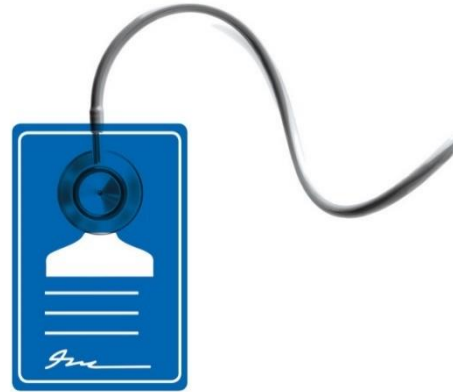


Briefing



COVID-19

Coronavirus – Further restrictive measures from Wednesday, 11 November - Hungary

11 November 2020

**What kind of restrictive measures are effective from 11 November 2020?
What are the measures introduced by the Government on economy protection?**

-
- The Parliament adopted the Act CIX of 2020 on the defence against the second wave of the coronavirus pandemic (**Empowerment Act**). According to the Empowerment Act, decrees to be introduced during the state of emergency can stay effective for 90 days instead of 15 days.
 - The Government Decree 484/2020 (XI.10) on the second phase of **protection measures** applicable during the state of emergency was published in the Hungarian Gazette on 10 November 2020. Its provisions are effective from 11 November 2020.
 - The Government Decree 485/2020 (XI. 10.) on certain **economic protection measures** was published in the Hungarian on 10 November 2020. Its provisions are effective from 11 November 2020.

We give below a summary of the main rules.

Coronavirus - Applicable measures during the state of emergency Wednesday – Hungary

1. Mask wearing rules

It is obligatory to wear a mask in public areas and public places (designated by the local government) where the population of residents are more than 10,000 people, except during sports activities, in parks or in green areas.

Otherwise the mask wearing rules have not changed in merit but have been reinforced.

2. Lockdown and public behaviour

It is forbidden to gather and to practice team sports in public places and premises and at sports fields.

Everyone is required to be at their place of residence, stay or accommodation between 8 pm and 5 am.

Exceptions:

- work and transport to or from the place of work, which **must be certified by a document**,
- the purpose of life protection or in the event of a threat to health, life, or serious damage,
- participation in a training or sporting event for a competitive athlete, and the transportation to or from its venue, which **must be certified by a document**,
- dog walking within 500 meters from place of residence, stay or accommodation.

3. Events

It is forbidden to organize or hold an event or a meeting, and it is forbidden to be on the site of an event or a meeting.

4. Catering shops

In a catering shop those can stay who are employed there, others only for the period necessary for takeover or delivery food.

Exceptions:

- Workplace restaurant, buffet
- In the accommodation facility if there is restaurant or bar
- Canteen and buffet of an educational institution
- Canteen and buffet of a health care institution

5. Shops

Shops should be closed between 7 pm and 5 am, in this period only those are allowed to be present who are employed in

- the shops,
- the lottery, and
- the national tobacco shop.

Between 7 pm to 5 am pharmacies and petrol stations can be open.

6. Accommodations

It is prohibited to stay in accommodations (e.g. hotels, hostels).

Exceptions:

- employees of the accommodation,
- people arriving for business, economic, educational purposes,
- personnel of Military of Hungary and police authorities accommodated for performing duty, further assigned health care workers.

7. Leisure facilities

Visiting and staying at the following leisure facilities is prohibited:

- at events held for the performance of all branches of the performing arts, (especially theatre, dance, music and circus)
- cinema
- gym and fitness room
- swimming pool
- public baths
- ice rink
- zoo, safari park
- adventure park, amusement park
- playhouse
- museum institutions, libraries.

8. Educational institutions, higher education institutions

Only nurseries, kindergartens and primary schools to 8th grade are open.

Secondary education from 9th grade operates digitally.

Higher education institutions can continue the education only digitally.

9. Delivery and parcel trade

During the state of emergency, trading activity for the supply of population outside shops, can be carried out without notification and registration of the commercial activities based on the contract concluded with catering shops and shops selling daily consumer goods. Such activity can be carried out also by catering shops and shops selling daily consumer goods.

During the state of emergency parcel trade for the purpose of supplying the public can be carried out without notification and registration.

10. Sanctions: fines, closures and misdemeanours

The compliance with security measures is monitored by the police with the assistance of the Hungarian Armed Forces.

If the police become aware of a breach of the protective measures:

- **imposes a fine** from HUF 100,000 to HUF 1,000,000
- the place of event, premise or the institution – with the exceptions of educational institution **can be closed** at least for 1 day maximum for a year.

Fine and closing sanctions can be used together for the same breach of obligation. The sanctions can be avoided if the organizer or keeper calls up the violator for leave and notifies police about violation.

The sanction may be imposed on several consecutive inspections on the same day.

The violation of the protective measures, for those listed the wearing of masks, lockdown, gatherings, events, sports events, catering shops, shops, accommodation establishments, leisure facilities, educational institutions, they are considered as **misdemeanours**.

In the case of a violation of these protection measures, the minimum amount of the fine is HUF 5,000 and the highest amount is HUF 500,000. The amount of the on-site fine ranges from HUF 5,000 to HUF 150,000 and in the event of a repeated violation up to HUF 200,000.

What economic protection measures did the Government introduce?

According to the 485/2020 (XI. 10.) Government Decree on certain economic protection measures during the state of emergency the following measures are in place.

1. Tax payment discount

Social Contribution Tax shall not be due by November 2020 for taxpayers with the following actual main activities in respect of the employment of a natural person

- Restaurants and mobile food service activities (TEÁOR 5610)
- Event catering activities (TEÁOR 5621)
- Beverage serving activities (TEÁOR 5630)
- Motion picture projection activities (TEÁOR 5914)
- Organization of conventions and trade shows (TEÁOR 8230)
- Sports and recreation education (TEÁOR 8551)
- Sewerage (TEÁOR 9001)
- Support activities to performing arts (TEÁOR 9002)
- Operation of arts facilities (TEÁOR 9004)
- Museums activities (TEÁOR 9102)
- Botanical and zoological gardens and nature reserves activities (TEÁOR 9104)
- Operation of sports facilities (TEÁOR 9311)
- Activities of sport clubs (TEÁOR 9312)
- Fitness facilities (TEÁOR 9313)
- Other sports activities (TEÁOR 9319)
- Activities of amusement parks and theme parks (TEÁOR 9321)
- Physical well-being activities (TEÁOR 9604)
- Other amusement and recreation activities n.e.c. (TEÁOR 9329)

There is no obligation to pay **vocational training contributions** for November 2020 in case of taxpayers carrying out the activities as main activities described above.

Taxpayers who are obliged to pay a **rehabilitation contribution** and carry out the above activities as actual main activity are exempted from the obligation to pay rehabilitation contributions on a pro rata basis per month, and in 2020 they do not have to pay any additional advance.

In the case of **small business taxpayers**, in connection with the activities described above, when determining the tax liabilities for November 2020, the amount of personal payments is not considered as small business tax base.

What are the conditions for requesting the tax payment discount?

The actual main activity is the activity which generated the most but at least 30% of the revenue in the last 6 months.

The condition for requesting the tax payment discount is that the payer fulfils the obligation to pay wages and does not terminate the employment in November 2020.

The exemption can be used if,

- the taxpayer would have dismissed the employee because of the state of emergency,
- the taxpayer applies for exemption from the tax authority.

2. Discounts for accommodation providers

For accommodations registered with the National Tourist Information Centre, the state will reimburse to the accommodation provider the 80% of the net income calculated for bookings registered until 8 November 2020.

The conditions for reimbursement are:

- the maintenance of the employment of the employees,
- the payment of wages to them,
- to bookings up to 10 December 2020.

3. Wage subsidy

A taxpayer who is entitled to the taxpayment discount (see above) is entitled to a wage subsidy.

Support can be granted to employers under the labour market program in the amount of 50% of the gross wage of the employee, if

- the employee has an employment relationship on the last day of the benefit period, and
- the employer pays the wages to the employee.

Contact

For more information please contact your usual contact at Sándor Szegedi Szent-Ivány Komáromi Eversheds Sutherland Attorneys at Law.

Note: The above is intended only to provide general information. Therefore, the present summary is not a substitute for professional advice. Although it was prepared with due care and diligence, we are not responsible or liable for any mistake, incomplete information or opinion.