

## **New Sales Contract Rules from Mid-March**

**The new Civil Code effective from 15 March will bring substantial changes for consumers entering into a sales contract with a company, the expert of Kovács Réti Szegheő Attorneys at Law said to origo. Dr. Enikő Vida emphasized that in about one and a half months more stringent rules would apply to the contestation of contracts violating pre-emption rights. Another significant change is that it would be advisable to take the opportunities associated with registration in the security register.**

The new Civil Code allows for the retention of title as a security. This means the seller is entitled to retain title until the purchase price is paid in full.

It is a new rule that title retention is required to be entered in the appropriate register. Appropriate registers include the land register for immovable property and the new security register or the existing authentic registers for movable property, the expert of Kovács Réti Szegheő Attorneys at Law said.

If title retention is not registered for a movable property, the seller will not be secured by title retention because the person acquiring the movable property from the purchaser in good faith and for consideration will acquire title to the movable property and the lien established by the purchaser in favour of a third person will take effect.

### **Sale to consumers**

Consumers as purchasers are protected by a new provision pursuant to which a business as a seller is required to deliver the goods to the purchaser without delay but not later than thirty days from the conclusion of the contract unless otherwise agreed by the parties.

The new Civil Code makes it clear that, in the case of a sales contract concluded with a consumer, the risk will pass to the purchaser when he or a person appointed by him takes possession of the goods. The risk will not pass to the consumer upon delivery of the goods to a carrier unless the carrier was hired by the purchaser and not recommended by the seller.

### **Rules on pre-emption rights**

Subject to certain conditions, a person exercising pre-emption right may withdraw his previous acceptance. Any such withdrawal must be made within 8 days of being lawfully informed by the owner that others exercised their pre-emption rights to the property concerned.

It is also provided in the new Civil Code that pre-emption rights must be exercised in the order of their establishment in case multiple persons have pre-emption right on the same property as per contract, reminded dr. Enikő Vida.



### **Assertion of claims within thirty days**

The new Civil Code limits the period available for the assertion of claims in the case of violation of pre-emption rights. In case of violation of the pre-emption right, the aggrieved party will be allowed thirty days from becoming aware of the conclusion of the contract to demand the court to declare the invalidity of the contract in relation to him.

For a contract to be declared invalid, the person entitled to exercise pre-emption right must accept the offer simultaneously with the making of the claim and provide evidence for his ability to perform. It is an important rule that any claim resulting from invalidity must be made within three years from the conclusion of the contract, said the expert of Kovács Réti Szegheő Attorneys at Law.