

Communication concerning the decision of the Curia of Hungary in
civil case number Gfv.V.30.045/2019

In this case of outstanding importance, the Curia of Hungary was called upon to decide on the impact of trade embargo measures – as introduced by United Nations Security Council Resolution number 1970 (2011) of 26 February 2011 and, within the European Union, by Council Decision number 2011/137/CFSP of 28 February 2011 concerning restrictive measures in view of the situation in Libya and Council Regulation number 204/2011/EU of 2 March 2011 concerning restrictive measures in view of the situation in Libya – on private law relationships. The legal dispute raised the issue of whether the plaintiff was to be declared by the court to be under the obligation to pay a guarantee amount to the defendant on the basis of a bank guarantee contract and a counter bank guarantee contract concluded between them.

In its judgement, the Curia established that the relevant United Nations Security Council Resolution and the European Union's relevant Council Decision and Council Regulation on embargo measures qualified as imperative norms which were to be applied to all types of legal situations and relationships within their material scope, irrespective of which national law should be applicable – by virtue of the provisions of European Parliament and Council Regulation number 593/2008/EC – to the legal dispute concerned. The Curia also stated that, with regard to the embargo measures' legal consequences, the conditions for the submission of the plaintiff's rights-protecting action for a declaratory judgement were duly satisfied.

Budapest, the 28th of June 2019

Civil Department of the Curia of Hungary