

# LIQUIDATION GUIDE

for companies under liquidation

in accordance with Act XLIX of 1991  
on Bankruptcy Proceedings and Liquidation Proceedings (Bp)

---

**GORDIUS CONSULTING Zrt.**  
**LIQUIDATION DIRECTORATE**

We inform you that the liquidation procedure is carried out in accordance with the amended Act XLIX of 1991 on Bankruptcy Proceedings and Liquidation Proceedings (Bp). Further regulations concerning liquidation:

- Act IV of 1987 on Criminal Code (Cr);
- Act IV of 1959 on Hungarian Civil Code (Cc);
- Act IV of 2006 on Business Associations (Ba);
- Act LXXX of 1997 on the Eligibility for Social Security Benefits and Private Pensions and the Funding for These Services (Soc);
- Act XXII of 1992 on Labour Code (Lc);
- Tax laws;
- Environmental economy laws.

Since with the beginning of the liquidation based on the Article 34(1)-(3) of Act XLIX of 1991 (Bp), the ownership right in connection with assets of the founding company are terminated, **only the liquidator appointed by the court can make legal decisions in connection with these assets.**

Regulations of the liquidation procedure concern both the liquidator and the employees of the company under liquidation, the relevant court will check if they are observed.

In order that the liquidation is carried out without obstruction, there is need of strong cooperation between the liquidator and the employees of the company under liquidation.

#### LIABILITIES OF THE OFFICIAL OF THE COMPANY UNDER LIQUIDATION

##### (ARTICLE 31 OF THE BP):

1. The official is liable to assist the work of the liquidator per law.
2. For the day before the liquidation is initiated, prepare closing inventory and annual account taking into consideration the evaluation provisions regarding the annual account and the simplified balance sheet, prepare closing balance and closing tax declaration after dividing the profits and losses, and give them to the liquidator and the authorities within 30 days after the liquidation has started.
3. Hand over the assets of the debtor company – per inventory – within 30 days after the liquidation has started.
4. Prepare a document inventory of the documents that are not to be discarded or secret, and give the document material and information on issues in progress to the liquidator.
5. Make a statement to the liquidator and the relevant economy protection authorities within 15 days after the liquidation has started in accordance with the Governm. Decree 106/1995. (IX. 8.) whether any economical damage remain that would incur fines or any other payment liabilities.
6. In accordance with Article 40 of the Bp, provide information to liquidator of any legal actions or assuming of liabilities which incur giving away fixed or other assets of the

debtor for free, or any free of charge assumption of liabilities on assets, or significantly disproportionate legal actions.

7. Immediately inform the employees and associations per Article 18 of the labour code about the liquidation, and document this for the liquidator.
8. Inform the parties entitled to alimony, life supplement or supplement for damages about the liquidation.
9. In accordance with Article 53(2) of Act XLIX of 1991, provide the wage and income certificates including the income information of the employees based on the provisions of the Central Administration of National Pension Insurance (ONYF), or certify that these certificates have been provided.

Accurate and full information provision is the responsibility of the official of the company under liquidation, the official is the person to represent full any real information before the court.

#### **IMMEDIATE ACTIONS OF THE LIQUIDATOR**

1. Assume rights over the bank accounts (only one account may remain besides apartment construction account).
2. Receive the closing date balance of the petty cash (per cash report).
3. Assume rights for signing liabilities and remittance rights in connection with third parties.
4. Receive company stamps, cash bills, account certificates, forms of strict accountability, inventories (may be given back at limited number to person authorized by liquidator for case by case use).
5. Organize assets protection, fire protection and work safety tasks (reception, guard service, regulating access rights, locking the storage, etc.).
6. Recording public facility meters (if debtor has properties).
7. Receive motor vehicles, ignition keys, vehicle licenses and registry sheets of debtor.
8. Receive debtor's mobile phones, SIM cards, closing telephone, internet access and/or terminating contract for them.
9. Organize asset inventory, take account of the assets. Support every line in the balance sheet with inventory or analytical record.

**LIST OF WRITTEN DOCUMENTS**  
**TO BE HANDED OVER TO THE LIQUIDATOR**  
**(WITHIN 30 DAYS AFTER THE LIQUIDATION STARTS AT THE LATEST):**

1. **Articles of Association/Memorandum** and their amendments.
2. **Organization and Operation Rules of the Company.**
3. **Work Procedures .**
4. Other internal regulations and orders in collection (Collective Agreement, etc.).
5. **Balance closing of the activity** on the turning day before the start of the liquidation, ledger, registration records, records of fixed assets, records of forms of strict accountability, inventories and other analyses ordered per annex nr.1 guidelines.
6. Itemized **inventory** concerning the turning day of the closing balance sheet, and the analytical records on which they are based, the record of discarded assets of the previous closed year also of assets recorded at 0 value).
7. Closing **tax declaration** (71), last VAT declaration (65), other tax declarations (01), supplements declarations (08), local tax declaration of the year before liquidation and of the year concerned.
8. In case the company carried out activity after the liquidation was initiated, include certificates that prove this: **incoming, outgoing invoices, shipping bills, delivery certificates**, etc, financial summary of them.
9. **Work documents** ordered per annex nr.2 guidelines.
10. **Bank certificates** of one year before the liquidation.
11. Last **cash report** before the liquidation.
12. Copies of the **insurance policies** of the company.
13. Records of **receivable**, claims of the company (with certificates, actions, correspondence taken to recover receivables) (buyer analytics, records of the deposits, guarantees paid).
14. Records of **member contributions**, payment of them, repayment.
15. Inventory of the used or possibly lost **stamps** indicating their patterns (provide safekeeping of them until they are handed over).
16. Inventory of the **cash bills**, account certificates, **forms of strict accountability**, securities (with itemized list).



17. List of company owned **properties** and properties sold over the past 2 years (address, property sheet, map copy, value estimates, purchase contract).
18. List of **rented properties** (address, renting contracts).
19. Copies of the contracts with **public facilities, telephone and internet**.
20. List of company owned **personal and commercial motor vehicles** and vehicles sold over the past 2 years (vehicle licenses, registration sheets, purchase contracts).
21. Records of the sale, service contracts and orders of the company, and all **contracts** of debtor concluded within 5 years before the liquidation requested has been filed (purchase, gift, loan, compensation agreements, etc.).
22. Debtor's **credit contracts** and the guarantee contracts of them (attach contracts, property sheets, certificate of the Hungarian Chamber of Notaries (MOKK)).
23. **Leasing or long term renting contracts**.
24. Statement of what **bonds or securities** the company has, if it had given any guarantees.
25. If company is owner in another company, attach certifying documents.
26. List of active and passive **lawsuit cases** in progress (indicating the court carrying the lawsuit, the present state of the cases, name and address, phone number, email address of the legal representative), and known registered statements of claim for guarantee for damage compensation not yet in action.
27. Report on the **hazardous material**, waste on the property of the company (quantity, storage method, material type), send one copy of it to the relevant environmental economy authority and one copy to the liquidator with certificate of postal dispatch.
28. Statement on the **safekeeping/storage place of the documents** of the company.
29. Detailed inventory of material, **assets owned by third party** but situated on the property of the debtor company.
30. In case of companies with Hungarian company structure of Bt., Kkt., Gmk., a statement of the financial situation of the acting partner(s).

## GUIDELINES nr.1

### Filing for preparation of bookkeeping documents to be provided for the liquidator company

**(Provision of all the documents  
dated from the establishment of the company is necessary!)**

**Important note: indicate per year, per base certificate, per quantity**

- balance sheet supported by general ledger, supplementary annex
- ledger records
- declarations (VAT, other taxes, activity closing local taxes)
- fixed asset records, also record of assets with no value
- cash certificates
- bank certificates
- outgoing (buyer) invoices
- incoming (expense) invoices
- mixed invoices
- inventories (fixed asset, material-products, unfinished production)
- buyer receivables per invoice number, per partner, supporting the activity closing balance
- shipping party liabilities per invoice number, per partner, supporting the activity closing balance
- analytics of other claims, other liabilities
- record of forms of strict accountability
- checkbooks, expense-income cash certificates, receipts
- Articles of association and its annexes
- Contracts

#### SAMPLE

year 2011

- |                    |            |
|--------------------|------------|
| - cash certificate | 3 dossiers |
| - bank certificate | 4 dossiers |
| - etc.             |            |

date: .....

## GUIDELINES nr.2

### **Filing for preparation of salary, work and social security related documents to be provided for the liquidator company**

**(Provision of all the documents dated from the establishment of the company is necessary!)**

*Important notes:*

- Salary records are to be assembled by year and in order of names
- private pension declarations are to be assembled by private pension service by year
- personal income tax data provision documents
- Tax authority data provision
- National Health Fund, EMMA, 'T1041 records
- income certificate books (income certificate for the calculation of the health service)
- assemble documents related to sick benefit separately
- personal documents of the employee: order by name. This dossier will include all the documents related to employment status in connection with the employee (employment contract and amendments, medical certificate, banning, all documents related to resignation, etc.)
- separate the material of employees in employment status in the starting year of the liquidation

Important: Salary record has to include the following information:

- name
- name of birth
- place of birth (country also)
- mother's name
- address, and also address of residence if applicable
- tax number
- social security number
- FEOR, Hungarian job description number, job
- date of entry into, leave from employment
- private pension membership, name and registry number of the private pension service
- hourly wage per job, monthly salary

In case the salary record does not include them, or any of them is missing, I would like to have a name by name record of the items missing.

***A detailed document list has to be prepared of the documents to be filed.***

In case the company has its own document list regarding salary and work related documents, it is also acceptable.