

New legislation replaces the Act on Electronic Signatures

Act CCXXII of 2015 on the General rules for electronic administration and trust services entered into force on 1 January 2016 the provisions of which will among others replace the provisions of Act XXXV of 2011 on Electronic signatures

The new legislation (for the sake of simplicity hereinafter: “Act”) was enacted by the Parliament essentially in furtherance of widespread extension of electronic administration services, accelerated procedures and declining administrative burdens, wider computerisation of various legal relationships as well as provision of more streamlined and efficient public services for the general public. The Act is partly based on Regulation 910/2014/EU of 23 July 2014 under its abbreviated name: eIDAS (“electronic identification and trust services”) Regulation.

Gradual entry into force

Certain chapters of the Act will enter into force only gradually. The chapter regarding the so-called trust services comes first, the provisions of which will enter into effect **as early as from 1 July 2016**. The notion of trust service is defined in the aforementioned eIDAS Regulation as an electronic service normally provided for remuneration which consists of:

- a) the creation, verification and validation of electronic signatures, electronic seals or electronic time stamps, electronic registered delivery service and certificates related to those services; or
- b) the creation, verification and validation of certificates for website authentication; or
- c) the preservation of electronic signatures, seals or certificates related to those services.

Merely the provisions regulating the aforesaid services will enter into force at the beginning of July, and contemporaneously thereto, the act on electronic signature will be repealed. Therefore, service providers entered into the register of the National Media and Infocommunications Authority who, in accordance with the new Act not registering with the authority concerning trust service, may render their services in relation to electronic signature until 1 July 2017.

The Act lays down the general rules for the electronic relations between the body providing electronic administration services (such as the administrative bodies, local government, courts, arbitration courts, the Prosecutor’s Office, public notaries, court bailiffs and public utility providers) and the customer. Under these provisions, **as from 1 January 2017** in Hungary, customers will be entitled to administer their affairs by electronic means before the

bodies providing electronic administration services as listed above (and other entities that voluntarily undertake and conform to the conditions specified in the Act). On the other hand, the bodies providing various electronic administration services will only be required to ensure electronic administration of affairs as from **1 January 2018** in accordance with the provisions of the Act.

Obligatory electronic administration

As from January 2017, economic organisations and legal representatives will be required to administer all their affairs by electronic means in court or before other authorities (or even public utility providers). Natural persons may only be obligated by legislation to administer their affairs by electronic means; therefore, paper-based administration in person is still available for individuals.

Electronic identification services

Natural persons requiring electronic administration, and the administration services in question require the provision of personal identification data, are obligated to render electronic identification services for which purpose registration must be made at the identification service provider by way of personal appearance. Under the Act, the Government will provide identification services as compulsory and free of charge which may include

- electronic identification service provided using personal identification card containing storage element (the so-called chip),
- the client gate portal already known, or
- identification by telephone with partial code. In the first two cases, in addition to the electronic identification services, safe delivery service and hosting can also be used free of charge.

Official availability

It is also worth mentioning that, economic organisations are required to register their availability for electronic contact, the so-called “official availability” as from 1 January 2017 for example in the company register. By official availability, we shall mean a safe delivery service address (which is presently provided for example by e-Signature service), but the decree (still to be enacted by the Government) may also specify other type of electronic availability.

Given that the essential parts of the Act will only be applicable as from 1 January 2017 or even later, and various organisations providing electronic administration services will be required as from 1 January 2018 to provide electronic administration services for affairs according to the provisions of the Act, as well as certain related Government Decrees are expected to be enacted or adopted, all entities will hopefully have sufficient time to prepare for the changes.