Working Party on Export Credits and Credit Guarantees

NOTIFICATION OF CHANGES IN THE EXPORT CREDIT SYSTEMS

Note from Hungary

This document reports changes notified by Hungary to its existing export credit system.

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1. On 11 April 2003 amendments of the national legislation on officially supported activities of both the Hungarian Export Credit Insurance Ltd. (MEHIB) and the Hungarian Export Import Bank Ltd. entered into force.

2. MEHIB has been authorised to reinsure other foreign insurers acting on their State’s account.

3. In addition to the prevailing list of country risks carried by MEHIB, cover against natural disaster or other catastrophic risks can also be given, provided that other facility is not available. This clause will enter into force upon the Hungarian accession to the EU.

4. As one of the eligibility rules a minimum national content of 70% is required. Transposing the relevant Council Decision (82/854/EEC of 10 December 1982, on the rules applicable in the fields of export guarantees and finance for export to certain subcontracts with parties in other Member States of the EC or in non-member countries), MEHIB will be able to offer the same cover under the same conditions in terms of national contents. This clause will enter into force upon the Hungarian accession to the EU.

Changes in MEHIB’s Products

(a) Officially Supported Export Credit Activity: Insurance for Short-Term Supply Credit of Agricultural Products

5. The facility covers on a short-term basis the export sales of agricultural products towards non-marketable countries.

(b) Short-Term Marketable Business: Factoring Policy

6. A short-term policy designed for factoring companies has been introduced. The cover is basically the same as for the normal short-term whole turnover policy.

The Hungarian Export-Import Bank Ltd

7. Since 1 January 2003, the following amendments were introduced into Act XLII of 1994 on the Hungarian Export-Import Bank Corporation Ltd. and the Hungarian Export Credit Insurance Corporation Ltd. (EximAct):

- Eximbank is no longer obliged to join the National Deposit Insurance Fund.
- The legal ground for providing tied-aid credits was included in the Exim-Act. In accordance with Section 26 of Article 4 of the Exim-Act, the Hungarian Government is authorized to determine the subject matter of tied-aid credits to be granted by Eximbank and detailed regulations of rendering tied-aid credits in a decree.

8. According to amendments of the national legislation on officially supported activities of both the Hungarian Export Credit Insurance Ltd. (MEHIB) and the Hungarian Export Import Bank Ltd. which entered into force on 11 April 2003, the minimum national content of 70% is also required for Eximbank.
9. The government decree (Government Decree No. 85/1998) regulating Eximbank’s interest make-up schemes was modified according to this national content requirement.

10. Another amendment to the Government Decree No. 85/1998 is that following the EU accession of Hungary, the rules of the referred Council Decision 82/854/EEC shall be applicable in relation with Eximbank’s certain financing activities (and particular the IMU scheme and guarantees backed by the Central Budget of Hungary).