

Provisions on Electronic Construction Log Are Already Effective

From October, for building construction investments whose initial building construction activity has commenced following this date, it has become mandatory to keep electronic construction logs – pointed this very important change out the expert of Kovács Réti Szegheő Attorneys at Law. These changes have been introduced in order to prevent chain reaction to unpaid subcontractor claims evolving in the building-construction industry with other legal institutions ensuring fast proceeding with legal disputes arising in connection with building and construction contracts, dr. Mónika Kapetz underlined.

With the introduction of electronic construction logs, the concept and content of construction logs have not varied. The electronic construction log consists of a main and a sub-log, whose annexes comprise a plan log, an official log certificate, a log of performance certificate, an electronic subcontractor registry and a compilation log.

In respect of general structure types, Lechner Lajos Knowledge Centre Regional, Building, Heritage Protection and Information Technology Nonprofit Kft., the operator of National Register of Buildings, in accordance with those laid down in its Rules (<http://www.lltk.hu/tudastar/dokumentacios-kozpont>), on the application of the developer, will make available an electronic construction log and ensure one-off access for the developer.

Simultaneously With Delivery of Construction Site

The construction log shall be opened simultaneously with the delivery of the construction site, the expert of Kovács Réti Szegheő Attorneys at Law emphasised. In case the owner is not the same as the developer, the owner will countersign the delivery of the construction site in the construction log, issue a declaration of acknowledgement in the construction log or in a separate document and such declaration shall be attached to the construction log electronically.

Log entries shall be made daily and kept updated. Daily reports must be filled out every day even in case no event required to be recorded has taken place, warned dr. Mónika Kapetz. Daily entry along with other documents shall be recorded with the assistance of online or offline frame programme for filling out forms, (i.e. “ÁNYK”), and in this latter case it shall be uploaded on the online system within three days.

Tracking of subsequent modification or deletion of closed log entries and recorded documents are enabled by the electronic construction log. It shall be the developer’s task to create a one-off log-in password for the main contractor.

Control and Log-keeping

During the building and construction activity on the instructions of the developer, the building inspector or the investment advisor or those carrying out the investment, while in the case of the subcontractor log, the employer building-construction contractor or his responsible construction superintendent will continuously control the log and record his remarks and statements therein.



The building-construction contractor may engage his responsible construction superintendent with keeping his own electronic construction log and such agreement shall be recorded in the log together with the acceptance by both. Keeping a main electronic construction log is the task of the main building-construction contractor or if so engaged that of the construction superintendent. The responsible construction superintendent's task comprises, among others the issuance of subcontractor performance certificates and delivery or sending over and recording thereof in the construction log.

May Be Kept by Employer Instead of Subcontractor

The employer building-construction contractor may take over keeping of the electronic construction log of the subcontractor having contractual relationship with him, which shall be recorded in the main or sub-log with the approval of both parties, revealed the expert of Kovács Réti Szegheő Attorneys at Law. Such undertaking may not involve the performance certificate log, the electronic subcontractor register and the compilation log. The person handing over may provide remarks or resume keeping of electronic construction log at any time by his declaration recorded in the log.

During construction, the relevant parties, depending on their respective roles may be granted different access to the electronic log, may have the right to make entries or view. Upon completion of the construction activity, convened by the developer, a technical handover procedure shall be held and an electronic protocol shall be taken thereof and attached to the main log.

The building construction contractor is solely entitled to the full settlement of his invoice submitted if he has satisfied the claims of building subcontractors participating in the fulfilment of his obligation, highlighted dr. Mónika Kapetz.

The building and construction regulatory authority shall supervise the manner of keeping construction log and the contents thereof. It is deemed a material breach of construction log-keeping rules if, in relation to the construction log, due to the omission of developer's fund manager's mandatory participation, the electronic subcontractor's record is absent, in relation to the technicality of the building and construction activity, if the building and construction activity has been carried out without opening the construction log.

Omitting Parties To Be Fined

From 1 October, 2013 new fine shall be introduced for the developer and the building construction main contractor for omitting to make available or open a main construction log.

The above provisions have been implemented with a view to preventing chain reactions of unpaid subcontractors incurring in the building construction industry along with other legal institutions ensuring prompt proceeding with the arising legal disputes.