

## **Key Q & A for your Insight**

Receivables from business partners in the CEE region

December 2021



# Introduction

## What you will learn

An increasing amount of unpaid and uncollected receivables may lead to secondary insolvency, bankruptcy and liability on the part of management for damages. Let's look at what you should know about receivables when transacting with a business partner based in CEE.

We will discuss standard limitation periods, periods in specific cases, court fees, deadlines for initiating enforcement proceedings, what legal effects cause acknowledgement of the debt and in what situations you will need a lawyer.

## Who are involved



**Czech Republic (CZ)**



**Poland (PL)**



**Hungary (HU)**



**Austria (AT)**



**Slovakia (SK)**



**Germany (DE)**

# Receivables

If the debtor fails to pay the invoice when due, the limitation period will begin to run either on the day on which the claim becomes due, or in the case of Germany, with the end of the year in which it became due and the debtor should have been aware of it.

The standard limitation periods are as follows:

Country	CZ	PL	HU	AT	SK	DE
Period	3 yrs	3 yrs	5 yrs	3 yrs	4 yrs	3 yrs

If you have provided performance without a contract or based on an invalid contract, the counter party has obtained unjust enrichment and different periods apply.

The limitation periods for receivables arising from unjust enrichment are as follows:

Country	CZ	PL	HU	AT	SK	DE
Intentional unjust enrichment period	15 yrs	3 yrs	5 yrs	30 yrs	4 yrs	3 yrs
Unintentional unjust enrichment period	10 yrs	3 yrs	5 yrs	30 yrs	4 yrs	3 yrs



If you have suffered loss or damage to property or loss of profit because of a business partner's conduct, the following limitation periods apply:

Caused / Country	CZ	PL	HU	AT	SK	DE
<b>Intentionally</b>	15 yrs	3 yrs	5 yrs	3 yrs	4 yrs max. 10 yrs	3 yrs
<b>Negligently</b>	10 yrs	3 yrs	5 yrs	3 yrs	4 yrs max. 10 yrs	3 yrs

In some CEE countries, the parties may agree in writing in advance to extend or shorten the limitation period. If a shorter or longer period is agreed to the detriment of the weaker party (usually the customer), the arrangement will not be taken into account.

Period / Country	CZ	PL	HU	AT	SK	DE
<b>Minimum period</b>	1 yr	Not allowed	Parties are free to agree. No up down limits.	Parties are free to agree. No up down limits.	Only to extend to maximum of 10 yrs.	1 yr or more (depending on further details).
<b>Maximum period</b>	15 yrs					30 yrs

If the debtor acknowledges the debt in writing or knowingly pays part of the debt, the debtor has acknowledged the existence of the entire debt and a new limitation period is triggered:

Country	CZ	PL	HU	AT	SK	DE
<b>Length of the period</b>	10 yrs	From 1 yr to 3 yrs	5 yrs	30 yrs	4 yrs	3 yrs



**If the debtor does not pay your claim voluntarily and you have not agreed on the local jurisdiction of the court in the contract, you usually must bring an action to the court in the jurisdiction of the debtor’s registered office (for an EU-based company).**

**What court fee must the claimant pay to initiate a legal proceeding? The final court fees depend on the amount of the claimed receivable. To make it easier to understand, let’s use the maximum due amount of EUR 1.5M.**

<b>Country / Fee</b>	<b>Court fees in EUR (approximate amounts due to exchange rates)</b>
<b>CZ</b>	EUR 40 up to EUR 800 of due amount, 5% of due amount up to EUR 1.5M.
<b>PL</b>	5% of due amount, but not more than PLN 200,000 (approx. EUR 44,000, with exchange rate PLN 1 = EUR 0.22).
<b>HU</b>	6% of due amount, but minimum court fee of HUF 15,000 (EUR 42) and maximum HUF 1.5M (EUR 4,280).
<b>AT</b>	Court fee from EUR 25 to EUR 7,783 (for receivables from EUR 150 to EUR 350,000) and maximum court fee of EUR 4,203 + 1.2% of the due amount above that (for receivables from EUR 350,000 and above).
<b>SK</b>	6% of the disputed amount, but not less than EUR 16.50, and not more than EUR 33,193.50.
<b>DE</b>	Statutory law provides for a detailed table which determines the amount depending on the value in dispute; court fee of EUR 23,583 for EUR 1.5M due amount.

**If you decide to file an action, is representation by a lawyer at the court mandatory?**

Country	CZ	PL	HU	AT	SK	DE
Lawyer	No	No	Yes, if the amount in dispute is above HUF 30m.	Yes, if the amount in dispute is above EUR 5,000.	No, but you must act in person if not represented by a professional lawyer.	Yes, if the amount in dispute is above EUR 5,000.

**The filing of the action interrupts the limitation period (the period does not run). If the court has granted the action and issued a judgment that has become final, the time limits for initiating enforcement proceedings are:**

Period / Country	CZ	PL	HU	AT	SK	DE
The course of the period is interrupted	Yes	Yes	Yes	Yes	Yes	Yes
Time limit for initiating enforcement proceedings	12 yrs max	6 yrs max	5 yrs max	30 yrs max	10 yrs max	30 yrs max

**The above list of limitation periods provides only basic information on selected periods; national legislation regulates other specific situations that have not been included in our overview.**



# Contact

If you have any questions, you can contact our specialists in each region.

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