

## SUMMA

### TRENDS IN THE TAXATION OF THE DIGITAL ECONOMY

Éva ERDŐS

The rise of digitalism, and its rapid development have brought with them business models that bring many benefits, as well as business models that lead to harmful tendencies, harmful tax competition, and tax avoidance behaviors. New aggressive digital tax avoidance techniques are emerging that take advantage of the differences in each country's tax systems, shifting their profits to low-tax countries where they do not carry out real economic activity. The challenge is big, there is a lot of question, is there need for joint action in the EU, or should the member states take the fight on their own to curb tax evasion? Should there be a single temporary tax on digital services in the European Union, or would be better a permanent tax? An important question is when taxing digital services is how to get digital companies to pay tax without physical presence, and how to help digital, dot.com companies pay on their revenues. In her study the author presents tax evasion practices, the fresh judgement of the European Court of Justice in the case of Apple, and highlights the main problems, such as the issues of taxation without real physical presence, furthermore examines the instruments for combating digital tax evasion and give possible solutions for the problems.

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### BITCOIN, CLAIM WITHOUT EXPIRY?

Gabriella ERDŐS

Cryptocurrencies are gaining in popularity worldwide. They are used as if they were currencies, securities, debt or equity instruments, or property. They are neither of those things although they certainly show characteristics of each categories. A Hungarian non-binding ruling classifies them as claims or accounts receivable, while the international accounting standards recommend to present cryptocurrencies either as intangible assets or as inventories. The article analyses the characteristics of cryptocurrencies, and the corporate income tax consequences of following the recommendations of the Hungarian non-binding ruling. It shows why the wrong classification of cryptocurrencies leads to false tax results. The author recommends the withdrawal of the tax ruling

and the establishment of new accounting rules and interpretations – possibly also the introduction of a new accounting category for cryptocurrencies.

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## LEGAL ISSUES IN THE FIELD OF TAXATION RELATED TO VIRTUAL ASSETS

Zsolt HALÁSZ

The appearance of the virtual currencies opens up several questions in the field of taxation of different transactions, gains, incomes with virtual currency involvement. Along with the significant economic (especially monetary) impacts, there is a long list of legal issues related to the virtual currencies to be answered. Within the territory of these legal issues, this paper focuses especially on the taxation of incomes, transactions, etc, received in or implemented by virtual currencies. The author gives a brief background of relevant regulatory issues and attempts of certain countries. The paper considers taxation issues that virtual currencies raise concerning the taxation of incomes and also to the sale of goods and services against virtual currency. As a conclusion, the author emphasizes the need for regulatory answers and clear definition of tax obligations related to virtual currencies.

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## APPLICABILITY OF FINANCIAL CONSUMER PROTECTION INSTRUMENTS TO CRYPTOCURRENCIES

Péter KIRÁLY

Over the past decade, several innovations have emerged that make it easier to manage our finances, which the scientific literature collectively calls FinTech. The term is a collective term for new technologies that implement an active link between financial services and IT developments and that either emerge as new e-services on the market or further develop existing financial services using computing tools. Among the Fintech technologies, in the following, the author presents the cryptocurrencies and blockchain technology, as well as outlines the financial consumer protection concerns they raise. The author examines, through the example of the legal regulations of the European Union and Hungary, whether the means of financial consumer protection cover cryptocurrencies.

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## LEGAL AND IT TOOLS TO PREVENT VAT FRAUD

László PARDAVI

The introduction of older and newer technical regulations and reporting obligations in Hungary will counteract tax evasion and lead to a reduction in the tax gap. By comparing and analyzing the increased amount of data made available to the tax authority, it can more effectively carry out its control tasks. The new disclosure requirements also have an impact on taxpayers' corporate governance, accounting and administration tasks and policies, so it is worthwhile to adapt and update them to reflect the new reporting requirements. Applying the new regulations may also result in a reduction in the administrative burden and hence the costs for taxpayers.

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## THE IMPACTS OF TECHNOLOGICAL DEVELOPMENT ON THE TAX PROCEDURE

Ildikó SZABÓ

The technological development modified the tax administration significantly, so it based on new elements. In the framework of this paper, we describe such legal instruments which represents a new innovative aspect, and which changed the tone and the level of the liaison between the tax payers and the tax authority. It presents the effects of the technological development in the types of tax administration (general process, tax control, tax enforcement), furthermore we summarized the results, and we take notice of future aims.

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## DIGITALISATION AND TAX AUTHORITY

Erzsébet VARGA

The digital transformation and the use of artificial intelligence is an important element in the development of tax administrations. Digitalization could have several benefits: it could make risk assessment and tax audits more effective, and simplify tax compliance for taxpayers. Tax administrations hold a huge amount of taxpayer data. The proper use and cross-checking of these data can increase efficiency in combatting tax avoidance. Hungary has made significant steps in digital transformation. The introduction

of various software tools in recent years already resulted in success: Hungary was extremely successful in reducing the shadow economy and combatting VAT fraud.

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## NATIONAL REGULATION OF SPACE ACTIVITIES

### *Analysis of the international legal environment and the practice of the ESA Member States*

Balázs BARTÓKI-GÖNCZY

In the present study, the author seeks to answer the question of what is the task and role of states in the creation of a prosperous national space market that encourages commercial space activities but takes the interests of the state into account. The subject of his study is, in a narrower sense, the regulation of space activities at the national level, which is one of the most dynamically developing areas of space law. The aim of the study is to present the international legal environment related to national space law and to identify best practices for Hungary based on the practice of the seventeen ESA Member States that have adopted national regulations. The author argues that the adoption of national rules (licensing, supervision, registration) concerning commercial space activities under Hungarian jurisdiction, in not only international legal requirement, but justified by many other arguments.

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## THE EUROPEAN COURT OF JUSTICE'S CASE LAW REGARDING LAW OF CIVIL PROCEDURES IN 2018–2019

E. ÍRISZ HORVÁTH

Under the European judicial cooperation in civil and commercial matters, the Member States have had the possibility to refer cases to the European Court of Justice since 1971 and, following its name change, the Court of Justice of the European Union for the interpretation of certain provisions of conventions and, following the entry into force of the Amsterdam Treaty, also for interpretation of the provisions of secondary legislation. The Member States often resort to this procedure and the Court of Justice of the European Union delivers 20 to 25 judgments each year, trying to serve as a compass for law enforcement in the seemingly complicated system of European civil procedure law. The present study is the third in a series, the sole purpose of which is, as in previous years, to present decisions taken in 2018 and 2019 in relation to sources

of European civil procedure law, thereby facilitating the work of those interested in the topic.

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## A NEW ERA IN THE LIMITATION OF ONLINE FREE SPEECH? – A GLIMPSE INTO THE FACEBOOK OVERSIGHT BOARD

TAMÁS PONGÓ

In 2020, we have arrived at an important milestone regarding the limitation of online free speech, when Facebook established the Facebook Oversight Board (FOB). According to Zuckerberg, the FOB will function as a Supreme Court, which has the power to decide regarding the content removal of the social media platform. This article delineates the members, the structure, and the powers of the FOB before it decides the very first case. In the course of the research, several questions remained unanswered, such as how to define the boundaries of the FOB regarding criminal matters. As a result of the analysis of the FOB and its future, a crucial question was revealed, whether Facebook is building a digital state in the online environment as the book of Dave Eggers (*The Circle*) or the movie of *Ready Player One* depicted? Since now with the FOB, Facebook has every aspect of an offline state, it will raise the question, is the old interpretation of sovereignty outdated, and we will face a new challenge, namely the elements of a digital state?

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## CONSTITUTIONAL REQUIREMENTS IN THE PRACTICE OF THE HUNGARIAN CONSTITUTIONAL COURT AFTER 2012

Zsuzsa SZAKÁLY

This paper aims to examine the constitutional requirements which were established by the Hungarian Constitutional Court after 2012. The Act CLI of 2011 on the Constitutional Court defined the constitutional requirements for the first time at the legislative level, albeit they were used since 1993 when the Constitutional Court defined the first one. After studying the existing opinions about the question, the paper focuses on the constitutional requirements between 2012 and 2019, examining the constitutional rights which were used in the process of defining.

Only the most popular constitutional rights – among the petitioners – will be analyzed: the right to a fair trial, the rule of law, the prohibition of discrimination and

the right to life and human dignity. By looking at some of the cases, conclusions can be drawn about the importance and characteristics of the constitutional requirements.

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THEORETICAL AND PRACTICAL ANOMALIES  
OF COURT PROCEEDINGS IN INSTITUTIONAL TREATMENT  
OF PSYCHIATRIC PATIENTS IN THE LIGHT  
OF TWO MENTAL DISORDERS

Márk BALOGH

The subject of my study is the court procedure related to the institutional treatment of psychiatric patients in Hungary. I am mainly looking for the answer to how the legal background is realized in practice, the extent to which everyday experience meets the expectations created by the legislator. In addition to describing the relevant regulatory background, my research is also based on an empirical, empirical methodology, because in my work I analyze two mental disorders, which are frequent in connection with the order or review and may be difficult to assess from a legal point of view. Following the dissertation, which also includes a brief international outlook, we can get an idea of the extent to which legislative and international expectations can be met in practice.

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THE RESTRICTIONS AND BANS ON WEARING  
RELIGIOUS CLOTHES IN THE COURTROOM ACCORDING  
TO THE JURISPRUDENCE OF THE EUROPEAN COURT  
OF HUMAN RIGHTS

János Tamás CZIGLE

The restrictions and bans on wearing religious clothes across Europe has been a subject of serious controversy in the last couple of years. Though seemingly non-discriminative in nature, legislative actions have been taken against clothes covering the face and body of citizens in public spaces, which restrictions ultimately impact those people, whose religious observance requires the expression of their beliefs via such items. Restrictions on religious garment or other symbols in public education institutes has a long jurisprudence as well, such limitations are usually justified by safeguarding values of secularism, state neutrality in religious matters, the public order and safety. Possible and justifiable limitations to expressing religious beliefs are the key factors of the *Hamidovic v. Bosnia and Herzegovina* and *Lachiri v. Belgium* cases as well. This

time, the question examined by the European Court of Human Rights centred around the possible bans on wearing religious clothes in the courtroom. This study intends to examine and detail these judgements of the Court.

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## LIMITATIONS ON THE LAND OF THE FREE – PROHIBITION IN AMERICA, PART I.

Csaba GONDOLA

This year we marked the 100th anniversary of the 18th Amendment of the American Constitution that introduced a widespread ban on alcoholic beverages. This period remained in the history as the Prohibition era. This episode is not only important because of its remarkable and long-lasting implication on the American society but because of the legislative process surrounded it. Anglo-Saxon societies have a long record on prohibiting intoxicating liquors. This aversion is rooted back to the years of early Protestantism and Puritanism. Devout settlers of the new land quickly introduced restricting measures on alcoholic beverages and through the years temperance movements emerged across the continent. By the end of the 19th century, the fight against alcohol became not only a religious cause but also a political tool and a vehicle for emancipation and participation. While the process that led to the general prohibition matured for centuries, it quickly proved to be an impasse. This article presents the historical background of the Amendment, the legal aspects of its adoption and its unique character that makes it different from most of the constitutional reforms. The related acts and laws, as well as the relevant case law will also be discussed. It will also be presented how the anomalies around this legislative process eventually lead to the abolishment of the 18th Amendment of the Constitution.

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## CONNECTION BETWEEN DAMAGES UNDER ART. 74. CISG AS THE GENERAL RULE FOR MEASURING DAMAGES AND THE FORESEEABILITY CLAUSE

Imre Gábor HOLTZER

In the system of the CISG, Article 74 is the basic rule for damages which prescribes the rules for consequential damages. Article 74 is not only to be used in cases, in which the contract concluded by the counterparties remains in power even after the breach of contract. Article 74 might be referred even in case of avoidance. The first

sentence of Article 74 defines methods of calculating damages in certain cases. The second describes the foreseeability clause. This study attempts to reveal the elements of definitions and elementary rules through legal cases. The study discloses the different types of damages and the interaction between them and the foreseeability. The foreseeability rule might be an essential restriction in the system of damages created by the CISG. This study points out those principles, which determines the connection between foreseeability and damages.

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LAW AND LITERATURE  
– CHARLES DICKENS: *A CHRISTMAS CAROL*

Péter Zsigmond SZABÓ

The first part of the essay deals with the short biography of Charles Dickens and the events, characters and working conditions depicted in one of his most famous work, the Christmas Carol. The second part is about the reality of Victorian life and society and the child labour during the industrial revolution. The presentation is about to outline the state of labour law in the nineteenth century. The aim is to analyse the circumstances that led to the birth of the factory legislation, including the effects of the industrial revolution, the working conditions before the factory acts came to exist and the initial steps that were taken by the legislators to improve the working conditions. In the summary I try to compare the society and working conditions that are present in the book with those that actually existed.