

**All Domestic Companies Shall Be Obligated to Contact Courts of Registrations before
February**

29th September 2012, Saturday 2:55 pm

As a result of significant company law changes affecting all companies, all companies are obliged to report certain data and submit documents stipulated by law before 1st February 2013 – said the expert of Kovács Réti Szegheő Attorneys at Law to [origo], who also pointed out that the law amendment has also brought about significant changes regarding the probative force of specimen signatures prepared by attorneys at law.

Act V of 2006 on Public Company Information, Company. Registration and Winding-up Proceedings has been amended several times this year. Among others, the Companies Act stipulates the data companies need to report and the documents they need to submit to the court of registration, furthermore it sets forth the statutory provisions based on which the court of registration decides on the registration of companies and on the registration of changes resolved by their main bodies.

For instance, dr. Arvid Hauck emphasized that, based on the amendment that came into effect on 1st March 2012, all limited liability companies are obliged to report the date of birth, mother's maiden name of their natural person members and in case of non-natural person members they need to report the name of the authority that registered the company and the company registration number among others.

Furthermore, private and public companies limited by shares are obliged to report, among others, their natural person shareholders' date of birth and mother's maiden name and their non-natural person shareholders' company registration or registration number if their shareholder's voting right exceeds 50% or the shareholder has an influence providing qualified majority, i.e. he, she or it owns at least 75% of the shares.

Certifying the Usage of the Registered Seat

The expert of Kovács Réti Szegheő Attorneys at Law explained that, from 1st March 2012, the Companies Act obliged all companies to certify the legal grounds of their registered seat usage before 1st February 2013. In many cases this used to be a quite significant problem to those companies that did not use their own real estates as their registered seat, since in this case, the declarations of all the owners of the real estate used as a registered seat needed to be obtained in which they stated that the company could use the real estate as a registered seat.

The above provision that had come into effect in March this year was already modified in July in such a way that the company is not obliged to certify the legal grounds of usage, it only needs to make a declaration about the lawfulness of usage, which declaration can be made through the authorized representative of the company and it is much more simple to obtain this document - emphasized dr. Arvid Hauck. In case a company only reports data that became necessary due to the change of the act to the court of registration and it does not wish to modify anything else in its registered data, no duty or publication fee needs to be paid for reporting.



If the given company does not fulfil its data disclosure obligation until 1st February 2013, a judicial review procedure may be initiated against it, in which the court of registration may impose a fine on the company – or if it can be established that an executive officer gave cause for the judicial review procedure then on the executive officer – in the amount of HUF 100 000 up to HUF 10 million.

It is Obligatory to Assign a Delivery Agent

Apart from the above, amendments have brought about other novelties as well. For example, earlier the Companies Act made it possible to include the assignment of a delivery agent, who took care of receiving and forwarding documents to the foreign person that were addressed to him, her or it that were issued by the court or other authorities in connection with the operation of the company, in the application for registration or the registration of changes if there was a foreign legal person or a foreign unincorporated business association in the application for registration or registration of changes, or if the foreign natural person involved in the application did not have a Hungarian residence.

From 1st March 2012, the Act makes it an obligation and not an option to assign a delivery agent, therefore, in such cases, the person of the delivery agent needs to be reported to the court of registration as well. In this respect, the amendment according to which the termination of the assignment of the delivery agent needs to be reported to the court of registration within 15 days from the date of termination is also worth mentioning.

Considerable Change Regarding Specimen Signatures Prepared by Attorneys at Law

The expert of Kovács Réti Szegheő Attorneys at Law explained that following the amendment of the Companies Act in 2007, attorneys at laws were entitled to prepare specimen signatures, which documents certifies lawfully how the executive officer of the given business association exercised its power of representation; however, this document could only be used in the registration procedure. From 1st July 2012, regulations have made it possible to use the specimen signature prepared by the attorney at law generally and it made it obvious that signature registration cards prepared by notaries public and specimen signatures prepared by attorneys at law both prove how the authorized representative exercises its power of representation, which means that the probative force of specimen signatures prepared by attorneys at law is the same as signature registration cards prepared by notaries public.

However, it is important to note that regulations remained unchanged regarding the fact that signature registration cards prepared and certified by notaries public are public documents, while the specimen signatures prepared by attorneys at law are private documents with full probative force. Notaries public may prepare signature registration cards irrespective of the registration procedure at all times, while attorneys at law may prepare specimen signatures only in connection with a registration procedure in case of company registration or registration of changes affecting representation rights, all other specimen signatures prepared and used in any other cases omitting the submission to the court of registration is qualified as against the law.



Specimen Signatures, Signature Registration Cards

It is also an interesting change in connection with the above that thanks to the amendment that became effective on 1st July 2012, it can be requested that the specimen signature or the signature registration card attached to the application for registration becomes registered in the company register as well. As soon as the document becomes a part of the company register, the specimen signature or signature registration card may be viewed when accessing a company extract and it may also be forwarded as an electronic document. Naturally, companies that are already registered may live with this opportunity as well and they may request in accordance with the Companies Act that their signature registration cards of previously attached specimen signatures countersigned by an attorney at law becomes a part of the company register; however, this procedure counts as a registration of changes, thus duty and publication fee needs to be paid – warned dr. Arvid Hauck.

This change is important, because if the specimen signature or signature registration card becomes a part of the company register, then authorities may not ask the company to send them signature registration cards and certified company excerpts, but they need to access such data electronically through the court of registration.

Apart from this, statutory provisions that became effective in Summer contain changes regarding the obligatory deletion procedure that was introduced in 1st March 2012, on 1st August 2012, the exclusive jurisdiction of the Municipal Appellate Court in judging appeals against decrees on rejecting company registrations or registrations of changes, and the conditions of imposing fees on lawyers in simplified company registration procedures – emphasized the expert of Kovács Réti Szegheő Attorneys at Law.