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GVH says no farewell to bank ads

In recent days several articles appeared in the press with false information about changes in the jurisdiction of the Hungarian Competition Authority (GVH); therefore, the authority wishes to give refinements of the earlier statements in this press release.

Act XLVII of 2008 on the prohibition of unfair business-to-consumer commercial practices (hereinafter: UCPA) will enter into force on 1 September 2008. The UCPA transposes the provisions of Directive 2005/29/EC concerning unfair business-to-consumer commercial practices (Unfair Commercial Practices Directive, UCP) into the Hungarian legal system. The scope of the directive covers any commercial practices of undertakings vis-à-vis consumers. The Hungarian legislator - within the transposition process - has created a triple jurisdictional system for the implementation of the provisions of UCPA: the consumer protection authority (the National Consumer Protection Authority, hereinafter NFH) has overall jurisdiction to proceed against violation of the prohibition of unfair commercial practices with the involvement, as specified below, of the GVH and the Hungarian Financial Supervisory Authority (hereinafter: PSZÁF):

- 1.) The NFH proceeds in cases that do not affect competition and are not supervised by PSZÁF.
- 2.) The PSZÁF proceeds in cases that do not affect competition and fall under its usual supervision activity (i.e. concerning financial institutions).
- 3.) The GVH proceeds in all cases affecting competition (including bank ads as well), except for cases when the infringement is committed by means of labels, manual guides or directions for use or by the non-observance of certain special information requirements provided by separate legal norms.

Based on all the information mentioned above, the jurisdiction of GVH will be retained in cases relating to advertising that may affect competition. As the GVH expects, neither in the financial sector nor in other sectors will the nature of its activities change with the entering into force of the UCPA.

The above-mentioned three authorities engaged in the implementation of the legal regulation are currently elaborating a Co-operation Agreement facilitating the enforcement of UCPA.

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