

# Hungary: New Arbitration Rules of the HCCI

## **Kluwer Arbitration Blog**

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[Kinga Hetényi, Alexandra Bognár \(Schoenherr\)](#)

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Following the entry into force of the new act on arbitration (Act LX of 2017 on Arbitration, the "Act") this year, the Arbitration Court attached to the Hungarian Chamber of Commerce and Industry ("HCCI") adopted its new procedural rules ("Arbitration Rules") effective and applicable as of 1 February 2018.

It was to some degree expected that the HCCI would devise a new set of rules to comply with the innovations of the Act and with recent international developments to make arbitration more efficient, modern and attractive for market players.

Among these innovations, a so-called preliminary case management meeting was introduced, to be held within 30 days following the establishment of the tribunal. The meeting should determine the framework of the arbitration, e.g. whether the parties intend to deviate from the Arbitration Rules, the necessity of expert opinions or whether an oral hearing is requested. In line with the needs of modern disputes, this meeting can take place not only in person, but also via teleconferencing. In light of the result of the case management meeting, the tribunal sets the sequence and the deadline of the various steps and actions of the arbitration proceedings, thereby streamlining the procedure and making it more predictable.

Efficiency is also improved by introducing the option to consolidate pending proceedings upon the joint request of the parties. Prior to the Arbitration Rules, this was only possible in regular court cases, due to a paucity of resources rather than the intention of letting the parties decide on the rules of the procedure. Nonetheless, consolidation may in some circumstances fall under the parties' will (e.g. for the avoidance of duplication of the very same evidentiary materials in proceedings, saving on costs, etc.). The Arbitration Rules now allow consolidation, which is a highly welcome improvement of party autonomy.

Options for interim measures were also rather limited under the prior arbitration legislation, which did not contain any rule thereon. However, the Act broadened the possibilities and the Arbitration Rules now contain related procedural provisions and vest the tribunal with the power to rule on interim measures at the party's request. Nevertheless, the tribunal generally may not decide on an interim measure *ex parte*. If letting the other party express its views on an interim measure leads to a risk of the successful implementation of the interim measure, the Arbitration Rules also allow the tribunal to decide on the motion without notifying this other party.

In addition to the procedural rules of arbitration, the Arbitration Rules also address the rules of mediation by dedicating a separate chapter to Mediation Rules. This new chapter was inspired by the UNCITRAL Model Law on International Commercial Conciliation 2002 and was drafted to be in

compliance with its provisions.

It is expected that the Arbitration Rules will have a bright future, because they offer a modern set of arbitration rules which hopefully meet the expectations of market players for a speedier, more cost-efficient and flexible arbitration proceeding, qualifying it as a viable alternative to commercial litigation.

The Arbitration Rules apply to procedures commenced on or after 1 February 2018. Parties who initiated arbitration between 1 January and 31 January are informed that they may choose to apply the Arbitration Rules, provided they agree.