

## Major changes to the Hungarian Anti-Money Laundering Act

Following the transposition of Directive (EU) 2018/843, Hungary's Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing (AML Act) was amended significantly with effect from 10 January 2020. The changes affect a wide variety of service providers, including credit and financial services institutions, real estate agencies, providers of accounting services, tax advisors, attorneys, public notaries, fiduciary managers and providers engaged in virtual currency services.

These providers will have to update their internal policies (or implement and submit new ones to the relevant supervisory authority if they start operating after 10 January). Fortunately, the National Tax and Customs Administration is expected to issue guidelines and sample policies in late February, which will probably help most service providers adjust to the new regulations.

To keep pace with rising transaction values, the limits that service providers are obliged to apply in customer identification processes have been increased (e.g. a one-off transaction is only subject to review if the amount in question is at least HUF 4,500,000 (EUR 13,430) instead of the previous HUF 3,600,000 (EUR 10,750)).

Besides the many changes not detailed here, one important obligation that applies to all service providers has remained the same: the ultimate beneficial owners of clients that are legal persons must be recorded in a central government database (once it is set up at a later date). However, the AML Act should be applied in combination with Hungary's Act LII of 2017 on the implementation of the financial and asset restricting sanctions declared by the European Union and the

United Nations Security Council, as this act imposes further obligations on entities that are subject to the AML Act.

## Introducing Hungary's Register of Architectural Works

Early 2020 saw the official launch of a national Register of Architectural Works (see [here](#)). The purpose of this database is to keep a record of construction works that involve copyrighted designs and to inform the public of the identity of such copyright owners.

If an architectural work (design) is created after 31 December 2019, the required data pertaining to the economic rights of the designer must be submitted to the register within 30 days of the designer's delivery of the engineering documents to the client. Although the use of the system is mandatory, designers will not be entitled to any economic rights simply by registering their designs.

Because the system is new, it is not possible to comment on it yet but hopefully the Register will in future help to protect the copyrights of designers, as the legal protection of copyright works is presently far less transparent than that of other intellectual property.

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