Hungary

1. DIGITAL AGENDA TARGETS AND ECONOMIC INDICATORS

Broadband Indicators (January 2014)[1]					
	Speed	**Hungary**		**EU Average**	
		Percentage (in %)	Growth (in %)[2]	Percentage (in %)	Growth (in %)
Fixed broadband coverage[3]	From 144 Kbps	94,4	N/A	97,1	2
	NGA[4]	75,7	27	61,8	15
Fixed broadband penetration[5]	From 144 Kbps	24,2	5	29,9	4
	From 30 Mbps	8,3	159	6,3	47
	From 100	0,9	125	1,6	78
Mobile broadband coverage	Basic (HSPA)	97,0	1	97,1	1
	LTE	39,1	10	58,9	125
Mobile broadband penetration		26,4	4	61,1	5

While Hungary continues to be lagging behind towards the DAE targets, the economic stagnation of recent years, the various financial levies introduced on electronic communication services and infrastructures as well as delays in concluding the frequency auctions following the postponed digital switchover could not help Hungary to achieve progress. The new financial levy[6] introduced in 2012 *inter alia* on broadband infrastructures may hinder further growth in coverage, and may impede existing and planned measures to promote roll out of infrastructure.

Hungary has a relatively low take-up of fixed broadband, while the share of high speed connections (at least 30 Mbps) is just below the EU average. Take-up of mobile broadband is the lowest in Europe (26.4 % as of January 2014). Even if Hungary does better than average regarding fourth generation (LTE) availability, lack of frequencies for wireless communications, a continued and intensive fiscal burden on operators as well as regulatory uncertainty of the past years hinders the pace of roll out.

In January 2014, standard fixed broadband covered 94.4% of homes in Hungary. At the same time, Next Generation Access capable of providing at least 30 Mbps download was available to 75.7% of homes. On the mobile side, in January 2014 third generation mobile broadband

[1] The figures in this table have been provided by Hungary to the European Commission via the EU Communications Committee (COCOM) for the Scoreboard of the Digital Agenda for Europe. For more information see http://ec.europa.eu/digital-agenda/ and http://ec.europa.eu/digital-agenda/en/scoreboard.

[2] Increase over the figure of a year earlier, expressed as a percentage. E.g. if there has been an increase from 20% in January 2013 to 30% in January 2014, that would be a 50% growth.

[3] Coverage is the availability of the network for those who want to subscribe to the service, as % of the population. See also the Glossary. Coverage data is from December 2013.

[4] NGA fixed broadband includes FttH, FttB, FttO, VDSL, Cable with Docsis 3.0 or higher, and other NGA. See also the Glossary.

[5] Penetration is the number of subscribed lines per 100 inhabitants. See the Glossary for a more detailed explanation.

[6] The sector specific levies and taxes are further detailed in point 6.3.

(HSPA) was available to 97.0% of the population and fourth generation (LTE) is available to 39.1% of the population. The take-up rate (subscriptions as a percentage of population) of mobile broadband was 26.4% in January 2014, well below the average of 61.1% in the EU.

2. COMPETITIVENESS IN THE SECTOR

Revenues and investment in the electronic communications sector			
	2010	**2011**	**2012**
Revenues	€2,99 billion	€2,83 billion	€2,77 billion
Growth	N/A	-5,3%	-2,1%
Investment	€0,50 billion	€0,38 billion	€0,47 billion
Growth	N/A	-24,2%	24,2%

While Hungary seems to move towards recovery after a period of multiannual economic decline, the revenues in the electronic communications sector have decreased from €2,99 billion in 2010 to €2,77 billion in 2012. At the same time, investment in the sector has experienced a steeper decline, in 2011 compared to the previous year, decreasing from €500 million in 2010 to €380 million in 2011. The investment of the sector in 2012 however increased to €470 million. Despite adverse financial measures on the sector, Hungary still accounted for a 17% investment/revenue ratio in 2012 that was above the EU average of 13%.

3. MARKET DEVELOPMENTS

The Hungarian fixed telephony market has been characterized by the presence of local telephony operators originally created in a geographic split-up of the former state monopoly area. In the fixed voice market, after a series of consolidations, the three remaining companies Magyar Telekom, Invitel and UPC (in the former concession area of Monortel) remain leading operators designated as SMP, although their market shares for all types of calls by traffic volume have decreased slightly in the past to 80.8% as of December 2011, compared with 79.4% in December 2012.

The broadband market saw an increasing infrastructure based competition in recent years posed primarily by the major cable operators UPC and DIGI consolidating the cable market and upgrading their infrastructures to offer high speed internet. The television offers have been a major driver of competition and the incumbents are also developing their fibre networks to improve bundle offers. The infrastructure based competition has led to the third highest market share of cable operators in the EU (47%) at a peak in 2012, while the market share of the three local incumbents (Magyar Telecom, Invitel and UPC) in fixed broadband have been decreasing over the past years. At the same time, the market shares of alternative operators were also decreasing. In January 2014 however, the market share of cable services showed a significant decrease to 40%. In January 2013, the vast majority (85%) of new entrant DSL subscriptions are bitstream lines, and the 14% market share of full LLU is clearly below the EU average of 75%. In recent years, MVM Net (a subsidiary of MVM Hungarian Electricity Company) has been intensifying its efforts on various segments of the

telecommunication market. It was the winning bidder for the annulled auction[7] for a new entrant MNO, as well as of the 450 MHz auction, and it is offering wholesale services on the fixed broadband market.

For the past years, the Hungarian mobile market has shown a rather stable market structure, despite previous efforts for an entry into market of a fourth mobile operator. Currently there are three mobile operators (the incumbent Magyar Telekom's subsidiary with 45% market share, and its competitors, Telenor and Vodafone with 31% and 24% as of October 2013 2012) while one MVNO and two branded resellers are providing services. The 114% mobile penetration showing an increase over the year, following a period of stable take-up in the past years and a 77% market share of mobile services of total voice traffic (in 2012) indicates a clear trend of mobile substitution. Against this background, the market share of the incumbent's mobile subsidiary stopped its decreasing trend of recent years, while third entrant Vodafone has gained some ground on the second operator Telenor. With regard to revenues in mobile communications, the average revenue per minute decreased to € cent 6.0 in 2011 (from € cent 6.7 in 2010), well below the reported EU average of € cent 9.1 in 2011. For the same period, the average revenue per user in mobile communications grew slightly to €128 in 2012 (from 125 in 2011) which is also lower than the reported EU average of €187 for 2012.

The bundled offer penetration was at 66% as of July 2013 representing a 12 percentage point increase to the previous year, nearing close to the EU average of 69%. The double play and triple play (or more) penetrations were of 26.0% and 43.6% respectively, representing a considerable increase compared to the previous year (11.0% and 27.2% as of July 2012).

In 2012, Hungary adopted restrictive rules on mobile payments mandating the use of the state-owned national mobile phone payment company for mobile payment clearings concerning certain state concession services (such as parking fees and road tolls). In November 2013, the Commission launched infringement proceedings against Hungary as the Commission upholds that Hungarian rules are not in line with EU rules on freedom to provide services and the freedom of establishment.

In March 2014, the Hungarian government bought back Antenna Hungária, the national terrestrial radio and television programme broadcaster, from the French owner TDF. Following the completion of the digital switchover, Antenna Hungária announced the extension of its multiplexes to five national multiplexes, offering free to air public and commercial channels and commercial subscriptions. Antenna Hungária is also the operator of the nationwide digital microwave backbone network since 1998.

4. MARKET REGULATION

In its decision on market 1 (access to the public telephone network at a fixed location for residential and non-residential costumers) adopted in December 2012, NMHH designated the three local incumbents as SMP operators imposing carrier selection and price caps. Concerning market 2 (call origination on fixed network), NMHH adopted its Decision in November 2013, designating three SMP operators, and imposing obligations concerning access, transparency (obligation to publish a reference offer for the three incumbent

[7] For further details see section 7.

operators), accounting separation and cost orientation. Concerning market 3 (call termination on fixed network) in a decision adopted in November 2013, a total of 124 SMP operators were designated, with obligations concerning access, non-discrimination, transparency (obligation to publish a reference offer), accounting separation and cost orientation (pure BU-LRIC based termination rates for fixed-line). Concerning the national analogue terrestrial radio broadcasting market (Market 18/2003, Broadcasting transmission market), in December 2013, one SMP operator was designated, with obligations concerning access, non-discrimination, transparency and cost orientation (applying a fully distributed cost – historical cost. accounting (FDC-HCA) methodology).

5. BROADBAND PLANS AND FINANCING

In 2010, the Ministry for National Development published a five-year Digital Renewal Action Plan (2010-2014), however, no implementing measures were developed to realise the plan until 2014. In February 2014, the Government has adopted the National Infocommunication Strategy 2014-2020 in line with the Digital Agenda targets, also covering demand side measures taking particular consideration of vulnerable citizens. The Digital Infrastructure Pillar of the National Infocommunication Strategy 2014-2020 includes broadband related objectives and plans of Hungary for the next seven years. The broadband targets enshrined in the strategy are consistent with the broadband targets laid down by the Digital Agenda.

In November 2011, the Ministry published a draft call for projects to finance broadband backhaul network developments. The projects related to the network development will not yet be completed by the end of 2014. It remains to be seen, whether the financial incentives made available would be able to compensate the effects of levies established on providers, in particular the infrastructure tax introduced for 2013. In the new programming period, broadband development priorities focus on the development of new generation NGA networks, the wind-up of still remaining backhaul bottlenecks and to improve government networks capacity and access of public institutions.

In February 2014, the Government of Hungary and Magyar Telekom signed a partnership agreement to make high-speed broadband Internet available to every home by 2018, to promote digital literacy and increase the competitiveness of businesses.

6. INSTITUTIONAL ISSUES

6.1. The National Regulatory Authority

The National Media and Infocommunications Authority (NMHH) is a converged media and telecommunication regulator established following the integration of the NRA with the media authority (ORTT) in 2010. In 2012 and 2013, the Commission has not raised concerns on the implementation of the independence requirements in Hungary, since the swift resolution of concerns of impartiality in 2011. In 2012, certain regulatory portfolios concerning spectrum and universal service have been transferred to the NRA from the Ministry for National Development, to address concerns expressed by the Commission with regard to the structural separation of the Ministry from the planned new entrant mobile player owned inter alia by the State owned MVM Hungarian Electricity Company.

The president of the NRA is appointed by the President of the Republic on proposal of the Prime Minister. His/her mandate lasts nine years (since the latest amendment in force since 5 April 2013) and is no longer renewable. The president may be removed only for reasons such as sickness or incapacity, as well as in case if he/she is not elected by the Parliament as President of the Media Council, or a final court judgement establishes his/her misconduct. Subsequent to the decease of the president of the NMHH Annamária Szalai on 12 April 2013, the current president, Monika Karas was appointed in August 2013. Following the resignation of the vice-president, the position remains currently vacant.

Resources of the national regulatory authority			
	2011	**2012**	**2013**
Personnel[8]	[185]	[196]	[205]
Increase	[…] %	[…] %	[…] %
Budget	HUF [26.649,5] Million	HUF [32.449,1] Million	HUF [35.026,0] Million
Increase	[29,3] %	[21,8] %	[7,9] %
Administrative charges[9]	HUF [2.380] Million	HUF [2.243] Million	HUF [2.310] Million
Administrative costs[10]	HUF [21.767,2] Million	HUF [23.404,7] Million	HUF [22.551,5] Million

NMHH is independent from the Ministry and reports directly to the Parliament of Hungary. The annual operational plan of NMHH does not require approval. NMHH also cooperates with a wide range of authorities and agencies (such as the Hungarian National Authority for Data Protection and Freedom of Information, Competition Authority, National Consumer Protection Authority) in the field of electronic communications markets and services.

NMHH administers dispute settlement procedures only according to Article 20 FWD, there are no other forms of dispute resolution falling within the competence of NMHH. General alternative dispute resolution functions are performed by arbitration boards (*békéltető testület*), organized as independent bodies attached to the competent county chamber of industry and commerce.

Official decisions of the NRA passed in the first instance can be appealed at the President of NMHH, whilst the resolutions and decisions adopted by the President may not be subject to administrative appeal. The decisions of the President can be challenged before court. Judicial review of the NMHH's decisions falls within the exclusive competence of the Budapest Court of Administration and Labour (*Fővárosi Közigazgatási és Munkaügyi Bíróság,* FKMB). If the FKMB's decisions may be appealed, they are reviewed by the Budapest Metropolitan Court (*Fővárosi Törvényszék*) while the Supreme Court (*Kúria*) might be called to proceed to an extraordinary review of final court decisions (both of first and second instance). In 2012, 35 decisions were upheld, while 4 overturned or annulled, 2 of which for substantive reasons, in

[8] Number of staff in full time equivalents (fte) involved in electronic communications matters.
[9] In the sense of Art. 12 of the Authorisation Directive (Directive 2002/20/EC as amended by Directive 2009/140/EC).
[10] Idem.

2013, 17 decisions of NMHH were upheld, while, 4 overturned or annulled, all of which for substantive reasons.

6.2. Authorisation

NMHH maintains an authenticated registry on electronic communications providers and their services, in accordance with the Electronic Communications Act. On the basis of a formal complaint in 2011, the Commission services investigated the implementation of the general authorisation scheme in Hungary with regard to requirements on establishment and guarantees to ensure that the general authorisation shall only contain conditions which are specific for that sector and are specifically set out in an Annex to the Authorisation Directive without duplicating conditions applicable by virtue of other national legislation. Following exchanges of information, the Commission launched an infringement proceeding against Hungary on 25 October 2012. As the concerns of the Commission had subsequently been addressed by the Hungarian Authorities, the Commission closed the infringement procedure in October 2013. Following a request for preliminary ruling submitted by the relevant Hungarian Court, the European Court of Justice delivered a judgement on 30 April 2014[11]. The judgement confirmed the existing case law that a service consisting in the supply of conditional access to a package of radio and television programmes, retransmitted by satellite falls under the Regulatory framework for electronic communication, and therefore the provider is subject to the authorities of the Member State in which the recipients of those services are resident. At the same time, Member States cannot require the provider to additionally establish itself in the residence country of the subscribers.

6.3. Taxation

In October 2010, a special tax was introduced inter alia on the revenue from telecommunications services. On 18 May 2012 a new telecommunication tax was adopted to gradually replace the special tax. The telecommunication tax is a levy of 2 HUF/min on mobile and fixed voice telecommunication services and 2 HUF/SMS, with caps applicable to both open and flat rate subscriptions. In parallel, a third tax was introduced on public utility services (including telecommunication infrastructures) as of 1 January 2013. The tax is levied on the metric length of pipelines and cables at the unified rate of HUF 125 per metre.

7. SPECTRUM MANAGEMENT

The 2010 Media Act[12] amended the Act on the Rules of Broadcasting and Digital Switchover[13] in December 2010 to introduce the possibility of delaying the analogue switch-off until 31 December 2014. Hungary has not awarded the rights of use in the digital dividend bands and in view of the exceptional circumstances as set out in the Act, Hungary has filed a request for derogation from the application of Article 6(4) RSPP on 6 November 2012. The derogation to carry out the authorisation process in order to allow the use of the 800 MHz band for electronic communications services was granted until 31 December 2013 and to switch off the broadcasting service in the 790-862 MHz frequency band until 30 June 2014.

[11] Case C-475/12, UPC DTH S.á.r.l. v A Nemzeti Média- és Hírközlési Hatóság Elnökhelyettese,
[12] Act CLXXXV of 2010 on media services and mass media
[13] Act LXXIV of 2007 on the rules of broadcasting and digital switchover

On 31 of October 2013, the digital switchover was completed and, analogue terrestrial broadcasting was terminated across Hungary[14]. Nevertheless, Hungary failed to assign the 800 MHz within the timeframe of the derogation. The planned multiband spectrum tender published on 29 November 2013 has been postponed to 2014 and the revised draft tender Documentation[15] was published on the NMHH website on 17 April 2014.

Following an unsuccessful frequency tender for a forth mobile operator in 2009, a new auction was announced in 2011 to allow the entry into the market of a fourth operator and to offer access to further spectrum for existing mobile network operators in particular to offer voice and mobile broadband services in the 900 MHz band (EGSM band). As a result of the auction, a state owned consortium was awarded a complete set 2 x 15 MHz in the 1800 MHz band and 2 x 15 MHz in the 2100 MHz band and 5 MHz in the 900 MHz band with extensive access to roaming services applied to all incumbent operators. The decision was challenged by existing operators, and in February 2012, the court annulled the results of the auction with respect to both new entrant and existing operators.

Following the outcome of the auction, the spectrum rights of the three Hungarian mobile operators in the 900 and 1800 MHz frequency bands were extended uniformly until 2022, with the contract expiration dates harmonised for all three operators in line with the original procedural conditions of the licences.

On 14 March 2014, MVM NET Zrt. was awarded the 450 MHz spectrum to be used primarily for governmental purposes. The winning bidder has up to eight months to roll out the first phase of the network. The use of the frequency band is expected to boost the speed and efficiency of stand-by and emergency service communications, the deployment of urban traffic information systems and smart metering systems.

In September 2013, amendments were implemented in the table of radioapplications[16] and the rules of using frequency bands[17] to fulfil RSPP obligations regarding spectrum trading and sharing and a new implementing decree was adopted on secondary trading of radio frequencies[18]. An amendment[19] of the NMHH Decree on the rules of using frequency bands with a view to allow an extended duration of licences entered into force on 18 March 2014.

Since 2010 the Commission has investigated a number of cases relating to the assignment of frequencies for radio broadcasting. In March 2014 the Commission has launched infringement proceedings against Hungary, concerning the award of temporary licenses to radio stations for a period of up to three years to the first applicant for specific community needs or emergency situations. The Commission has concerns that the absence of an open procedure seems to be disproportionate to the objectives pursued, as the specific community needs could be observed

[14] http://english.nmhh.hu/cikk/160963/At_1230_on_Thursday_Hungarys_digital_switchover_was_complete#stha sh.pwTdYPDN.dpuf

[15] http://nmhh.hu/cikk/162962/New_draft_documentation_has_been_published_for_the_tender_procedure_for_spe ctrum_licences_relating_to_broadband_services

[16] NMHH Decree No. 15/2012 (XII.29.) on the Establishment of the National Frequency Allocation

[17] NMHH Decree No. 2/2013 (I. 7.) on the Establishment of the rules of using frequency bands that may be used for civil purposes

[18] NMHH Decree No. 7/2013 on the procedural questions of spectrum trading, and sharing (IX. 19.

[19] NMHH Decree No. 2/2014. (III. 10.)

in the course of an open procedure, and unexpected emergency situations should not warrant in advance the use of frequencies for up to three years.

8. RIGHTS OF WAY AND ACCESS TO PASSIVE INFRASTRUCTURE

Access to telecom passive infrastructure in Hungary is by law (Section 90 EHT) mandated on an asymmetric basis and in certain cases on a symmetric basis. Symmetric access concerns in particular the network elements listed in Article 12 of the Framework Directive. Access to other utilities infrastructure is not mandatorily provided. There is no separate regulation concerning access to publicly financed works. Nationwide coordination of civil infrastructure works is currently not in place. On the local level, local governments ensure a degree of coordination with regard to large-scale building projects concerning municipal property (such as renovation of city centres). A registry of permits for civil works is maintained at separate authorities responsible for permit issuance. The administrative time limit for the Authority's proceedings is set in legal regulations at 45 days, which may be extended once by no more than thirty days in justified cases.

A new implementing decree[20] established a uniform electronic public utility database as of 1 November 2013. The registry (*e-közmű*) covers water utility services, separated rainwater drainage systems, public utility pipelines providing for the supply of hydrocarbons, district heating and electric power as well as electronic telecommunications track-line structures. It does not, however, cover national defence, military, high-power electricity, high-pressure hydrocarbon, telecommunications backbone, electronic emergency, national security, traffic network safety pipes and cables and mobile telecommunications structures. This registry is designed to provide information *inter alia* on the availability of public utilities, the owners, operators and the operator's licensee of the public utility as well as their contact information. The data provided by *e-közmű* shall be publicly available at no cost after user identification.

Planned investments in networks have to be communicated six months in advance and interest in co-deployment must be manifested not later than three months before the starting date of the investment. NGA wiring is not mandatory for either new or old buildings. There are no specific rules concerning symmetric or asymmetric infrastructure sharing obligation in relation to in-house infrastructure or other infrastructure.

9. ACCESS AND INTERCONNECTION

In 2012 and 2013, there were no issues or disputes reported regarding access obligations or IP interconnection. There is no special reporting obligation in connection with the IP interconnection market and the functioning of the IP interconnection agreements.

10. CONSUMERS ISSUES

In Hungary, three authorities are competent to handle complaints relating to electronic communication services: the NRA, the Competition Authority (concerning unfair commercial

[20] Government Decree 324/2013 on the uniform electronic public utility registry

practices) and the Consumer Protection Authority. In June 2012 the NMHH signed a cooperation agreement with the Hungarian Authority for Consumer Protection[21] in the field of electronic communications and information society and with the Competition Authority in March 2013.

10.1. The European emergency number 112

The single European emergency number is operated alongside three historical emergency numbers for police, medical emergency and fire brigade. The NMHH Decree No. 3/2012 (I. 24) regulates caller location accuracy. With regard to technical possibilities, the decree states that localization information precision for mobile networks has to be in the 1/2/10 km radian circle in at least 75% of the cases, depending on a populated/rarely populated/rural area:

The Integrated Emergency System – 112 (IES 112) project is still in a pilot phase and is expected to be ready for use by the end of 2014. The system shall consist of two public-safety answering points where all emergency requests concentrated, and shall handle different means of requests (phone calls, eCalls, emails, SMS, MMS, Portal inputs and Smart Phone application).

10.2. Number portability

The NMHH decree[22] effective as of 30 September 2012 transposed the number portability requirements of Article 30 (4) USD setting out a single working day timeframe for number porting after concluding an agreement (between recipient and subscriber) by entering the data to the Central Reference Database (CRDB). In addition, service providers are obligated to automatically pay compensation if porting is denied without legitimate reasons, or the deadlines of the porting process are not met.

10.3. Contractual obligations

Fixed term subscriber contracts shall be limited to twenty-four months, however, the possibility of entering into a subscriber contract for a fixed term of twelve months, or for an indeterminate duration must be offered in advance with the detailed conditions thereof.

The operator's general contract terms and conditions may present the subscriber with the option to rescind the contract if a subscription contract for mobile Internet access service is concluded. A minimum of a five-day period from the date the service is started must be provided for the subscriber to exercise his or her right to rescission. At the same time when the contract is concluded, the operator shall inform the subscriber whether the right to rescind the contract is provided.

In November 2012, the sector specific consumer protections rules enshrined in the EHT were amended to stipulate that subscriber contracts can only be amended bilaterally in the same way as they were originally agreed, with the exceptions of tacit agreements.

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[21] The Hungarian Authority for Consumer Protection publishes an annual report on electronic communication services:

[22] NMHH Decree 2/2012 on the rules of number portability (I. 24.)

10.4. Other consumer issues

NMHH has been maintaining an online database (*tantusz.nmhh.hu*) on mobile, fixed-line, internet prices, cable television, multi-play (2-play/3-play) and roaming related applications in collaboration with operators. NMHH, is also developing a project for broadband quality of service, with particular view to bandwidth and link quality measurement which also incorporate the development of *Tantusz*.

In addition to commercial websites comparing operators' offers, the Broadband Foundation runs a website specialized in broadband Internet services (http://www.szelessavkereso.hu).

11. UNIVERSAL SERVICE

In 2004 all incumbent local telephone operators (currently three) were designated as providing universal services in their respective geographic areas. However, as the negotiations failed to achieve an agreement, service obligations were renewed annually by Ministerial decree. In August 2010, the Constitutional Court annulled, as of 31 December 2010, the Government Decree of 2008 that extended the expiring universal service agreements. The relevant NMHH Decree designated the three local telephony operators as universal service providers as follows: all three local operators are designated as providers for connection to a public electronic communications network as well as for access to directory subscriber information. In addition, Invitel is designated as universal service provider for national directory services.

The scope of universal service in Hungary includes functional internet connection, fixed-line telephony services, directory enquiry services and directories, as well as public payphones and other public voice telephony access points. Functional internet connection within the scope of universal service is defined as at a guaranteed download speed of least 30 kbps and a guaranteed upload speed of at least 8 kbps.

The designation process is defined in a new implementing NMHH Decree No. 13/2013 (IX. 25.): based on the offers and expertise of the interested undertakings, the NRA designates undertakings in part or all of the national territory to provide an element or different elements of universal service. If there is no valid offer the NRA will designate the service provider identified as having significant market power on the retail market access to the public telephone network at a fixed location for residential and non-residential customers. The decree also establishes a compensation regime to providers of universal service from the budget of the NRA once the net cost of the universal service obligation is determined and unfair burden is established.

12. NET NEUTRALITY

12.1. Legislative situation

General provisions on net neutrality were transposed in Hungary into the Act on Electronic Communication[23] and NMHH decrees (6/2011 and 13/2011), declaring rights of consumers to

[23] Act C of 2003 on Electronic Communication

access to and distribution of information and media contents, as well as setting out formal requirements of specifying minimum quality standards and other relevant terms of subscriber contracts (including standard terms and conditions and individual contracts).

Following a public consultation in 2012, NMHH issued a document informing internet service providers how to meet requirements related to transparency of internet access services. Based on this recommendation, major ISPs signed an ethical codex engaging themselves in introducing a unified, comparative service description table consisting of the main parameters and traffic management procedures applied in their internet access packages. These transparency tables are available on the websites of ISPs since September 2013.

12.2. Quality of service

Quality requirements, accessibility rates, terms of technical assistance shall be included in subscriber contracts, quality of service is tested, supervised and reported to the NMHH by service providers according to an annual monitoring plan. Operators are obliged to pay compensation if failing the specified quality requirements or repair deadlines.

Each Hungarian mobile network operator applies traffic management tools in order to block VoIP voice and video messages in certain offers.