



HUNGARIAN WATCH

Summer 2015



Masters of Collaboration

Hungarian Watch Summer 2015

Editor: Endre Várady

Publisher: János Tamás Varga, VJT & Partners Law Firm

1126 Budapest

Kernstok Károly tér 8.

Hungary

T: +36 1 501 9900

F: +36 1 501 9901

E: office@vjt-partners.com

Hungarian Watch is a quarter yearly issued brochure. It contains comprehensive, up-to-date information about Hungary, focusing on breaking news in the fields of law, economics, business and other situations which could have a major impact on the course of Hungarian events.

Hungarian Watch is primarily prepared for those who are thinking about Hungary from an investment point of view. The investment perspective runs through this brochure by leading the reader through the actual Hungarian business climate including current business and investment opportunities.

We hope that Hungarian Watch will keep you regularly informed on relevant Hungarian news, enabling you to know how and when to seize a business opportunity before it vanishes.

Hungarian Watch has been prepared for the use of clients, partners and staff of VJT & Partners.

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Summary



[Who will be the next banking target?](#)

[Major bank transactions ahead](#)

This year was extremely hectic in the Hungarian banking industry. The long promised structural changes of the Hungarian banking industry was finally realized. The Hungarian state wants to sell Budapest Bank and MKB Bank within one year. The Hungarian state also announced that it wants to purchase 15% of the stake of Erste. Moreover, the sale of Citi and AXA is already under way, but it still may not be too late for potential buyers to step in. Finally, market rumors suggest that Sberbank will exit Hungary. Overall, the Hungarian banking landscape may significantly change in the near future, so it is worthwhile for investors to keep a close eye on the upcoming developments. [Read more...](#)



[Key players may enter the Hungarian gas wholesale market](#)

[Golden opportunity for the Hungarian gas market](#)

Hungary might open its gas wholesale market to all investors, if the Hungarian-Russian long term contract on the gas transit is not extended beyond 2015. The expiration of this contract may give an opportunity for a more competitive market. Key gas players such as E.ON, RWE, ENI, GDF Suez may step into the exceptional gas wholesale market. The ball is in the court of the Hungarian government. [Read more...](#)



[Binding Corporate Rules coming to Hungary](#)

[Hungarian businesses will be integrated into global data transfers](#)

The Hungarian Parliament has finally adopted Binding Corporate Rules (BCR) serving as an adequate policy for global data transfers within the same corporate groups. Whilst international companies already using BCR in other member states will be able to extend their scope to Hungary, companies with Hungarian headquarters will be able to introduce BCR for global data transfers. The professional circles welcome this decision as global data transfers will finally become more accessible and flexible for businesses in Hungary. As the BCR will be subject to Hungarian authorization, Hungarian lawyers expect new challenges in the data protection practice. [Read more...](#)



[Hungary adopted more flexible rules on portfolio transfers](#)

[New chance for the Hungarian financial industry](#)

The Hungarian Parliament has recently adopted the amendment of the Banking Act which provides more flexible rules on portfolio transfers. These rules shall make the operation of banks easier, as it overrides the rigid rules of the Civil Code which in general requires the borrower to agree to the transfer and also terminates the security interest unless, the security provider agrees as well. Overall, this might be a first step in creating more efficient and swifter financing scheme in the financial industry. [Read more...](#)

[Might Hungary become the next Silicon Valley?](#)

[Brain Bar brought brilliant minds to Budapest](#)

Why isn't there any Silicon Valleys in Europe? What will an ideal school be like in 2025? Will we trust applications or doctors? What will the role of the state be after the new industrial revolution? How will the relationship between technology and religion develop? – these were some of the key questions in the discussions and presentations of brilliant minds, like Philip Zimbardo, Niall Ferguson, Steve Fuller and Richard Florida in the Brain Bar, at a new 'inspiration festival' in Budapest with the depiction of global future. Brain Bar may make Budapest an innovative hub where creative ideas and great investment opportunities could be developed.

[Read more...](#)



[Hungarian success at the Cannes Film Festival](#)

[Son of Saul, a Holocaust drama won the Grand Prix](#)

The Hungarian movie "Son of Saul", László Nemes's debut feature was a global success. It was awarded with the Grand Prix at Cannes Film Festival in 2015. The great honour is merited by depicting a difficult topic, with an unique narrative technique. This is the first Hungarian film that won the prestigious Cannes Film Festival's second most important prize. It is also the most significant award that a Hungarian movie received in the past three decades. [Read more...](#)



[VJT & Partners is ranked as a top tier firm in Legal 500 EMEA](#)

VJT & Partners has been recommended as a top-tier law firm for Employment for 2015 again in the Legal 500 Europe, Middle East & Africa 2015. The guide comments that the team which is willing to "go extra-miles for its clients" at VJT & Partners counts Albemarle and ING Insurance and HP among its clients, and advises on employment contracts, policies, termination and mass dismissals. Zoltán Csernus is especially recommended. [Read more...](#)



[Highly ranked again in Chambers Europe](#)

Within the Hungarian section, Chambers Europe 2015 ranks VJT & Partners for employment in Band 2 and for private equity and TMT in Band 3.

Additionally, VJT & Partners was mentioned as a recognised practitioner for its corporate/M&A and restructuring/insolvency practice. [Read more...](#)



Who will be the next banking target?

Major bank transactions ahead

This year was extremely hectic in the Hungarian banking industry. The long promised structural changes of the Hungarian banking industry was finally realized. The Hungarian state wants to sell Budapest Bank and MKB Bank within one year. The Hungarian state also announced that it wants to purchase 15% of the stake of Erste. Moreover, the sale of Citi and AXA is already under way, but it still may not be too late for potential buyers to step in. Finally, market rumors suggest that Sberbank will exit Hungary. Overall, the Hungarian banking landscape may significantly change in the near future, so it is worthwhile for investors to keep a close eye on the upcoming developments.



Hungarian Watch warned in several articles that the banking industry will face major changes. After the credit crunch regulatory and market hurdles (such as lending in Swiss Francs when the value of the Forint drastically decreased and the introduction of the extra tax) seriously hit the profitability of some large foreign banks. The recent conversion of FX loans into Forints and the imposition of fees to compensate the clients of the bankrupt brokerage firm Quaestor also fiercely hit banks. All this clearly generated higher

selling pressure. On the other hand, the Hungarian state itself has recently increased the M&A activity in the banking industry. Namely, the state has recently bought MKB Bank and Budapest Bank in order to ensure larger domestic ownership. Overall, it seems that the time of major changes has finally come. Let's see what we might expect in the near future.

The Hungarian state plans to sell Budapest Bank and MKB Bank

As we have already suggested, the Hungarian state has recently bought MKB Bank for EUR 55 million) from Bayern LB and Budapest Bank for EUR 700 million from GE Capital. It seems that the state bought them only for the purpose to resell them for domestic players. Mihály Varga, the Minister of National Economy has recently announced that the state will resell them within the next one year.

Citigroup exits Hungary

We have already reported in 2014 Hungarian Watch autumn edition, that Citigroup decided to exit Hungary due to strategic reasons. Citibank Hungary is one of the few profitable players in the Hungarian banking market and one of the largest players in the private banking sector having managed EUR 650 million worth assets. Despite the highly attractive asset, market rumours suggests that only ERSTE has showed real

Key players: OTP,
Erste, Raiffeisen,
Intensa San Paolo,
Unicredit, KBC

Unprecedented
M&A activity in the
Hungarian banking
market

interest among the potential buyers. Therefore, it still may not be too late to catch this golden opportunity.

AXA exits Hungary

It is also not a secret in the magic banking circle that AXA plans to exit Hungary. Allegedly the process of sale is already in the second stage and there have been several interested parties. The performing and non-performing portfolios of the Hungarian branch have been offered for sale separately, although AXA would prefer to sell them together.

Sberbank may exit Hungary

Market rumours suggests that the Hungarian unit of Sberbank was already under sale. However, allegedly, the state was not interested in buying and neither were OTP and Erste, even though Sberbank offered its Hungarian unit at a negative purchase price.

Buying stake from Erste

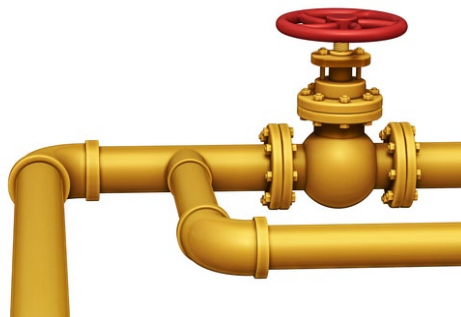
The Hungarian state has recently announced that it will buy a 15% stake of Erste. The negotiations between Erste and the government have already started, but after a while it was put on hold. It is uncertain whether negotiations will continue.

Overall, exceptional times are ahead in the Hungarian banking industry. It is just unprecedented how many M&A banking transactions may take place simultaneously. It is definitely worthwhile to keep a close eye on upcoming developments.

Key players may enter the Hungarian gas wholesale market

Golden opportunity for the Hungarian gas market

Hungary might open its gas wholesale market to all investors, if the Hungarian-Russian long term contract on the gas transit is not extended beyond 2015. The expiration of this contract may give an opportunity for a more competitive market. Key gas players such as E.ON, RWE, ENI, GDF Suez may step into the exceptional gas wholesale market. The ball is in the court of the Hungarian government.



New gas wholesalers
could step in

The long awaited decision

The Hungarian energy market waits for a very important decision. The long-term contract on the supply of gas to be signed between Hungary and Russia in 1996 will expire this year. This take-or-pay contract was the main building block of the Hungarian gas wholesaler market. This made dominant the Hungarian signatory party, E.ON (and previously MOL), but left very little room for other gas wholesalers. The expiration of the contract may result in a more competitive

model and consequently new players could step into the wholesale market.

Which market model will the government choose?

The Hungarian government examined in its consultation paper which gas market model would be the most optimal after the post-2015 period: (i) the competitive wholesaler model, (ii) mixed model, or (iii) the dominant wholesaler model.

The competitive wholesaler model – This model would be the most efficient from a competitive perspective as there would only be limited regulatory control, and the price of the gas would completely depend on the market mechanism. Moreover, there would be no universal service providers; customers would buy directly from the wholesalers. This means that this model would bring competitiveness and diversification. But, this model would present also a high risk, as there would be no explicit quantitative guarantee.

Mixed model – An interim solution is a mixture, where the regulated universal service is together with the competitive wholesaler model. In this model a wholesaler would be chosen through tender for the supply of universal service providers. The wholesaler supplies gas to universal service providers at a price determined by the tender, and at the amount which cannot exceed the expected needs of the universal service providers. In turn, the universal service providers would sell the gas to customers at an officially regulated price. The benefit of this model is that it provides competitiveness and guarantee of quantity at the same time. But, wholesalers would run great

financial risks in terms of prices.

The dominant wholesaler model – The third solution would be the preservation of the current model, where is a dominant wholesaler, with a long-term contract, in a monopole situation. Given the dominant position, the wholesaler would become the exclusive determiner of price in the Hungarian gas market.

The Ministry of National Development carried out industrial consultation, where market players took the position that the third model shall be rejected, the second model could be supported, and the first model shall be the main objective to be achieved.

What will the future bring?

It remains unanswered which model the Hungarian government will choose. On 17 February 2015 the Hungarian prime minister and the president of Russian announced that after the expiration of the contract, Hungary can use the portion of gas which has been not consumed so far. It remains an open question what would happen in the Hungarian gas market, once the residual gas has been used.

But one thing is for sure, Hungary has a unique opportunity for establishing a more competitive wholesale gas market, where numerous participants could take part. In this context, it is noteworthy that apart from the Hungarian MOL and MVM, other key players such as E.ON, RWE, ENI, GDF Suez are also present (most of them with vertically integrated businesses) and there are dozen of other smaller potential gas traders. Many of these players may be interested in stepping into this wholesale market.

The opportunity is there, but the ball is currently in the court of the Hungarian government.

The ball is in the court of the Hungarian government

Binding Corporate Rules coming to Hungary

Hungarian businesses will be integrated into global data transfers

The Hungarian Parliament has finally adopted Binding Corporate Rules (BCR) serving as an adequate policy for global data transfers within the same corporate groups. Whilst international companies already using BCR in other member states will be able to extend their scope to Hungary, companies with Hungarian headquarters will be able to introduce BCR for global data transfers. The professional circles welcome this decision as global data transfers will finally become more accessible and flexible for businesses in Hungary. As the BCR will be subject to Hungarian authorization, Hungarian lawyers expect new challenges in the data protection practice.



The Parliament has just brought the long awaited decision by this amendment to the Privacy Act. In accordance with the strong demand of the market, BCR will be finally introduced in Hungary as from 1 October 2015.

BCR are internal rules adopted by international companies and allowing transferring of personal data within the same corporate groups from affiliates

located in the European Economic Area (EEA) to affiliates located in countries outside the EEA which do not have adequate level of protection. In other words, BCR makes possible that all transfers within the same corporate group benefit from an adequate level of protection. At the same time BCR do not cover transfers outside the group. The key advantage of BCR that they avoid the need for a contract for each single transfer.

Data protection experts welcomed the Hungarian recognition of BCR, as global data transfer will finally become more accessible and flexible to Hungarian businesses. Whilst international companies already using BCR in other member states will be able to extend their scope to Hungary, companies with Hungarian headquarters will be able to introduce BCR for global data transfers.

BCR will be subject to authorization from the Hungarian data protection authority. But there are still many issues subject to debate. First, the amendment is silent on the content of BCR. Second, the fee of the procedure is not yet regulated. Third, the amendment is silent on what will happen if the DPA does not bring its decision within sixty days (which given to the complexity of the BCR authorization is a very possible scenario). Last, but not least, it is still not clear whether Hungary will be party to the mutual recognition procedure (under this procedure once the lead authority considers that BCR meet the requirements, other data protection authorities also recognize them).

Although there are many issues to be clarified, the important fact remains. Whilst

One single policy for
all data transfers

Global data transfers
accessible to
Hungary

Will the mutual rec-
ognition procedure
come to Hungary?

Hungary will be able to better integrate itself into global data transfer, lawyers will certainly face with new major challenges in their data protection practice.

| BCR companies | | | |
|--|---|---|--|
| ABN AMRO Bank N.V. | Cargill, Inc. | Hyatt | OVH |
| AstraZeneca plc | Citigroup | IMS Health Incorporated | Rabobank Nederland |
| Accenture | CMA-CGM | ING Bank N.V. | Royal Philips Electronics |
| Airbus (Controller) | Continental Group | Intel Corporation | Safran |
| Akzo Nobel N.V. (Controller) | D.E. Master Blenders 1753 ("DEMB") ex Sara Lee International B.V. (indirect subsidiary of Sara Lee Corporation) | International SOS | Sanofi Aventis |
| Align Technologies B.V. (Controller and Processor) | Deutsche Post DHL | Johnson Controls | Schlumberger Ltd. |
| American Express | Deutsche Telekom | JPMC | Schneider Electric |
| ArcelorMittal Group | DSM | Koninklijke DSM N.V. and affiliated companies | Shell International B.V. |
| Atmel | e-Bay | Legrand (Controller) | Siemens Group |
| Atos (Controller and Processor) | ENGIE (ex GDF SUEZ; Controller) | Linkbynet (Controller and Processor) | Simon-Kucher & Partners |
| AXA | Ernst & Young | Linklaters | Société Générale |
| BMC Software (Controller and Processor) | First Data Corporation (Controller and Processor) | LVMH | Sopra HR Software (ex HR Access; Controller and Processor) |
| BMW | Fluor Corporation Inc. | Michelin | Spencer Stuart |
| BP | Flextronics International Ltd | Motorola Mobility LLC | Total |
| Bristol Myers Squibb | General Electric (GE) | Motorola Solutions, Inc. | TMF Group B.V. (Controller and Processor) |
| CA plc | GlaxoSmithKline plc | NOVARTIS | |
| Cardinal Health, Inc. | Hermès | Novo Nordisk A/S | |
| Care Fusion | Hewlett Packard | Osram | |
| Source: ec.europa.eu | | | |

Hungary adopted more flexible rules on portfolio transfers

New chance for the Hungarian financial industry

The Hungarian Parliament has recently adopted the amendment of the Banking Act which provides more flexible rules on portfolio transfers. These rules shall make the operation of banks easier, as it overrides the rigid rules of the Civil Code which in general requires the borrower to agree to the transfer and also terminates the security interest unless, the security provider agrees as well. Overall, this might be a first step in creating more efficient and swifter financing scheme in the financial industry.



Consent of the
borrowers/secu-
rity providers not
needed

All security interests
survive the transfer

Major step towards
creating more ef-
ficient and swifter
financing scheme

Under the new rules on portfolio transfers all contractual rights and obligations will be transferred to the other party. These rules overrides the burdensome rules of the Civil Code according to which the borrower needs to agree with the transfer and the security interest terminates with the transfer unless the security provider agrees likewise.

Instead the new amendment provides a more flexible solution for the financial industry because (i) borrowers/security providers consent is not needed for the transfer, and (ii) all security interests (for example: mortgage, pledge, guarantee) will survive the transfer and may be enforceable by the transferee.

Although the rules shall be welcomed, it does still not provide a full practical solution for several compelling reasons. First, these rules only apply to banks and financial enterprises in case when (i) the transferred portfolio contains over 20 agreements related to loan, credit, financial leasing or factoring or (ii) where the outstanding principal amount/amount of leasing fee receivables exceeds HUF 10 billion (approximately EUR 30 million). Second, the transfers of portfolios are subject to the authorization of the Central Bank of Hungary.

Still this amendment is a very important step on the road towards creating a more efficient and swifter financing scheme in the financial industry.

Might Hungary become the next Silicon Valley?

Brain Bar brought brilliant minds to Budapest

Why isn't there any Silicon Valleys in Europe? What will an ideal school be like in 2025? Will we trust applications or doctors? What will the role of the state be after the new industrial revolution? How will the relationship between technology and religion develop? – these were some of the key questions in the discussions and presentations of brilliant minds, like Philip Zimbardo, Niall Ferguson, Steve Fuller and Richard Florida in the Brain Bar, at a new 'inspiration festival' in Budapest with the depiction of global future. Brain Bar may make Budapest an innovative hub where creative ideas and great investment opportunities could be developed.



Hungary hosted the first Brain Bar Budapest in June to inspire people to think, discuss and motivate about the global future. Around 3000 visitors attended to the festival with more than 80 visiting lecturers, including among others Philip Zimbardo – professor at Stanford University researching behavioral psychology, Niall Ferguson – best-known living historian, Daniel Epstein – founder of the Unreasonable Institute, Steve Fuller – transhumanist

philosopher, Richard Florida – modern-day theoretician of creative economy, Sugata Mitra – expert of the relationship between learning and technology, from more than 20 countries with huge success.

The key questions of the discussions were the significant economic challenges of the forthcoming 15 years and how it will effect individuals and the society, and also how modern technologies effect our lives. Driven by success, the organizers plan to create tradition by organizing it every year.

The organizer of Brain Bar, Gergő Böszörményi Nagy, said that the vision of organizing this conference comes from the very simple fact that Budapest needs a global event of trends. The aim of Brain Bar is to become festival number one on modern trends and global economy.

Moreover, the organizer of Brain Bar also believes that framing Budapest as an innovation hub could bring not just creative ideas, but also great investment opportunities. Namely, Gergő Böszörményi Nagy noted the following: “I think one of the most important takeaways is that innovation and great ideas are not enough on their own, capital and investment are also vital elements of success. Framing Budapest as an innovation hub makes the city appealing for large corporations, as a target location to bring their R+D operations – we could see an influx of foreign direct investment in coming year.”

More than 80 lecturers worldwide

Number one festival on model trends and economy

Budapest could be an innovation hub

Budapest Bar received wide international acclaim and opened the doors for new ways of thinking and innovation. Mr. Florida's twitted message may be the best summary about the Brain Bar Budapest: "Perfect audience, amazing city and huge energies."

We truly hope that driven by its success Brain Bar will be continued. Hopefully, Brain Bar will make Budapest an innovation hub with creative ideas and great investment opportunities.

Hungarian success at the Cannes Film Festival

Son of Saul, a Holocaust drama won the Grand Prix

The Hungarian movie “Son of Saul”, László Nemes’s debut feature was a global success. It was awarded with the Grand Prix at Cannes Film Festival in 2015. The great honour is merited by depicting a difficult topic, with an unique narrative technique. This is the first Hungarian film that won the prestigious Cannes Film Festival’s second most important prize. It is also the most significant award that a Hungarian movie received in the past three decades.



Hungarians excitedly watch the nomination of Cannes Festival. It rarely happens that a Hungarian films get a nomination and not to mention that we are talking about the first-time film director. At the end, the movie was awarded with the Grand Prix at Cannes Film Festival. Moreover, the American film distributor Sony jumped on the opportunity. Namely, it bought the films distribution right hinting that there is also a chance at next years’ Oscar. So what is the story and what lies

Great success

behind the great success of this movie?

Plot

For those who have not yet heard about the movie, here is the brief summary of the plot. It is October, 1944 in Auschwitz. Saul Ausländer (represented by Géza Röhrig), a Hungarian-Jewish prisoner works as a Sonderkommando member. He is isolated from the rest of the camp and forced to assist the large-scale extermination of Jewish people. The members of the Sonderkommando are executed after a few months because they are so-called “bearers of secrets” so they cannot leave the camp alive. The workers know that they could be killed at any moment, so they start to collect weapons and organize a rebellion. While doing the “dirty work” in the concentration camp, Saul find the corpse of a young boy he identifies as his son. From that moment on Saul, instead of the escape, sustains another mission: he decides to smuggle the body out of the camp, and look for a rabbi to bury the child with dignity.

A touching story

Reception

The reception of the movie was very successful. As being a Holocaust drama, it was hard to create something unique among of plenty of other Holocaust movies. On the other hand it is difficult to set the ethical boundaries of presenting such a sensitive topic. Referring to experts thoughts, we can highlight the following points as the main reason behind the success.

Very well received

The film portrays the horrors of the death camps not by exploiting them, but by

remaining “outside” and engaging the viewer in Saul’s mission, while the horrors take place around him. The creation of László Nemes speaks to the viewer in a unique film language: during the nearly two-hour film, we only follow Saul – the story is almost exclusively about his obsession, while other events take place “in the background” (like the uprising of the Sonderkommando), as people speak in various languages and we witness monstrosly depressing scenes. However, these events are all “overshadowed”, and this is exactly the key point of this Holocaust drama: the world that we occupy is primarily Saul’s mission, while the horror of the death camp is confined to the backdrop. But is it? The creators hit the nail on the head with this dual nature of the movie. In this context, *Son of Saul* is a unique creation in this difficult subject.

We are very happy that a Hungarian movie earned such an important award, especially being the debut feature of László Nemes. We hope that other Hungarian directors and movies will achieve similar success in the global film industry.

VJT & Partners is ranked as a top tier firm in Legal 500 EMEA



VJT & Partners has been recommended as a top-tier law firm for Employment for 2015 again in the Legal 500 Europe, Middle East & Africa 2015. The guide comments that the team which is willing to “go extra-miles for its clients” at VJT & Partners counts Albemarle and ING Insurance and HP among its clients, and advises on employment contracts, policies, termination and mass dismissals. Zoltán Csernus is especially recommended.

Having climbed the rankings consistently in recent years, VJT & Partners’ M&A and Dispute resolution practices are both recommended in the second tier, while the firm remained in the second tier for TMT and the fourth tier for Real estate and construction. The guide comments: VJT & Partners’ three-partner corporate and M&A team, headed by the “impressive, hardworking and client-oriented” János Tamás Varga, provides a service which is “excellent in all respects”.

Three lawyers at VJT & Partners are recommended in The Legal 500 Europe, Middle East & Africa 2015 editorial:

- Corporate and M&A - János Tamás Varga and Zoltán Csernus
- Dispute resolution - János Tamás Varga, Zoltán Csernus, Gábor Hacsí
- Employment - Zoltán Csernus and János Tamás Varga
- Real estate and construction - János Tamás Varga and Gábor Hacsí.

The Legal 500 series of legal directories provides an in-depth assessment of law firms based on intensive independent research of firms and their clients. “The only way a law firm can get into our ranking tables and commentary is on merit alone” as publishing director of Legal 500 notes.

János Tamás Varga, Managing Partner of VJT & Partners, commented: “Legal 500 is regarded as providing accurate analysis of law firm capabilities; these rankings show that our clients have experienced that our law firm has always been focusing on their top concerns while putting great emphasis on every single detail.”

Highly ranked again in Chambers Europe



Within the Hungarian section, Chambers Europe 2015 ranks VJT & Partners for employment in Band 2 and for private equity and TMT in Band 3.

Additionally, VJT & Partners was mentioned as a recognised practitioner for its corporate/M&A and restructuring/insolvency practice.

Chambers Europe stressed that VJT & Partners has “a practical and hard-working team which, apart from being excellent on legal issues, has a pragmatic approach.” Managing partner János Tamás Varga is described as a “very client-centred and flexible, responsible and approachable” lawyer. Zoltán Csernus was acknowledged by clients as “business-focused, enthusiastic and helpful

lawyer who meets the highest international standards”.

Clients noted of VJT & Partners with respect to private equity that “the understanding of the economic dimension of a transaction” makes it an outstanding law firm. What is more, managing partner Varga János Tamás is highlighted by clients for his “intellectual curiosity and ability to understand the ambitions of the client”.

In addition, VJT & Partners’ TMT practice was acknowledged as follows: “The firm is very responsive and always meets deadlines. The lawyers are proactive and adaptable, and provide commercially sensitive advice.” In relation to this practice area János Tamás Varga is lauded by clients for his “excellent negotiation skills and outstanding client-focused approach”.

János Tamás Varga commented: “The rankings earned and clients’ opinions show that we succeeded to realize our commitment to become masters of collaboration. These feedbacks are meant to be good incentives to continue the high standard work we performed in the recent years.”

About VJT & Partners

The Firm

VJT & Partners is a Hungarian commercial law firm advising international and domestic corporate clients and entrepreneurs. The firm was founded by Janos Tamas Varga, who has created a highly successful team based on values including inspiring leadership, striving for perfection, commitment, courage and harmony.

VJT & Partners is recognised as one of Hungary's leading commercial law firms and also as an excellent collaborative partner, working hand-in-hand with its clients. Clients value the firm's absolute commitment, leading to effective and enduring relationships. The firm combines the highest degree of professionalism, the efficient delivery of legal services with dynamism, flexibility, responsiveness and personal attention.

Lawyers in the firm have developed an in-depth understanding of both the legal and the commercial realities of business. The firm prides itself in giving direct, honest and practical advice, tailored to its clients' needs. The shared values of VJT & Partners are at the very core of the creativity and 'fresh thinking' approach of the firm.

As a member of the EU, but not the single currency, Hungary has a unique language and business culture and a complex legal system bringing particular challenges. All lawyers at VJT & Partners have extensive experience of working with international and domestic companies alike, to help navigate these challenges and to achieve their objectives in Hungary, and to ensure appropriate regulatory approvals.

The leading legal directories rank VJT & Partners highly across a range of practice areas.

VJT & Partners is a full-service law firm that satisfies the needs of clients across a broad range of industries and professions. The firm's legal services include aviation, commercial contracts, competition, corporate M&A, data protection, dispute resolution, finance, immigration, employment, intellectual property, outsourcing, private equity, real estate, regulatory, restructuring and insolvency, and technology.

Practice Areas

The firm is especially active and highly ranked in the following areas:

Corporate mergers and acquisitions

VJT & Partners believes that advising on M&A transactions is to provide more than just legal advice. Understanding the logic and dynamics of the industry sector in which the client and other participants operate is a prerequisite for success.

We advise clients on international and Hungarian M&A transactions including acquisitions, disposals, mergers and demergers, from deal inception through due diligence and negotiations to post completion. The expertise of our multi-disciplinary team in the areas of corporate, commercial, competition, real estate, employment and regulatory enables us to provide excellent service.

Employment

The highly-rated employment lawyers at VJT & Partners have a wealth of experience in all aspects of contentious and non-contentious employment matters. Fully appreciated for understanding their clients' business goals, lawyers design structures and procedures that are watertight and defensible in many court proceedings.

We regularly advise employers on general employment matters including drafting employment agreements, internal policies, termination agreements, termination notices and complex mass dismissal structures as well as employee incentive schemes. We have particular expertise in managing work permit and business immigration applications as well as advising on the different employment and labour related issues which arise with commercial transactions such as outsourcing.

Our team has successfully represented employers and executive employees in all types of court proceedings in Hungary. In particular, we represent clients in disputes concerning issues which include unlawful termination, overtime payment and bonus claims.

Technology

Understanding our clients' underlying technical and technological ideas and objectives, while providing clear, concise and practical advice lies at the heart of our work. The phenomenon of convergence and the rapid proliferation of innovative services inspire our Information, Communications & Technology (ICT) team to continue to build unique expertise in a wide range of technology matters.

Our lawyers have particularly strong track record in commercial IT arrangements such as software licensing, call centre and hosting services as well as hardware procurement, online and e-commerce matters such as setting up web-shops. We also regularly advise on sector-specific regulatory issues concerning communications services such as licensing, interconnection and carrier-pre selection.

How We Work

Lawyers at VJT & Partners are encouraged to develop, to enjoy their work and to become real 'Masters of Collaboration'. Clients comment on the firm's cooperation, communication and its absolute commitment to what they are trying to achieve.

In turn, we find that this leads to effective and enduring relationships. We combine the highest degree of professionalism and the efficient delivery of legal services with dynamism, flexibility, responsiveness and personal attention.

Our Values

The values that lie at the heart of our business ethos are the building blocks of our business. Nurturing the following values brings the 'hearts and minds' of VJT & Partners' lawyers together as one successful team. We would be happy to talk you through them, what they mean to us, to our business and our clients:

- Inspiring leadership
- Striving for perfection
- Commitment
- Courage
- Harmony

Office:

1126 Budapest
Kernstok Károly tér 8.
Hungary

Contact:

Tel: +36 1 501 9900
Fax: +36 1 501 9901
E-mail: office@vjt-partners.com
Web: www.vjt-partners.com