### Topical issues of the Hungarian land-transfer law Purchasing and renting agricultural land: Legal framework and practical problems

#### Anikó Raisz

Associate professor, PhD, DEA, Institute of European and International Law, University of Miskolc

The development of Hungarian legislation fit well in the international and European development trends<sup>1</sup> in which different countries try to keep their agricultural and forestry lands (hereinafter referred to as "lands" or "agricultural lands") in agricultural utilization possibly preserving local agricultural and/or rural communities and avoiding extreme international land business like land grabbing.<sup>2</sup> (It should be noted that the possibility of this phenomenon – disadvantageous to local communities<sup>3</sup> and typically occurring in developing countries – was conveyed in a UNO report<sup>4</sup> in connection with the Central-Eastern-European countries.

<sup>&</sup>lt;sup>1</sup> To the similar defiance of different countries in connection with regulations on transactions of agricultural land and the frequent similarities in the given answers is called attention in: János Ede Szilágyi, Espace rural: cadre juridique et mise en oeuvre, Rapport général de la Commission II, 2017, in press; János Ede Szilágyi, Acquisition of the ownership of agricultural lands in Hungary, taking the EU's and other countries' law into consideration, Zbornik Radova, 2016/4, 1440-1450.

<sup>&</sup>lt;sup>2</sup> On the definition of land-grabbing see part I.2. C: published by János Ede Szilágyi, Conclusions, Journal of Agricultural and Environmental Law (hereinafter referred to as JAEL), 2015/19, 92. Cf Borras Saturnino et al: Land grabbing and human rights: The involvement of European corporate and financial entities in land grabbing outside the European Union, European Parliament, Belgium, 2016, doi: 10.2861/26. (This part of the Conclusions was accepted.)

<sup>&</sup>lt;sup>3</sup> On the difficulties of interpretation of local communities used in EU law see: "It is important to analyse the relationship between the definition of rural communities and agricultural communities in the rural development documents and in the land law documents (e.g. in the jurisprudence of the CJEU). Are these categories the same or only similar? What does it mean `rural community´? It means a fix and constant community (e.g. a kind of indigenous people) or rather a dynamic and fast varying population? Which type is supported by the EU rural development law, and which one can be protected by the national land law of the Member States?"; published by János Ede Szilágyi, Conclusions, JAEL, 2015/19, 91. (This part of the Conclusions was adopted.)

<sup>&</sup>lt;sup>4</sup> UN General Assembly, A/HRC/13/33/Add.2, 5-6.; It is important to note that the (in this respect adopted) Conclusions of the Commission II, part I. 2. CEDR Congress 2015 Potsdam clearly addresses the question of land-grabbing within the EU: "The national reporters of the present CEDR congress did not regard the cross-border acquisition in their countries as part of the land-grabbing." published by János Ede Szilágyi, Conclusions, JAEL, 2015/19, 92.

## 1. The Hungarian regulation in the point of intersection of the EU's negative and positive integration models

Hungary joined the European Union in 2004, but - similarly to the countries joined in 2007 - it was not obliged to apply the EU law<sup>5</sup> immediately, but only following a 10 years transitional period. Hungary got essentially the same derogation<sup>6</sup> for this transitional period as the other new member states although by that time – actually from 1994 on – the very particular clause was in force saying that - except from some narrow exceptions - both domestic and foreign legal entities have been forbidden to acquire the ownership of agricultural land. Following the transitional period that is from 1 May 2014 on was Hungary bound to institute a fully EU law conform regulation.8 That is a regulation which constrains the principles of free movement of capital and right of establishment fixed in the Treaty on the Functioning of the European Union at the most for public interest objectives admitted by the jurisprudence of the Court of Justice of the EU for example for the realization of the purposes of the Common Agricultural Policy, if the measure of the national law cannot be exchanged for less a restrictive measure. In the Hungarian literature, Agoston Korom considers the principles of free movement of capital and the right of establishment as the negative (prohibitive) integration regulations while the regulations of the CAP being the positive integration regulations (that is generating special institutions). On this basis, according to Korom, the EU law defines the margin of the member states in their own regulation of transactions in agricultural land as the points of intersection of the positive and negative integration regulations.9

<sup>&</sup>lt;sup>5</sup> On the regulation of the transitional period see: Csilla Csák, Die ungarische Regulierung der Eigentums- und Nutzungsverhältnisse des Ackerbodens nach dem Beitritt zur Europäischen Union, JAEL, 2010/9, 20-31.; Csilla Csák – János Ede Szilágyi, Legislative tendencies of land ownership acquisition in Hungary, Agrarrecht Jahrbuch 2013, 2013, 215-233.

<sup>&</sup>lt;sup>6</sup> In the Hungarian law research there were critical opinions in connection with the transitional period. One of the most pronounced is that of László Fodor: It is a double standard applied against the new member states. Its pseudolatry nature is hidden among other things that the subsidies given to equalize the price of the lands during these 7 years were much lower than had been for the earlier member states. In László Fodor, Kis hazai földjogi szemle 2010-ből, (Little Hungarian agricultural law report in 2010) in: Csák Csilla (ed.), Az európai földszabályozás aktuális kihívásai (The actual challenges of agricultural regulation), Novotni Alapítvány, Miskolc, 2010, 124.

<sup>&</sup>lt;sup>7</sup> János Ede Szilágyi, The Accession Treaties of the New Member States and the national legislations, particularly the Hungarian law, concerning the ownership of agricultural land, JAEL, 2010/9, 48-51., 55., 59-60.

<sup>&</sup>lt;sup>8</sup> The Hungarian legislation had to consider not only the EU law but other norms as well such as human rights, for instance the right to property. In this regard see Anikó Raisz, Földtulajdoni és földhasználati kérdések az emberi jogi bíróságok gyakorlatában (Land ownership and land use issues in the jurisprudence of human rights courts), in: Csilla Csák (ed.): Az európai földszabályozás aktuális kihívásai (The actual challenges of agricultural regulation,) Novotni Alapítvány, Miskolc, 2010, 241-253.; András Téglási, Az alapjogok hatása a magánjogi viszonyokban az Alkotmánybíróság gyakorlatában az Alaptörvény hatálybalépését követő első három évben, (The effects of the basic laws on the civil law in the first three years of jurisprudence of Constitutional Court), Jogtudományi Közlöny, 2015/3, 148-157.

<sup>&</sup>lt;sup>9</sup> Ágoston Korom, Az új földtörvény az uniós jog tükrében (The new agricultural law in the mirror of EU law), in: Ágoston Korom (ed.), Az új magyar földforgalmi szabályozás az uniós jogban, (The new transactions of land legislation in the EU law) Nemzeti Közszolgálati Egyetem, Budapest, 2013, 14. Cf Mihály Kurucz, Gondolatok a magyar földforgalmi törvény uniós feszültségpontjainak kérdéseiről (On the critical points of the Hungarian transactions of land legislation), in: József Szalma (ed.): A Magyar Tudomány Napja a Délvidéken 2014, VMTT, Újvidék, 2015, 120-173.

# 2. The new Hungarian regulation and its possible directions of development

After the transition period, the Hungarian legislator invested a lot of energy in hindering the realization of the so-called fraudulent contracts – transactions aiming to circumvent restrictions on land acquisitions. <sup>10</sup> This governmental intention led to conflicts with the neighbouring countries especially with Austria.

The new Hungarian regulation is highly similar to the regulation of those European countries which have been named by Tamás Prugberger as all-comprehensive and compulsory regulatory systems. <sup>11</sup> This model defines strict regulations in the case of ownership, use and inheritance of agricultural lands and/or agricultural holdings. It is important to note that for the Hungarian transactions of land there are no special regulations in succession by law <sup>12</sup> or intestate successions, while there are regulations in connection with succession by will. Similarly, the detailed final regulations for agricultural holdings are missing. <sup>13</sup> The lack of adoption of the latter regulation is partly due to the fact that the Hungarian Constitution named three legislative issues, among them agricultural holdings, as cardinal acts. Cardinal Acts shall be Acts of Parliament, the adoption and amendment of which requires a two-thirds majority of the votes of Members of Parliament present, and at the present, the governing parties have no two-thirds majority. <sup>14</sup> When the two-thirds majority still existed, just the first regulation group was adopted, namely: the acts on the acquisition of ownership of arable land and forests; including limits and conditions of their use. In this frame, Act CXXII of 2013 on Transactions in Agricultural and

<sup>&</sup>lt;sup>10</sup> In the Hungarian literature this question was first examined by István Olajos and Éva Szalontai, see: István Olajos – Éva Szalontai, Zsebszerződések a termőföld-tulajdonszerzések területén (Fraudulent contracts in the field of land acquisitions), Napi Jogász, 2001/7, 3-10. Later on, Krisztina Bányai conveyed a detailed research in this field as a public prosecutor; see Krisztina Bányai, Theoretical and practical issues of restraints of land acquisition in Hungary, JAEL, 2016/20, 5-15.; see further: Enikő Bianka Kocsis, A mező- és erdőgazdasági földek tulajdonjogának megszerzését vagy használatát korlátozó jogszabályi rendelkezések kijátszására irányuló jogügyletek és a naturalis obligatio kapcsolata (Relationship between naturalis obligation and fraudulent contracts concerning transfer of agricultural lands), Studia lurisprudentiae Doctorandorum Miskolciensium 16, 2015, 241-258; Enikő Bianka Kocsis, The new Hungarian land transfer regulation from the aspect of examination of the European Union, JAEL, 2014/16, 102-104.

<sup>&</sup>lt;sup>11</sup> Tamás Prugberger, A fejlett polgári államok földtulajdoni és mezőgazdasági üzemstruktúrája a XX. század agrárreformjai tükrében (Structures of land law and agricultural holding in developed countries in reflection of the agricultural reforms of the 20th century), in: Tamás Prugberger (ed.), Agrárjog I, Bíbor Kiadó, Miskolc, 1999, 81-116.

<sup>&</sup>lt;sup>12</sup> Many would opt for and argue in favour of special rules regarding the succession by law of agricultural lands and holdings (for instance Hornyák, Prugberger, Szilágyi) – something the author of these lines agrees with; see Zsófia Hornyák, Földöröklési kérdések jogösszehasonlító elemzésben (Land inheritance issues as part of a comparative law assessment), in: Szabó Miklós (ed.): Miskolci Egyetem Doktoranduszok Fóruma: ÁJK szekciókiadványa, ME TNRT, Miskolc, 2016, 131-135.; Zsófia Hornyák – Tamás Prugberger, A föld öröklésének speciális szabályai (Special regulations of land inheritance law), in: Juhász Ágnes (ed.), Az új Ptk. öröklési jogi szabályai, Novotni Alapítvány, Miskolc, 2016, 58.; János Ede Szilágyi: A magyar földforgalmi szabályozás új rezsimje és a határon átnyúló tulajdonszerzések (Cross-border acquisition of ownership and the new regime of the Hungarian land transaction law), Miskolci Jogi Szemle, 2017/klszm 1, 109.

<sup>&</sup>lt;sup>13</sup> A mezőgazdasági üzemek magyar viszonyok közötti szabályozásának lehetőségeit veszi számba: Mihály Kurucz, Gondolatok egy üzemszabályozási törvény indokoltságáról (Thoughts about the reasonableness of an agricultural holding act), Gazdálkodás, 2012/2, 118-130.

<sup>&</sup>lt;sup>14</sup> Similarly, a cardinal act is needed for the regulation of integrated agricultural organizations, but it still has not happened yet.

Forestry Land; TAL, which was in each part of it a cardinal act and a complementing but just partly cardinal act: Act CCXII of 2013 on Implementation and Transitional Rules of TAL; ITR.<sup>15</sup> Considering the two acts it is important to note that in this paper when land or agricultural land is mentioned we always mean forestry land as well. The most important features of this regulation can be summarized as follows:<sup>16</sup>

- (a) The Hungarian transaction of lands regime apart from the fully cardinal TLA and partly cardinal ITR acts is based on several other norms, thus it became a decisive part of the Hungarian legal order. Beside the portion structured land law regime (cardinal acts, act, governmental decree) other legal fields play an important role, e.g. within the regulatory framework of financial law the tax regulation as it was pointed out by Zoltán Nagy.<sup>17</sup>
- (b) In the execution of the land law regime several organizations play an active role. (b1) The governmental administration got an important extra work. Even earlier in the acquisition of land, the real estate authority played an important role (namely, in Hungary, the ownership of an immovable estate as a main rule comes into being by registration of ownership right in the real estate register). The new legislation attached, in addition, as a main rule both land acquisition and land use contracts to prior (state) authorization. (b2) From that on, with regard to the pre-emption right and the right of first refusal the municipal government of the community where the land is located is given an extra work-load. (Earlier they played a similar role.) (b3) The newly created institution, the local land commissions well-known from the legislation regime of other countries, e.g. Austria <sup>18</sup> are farmers and agricultural producer organizations, and other natural and legal persons using land within the administrative area of a municipal government. In most cases, their opinion on land acquisition is compulsory for the governmental administration in the procedure of prior authorisation. István Olajos called the

<sup>&</sup>lt;sup>15</sup> The details of the adoption of the land acquisition regime are summarized in: János Ede Szilágyi, Das landwirtschaftliche Grundstückverkehrsgesetz als erster Teil der neuen ungarischen Ordnung betreffend landwirtschaftliche Grundstücke, Agrar- und Umweltrecht, 2015/2, 44-47.

<sup>&</sup>lt;sup>16</sup> On the occaison of the new land acquiring regime several authors published foreign language summaries. The following ones are really worth reading: Csilla Csák – Bianka Enikő Kocsis – Anikó Raisz, Vectors and indicators of agricultural policy and law from the point of view of the agricultural land structure, JAEL, 2015/19, 32-43.; Nóra Jakab – János Ede Szilágyi, New tendencies in connection with the legal status of cohabitees and their children in the agricultural enterprise in Hungary, JAEL, 2013/15, 52-57.; István Olajos – Szabolcs Szilágyi, The most important changes in the field of agricultural law in Hungary between 2011 and 2013, JAEL, 2013/15, 101-102.; Klaudia Holló – Zsófia Hornyák – Zoltán Nagy, Die Entwicklung des Agrarrechts in Ungarn zwischen 2013 und 2015, JAEL, 2015/19, 56-64. This part of the present paper is based on János Ede Szilágyi's following papers: János Ede Szilágyi, A magyar földforgalmi rezsim általános bemutatása, in: János Ede Szilágyi (ed.), Agrárjog, Miskolci Egyetemi Kiadó, Miskolc, 2017, 64-74.; and János Ede Szilágyi, A magyar földforgalmi rezsim tulajdonszerzési előírásai (The acquisition of ownership in the Hungarian land transaction regime), in: János Ede Szilágyi (ed.), Agrárjog, Miskolci Egyetemi Kiadó, Miskolc, 2017, 74-95. Cf Pál Bobvos – Péter Hegyes: A földforgalom és földhasználat alapintézményei (The main institution of the land transaction law), SZTE-ÁJK, Szeged, 2015.

<sup>&</sup>lt;sup>17</sup> Csilla Csák – Zoltán Nagy, Regulation of Obligation of Use Regarding the Agricultural Land in Hungary, Zbornik radova Pravnog fakulteta u Novom Sadu, 2011/2, 541-549.

<sup>&</sup>lt;sup>18</sup> On the Austrian regulation Zsófia Hornyák has published several articles of high quality, drawing the attention to the differences between the Hungarian and Austrian land commissions: "The land commission in Vorarlberg is an existing body, but not only to give opinions form part of its competence, but issues in some cases the authorization."; Zsófia Hornyák, Grunderwerb in Ungarn und im österreichischen Land Vorarlberg, JAEL, 2014/17, 68.; and Zsófia Hornyák, Die Voraussetzungen und die Beschränkungen des landwirtschaftlichen Grunderwerbes in rechtsvergleichender Analyse, CEDR Journal of Rural Law, 2015/1, 96.

- attention to the (e.g. constitutional legal) difficulties of fitting local land commissions into the Hungarian legal regime.<sup>19</sup>
- (c) The new land acquisition regime sets up new norms for a wide range of land acquisition (the scope of TAL shall cover the acquisition of ownership of land under any title and by any means), usufruct, leasehold contracts, etc. The most important group of exceptions which are not in the scope of land acquisition act but in the scope of the general civil law is the intestate succession.
- (d) The new land acquisition regime definitely prefers the farmers in the acquisition of ownership of land. They are natural persons who are nationals of any EU member states or citizens of a country in the European Economic Area or the nationals of other States enjoying similar treatment under international agreement, excluding domestic natural persons. 'Farmer' shall mean any domestic natural person or EU national registered in Hungary, who has a degree in agricultural or forestry activities as provided for in the decree adopted for the implementation of this Act, or, in the absence thereof, who has been verifiably engaged in the pursuit of agricultural and/or forestry activities, and other secondary activities in his/her own name and at his/her own risk in Hungary continuously for at least three years. It is important to note that except from some narrow exceptions (e. g. Hungarian state) legal persons cannot acquire ownership of agricultural land. In the land use, it is also the farmers who are preferred, but here, there is a margin for legal persons strongly connected to agricultural activity, the so-called agricultural producer organizations.
- (e) The new land acquisition regime similarly to the previous one limits the size of acquirable agricultural lands. The limit for example in case of a farmer according to the main rule in his/her ownership and in usufruct maximum 300 hectares, while in use (together with the previous category is 1200 hectares (exceptionally 1800 hectares).
- (f) The new land acquisition regime has classed up the system of prior declaration. This means that when purchasing a land, the buyer has in advance to declare that he/she acquires the land for agricultural purposes only and the buyer/user will farm the land himself/herself.
- (g) In the new land acquisition regime, the pre-emption right (in the sale of land) and the right of first refusal (in the leasing of land) became more emphatic and more complex. The local resident farmers have an advantage in the strict statutory order.<sup>20</sup>

#### 3. The land law regulation in front of the Constitutional Court

After the new land law regime entered into force, several Constitutional Court procedures were initiated. In these procedures, the comprehensive assessment of the land law regime and the analysis of its institutions took place.<sup>21</sup> The Constitutional Court declared the unconstitutionality of certain

<sup>&</sup>lt;sup>19</sup> István Olajos, Az Alkotmánybíróság döntése a helyi földbizottságok szerepéről, döntéseiről, és az állásfoglalásuk indokainak megalapozottságáról (The Hungarian Constitutional Court's judgement on the role, decisions and other issues of the local land commissions), Jogesetek Magyarázata, 2015/3, 17-32.; and István Olajos, Die Entscheidung des Verfassungsgerichts über die Rolle, die Entscheidungen und die Begründetheit der Gründen der Stellungnahmen der örtlichen Grundverkehrskommissionen, Agrar- und Umweltrecht, in press.

<sup>&</sup>lt;sup>20</sup> See István Olajos, Földjogi kiskáté (Land law in a nutshell), Miskolci Jogi Szemle, 2017/special edition 2, 409-417.

<sup>&</sup>lt;sup>21</sup> The most important constitutional cases are named by János Ede Szilágyi, who considers the decision 17/2015. (VI.5.) AB as of principle force; János Ede Szilágyi, A magyar földforgalmi rezsimet befolyásoló tényezők (The factores affecting the Hungarian land transaction regime), in: János Ede Szilágyi (ed.), Agrárjog, Miskolci Egyetemi Kiadó, Miskolc, 2017, 48-49. Cf Pál Bobvos – Erika Farkas Csamangó – Péter Hegyes – Péter Jani, A mező- és erdőgazdasági földek alapjogi védelme (The constitutional protection of agricultural and forestry lands), in: Balogh Elemér (ed.), Számadás az Alaptörvényről, Magyar Közlöny Lap- és Könyvkiadó, Budapest, 2016, 31-40.; Csilla Csák, A termőföldet érintő jogi szabályozás alkotmányossági normakontrollja (The constitutional control of legislation concerning arable lands), in: Csák Csilla (ed.), Current challenges of the European legislation on agricultural land, Novotni Alapítvány, Miskolc, 2010, 69-79.

dispositions in some cases; one of these cases was the regulation of the (above mentioned) local land committees. The first disputes of the new land law regime appeared first in front of the administrative courts and the new regulation raised numerous problems. The civil law disputes on the contrary only begin to arrive to the civil law divisions of ordinary courts. One attribute of the Hungarian civil law related land law disputes is that they may appear even in front of the Court of Arbitration working beside the Hungarian Chamber of Agriculture (HCA), and there are cases on this path; it is highly likely that the speed of process at the arbitration court makes it attractive. As Csilla Csák has pointed it out several times, the arbitration process is not comprehensive, there are conditions e. g. a submission of the parties is necessary (arbitration clause) and it cannot applied for state-owned-lands which belong to the so-called national assets. The scientific analysis of both the ordinary and arbitration court practice is stringent.

#### 4. The Hungarian procedures in front of the Court of Justice of the European Union

The EU Commission launched infringement procedures against numerous Member States (Latvia, Lithuania, Slovakia) having joined the EU in 2004 or after (Bulgaria), among them against Hungary as well. In this regard, the jurisprudence calls the attention that it may partly be caused by some uncertainty in connection with the interpretation in the land policy determined by the EU law.<sup>24</sup> There are Hungarian authors speaking of transparency problems.<sup>25</sup> There is an author, *Szilágyi*, who considers this large number of infringement procedures unusual in the land field, because earlier the EU Court decisions typically (but not exclusively) were born in preliminary procedures.<sup>26</sup> János Ede Szilágyi<sup>27</sup> draws the attention to the fact that in the judgements of the EU Court on cross-border acquisition the assessment aspects – e. g. public interest objective, the question whether the measure of the national law cannot be exchanged for less restrictive measures – are surprisingly similar to those aspects applied by federal courts of the USA.<sup>28</sup> The Commission II of the CEDR Congress 2015 Potsdam pointed out that nowadays several EU member states are interested in cross-border land policy issues,

<sup>&</sup>lt;sup>22</sup> Local land committees caused serious problems in the application of law: see e.g. 2/2016. (III.21.) KMK vélemény, Bírósági Határozatok 2016. 6.

<sup>&</sup>lt;sup>23</sup> Csilla Csák – Zsófia Hornyák, A jogviták rendezésének eljárási kérdései a földforgalom körében: (Választott) bírósági keretek (Procedural issues of debates connected to the land transaction law: arbitral framework), Őstermelő: Gazdálkodók Lapja, 2014/4, 5-7.

<sup>&</sup>lt;sup>24</sup> See the regarding remark in (in this respect adopted) Part I.2. of the CEDR Potsdam Congress's Conclusions of the Commission II: "The situation definitely refers to some uncertainty in the land law policy in the EU"; published by János Ede Szilágyi, Conclusions, JAEL, 2015/19, 93.; see furthermore Korom 2013, 20-22.; Csák – Kocsis – Raisz 2015, 38-40.

<sup>&</sup>lt;sup>25</sup> Ágoston Korom – Réka Bokor, Gondolatok az új tagállamok birtokpolitikájával kapcsolatban – Transzparencia és egyenlő elbánás (Land policy of the new Member States – Transparency and non-discrimination), in press.

<sup>&</sup>lt;sup>26</sup> János Ede Szilágyi, A magyar földforgalmi rezsimet befolyásoló tényezők (The factores affecting the Hungarian land transaction regime), in: János Ede Szilágyi (ed.), Agrárjog, Miskolci Egyetemi Kiadó, Miskolc, 2017, 58.

<sup>&</sup>lt;sup>27</sup> János Ede Szilágyi, Az Egyesült Államok és szövetségi államainak mezőgazdasági földtulajdon szabályozása a határon átnyúló földszerzések viszonylatában (The USA and their constituent states' land regulations in connection with cross-border acquisition of agricultural lands), Miskolci Jogi Szemle, 2017/klszm 2, 574-577.

<sup>&</sup>lt;sup>28</sup> On the USA system see in detail Margaret Rosso Grossman, Rural Areas: Legal framework and implementation, Report for the United States, XXVIII European Congress of Agricultural Law of the CEDR, 17-20, (23.03.2017): www.cedr.org

therefore, a non-satisfactory settlement of the problem "would mean in a way the easing of the integration", while a satisfactory solution "may cease the uncertainty and deepen the integration".<sup>29</sup>

In connection with the infringement procedures launched against Hungary, it is important to note that essentially it is two different procedures. There is a special procedure on the transitional rules of the new land law regime in some usufruct cases, and there is a procedure for the comprehensive investigation of the land acquisition regime. In the followings, this comprehensive problem is to be examined based on the study of Tamás Andréka and István Olajos.<sup>30</sup> In the comprehensive case, the EU Commission launched its so-called pilot procedure with regard to certain legal institutions which were later, during the negotiations with the Hungarian government found to be in compliance with the EU regulations. Such EU-conform legal institutions are (a) the procedural role of local commission, (b) land acquisition limit of farmers and land possession limit of farmers and agricultural producer organizations, (c) the system of pre-emption right and the right of first refusal, and (d) the regulation on the term of leasehold. The even presently going infringement procedures, the following national measures' compliance are questioned by the Commission: (a) complete ban on the acquisition of land by domestic and foreign legal entities, (b) proper degree in agricultural or forestry activities, (c) proper agricultural or forestry practice abroad, (d) obligation on the buyer to farm the land himself, (e) impartiality in prior authorisation for the sale of lands. Among the questioned institutions, the ban on legal entities is the bone of the present land acquisition regime, and, according to Tamás Andréka et al., the "aim of this institution is to avoid the uncontrollable chain of ownership which would be in contradiction with keeping the population preserving ability of the country, since it would be impossible to check land maximum and the other acquisition limits".31

In the meantime, preliminary ruling procedures (Szombathely) have been initiated. It is still to be seen what effects they would have on the issue.

## 5. Free trade agreements' possible effects on states' land law regulations

Nowadays, the interest of Hungarian legal research (see especially János Ede Szilágyi's<sup>32</sup> research) has turned to the free trade agreements (Comprehensive Economic and Trade Agreement: CETA, Transatlantic Trade and Investment Partnership: TTIP), examining their effects on the European and Hungarian land acquisition regime.

<sup>&</sup>lt;sup>29</sup> See the (in this respect adopted) Part I.2. of the CEDR Potsdam Congress's *Conclusions of the Commission II*: published in: János Ede Szilágyi, Conclusions, JAEL, 2015/19, 93.

<sup>&</sup>lt;sup>30</sup> Tamás Andréka – István Olajos, A földforgalmi jogalkotás és jogalkalmazás végrehajtása kapcsán felmerült jogi problémák elemzése (The assessment concerning land transaction legislation and its implementation), in press.

<sup>&</sup>lt;sup>31</sup> Andréka – Olajos 2017.

<sup>&</sup>lt;sup>32</sup> János Ede Szilágyi: A magyar földforgalmi szabályozás új rezsimje és a határon átnyúló tulajdonszerzések, Miskolci Jogi Szemle, 2017/klszm 1, 121-124.