the dispute settlement body or the acting board task in the dispute settlement context. Where this Decree refers to the acting board, it shall also be deemed to include the member of the board acting alone.

Section 4 (1) The chair and the member of the acting board shall be independent and impartial, shall not represent the parties, and shall not accept instructions in the course of their proceedings. The following persons may not serve as the chair or a member of the acting board

- (a) the applicant or the representative of the applicant or the respondent,
- (b) who is employed by, is a member of, is an executive officer of, or has an ownership participation in a natural or legal person who has a regular business relationship with the applicant or the respondent,
- (c) a close relative within the meaning of the Civil Code of the person referred to in points a) and b),
- (d) whose mandate with the dispute settlement body has ended after the initiation of the procedure,
- (e) who has been employed or otherwise engaged in an employment relationship with the applicant or the respondent within a period of one year prior to the opening of the procedure,
- (f) whose rights or legitimate interests are directly affected by the case, or
- (g) who, for other reasons, cannot be expected to give an objective assessment of the case.

(2) The chair or the member of the acting board shall, as soon as the ground for exclusion is established, notify the chair of the dispute settlement body of the existence of the ground for

exclusion. The ground for exclusion may be notified by either party and the chair of the dispute settlement body may also initiate the exclusion.

(3) The chair of the dispute settlement body shall decide on the exclusion of the chair or member of the acting board, after hearing them, in accordance with the rules of procedure of the dispute settlement body, appointing, if necessary, another chair or member of the acting board, and shall also decide whether the procedural acts in which the excluded chair or member acted shall be repeated. Until the decision is made, the acting board - including the chair or member affected by the exclusion - may continue the proceedings, but may not make a decision pursuant to Section 19(2) of Act CIV of 2023 on certain rules regarding Internet intermediary services ('IIS').

(4) If the applicant makes a manifestly unfounded application for exclusion or makes a repeated unfounded application in the same proceedings against the chair of the acting board or against the same member, the acting board may reject the application without examining the merits or may terminate the proceedings. If the respondent makes a manifestly unfounded notification for exclusion or makes a repeated unfounded notification against the chair of the acting board or against the same member, the acting board may refer the matter to the digital services coordinator for infringement of Article 21(2) of the Regulation.

#### 4. Rules on the initiation of dispute settlement proceedings

Section 5 (1) The application for the procedure of the dispute settlement body in accordance with Section 18(1) of the IIS ('application') shall be submitted in writing. The dispute settlement body shall provide for the possibility of submitting the application by electronic means and shall not refuse to accept the application if it is not submitted by the applicant by electronic means.

(2) The dispute settlement body shall ensure the conduct of the procedure by electronic means, including the handling of submissions, the uploading of necessary documents and the organisation of distance hearings by audiovisual means.

(3) The acting board shall communicate with the parties

- (a) on paper,
- (b) - with the consent of the participant in the procedure - by electronic means that are not considered written, or
- (c) in person, including the use of telecommunication means that ensure the immediacy and reciprocity of the communication, and the use of a continuous visual and audio link.

(4) In the case of consent pursuant to paragraph (3)(b), the party, who has given his or her consent, shall provide an electronic mail address to which the acting board shall send all documents in the case, including the documents referred to in Section 19(2) of the IIS as legally effective.

(5) The dispute settlement body may specify in its rules of procedure

- (a) further rules on the means of communication,
- (b) the time limit within which the application may be lodged from the date on which the circumstances giving rise to the initiation of the procedure occurred, and
- (c) the time limit within which the dispute settlement body's proceedings may be initiated if the applicant became aware of the circumstances giving rise to the initiation of the proceedings only later or was prevented from making the application.

(6) In the case referred to in paragraph (5)(b), the time limit set by the dispute settlement body shall not be less than six months, and in the case referred to in paragraph (5)(c), the time limit shall not be less than one year. If the deadline is missed, no application for excuse can be made.

Section 6 (1) The application shall contain, in the language indicated in the certificate of the dispute settlement body, at least the following information

- (a) in the case of a natural person applicant, the name and address of the natural person, as well as his/her postal address other than the address, electronic contact details and telephone number; in the case of a non-natural person applicant, the name, registered office, name, address, electronic contact details and telephone number of his/her representative;
- (b) the name of the service provider involved in the dispute;
- (c) a brief description of the conduct complained of and of the applicant's position, the facts and the evidence in support of it;
- (d) documents certifying fulfilment of the conditions set out in Section 18(1) of the IIS, in particular the written statement of the service provider on the rejection of the complaint, or, in the absence thereof, any other evidence available to the applicant on the attempted conciliation, the use of the internal complaint handling system;
- (e) a statement by the applicant as to whether he/she has initiated proceedings before another dispute settlement body, mediator or court in the case;
- (f) an application for a decision by the dispute settlement body; and
- (g) in the case of a paper-based application, the applicant's or his/her representative's own signature or, in the case of an electronic application other than a written application, the electronic signature of the applicant or his/her representative.

(2) If a fee is payable for the procedure of the dispute settlement body, the application shall be accompanied by a certificate of payment of the fee.

(3) If the applicant is acting through a representative, the application shall be accompanied by the power of attorney or proof of the right of representation.

(4) The applicant shall state in the application whether he/she wishes to be heard and whether he/she consents to be contacted by electronic means other than written communications. In the case of consent, the applicant shall declare his/her e-mail address pursuant to Section 5(4).

(5) If the application does not comply with the requirements set out in paragraphs (1)-(3) above, the acting board shall invite the applicant to remedy the deficiency, stating the deficiency and warning of the legal consequences of the failure, within eight days of receipt of the application, setting a time limit not exceeding ten days.

(6) If, in the course of the procedure, the identity of the natural person applicant is in doubt, the acting board may invite the applicant to prove his/her identity. If the applicant does not provide credible proof of his/her identity, the acting board may reject the application without further examination or terminate the procedure.

Section 7 (1) In addition to the provisions of Section 18(3) of the IIS, the acting board shall reject the application, without setting a hearing and without examining the merits of the case by stating the reasons, if

- (a) the application was not made in the language specified in the dispute settlement body's certificate or the subject matter of the dispute does not fall within the scope of the field of expertise according to the dispute settlement body's certificate;

- (b) the application is not made by the person entitled to make the application, or the applicant lacks capacity and has not been represented;
- (c) the application establishes that the case does not constitute a dispute within the meaning of Article 21 of the Regulation or that the respondent is not a service provider;
- (d) the dispute settlement body sets a time limit for the submission of the application pursuant to Section 5(5)(b) and (c) and the application is submitted after the deadline;
- (e) there are other proceedings before a dispute settlement body, mediation proceedings or judicial proceedings pending between the parties, or a decision of another body, authority or court on the same factual and legal basis;
- (f) the applicant requests the initiation of dispute settlement proceedings in a case that has already been decided on the merits by the dispute settlement body and the application does not reveal any new facts or circumstances that would affect the merits of the case;
- (g) the applicant has not or has not properly complied with the notice to remedy deficiencies pursuant to Section 6(5) within the time limit for this purpose;
- (h) if the dispute settlement body applies a procedural fee to the applicant, the applicant has not paid all or part of the fee due for the procedure within the time limit specified in the notice, or
- (i) the application is manifestly unfounded or the dispute is frivolous or vexatious.

(2) In the case referred to in paragraph (1)(g), the acting board shall inform the applicant that he/she may resubmit his/her application in a complete form.

Section 8 The acting board shall terminate the proceedings if

- (a) the application should have been dismissed without any examination of the merits, but the reason for this was brought to the attention of the acting board after the procedure was initiated;
- (b) the applicant fails to make a statement when invited to do so by the acting board and the application cannot be processed ;
- (c) the settlement between the parties has been approved by the acting board or the proceedings have become devoid of purpose for other reasons;
- (d) the applicant has withdrawn the application, or if the parties jointly request that the procedure should be terminated;
- (e) the acting board finds that the case has already been heard by another dispute settlement body, authority or court, or
- (f) the decision on the merits of the case depends on a preliminary ruling on a question which falls within the competence of a court, an authority or another body, and the applicant does not comply with the request to open proceedings.

## 5. Rules on the dispute settlement procedure

Section 9 (1) The official language of the dispute settlement procedure shall be the language specified in the certificate of the dispute settlement body. If the dispute settlement body certificate contains more than one language, the official language of the procedure shall be the language from those specified in the dispute settlement body's certificate in which the applicant submitted his/her application.

(2) The acting board shall proceed

- (a) in accordance with the requirements of cooperation with the parties and good faith,
- (b) without unjustified discrimination or bias in the light of the rules on equal treatment, and

(c) within the time limit laid down in Article 21(4) of the Regulation.

(3) The acting board shall decide the legal dispute in a fair and cost-effective manner.

(4) The acting board shall suspend the dispute settlement proceedings if the decision on the merits of the dispute depends on a preliminary ruling on a question on which the proceedings fall within the jurisdiction of a court, authority or other body and the applicant is entitled to initiate such proceedings. The acting board shall, after setting an appropriate time limit and warning the applicant of the legal consequence pursuant to Section 8(f), invite the applicant to initiate proceedings before the court, authority or other body.

(5) When the proceedings are suspended, all time limits shall be interrupted and, with the exception of the time limit for the administration of the case under Article 21(4) of the Regulation, shall be resumed when the suspension is lifted. All procedural steps taken during the period of suspension shall be null and void, except those aimed at removing the ground for suspension.

(6) The period referred to in Article 21(4) of the Regulation shall not include the period of suspension of the proceedings.

(7) The day of the occurrence of the act or circumstance giving rise to the commencement of the time limit, the day of communication and the day of service shall not be counted in the time limit fixed in days. The legal consequence of failure to meet the deadline or delay occurs upon the expiry of the last day of the time limit. In case of doubt, the time limit shall be deemed to have been met.

(8) Any person who, without any fault on his part, has missed a deadline or time limit during the procedure may submit an application for excuse. The application for excuse may be made after becoming aware of the omission or the obstacle has ceased to exist, but not later than within a period of time equal to the time limit prescribed for the procedural act to be verified, but not exceeding forty-five days from the date of the missed deadline or the last day of the time limit. If the deadline is missed, the missed act must also be made up at the same time as the application for excuse, if the conditions for doing so are met.

(9) The acting board shall decide on the application for excuse. If the acting board grants the application for excuse, it considers the missed deadline or time limit to have been observed and, if necessary, modifies or revokes its decision or repeats certain procedural steps.

Section 10 (1) Upon receipt of a complete application, the notice sent by the acting board shall contain information on the time limits applied in the dispute settlement procedure, the legal effects of the decisions that may be taken in the procedure pursuant to Section 19(2) of the IIS, the information on the payment of fees and other costs referred to in Article 21(5) of the Regulation, and that the parties are not obliged to be represented by a legal representative in the proceedings, but may be represented by a third party at any time during the proceedings. The notification to the applicant will also include a reminder of the possibility to initiate legal proceedings before a court.

(2) The acting board shall send the notification referred to in paragraph (1) and the application to the service provider's single point of contact within the meaning of Article 11 of the Regulation and shall invite the service provider, setting a time limit not exceeding ten days, to submit

- (a) its statement of submission to the decision of the dispute settlement body,
- (b) a statement indicating the contact address ensuring the legal communication of procedural documents and decisions, including, in the case of an electronic mail address, the consent pursuant to Section 5(3)(b), and

(c) statements and evidence in support of the application.

(3) The notification pursuant to paragraphs (1) and (2) shall, if the dispute settlement body charges a fee for its procedure, include a description of the fee to be paid for the procedure and the method used to determine the fee, as well as the cases in which the service provider is liable to pay the fee and costs for the procedure pursuant to Article 21(5) of the Regulation and Sections 15 and 16.

Section 11 (1) The acting board may invite the parties to provide information or to make statements in order to reach a settlement or to decide the dispute.

(2) The acting board shall set a date for a hearing and shall notify the parties thereof. The acting board may skip the hearing if

(a) the case can be decided simply, without a hearing, and clearly on the basis of the documents, and

(b) the parties do not request a hearing or have not made a statement in this respect.

(3) At the hearing, the parties may be present in person or through their representatives, may make statements and comments, and may present their evidence until the end of the hearing. The hearing is not open to the public.

(4) Minutes of the hearing shall be made. The minutes shall contain the place and time of its preparation, the data necessary for the identification of the persons who took part in the hearing, the substance of their statements, the findings of fact relating to the clarification of the facts during the hearing and a warning of rights and obligations. The contents of the minutes may also be audio-recorded.

(5) The absence of the notified party shall not prevent the hearing from being held and the case from being handled. If the notified person excuses his/her absence in advance for good cause, the hearing may be postponed by the acting board.

(6) There is no place for application for excuse due to failure to attend the hearing. However, if the acting board considers it necessary to hear one of the persons who did not appear, it may postpone the hearing or hold another hearing by setting a new deadline.

Section 12 (1) The parties shall act in good faith and cooperate with the dispute settlement body in order to complete the procedure within the time limit. The conduct of the parties shall not be such as to mislead the acting board or unduly delay its decision or execution.

(2) The parties are obliged to present their statements of fact and other statements of fact in a truthful manner.

(3) The burden of establishing the facts necessary for the determination of the dispute and providing the data and evidence in support thereof shall lie with the parties.

(4) In the course of the proceedings, any evidence may be adduced which is capable of proving a fact before the acting board. The acting board shall examine only the evidence submitted by the parties and shall not be obliged to take any other evidence. The acting board may hear witnesses as deemed necessary.

(5) The parties may make observations on the submissions of the opposing party at any stage of the proceedings.

(6) The parties to the proceedings may indicate the data which they consider necessary to be handled confidentially, by reference to the protection of secrets protected by law, in particular business secrets, other legitimate interests and important considerations. In this case, the participant in the procedure shall also be obliged to prepare a version of the documents submitted by it which does not contain the information specified above.

(7) The data referred to in paragraph (6) shall be kept by the acting board separately and in a closed manner in the case file. The acting board shall ensure that the data handled confidentially are not disclosed. Where justified for the proper administration of justice, enforcement or the exercise of rights related to the dispute settlement procedure, the acting board may request the party to the proceedings to lift the data from being confidentially handled. If the party to the proceedings does not comply with the request, the acting board shall not be entitled to order the lift of the data handled confidentially.

(8) Only the chair and members of the acting board, persons having an employment relationship with the dispute settlement body, the court registrar and, to the extent necessary for the performance of their activities, the digital services coordinator shall have access to the data handled confidentially.

(9) At any stage of the proceedings, the parties to the proceedings, with the exception of preparatory documents and proprietary data, shall have access to the file.

Section 13 (1) The acting board shall give reasons to support its decision on the merits of the proceedings in accordance with the provisions of Section 19(2) of the IIS. The decision includes

- (a) a precise indication of the legislation applied or the conditions of use applied by the service provider, and
- (b) the facts established, the evidence taken into account and the criteria for its assessment.

(2) If the service provider agrees to be bound according to the provisions of Section 19(2)(a) of the IIS, the decision shall specify the obligations on the service provider.

(3) In its decision, the acting board shall determine the costs incurred in the proceedings and the payment thereof, subject to Article 21(5) of the Regulation and Section 15 and 16. If the decision partly grants the application, the acting board shall order the parties to bear their share of the costs, with the service provider being ordered to pay the fee for the procedure. In the event of a decision rejecting the application, the parties shall bear their own costs incurred in connection with the procedure.

(4) The procedural document and the decision of the acting board sent in the course of dispute settlement proceedings shall be deemed to have been notified upon service. The acting board shall serve the procedural document and its decision on the parties by means of an official document or, if the party to the proceedings has given consent pursuant to Section 5(3)(b), by electronic means which shall not be deemed to be written.

(5) A document or decision sent by electronic means which shall not be deemed to be written shall be deemed to have been served on the third day following the date of sending. The decision pursuant to Section 19(2) of the IIS shall contain the electronic signatures of all the members of the acting board.

(6) A document which has not been served by electronic means shall be deemed to have been served on the date on which service is attempted if the addressee has refused to accept it. If service of the

document was unsuccessful because it was returned to the dispute settlement body from the addressee's address or registered office as recorded in the register of the acting board

- (a) marked "unclaimed", the date of the second attempt to serve the document,
- (b) marked "addressee unknown" or "addressee moved", the document shall be deemed to have been served on the fifth working day following the day on which service was attempted.

(7) If the addressee becomes aware that a document which has not been sent to him/her by electronic means is deemed to have been served by the acting board, he/she may object to the service within eight days of becoming aware of the fact, but not later than thirty days from the date of notification.

(8) The acting board shall grant the objection if the addressee has not been able to receive the document because

(a) service was effected in breach of the law on the service of official documents or it was not proper for any other reason; or

(b) the document could not be received for reasons other than those referred to in point (a) and without any fault on his part.

(9) An objection may be raised by a non-natural person addressee only if service has not been effected properly.

Section 14 (1) The acting board shall decide on the basis of the information available to it if the service provider

- (a) does not participate in the procedure or fails to comply with the duty of cooperation pursuant to Article 21(2) of the Regulation and Section 12(1);
- (b) fails to comply with its obligation under Section 10(1) or fails to comply with it on time;
- (c) fails to comply or fails to comply properly with the notice of the acting board pursuant to Section 11(1);
- (d) engages in conduct that may result in the proceedings being delayed, or
- (e) prevents the discovery of the true facts.

(2) In the case referred to in paragraph (1), the acting board may notify the digital services coordinator of the violation of the obligation to cooperate.

Section 15 (1) The parties shall advance their own costs incurred in connection with the settlement of the dispute.

(2) The applicant may, pursuant to Article 21(5) of the Regulation, request reimbursement of reasonable expenses incurred in connection with the settlement of the dispute, stating the amount of the expenses claimed and, where necessary, supporting them with documentary evidence. Reasonable costs may include, in particular, the costs of prior information, consultation and correspondence, travel expenses and loss of earnings incurred in connection with the personal appearance of the parties. The costs incurred in connection with the representation shall not be considered as costs of the procedure and the service provider shall not be obliged to reimburse the costs incurred in connection with the representation of the applicant.

Section 16 (1) The dispute settlement body may charge a fee for its proceedings.

(2) The amount of the fee to be paid in advance by the applicant for the procedure may not exceed the amount of the standard fee payable for administrative proceedings. The applicant shall not be required to pay any additional procedural costs over and above the advance fee, except in the case of bad faith on the part of the applicant pursuant to Article 21(5) of the Regulation.

(3) If, on the basis of the decision of the acting board, the service provider is liable to pay the procedural fee and the service provider fails to pay the fee within the time limit, the dispute settlement body may notify the digital services coordinator.

## 6. Rules on the certification of a dispute settlement body

Section 17 (1) The dispute settlement body shall submit its application for registration and certification ('application for certification') pursuant to Section 13 of the IIS on the electronic administration platform of the National Media and Infocommunications Authority ('Authority').

(2) The application for certification shall include

- (a) the identity and address details, postal address, e-mail address and telephone number of the natural person representing the dispute settlement body;
- (b) the name and registered office of the dispute settlement body to be certified;
- (c) an indication of the specific area of expertise, in particular the categories of illegal content, to which the dispute settlement body's expertise applies and, in the case of specialization in the terms and conditions of certain online platforms, a list of criteria for determining whether the online platform falls within the specialization of the dispute settlement body on the basis of its type;
- (d) an indication of the language or languages in which the dispute settlement body is able to conduct the dispute settlement proceedings and a description of the technical and staffing conditions under which the dispute settlement body ensures the availability of the proceedings in the relevant language;
- (e) the country or countries in which the body intends to conduct dispute settlement activities;
- (f) the description of the type of electronic means of communication that may be used for the conduct of dispute resolution proceedings by electronic means, the conditions and means of their use, and measures to make electronic means of communication user-friendly, easily accessible and supportive of a quick and efficient dispute resolution process; and
- (g) the duration of the dispute resolution activity requested to be certified.

(3) The languages designated by the dispute settlement body shall include Hungarian.

(4) The dispute settlement body shall attach to its application for certification the documents proving compliance with the conditions set out in Article 21(3) of the Regulation for the period for which certification is sought, in particular

- (a) documents attesting to the qualifications and expertise of the members;
- (b) the rules of procedure complying with the substantive conditions in Section 17(4) of the IIS and this Decree;
- (c) if a fee is payable for the dispute settlement body's proceedings, the fees associated with the proceedings, the methods used to determine the fee, the payment and reimbursement of the fee, and the dispute settlement body's assurance that the fees charged do not exceed the costs of the dispute settlement proceedings;
- (d) evidence that the dispute settlement body is impartial, including at least a description of any conflicts of interest with respect to the members of the dispute settlement body, a

description of the mechanism for monitoring the maintenance of the conditions for holding office during the certification period, and the conditions for the selection and removal of the members of the dispute settlement body and the procedure followed;

- (e) evidence that the dispute settlement body's budget and financial resources are independent of service providers and recipients of services provided by service providers, including individuals or organisations with complaints, also including a description of the remuneration arrangements for the members of the dispute settlement body, independent of the outcome of the procedure;
- (f) a statement that the dispute settlement body will not accept any financial or other material contribution from the service provider;
- (g) demonstrate its ability to settle disputes quickly, efficiently, cost-effectively and in a transparent and accessible manner;
- (h) a statement that, to the best of your knowledge and belief, the information contained in the application and in the file is true and correct;
- (i) a statement whether the dispute settlement body

(ia) provides other services in addition to out-of-court dispute resolution, and if so, what these are, to whom it provides them, and how it ensures that the provision and funding of other services does not affect the independence and impartiality of the members of the dispute settlement body,

(ib) is a member of any network or organisation of dispute resolution organisations promoting out-of-court dispute resolution for service providers; and

(ic) is part of a larger group of companies, in which case details of the interests between the members of the group and the dispute settlement body, the persons within the group who have an interest in the dispute settlement body and their other interests in other entities should be provided;

- (j) evidence that it is able to maintain a website that meets the conditions set out in paragraph 8 in order to ensure transparency of its operations and procedures; and
- (k) a statement that the dispute settlement body will cooperate with other dispute settlement bodies in the resolution of cross-border disputes and in the adoption of best practices.

(5) The President of the Authority ('President') shall examine the application for certification and register the dispute settlement body that meets the statutory requirements and issue a certificate.

(6) The President shall send confirmation of the fact of registration and of the data recorded in the register to the certified dispute settlement body by electronic means.

(7) The dispute settlement body may carry out dispute settlement activities from the date the certificate is issued.

(8) The dispute settlement body shall maintain an up-to-date website containing at least

- (a) relevant information on the dispute settlement procedure of the dispute settlement body, in particular the rules pertaining to

(aa) submitting an application,

(ab) if a fee is charged for the procedure, the procedure fee, the method used to determine the fee, the payment of the fee and the bearing of costs,

- (ac) initiating the procedure electronically,
- (ad) procedural steps in connection with the conduct of the procedure, and
- (ae) the decisions that may be taken in the procedure, and
  - (b) the rules of procedure of the dispute settlement body.

Section 18 (1) In addition to the provisions of Article 21(3) of the Regulation, the certificate shall contain

- (a) the name and registered office of the dispute settlement body;
- (b) the certificate number;
- (c) the validity period of the certificate;
- (d) the name of the issuing authority; and
- (e) the date of issue of the certificate.

(2) The dispute settlement body may initiate the renewal of the certificate with the President before the expiry of the validity of the certificate, but no later than six months before that expiration date. The application for renewal of the certificate is subject to the rules for the issue of the certificate.

Section 19 (1) The President shall *ex officio* supervise the compliance of the dispute settlement body with the conditions for certification in the framework of an official control or official procedure.

(2) Any person may report a breach of the conditions of certification to the President. The report shall state the name and address of the notifier, the circumstances giving rise to the President's action, the activity or conduct which may give rise to the presumption of the existence of a breach of the provisions of the certificate, the facts on which the notification is based and the evidence in support of the notification.

(3) The President shall, at the same time as the notification of the initiation of the general administrative supervisory procedure, invite the dispute settlement body concerned to submit its observations, comments and evidence on the subject matter of the procedure.

(4) In order to clarify the facts, the President may require the dispute settlement body or its agents, employees or other persons having a legal relationship with the dispute settlement body to provide additional data and information.

(5) If the President considers that the withdrawal of the certification is justified on the basis of the available information, he/she shall send to the dispute settlement body his/her preliminary position, which shall include the facts established in the proceedings, the evidence in support thereof, the assessment of the facts and the content of the proposed decision. The dispute settlement body may make statements and comments on the preliminary position within a time limit set by the President, which shall not exceed thirty days.

(6) If the President revokes the certificate of a dispute settlement body, he/she shall, within 8 working days of the date on which the decision becomes final, *ex officio* remove the dispute settlement body from the register.

#### 7. Rules on the reporting obligations of the dispute settlement body

Section 20 (1) The certified dispute settlement body shall submit electronically to the President, by 31 March of the current year, its annual report pursuant to Article 21(4) of the Regulation in a machine-readable format, via the electronic administration interface of the Authority, for each year.

(2) The report shall include

- (a) the number and type of applications received during the current year;
- (b) any recurring or significant problems that have led to disputes between applicants and service providers, and any recommendations, together with this information, on how such problems can be avoided or resolved in the future;
- (c) data on the number of dispute settlement proceedings in which the applications were rejected without setting a hearing, the reasons for rejection and the percentage of such rejections;
- (d) the proportion of the types of decisions taken in the given year in relation to the total number of cases, broken down according to the merits or otherwise of the applicant's claim, with particular reference to decisions terminating the procedure and the reasons for the latter, if known;
- (e) if known, the proportion of proceedings in which the parties have acted in accordance with the outcome of the proceedings;
- (f) the average time needed to conclude dispute settlement proceedings;
- (g) if known, the data relevant to the compliance by the service providers with the decisions of the dispute settlement body pursuant to Section 19(2)(a) and (b) of the IIS and its decision to approve the settlement; and
- (h) the dispute settlement body's assessment of the effectiveness of its procedures and ways to improve its performance.

(3) The average time required for the settlement of disputes shall be determined by taking into account the time between the receipt of the application and the decision terminating the procedure.

(4) The President shall, *ex officio*, supervise compliance by the dispute settlement body with paragraphs (1) to (3) in the framework of an official control or official procedure. If the dispute settlement body fails to comply with its reporting obligations even after being requested to do so by the President, the President may initiate official proceedings to revoke the certificate.

#### 8. Rules for the Online Platform Dispute Resolution Board

Section 21 (1) The Online Platform Dispute Resolution Board ('Board') consists of a chair and at least eight members.

(2) The Chair of the Board

- (a) leads the work of the Board,
- (b) represents the Board,
- (c) prepare the Board's rules of procedure and its annual report under Article 21(4) of the Regulation,
- (d) checks that procedural deadlines are respected,
- (e) is responsible for ensuring that the Board operates in accordance with the provisions of the Regulation, the IIS and this Decree, and
- (f) designate the member handling the case or the members of the acting board.

(3) Two members of the Board shall be appointed by the President. The other members of the Board may be nominated, at the President's request, by a national organisation which has represented professional interests or provided self-government for at least three years for the protection of minors, the information society, media content providers and electronic communications service

providers ('nominating organisation'), by the deadline specified. A nominating organisation may propose more than one person to be a member of the Board at the same time.

(4) The request of the President pursuant to paragraph (3) shall include the documents to be submitted in order to prove the eligibility criteria and an indication of the field or fields of expertise in which the candidate member must have appropriate expertise.

(5) The Chair of the Board shall be appointed by the President from among the members nominated by the nominating organisations.

(6) The nominating organisation shall attach to the nomination documents and instruments attesting to the candidate's compliance with this Decree, as well as the candidate's declaration of acceptance and consent to the processing of his/her personal data in the nomination process ('nomination documents'). The President shall ensure that nomination documents are obtained for the persons nominated by the President.

(7) If the candidate does not meet the conditions of conflict of interest under this Decree, he/she shall declare in a declaration of his/her conflict of interest, which shall be part of the nomination papers, that if appointed he/she will remove the conflict of interest within thirty days from the date of conclusion of the contract of appointment.

(8) If the nomination does not contain the nomination documents or does not contain them properly, the President shall invite the nominating organisation once to remedy deficiencies, at the same time informing it that failure to comply with the request within the time limit or to comply with it properly will result in the nomination being invalid.

Section 22 (1) The submitted nomination shall be invalid if it

- (a) did not come from an eligible nominating organisation,
- (b) was late,
- (c) the nominating organisation has not responded or has not responded properly to the invitation to remedy deficiencies within the time limit for set for it, or
- (d) it is clear from the nomination documents submitted that the candidate does not meet any of the eligibility criteria laid down in the IIS and this Decree or that there are grounds for conflict of interest or exclusion.

(2) In the event of an invalid nomination, the President shall notify the nominating organisation in writing, together with the return of the nomination documents.

(3) In the case of a valid nomination, the President shall decide on the appointment of the candidate and shall notify the nominating organisation and the candidate thereof, together with the return of the nomination documents. If the number of candidates with valid nominations exceeds the number of seats to be filled, the President shall decide on the appointment, taking into account of the fact that persons with expertise in various fields are represented in the Board.

(4) If no valid nominations are received, or if the number of valid nominations is less than the number of seats to be filled, the President shall nominate members for the remaining seats or may invite the nominating organisations to propose members again.

(5) The Board shall indicate on its website the names of the members of the Board, their areas of expertise and the beginning of their term of office.

Section 23 (1) The term of office of the Chair and members of the Board shall end

- (a) by mutual agreement,
- (b) upon the expiration of the term of office,
- (c) by notice,
- (d) upon the death of the Chair or the member of the Board,
- (e) if the conflict of interest pursuant to Section 2(3) and (4) is not eliminated by the Chair or a member of the Board within thirty days after the cause of the conflict of interest arises or within the time specified in Section 21(7),
- (f) from the date on which the judgment becomes final if, as a result of criminal proceedings against the Chair or a member of the Board, guilt has been finally and definitely established by a judgment of a court, or
- (g) if the Chair or a member of the Board has been placed under a guardianship order affecting his/her capacity to act.

(2) The Chair or a member of the Board may, in the case referred to in paragraph (1)(a), (b) and (e), be nominated and reappointed after the termination of his/her term of office, provided that the conditions laid down in this Decree are fulfilled.

(3) If there is a ground for exclusion or conflict of interest against the Chair or a member of the Board, the member of the Board shall immediately declare it to the Chair of the Board, and the Chair of the Board shall declare it to the President by a statement.

(4) A member of the Board and the Chair of the Board may resign at any time by a declaration addressed to the President. The notice period is thirty days. If the operational capacity of the Council so requires, the termination shall take effect on the date of the appointment of the new Chair or member or, failing this, at the latest on the ninetieth day following the date on which the declaration is made. The President makes a decision in this regard.

(5) The President shall terminate the term of office if the Chair or a member of the Board

- (a) does not meet the conditions for appointment or a ground for exclusion has arisen after the appointment,
- (b) unworthy to perform the duties incumbent upon the Board, or
- (c) is permanently incapable of performing the duties arising from his/her mandate or fails to perform the duties arising from his/her mandate for a period of more than six months for reasons attributable to him/her.

(6) If the term of office of the Chair or a member of the Board ceases for any reason, a new Chair or a new member of the Board shall be appointed in accordance with the selection procedure for that office, on the basis of a nomination by the President or a nominating organisation.

Section 24 (1) The chair of the acting board shall be entitled to a remuneration of HUF 60,000, and the members of the acting board shall be entitled to a remuneration of HUF 45,000 for the approval of a settlement between the parties by the acting board, and the decision of the acting board pursuant to Section 19(2) of the IIS. In the event of the rejection of an application without examination of the merits or, except in the case of approval of a settlement between the parties by the acting board, the termination of the proceedings, the chair and the members of the acting board shall not be entitled to any special remuneration.

(2) The chair and the members of the acting board shall be entitled to a remuneration of at least HUF 100,000 but not more than HUF 500,000 per month on the basis of the cases handled pursuant to paragraph (1).

Section 25 (1) The applicant and the service provider shall pay a fee for the Board's proceedings. The procedural fee payable by the applicant shall be HUF 3,000, unless the acting board rejects the application, and based on Article 21(5) of the Regulation, determines that the applicant has obviously acted in bad faith, in which case the procedural fee shall be HUF 50,000, the excess of which over the amount paid at the initiation of the procedure shall be paid by the applicant within 15 days of the notification of the decision closing the dispute settlement procedure to the Board's Online Platform procedural fee account (10032000-00300939-01010033) at the Hungarian State Treasury.

(2) The procedural fee to be paid by the service provider

- (a) HUF 50,000 in the event of approval of the settlement between the parties by the acting board,
- (b) HUF 100,000 in the case of a decision containing obligation of the acting board pursuant to Section 19(2)(a) of the IIS,
- (c) HUF 150,000 in the case of the recommendation of the acting board according to Section 19(2)(b) of the IIS, and
- (d) HUF 50,000 with the exception of a decision pursuant to paragraph (3)(b), in the case of a decision by the acting board that rejects the application on the basis of an examination of the merits pursuant to Section 19(2) of the IIS.

(3) The service provider is not obliged to pay a fee

- (a) in the event of rejection of the application without examination of the merits or termination of the dispute settlement procedure pursuant to Section 8(a) and (b) or (d) to (f), and
- (b) in the event of rejection of the application by the acting board after examination of the merits pursuant to Section 19(2)(c) of the IIS, if the acting board finds, pursuant to Article 21(5) of the Regulation, that the applicant has acted in manifest bad faith.

(4) The same service provider may only be required to pay a maximum total of HUF 10 million in procedural fees in a given calendar year.

(5) The procedural fee shall be paid by the service provider within 15 days of the notification of the decision closing the dispute resolution procedure to the Board's Online Platform procedural fee account (10032000-00300939-01010033) at the Hungarian State Treasury.

(6) If the acting board grants the application at least in part on the merits of the dispute, the fee paid by the applicant for the procedure and any other reasonable costs paid by the applicant in connection with the dispute resolution shall be reimbursed to the applicant by the service provider on the basis of the guidelines set out in the decision of the acting board.

## 9. Closing provisions

Section 26 (1) This decree shall enter into force on the day following its publication, with the exception of paragraph (2).

(2) Sections 16 and 25 shall enter into force on the 31st day following the publication of this Decree.

Section 27 This Decree lays down the provisions necessary for the implementation of Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on the single market for digital services and amending Directive 2000/31/EC.