

Government Decree 76/2018 (IV.20.)
Effective: 31.07.2018 –

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on the rules of issuing and using Széchenyi Recreation Cards

Pursuant to the mandate received in Article 80 (d) of Act CXVII of 1995 and acting in its role defined in Article 15 (1) of the Fundamental Law, the Government hereby orders the following:

1. Interpretative provisions

Article 1 For the purposes of this Decree:

1. *Close relative*: a close relative or domestic partner as per the Act on the Civil Code (hereinafter: Civil Code);
2. *Payment service provider*: a payment service provider as per the Act on the Pursuit of the Business of Payment Services;
3. *Service provider*: a natural person, legal entity or other economic entity actually providing the services defined herein and under contract with a payment service provider, not including intermediaries of the services in question;
4. *TEÁOR'08*: a statistical classification of economic activities, the Hungarian version or equivalent of NACE Rev. 2 established by Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains, published by the Central Statistical Office;
5. *Authorisation centre*: a call centre operated by the payment service provider or an agent or contractor thereof which, following the identification of the service provider and the employee, confirms that, based on the verification of the identification details provided by phone, the funds equivalent to the value of the service specified by the service provider are available on the employee's limited-purpose payment account, and the service provider is able to make a payment up to the specified value pursuant to a payment order given by the employee or supplementary card holder.

2. Rules of procedure for the Széchenyi Recreation Card

Article 2

(1) The employer benefit referred to in Article 71 (1) (b) of Act CXVII of 1995 on Personal Income Tax (hereinafter: Personal Income Tax Act) (hereinafter: Széchenyi Recreation Card benefit) is credited to a limited-purpose payment account opened and managed under a framework agreement made by and between the payment service provider and the employee for the provision of payment services, the funds on which can only be used for the purposes defined herein. The limited-purpose payment account can have only one natural person account holder.

(2) Széchenyi Recreational Cards as per Article 71 Article (6) (d) of the Personal Income Tax Act must be issued by the payment service provider as a non-cash payment instrument in the form of a plastic card, which

a) limits payment orders by the card holder to the Széchenyi Recreation Card benefits credited to his or her limited-purpose payment account referred to in paragraph (1);

b) can be read by electronic POS terminals and is also suitable for payment orders via the same.

Article 3

(1) Only funds transferred as Széchenyi Recreation Card benefits may be credited to the limited-purpose payment account defined in Article 2 (1).

(2) The various Széchenyi Recreation Card benefits referred to in Article 71 (1) (b) (ba)-(bc) of the Personal Income Tax Act must be tracked on separate subaccounts under the limited-purpose payment account with the proviso that the funds transferred to such subaccounts cannot be transferred to other subaccounts, they can only be tracked on the subaccount specified in the transfer order by the employer, and they can only be used for paying the value of the corresponding service as per Article 5 (1) (a-c), not including the intermediation of the service in question.

(3) An employee may receive Széchenyi Recreation Card benefits simultaneously from multiple employers.

Article 4

(1) Employees can also apply for Széchenyi Recreational Cards for their close relatives (hereinafter: supplementary card). Employees must sign a formal statement confirming that they are domestic partners with the person in question.

(2) Close relatives holding supplementary cards are entitled to the same rights concerning the funds transferred as Széchenyi Recreation Card benefit as the employee.

Article 5

(1) In exchange for payments initiated with a Széchenyi Recreational Card, service providers can only provide to the employee and his or her close relative holding a supplementary card the following services falling within their scope of activities and complying with the lawful use of the Széchenyi Recreation Card benefit:

a) payable from the accommodation subaccount as per Article 71 (1) (b) (ba) of the Personal Income Tax Act:

aa) provision of accommodation (TEÁOR'08 55.10, 55.20, 55.30);

ab) domestic tour operator services (sale of domestic tour packages from TEÁOR'08 79.12);

ac) any services available at the accommodation and payable together with the provision of accommodation;

ad) physical well-being activities (spa activities from TEÁOR'08 96.04);

- ae*) other amusement and recreation activities (activities of beaches from TEÁOR'08 93.29);
- b*) payable from the food and beverage service activities subaccount as per Article 71 (1) (*b*) (*bb*) of the Personal Income Tax Act:
- ba*) restaurants and mobile food service activities (TEÁOR'08 56.10);
- bb*) other food service activities (TEÁOR'08 56.29);
- bc*) provision of accommodation (TEÁOR'08 55.10, 55.20, 55.30);
- bd*) physical well-being activities (spa activities from TEÁOR'08 96.04);
- be*) other amusement and recreation activities (activities of beaches from TEÁOR'08 93.29);
- c*) payable from the recreation subaccount as per Article 71 (1) (*b*) (*bc*) of the Personal Income Tax Act:
- ca*) other human health activities (physiotherapists, dental hygienists, diagnostic services, antenatal care and other human health-related activities from TEÁOR'08 86.90);
- cb*) performing arts (TEÁOR'08 90.01);
- cc*) museum activities (TEÁOR'08 91.02);
- cd*) botanical and zoological gardens and nature reserves activities (TEÁOR'08 91.04);
- ce*) activities of amusement parks and theme parks (TEÁOR'08 93.21);
- cf*) other amusement and recreation activities (activities of recreation parks and beaches, operation of ski hills and marinas and renting of leisure and pleasure equipment as an integral part of recreational facilities from TEÁOR'08 93.29);
- cg*) physical well-being activities (TEÁOR'08 96.04);
- ch*) fitness facilities (TEÁOR'08 93.13);
- ci*) other sports activities (activities of racing tables, sport fishing and entry and registration fees of sports and recreational sports events from TEÁOR'08 93.19);
- cj*) inland passenger water transport (TEÁOR'08 50.30);
- ck*) other reservation services (activities of tourist guides from TEÁOR'08);
- cl*) operation of sports facilities (renting of sports grounds, sale of swimming pool tickets and season tickets from TEÁOR'08 93.11);

cm) activities of sports clubs (TEÁOR'08 93.12);

cn) sports and recreation education (TEÁOR'08 85.51);

co) renting and leasing of recreational and sports goods (TEÁOR'08 77.21);

cp) provision of accommodation (TEÁOR'08 55.10, 55.20, 55.30).

(2) The service provider cannot convert the funds available to the employee and his or her close relative holding a supplementary card transferred as Széchenyi Recreation Card benefit into cash or a non-cash payment instrument.

Article 6

(1) Payments initiated with a Széchenyi Recreational Card may be made on electronic POS terminals available at service providers, on a central online platform created by the payment service provider, on service providers' own online platforms or based on an authorisation granted by the authorisation centre.

(2) Payments initiated with a Széchenyi Recreational Card based on an authorisation granted by the authorisation centre may be made following the identification of the service provider and the employee or, if a supplementary card is being used, of the employee' close relative, based on the personal identification data managed by the payment service provider or the unique ID given by the payment service provider, in a manner preventing abuse.

Article 7

(1) The payment service provider shall develop its Széchenyi Recreation Card acceptance system ensuring that Széchenyi Recreation Cards are accepted by electronic POS terminals operated by third-parties as well as by those of its own.

(2) Third-party operators of electronic POS terminals may charge the payment service provider a fee for the use of their terminal; this is subject to the agreement by and between the payment service provider and the operator but it shall not exceed 0.3% of the payment transaction initiated with a Széchenyi Recreational Card.

Article 8

(1) The payment service provider shall enable the employee to query the transactions on and the balances of his or her limited-purpose payment account by subaccount, broken down to individual transactions and to periods, and to query the balance of his or her limited-purpose payment account by phone.

(2) The payment service provider shall notify the employee each time when funds are credited by the employee's employer to the employee's limited-purpose payment account as Széchenyi Recreation Card benefits.

Article 9

(1) If there are succession proceedings underway following the death of an employee, the payment service provider shall suspend the mandate over the employee's limited-purpose payment account and access thereto until the grant of probate ordering the handover with full force and effect of the inheritance or, in case of an inheritance lawsuit, the court's judgement, becomes final (hereinafter: final resolution). In this case the time specified in Article 12 (5) does not have to be taken into account.

(2) In the event of the employee's death the payment service provider shall pay the beneficiaries verified in the final resolution – with the exception specified in paragraph (3) – the balance of the account in cash within 15 working days from the receipt of the final resolution by the payment service provider.

(3) If a verified beneficiary is a limited-purpose payment account holder as per Article 2 (1), then the payment referred to in paragraph (2) above shall be made to the subaccount under the verified beneficiary's limited-purpose payment account as per the verified beneficiary's statement made upon his or her delivery of the final resolution to the payment service provider.

(4) For the purposes of this Article certificates of succession and European certificates of succession are equivalent to grants of probate ordering the handover with full force and effect of inheritance.

Article 10

(1) The payment service provider may terminate its framework agreement for managing a limited-purpose payment account and it may cancel the Széchenyi Recreational Card and supplementary card if there are no funds on the limited-purpose payment account in question for 24 consecutive months. The payment service provider is obliged to notify the employee in question of the termination of the framework agreement and the cancellation of the Széchenyi Recreation Card and the supplementary card at least 2 months prior to the termination and cancellation.

(2) The validity period of the Széchenyi Recreation Card and the supplementary card is minimum 3 years. If Széchenyi Recreation Card benefits are granted more frequently than every 24 months, then the payment service provider shall provide a new Széchenyi Recreational Card or supplementary card upon their expiry.

Article 11

The Minister responsible for tourism shall promote cooperation between the payment service provider and service providers in order to achieve the goals of the Széchenyi Recreation Card system. The Minister shall also participate in the education programme about the functioning and the use of Széchenyi Recreation Cards and he or she shall help raise awareness of the Széchenyi Recreation Card scheme.

3. Fees and commissions associated with Széchenyi Recreational Cards

Article 12

(1) With the exception of replacing lost, stolen or damaged Széchenyi Recreational Cards and of the case specified in paragraph (5) below, the payment service provider shall not impose any fees or other payment obligations on the employer on any ground in connection with the issue and use of the Széchenyi Recreation Card, the use of Széchenyi Recreation Card benefits, the cancellation of his or her Széchenyi Recreation Card or the termination of the agreement for managing his or her limited-purpose payment account.

(2) Any and all costs incurred in connection with the Széchenyi Recreational Card shall be borne by the payment service provider or the service provider as per the provisions set out in the agreement on the acceptance of Széchenyi Recreation Cards.

(3) The amount charged by the payment service provider to the service provider from the total costs referred to in paragraph (2) shall be at least 12 forints per transaction, but it shall not exceed 1.5% of the turnover under the agreement on the acceptance of the Széchenyi Recreation Card.

(4) The share of costs charged to the service provider as per paragraph (3) shall be used by the payment service provider to cover its

a) operating costs and

b) marketing costs

incurred directly in connection with the Széchenyi Recreational Card.

(5) The payment service provider shall be entitled to charge a fee for the employee up to the value of and to be debited against any funds transferred as Széchenyi Recreation Card benefit and not used by 31 May of the second calendar year from the year of the transfer, which fee shall be used by the payment service provider to cover marketing costs directly associated with the Széchenyi Recreational Card. The monthly fee thus charged shall not exceed 3% of the unused funds.

(6) Payments made with a Széchenyi Recreational Card shall always be deduced from the funds credited to the limited-purpose payment account on the earliest date. The same shall apply to any unused balance and the calculation of the monthly fee payable thereon.

(7) The payment service provider shall notify the card holder at least 2 months prior to the date specified in paragraph (5) of the fee it shall charge on any unused funds starting from the date specified in paragraph (5), specifying the unused funds based on the details available at the time of dispatching the notification in question.

(8) The payment service provider shall keep separate records of its costs referred to in paragraphs (4) and (7) in its accounting system.

Article 13

(1) The payment service provider shall charge the production and delivery costs of any supplementary cards to the employee. The cost thus charged to the employee shall not exceed 1,500 forints per supplementary card.

(2) With the exception of replacing lost, stolen or damaged supplementary cards and of the cases specified in Article 12 (5), the payment service provider shall not impose any fees or other payment obligations on the employer on any ground in connection with the issue and use of supplementary cards, the use of Széchenyi Recreation Card benefits or the cancellation of his or her supplementary cards.

Article 14

In the event of replacing lost, stolen or damaged Széchenyi Recreational Cards the payment service provider shall charge any and all costs associated with the production and delivery of replacement cards to the employee. Such costs shall not exceed 1,500 forints per Széchenyi Recreational Card.

Article 15

The maximum costs and amounts specified herein are exclusive of chargeable value-added tax.

4. Terms and conditions of issuing Széchenyi Recreation Cards

Article 16

Széchenyi Recreation Cards can only be issued by payment service providers.

Article 17

In addition to their obligation to provide regular and ad-hoc reports to the National Bank of Hungary acting as the supervisory authority of the financial intermediary system (hereinafter: MNB), financial service providers shall send the following details to the MNB in an electronic format quarterly, broken down by month, by the 10th day of the next quarter:

- a) the number of agreements concluded for Széchenyi Recreational Cards and supplementary cards;
- b) the total value of payment orders, overall and by subaccount (stated in thousand forints).

Article 18

(1) Payment service providers can terminate their card issuing activity 5 years following the commencement thereof at the earliest.

(2) In order to be able to terminate their card issuing activity payment service providers must, including cases where they pass a resolution to voluntarily wind up their affairs and dissolve without a successor, conclude an agreement with another payment service provider, under which they transfer their right and obligations associated with their card issuing activity, along with their contract portfolio, to the other payment service provider, and the other payment service provider undertakes to continue to operate the cards issued by the payment service provider terminating its card issuing activity.

(3) Payment service providers failing to comply with the conditions specified in paragraph (2) above cannot terminate their card issuing activity.

(4) If an agreement transferring the rights and obligations and the contract portfolio of the financial service provider described in paragraph (2) exists, then the obligations of the former payment service provider, even in the absence of the beneficiaries' consent, shall be transferred to the new payment service provider along with the rights and claims of the earlier payment service provider, and the new payment service provider shall be the successor of the earlier payment service provider in all contracts for card issue and card acceptance.

Article 19

Compliance with the provisions applicable to payment service providers and set out herein shall be checked by the MNB acting as the supervisory authority of the financial intermediary system.

5. Closing provisions

Article 20

This Decree shall come into effect on the thirtieth day following its promulgation.

Article 21

(1)¹ Institutions authorised to issue Széchenyi Recreation Cards pursuant to the provisions of Government Decree 55/2011 (IV.12) on the Rules of Issuing and Using Széchenyi Recreation Cards effective on the day prior to the date of entry into force of this Decree may pursue this activity without a licence for the payment account management and the issue of non-cash payment instruments until 5 January 2019 in accordance with the provisions in effect on the day prior to the date of entry into force of this Decree on the proviso that they will track any and all Széchenyi Recreation Card benefits not transferred to the employee's limited-purpose payment account pursuant to the framework agreement concluded with the employee in electronic voucher records

¹ Article 21 (1) was amended as per Article 6 (a) of Government Decree 131/2018 (VII.23).

until they are used, but no later than until 31 May of the second calendar year following the benefit in question.

(2)² If an institution authorised to issue Széchenyi Recreation Cards pursuant to the provisions in effect on the day prior to the date of entry into force of this Decree is granted a licence to manage payment accounts and to issue non-cash payment instruments, then it is obliged to make an offer for concluding a framework agreement for managing a limited-purpose payment account as defined in Article 2 (1) to all employees included in the electronic voucher records, sent by registered post complete with an advice of receipt or delivered and signed, to the addresses specified on the Széchenyi Recreation Card application forms or electronically (in a verifiable fashion), within 30 days from obtaining the licence.

(3) If an institution authorised to issue Széchenyi Recreation Cards pursuant to the provisions in effect on the day prior to the date of entry into force of this Decree concludes an agreement for the transfer of the rights and obligations associated with the issue of Széchenyi Recreation Cards and the contract portfolio with another institution authorised to issue Széchenyi Recreation Cards by the last day of the sixth months from the date of entry into force of this Decree, then the transferee payment service provider shall be obliged to make the offers referred to in paragraph (2) above.

(4)³ An offer sent by the payment service provider as per paragraph (2) or (3) shall be considered to have been accepted by the employee if the employee does not declare in writing in a verifiable fashion, within 15 days from the delivery of the offer or the employee's signing of the receipt, that he or she does not accept the offer for signing a framework agreement for the provision of payment services.

(5)⁴ If the offer is considered to have been accepted by the employee as per paragraph (4), the payment service provider shall transfer the Széchenyi Recreation Card benefit funds held in the electronic voucher records by no later than 5 January 2019 to the employee's limited-purpose payment account so that when the records are discontinued the appropriate funds are credited to various appropriate subaccounts thereof.

(6)⁵ If an employee accepts the offer as per paragraph (4) following the last day of the term defined in paragraph (5) for this purpose, then the payment service provider shall transfer the Széchenyi Recreation Card benefit funds as per paragraph (5) within 15 days from the acceptance of the offer.

Article 22⁶

² Article 21 (2) was amended as per Article 6 (b) of Government Decree 131/2018 (VII.23).

³ Article 21 (4) was amended as per Article 6 (c) of Government Decree 131/2018 (VII.23).

⁴ Article 21 (5) was amended as per Article 6 (d) of Government Decree 131/2018 (VII.23).

⁵ Article 21 (6) was introduced by Article 5 of Government Decree 131/2018. (VII.23).

⁶ Article 22 expired pursuant to Article 12 (2) of Act CXXX of 2010.