

Communication concerning the decision of the Curia of Hungary  
in civil case n° Pfv.VI.20.117/2018

By its procedural order delivered at a public hearing held on 10 April 2018, the Curia, acting as a judicial review court, quashed the second instance court's final judgement that had ordered the Hungarian national defendants to pay an amount of approximately 700 million Hungarian forints and incidental expenses to the German national plaintiff.

In the second instance court's legal viewpoint, the defendants, who acted on behalf of and purchased agricultural lands through funds provided by the plaintiff, should be obliged to pay the sales price obtained from the sale of such lands to the plaintiff. The court argued that the parties' agreement in that regard, being an atypical contract, was not contrary to the law.

Proceeding upon the defendants' petition for judicial review, the Curia quashed the first and second instance judgements and ordered the court of first instance to reopen its proceedings. The Curia argued that the parties' agreement was null and void, as it aimed at circumventing the legal restrictions on the acquisition of ownership over agricultural lands. The defendants cannot be obliged to perform a void contract, therefore the legal consequences of invalidity and the principle of *restitutio in integrum* are to be applied, consequently the defendants have to return the financial consideration, received on the basis of a void contract, to the plaintiff. In the case of a legal action submitted to that effect, the court of first instance is required to notify the competent public prosecutor that, based on the case's factual background, the latter may move that the financial consideration to be returned to the plaintiff be granted to the State.

Budapest, the 27<sup>th</sup> of April 2018

Civil Department of the Curia of Hungary