Subnational Business Ready in the **European Union 2024:**

HUNGARY

WORLD BANK GROUP
Development Economics | Global Indicators

SUBNATIONAL BUSINESS READY

With funding by the European Commission

Contents

Foreword

In a world of stifled business growth, unemployment, and multiple socioeconomic crises, the significance of understanding and enhancing the business climate cannot be overstated. The launch of the *Subnational Business Ready* (B-READY) studies occurs at a pivotal moment in the context of Europe's economic landscape—they provide a rigorous and comprehensive examination of the business environments across diverse regions within six European Union Member States: Bulgaria, Croatia, Hungary, Portugal, Romania, and the Slovak Republic. This initiative is not solely analytical—it is fundamentally transformative, aiming to catalyze policy reforms and invigorate the private sector by leveraging diverse regional strengths within the European Union.

The effective cooperation between the World Bank and the European Commission, particularly the Directorate-General for Regional and Urban Policy (DG REGIO), has been instrumental in supporting Member States in achieving cohesive policy objectives. This collaboration has also generated globally relevant analytics and knowledge spillovers. The launch of these Subnational B-READY studies builds on previous studies, funded by DG REGIO, in which 115 locations from 16 Member States were benchmarked between 2017 and 2022.

The World Bank's commitment to promoting economic development and mitigating barriers that hinder private sector growth is closely aligned with its goal of eliminating poverty on a livable planet. This is reflected in the methodical approach of the Subnational B-READY team—analyzing and comparing business environments at the local level to foster sustainable and inclusive economic growth. By incorporating aspects of environmental sustainability into its assessments, the Subnational project directly supports the World Bank Group's livable planet mandate. With the continuous support of the European Commission, the project provides an overview of countries' regulatory processes, highlighting regional variations in business regulations and their practical implementation. The Subnational studies provide pathways to developing effective regulatory frameworks and enhanced administrative processes that are pivotal for economic resilience and growth.

By focusing on a range of topics, including Business Entry, Business Location, Utility Services, Dispute Resolution, and Business Insolvency, the Subnational project ensures a comprehensive evaluation of factors that influence business climates. Facilitating business entry is key for job creation and economic growth, with simple registration processes and transparency safeguarding business integrity. Secure property rights and effective land administration promote investment and market efficiency, while a robust environmental framework for construction protects the public and ensures sustainability. Reliable utility services, especially electricity and water, are critical for operations and profitability. Efficient dispute resolution and strong judicial systems encourage investment by providing timely and cost-effective processes. Finally, robust business insolvency frameworks are essential for economic stability, resilience, and job preservation. Understanding and optimizing these areas is crucial for crafting environments conducive to sustainable and inclusive business operations.

Moreover, the collaborative nature of the Subnational B-READY studies—conducted in alignment with the priorities of the national and local governments—guarantees that insights from the studies are both relevant and action-

able. This engagement is a testament to a shared commitment from various governmental levels to refine business practices for amplified economic impact.

As these assessments unfold, the objective extends beyond identifying discrepancies; the aim is to guide policy makers and foster a dialogue between local and national governments and the private sector. The exchange of best practices and success stories is intended to spark innovative and effective reforms across regions, setting a precedent for future economic enhancements.

In essence, the Subnational B-READY studies for these six nations represent more than mere reports—they are a guide toward smarter, more efficient policies that empower businesses and foster substantive economic growth. We are confident that the insights from these assessments will catalyze significant strides in private sector development and economic policy making at both regional and national levels.

We extend our deepest gratitude to all contributors, partners, and stakeholders, whose expertise and unwavering dedication have been instrumental in sculpting these comprehensive studies. Your continued engagement and insightful feedback are crucial as we advance our mission to enhance business environments globally, paving the way for an era of renewed growth and prosperity.

Norman V. Loayza
Director, Development Economics
Global Indicators Group, World Bank

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The report was edited by Matt Zoller, Deviah Machimanda Appaiah, Charles Hagner, and Susan Boulanger; the layout was produced by Luis Liceaga.

The Subnational B-READY team extends special thanks for project support to the seven Hungarian municipal authorities, the Arbitration Court attached to the Hungarian Chamber of Commerce and Industry, the Hungarian Energy and Public Utility Regulatory Authority, the Hungarian National Museum, the Ministry of Construction and Transport, the Ministry of Energy, the Ministry of Justice, the National Media and Infocommunications Authority, the National Office for the Judiciary, and the Prime Minister's Office, as well as the offices of the Government Office Network, offices for Cadaster and Land Registry, local water and electricity utilities, internet providers, and tribunals in the seven cities.

Data collection was carried out in collaboration with Buildecon (the team was led by Janos Gaspar and Eszter Falucskai) and Szecskay Attorneys at Law (the team was led by Lilla Kiss). The Hungarian Association of Bailiffs and the Hungarian Association of Insolvency Practitioners also contributed valuable data. More than 150 business consultants, engineers, lawyers, electricians, architects, construction experts, utility providers, public officials, judges, and enforcement agents contributed to the study. The team would like to express its special gratitude to the national and local public officials who provided comments during consultation and data review period.

Subnational B-READY is a product of the Development Economics Vice-Presidency (DECVP), led by Indermit Gill, Senior Vice President and Chief Economist of the World Bank Group. B-READY is housed in the Global Indicators Group, Development Economics (DECIG), and is supervised by Norman Loayza (DECIG Director). The Subnational B-READY projects are implemented by a team led by Mădălina Papahagi (Senior Private Sector Specialist, DECSN) and Valentina Saltane (Manager, DECSN), in collaboration with other DECIG units (Business Ready, led

by Valeria Perotti, and Enterprise Analysis, led by Jorge Rodriguez Meza).

The Enterprise Analysis team collected all the B-READY firm-level data through expanded Enterprise Surveys and provided invaluable advice on questionnaire design and indicator development. This team is led by Jorge Rodriguez Meza (Manager) and consists of Gemechu Aga, Nesma Ali, David C. Francis, Norma Janeth Gomez Caceres, Caroline Gomes Nogueira, Arvind Jain, Filip Jolevski, Nona Karalashvili, Hibret Maemir, Eugenia Aurora Rodriguez Cuniolo, Davide Salvatore Mare, William Soh, Nazim Tamkoc, Kohei Ueda, Domenico Viganola, Rose Wairimu Gachina, and Joshua Wimpey.

The team extends its apologies to any individuals or organizations inadvertently omitted from this list and conveys its appreciation to all contributors to the Subnational B-READY in the European Union studies, including those whose names may not be listed here.

Executive Summary

Subnational Business Ready (B-READY) in the European Union: A Comprehensive Assessment of Regional Business Climate

The Subnational B-READY in the European Union (EU) series is a project led by the World Bank in partnership with the European Commission's Directorate-General for Regional and Urban Policy (DG REGIO) aimed at assessing and enhancing the business environment across different regions within the EU. This year, the Subnational B-READY series cover 40 cities in six EU Member States—Bulgaria, Croatia, Hungary, Portugal, Romania, and the Slovak Republic—covering 36 European regions. This phase builds upon the World Bank's previous Subnational studies conducted in these countries between 2017 and 2022. More broadly, the former Subnational in the EU reports assessed business environments in Bulgaria, Hungary, and Romania (2017); Croatia, the Czech Republic, Portugal, and the Slovak Republic (2018); Greece, Ireland, and Italy (2020); Austria, Belgium, and the Netherlands (2021); and Denmark, Finland, and Sweden (2022), covering 115 locations across 16 EU Member States. These studies have laid the groundwork for identifying regulatory gaps and sharing best practices to strengthen the EU's regional economic cohesion. As part of an ongoing effort, the team is launching the second round of measurements, which will cover over 60 cities from the Czech Republic, Greece, Ireland, Italy, Poland, and Spain. A third round is set to begin in 2025, expanding the assessment to more EU Member States.

Objective

The primary objective of the Subnational B-READY studies is to identify and address regional disparities in regulatory environments and to promote reforms that foster private sector growth, job creation, and sustainability. The Subnational B-READY series delivers a rigorous, data-driven analysis of business climates at the local level, offering actionable insights for policy makers. By examining key areas of the life cycle of the firm—Business Entry, Business Location (including Building Permitting, Environmental Permitting, and Property Transfer), Utility Services (Electricity, Water, and Internet), Dispute Resolution, and Business Insolvency—this report offers a road map for improving administrative processes and regulatory frameworks that directly affect businesses at the local level in seven Hungarian cities: Budapest, Debrecen, Győr, Miskolc, Pécs, Szeged, and Székesfehérvár.

Intended Audience

This Subnational B-READY report series targets a wide audience, from national to local government officials, and from private sector stakeholders to development agencies, policy makers, and researchers. The findings are meant to help these groups identify best practices, reduce regulatory bottlenecks, and foster a more unified and efficient business environment across regions. Additionally, the collected data serve as an effective tool for local governments, enabling them to benchmark and track performance over time vis-à-vis not only national standards but also international benchmarks. The comprehensive underlying country-specific datasets provide ample opportunities for further research in the area of private sector development and growth.

The Importance of Regional Data

An insight into regional dynamics allows an economy to be more inclusive and sustainable in its economic growth. The Subnational B-READY reports offer governments the evidence needed to design targeted reforms, allowing regions to enhance their business climates and bridge performance gaps. It is hoped that the key findings will encourage peer learning across regions by disseminating good practices observed in high-performing cities. It is expected that such a sharing of best practices would lead to cross-regional improvements and eventually spur competitiveness across the EU.

By highlighting both achievements and areas for improvement, these assessments aim to support national and regional policy makers in driving meaningful reforms. In this way, the project exemplifies the shared commitment of the World Bank and DG REGIO to enhancing economic cohesion and resilience within the EU through rigorous analysis and evidence-based policy recommendations.

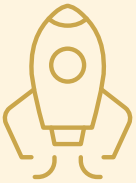
Key Findings

- The seven Hungarian cities benchmarked by this study have strengths in different areas. Miskolc leads in two areas: Dispute Resolution and Business Insolvency. Obtaining building permits and environmental clearances for construction and transferring property (Business Location) is easiest in Budapest, while Debrecen leads on Utility Services (electricity, water, and internet). Győr, despite not performing at the top of any area, is the runner-up on three topics: Business Location, Utility Services, and Business Insolvency.
- City performance varies notably across areas. For example, Budapest has room for improvement on Business Insolvency, Utility Services, and Dispute Resolution. Similarly, Debrecen has the second to lowest score on Business Location. Pécs and Szeged register a good performance on Business Location and Dispute Resolution, respectively, but Pécs lags behind on Dispute Resolution while Szeged trails on both Business Location and Utility Services. The differences in strength mean all seven cities have something to share with and learn from each other.
- Hungarian cities have the highest average scores in the areas of Business Entry and Business Location, 89.9 and 83.2 out of 100, respectively. These are also the areas registering the smallest performance gaps across cities, indicating that company incorporation as well as property transfer and building and environmental permitting, subcomponents of the Business Location topic, are implemented with equal effectiveness across the measured regions.
- The Utility Services topic, which comprises electricity, water, and internet, has the weakest country average score, 64.8. The country also has room to improve on the Dispute Resolution and Business Insolvency topics, where the average city scores are 75.6 and 79.4 points, respectively.
- Dispute Resolution is the area registering the largest gap across all measured areas: the difference between the worst (Pécs) and best (Miskolc) performers on this topic is eight points.
- Hungarian cities also have substantial room to learn from each other on the Utility Services topic, where the difference between the best (Debrecen) and worst performers (Szeged) is 5.3 points.
- Hungarian cities tend to perform better on the strength of the Regulatory Framework (Pillar I) and on Operational Efficiency (Pillar III), with the significant exception of the Utility Services area, where the Operational Efficiency pillar is the worst among the measured areas.
- Gaps in the delivery of Public Services (Pillar II) exist, especially in the Business Location and Dispute Resolution areas. In other words, while regulations are in place and on par with international good practices, the country could improve the services needed to implement such regulations.
- Although Hungarian cities adhere to a uniform regulatory framework and their public services largely have the same level of quality, how regulations are implemented in practice, as well as the efficiency of public agencies, varies within the country: most of the cross-city variation identified by this study is driven by differences in the Operational Efficiency of business regulatory processes, with subnational variance on Pillar III existing on all topics except Business Entry.
- Building permitting takes 76 days in the fastest of the seven measured cities (Győr) but 122 days in the slowest (Szeged). Similarly, on registering property, where the main procedural steps are identical across cities, the time required to complete the process varies from 16 days (as in Székesfehérvár) to 55 days (as in Szeged), over three times longer, depending mainly on how long it takes to register the sale deed at the land registry.

- **Time, cost, and number and frequency of service interruptions vary considerably on the three Utility Services measured (electricity, water, and internet). As an example, obtaining electricity takes 295 days in Miskolc, while clients in Budapest and Győr wait more than two additional months (360 days) for the same type of electricity connection.**
- **Subnational differences also exist on the two topics where local courts play a crucial role: Dispute Resolution and Business Insolvency. Specifically, of the seven cities, only Budapest and Debrecen have specialized commercial divisions within existing regional courts, and the time required to resolve a commercial dispute varies from 420 days (as in Szeged) to 605 days (as in Győr). On Business Insolvency, subnational differences are due mainly to liquidation proceedings, as local courts face different workloads and internal organizational issues.**

Areas of Improvement

Business Entry

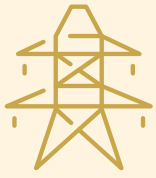


Areas of improvement for business entry in Hungary include eliminating the start-up capital requirement for limited liability companies, making third-party involvement optional, and reviewing the requirement to register and pay fees for the chamber of commerce. The removal of the minimum capital requirement aligns with trends in other EU countries and around the globe. Research also suggests that the requirement has limited value for protecting creditors. Optional third-party involvement would help to reduce costs associated with registration, particularly benefiting smaller businesses. Lastly, Hungary could consider reviewing the mandatory registration with the chamber of commerce and instead adopt a voluntary approach.

Business Location

It is essential to introduce out-of-court resolution mechanisms to enhance the environmental permitting process, which could streamline dispute resolution and improve efficiency in handling environmental disagreements. Additionally, Hungary could benefit from better integrating and facilitating public access to the environmental permitting process. In terms of property transfer, it is essential to integrate Land Registry databases with those of other agencies, such as the Trade Registry, Tax Authority, and Beneficial Ownership Agency. Additionally, Hungary should publish yearly statistics on completed transactions and land disputes, along with sex-disaggregated data on property ownership, to enhance transparency. Moreover, the country should implement efficient mechanisms for resolving land disputes. In terms of building permits, it is essential to consolidate requirements and regulations for building permits and streamline final inspections and approvals of completed construction.

Utility Services



A major area for improvement in the electricity space in Hungary is implementing and strengthening online platforms for applying for electricity connections. While some cities have implemented e-platforms for submitting applications for new connections, other cities have yet to follow suit. Additionally, to be effective, the implementation of online platforms should be accompanied by customer assistance, online guidelines on how to operate the platforms, and an awareness campaign. Furthermore, there is a need to enhance transparency and accountability through the collection and publication of statistics. Data-driven reporting can help entrepreneurs and utilities set clear and realistic expectations. Data reporting could also serve as an indirect accountability measure to incentivize utilities and public administrations to improve their

performance. Lastly, Hungary can boost the efficiency of the process of getting an electricity connection by implementing a legislative framework that introduces joint planning, imposing stricter time limits for permit decisions, and adopting a risk-based approval approach.

Regarding water, standardizing the process for applying for new water connections nationwide is one area for improvement. Szeged offers a streamlined approach, where the utility sends connection proposals directly to applicants within a regulated 15-day time frame via the e-platform. Implementing this approach nationally would enhance efficiency, standardization, and predictability across Hungary. Accessing water tariffs and understanding how they are determined can be challenging for customers. Currently, tariffs are not readily accessible by the public, and oversight by the national regulator is lacking. The regulatory authority should mandate water suppliers to publish consumption tariffs online to enhance transparency and improve the country's regulatory framework and standards for public services. Lastly, customers wishing to get a water connection in Hungary should be able to hire their own contractors, instead of waiting for utilities to arrange it for them. This would not only speed up the process but also free up resources for utilities, enabling them to work on other priority tasks.

Dispute Resolution

One significant area for improvement in Hungary is the establishment of small-claims courts or procedures. Commercial disputes can be burdensome for small businesses in terms of time and cost. Small-claims courts or procedures, which Hungary currently lacks, typically involve shorter deadlines and simpler rules, reducing costs for involved parties. Furthermore, there is no legal framework setting a maximum number of adjournments in commercial litigation. Implementing such limits, as recommended by the Committee of Ministers of the Council of Europe, would enforce stricter timelines and enhance efficiency in commercial litigation. Additionally, making court judgments accessible in a searchable database at no cost would enhance judicial transparency. Ensuring that all commercial judgments from first-instance courts are available for entrepreneurs and legal practitioners would increase visibility of case outcomes and bolster public trust, thereby enhancing investor confidence in the application of regulation.

Business Insolvency

Although Hungarian insolvency procedures comply with the majority of internationally recognized good practices, there is room for improvement in some key areas. Firstly, transparency in the selection of insolvency administrators requires an up-to-date list to ensure the fairness of the process. Additionally, improving technological infrastructure in local courts is crucial to ensure that all proceedings run effectively, particularly for conducting virtual hearings. The timely publication of judgments, along with the availability of disaggregated statistics, are important for expediting insolvency proceedings and increasing transparency. Further adoption of training programs, involving both Budapest and local courts, is also necessary to enhance competency across regions. Lastly, steps should be taken to enhance the transparency of asset transfers, by considering the implementation of more rigorous oversight for debtors in the process of selling or donating assets. Experts reported that, on several occasions, reorganization proceedings might be used in order to delay the liquidation of the company. Issues in terms of transparency (debtors trying to sell/donate assets artificially to a selected pool of creditors before declaring insolvency, not complying with the *par condicio creditorum* principle), have been reported anecdotally. This could involve the introduction of more robust monitoring and reporting systems.

Table 1. Summary of Potential Opportunities for Regulatory Improvement in Hungary

Topic	Areas for Improvement	Relevant Stakeholders
Business Entry	Eliminate the start-up capital requirement for limited liability companies	• Ministry of Justice
	Make third-party involvement optional	• Ministry of Justice • Courts of Registration
	Consider making the requirement to register with the Chamber of Commerce voluntary	• Hungarian Chamber of Commerce
Business Location	Building Permitting	
	Consolidate requirements and regulations	• Prime Minister's Office • Ministry of Construction and Transport
	Consolidate final inspections and approvals upon completion of construction	• Prime Minister's Office • Ministry of Construction and Transport • County-level government offices • Utility companies
	Environmental Permitting	
	Consider incorporating out-of-court mechanisms	• Prime Minister's Office • Ministry of Energy • National Waste Management • Government Office of Pest County • Department for Environment and Nature
	Further integrate and facilitate public access to the environmental permitting process	
	Property Transfer	
	Integrate Land Registry databases with the databases of other agencies	• Department of Land Administration (*Földhivatal*) • National Tax and Customs Administration (NAV)
	Publish annual statistics on completed transactions and land disputes, as well as sex-disaggregated data on ownership	• Department of Land Administration (*Földhivatal*)
	Introduce mechanisms for dealing efficiently with land disputes	
Utility Services	Electricity	
	Strengthen and implement online application platforms	• Distribution utilities
	Increase transparency and accountability by collecting and publishing statistics	• Hungarian Energy and Public Utility Regulatory Authority (MEKH) • Distribution utilities • Municipalities • Suppliers • Government offices
	Streamline the requirements for getting electricity	
	Water	
	Expedite the process to obtain a new water connection by reducing the number of approval steps	• Ministry of Construction and Transport • Water utilities
	Provide clients with the option to delegate the entire connection process to the utility	• Hungarian Energy and Public Utility Regulatory Authority (MEKH) • Water utilities
	Increase transparency and regulation of water tariffs	
Dispute Resolution	Introduce small-claims courts or small-claims procedures	• Ministry of Justice • National Court Authority
	Introduce legal limits for adjournments	
	Publish court judgments	

Table 1. Summary of Potential Opportunities for Regulatory Improvement in Hungary

Topic	Areas for Improvement	Relevant Stakeholders
Business Insolvency	Increase transparency regarding active insolvency administrators	• Ministry of Justice • National Office for the Judiciary (OBH) • National Judicial Council • National Association of Liquidators and Assets' Supervisors (RFE)
	Improve technological infrastructure in local courts	
	Ensure up-to-date publication of judgments	
	Ensure transparency of statistics at all levels	
	Implement insolvency training programs at a local level	
	Ensure a fair and equal treatment of all creditors	

Source: Subnational Business Ready

Methodology

As part of the World Bank's overarching effort to promote private sector development, the Subnational B-READY provides assessments of the business environment in select cities within measured economies with the aim of delineating the geographic variation. The assessments adopt a holistic view of the private sector as they consider all the stakeholders in private sector development—including existing firms, potential entrants, and the citizens at large—by evaluating aspects such as transparency and environmental requirements. The assessments are based on original data collected by the Subnational B-READY team and are published through reports and online.

As a new product, the Subnational B-READY is using the methodology of the Global B-READY report, adapting it to project-specific contexts based on client needs. Over time, the project will grow in geographic coverage, and its methodology will be refined. In the first phase of the Subnational European Union (EU) project, the Subnational B-READY assessments have been prepared for 40 cities in six EU economies—namely, Bulgaria, Croatia, Hungary, Portugal, Romania, and the Slovak Republic.

The selection of cities for Subnational B-READY assessments in the EU is based on geographical coverage and size in consultation with the European Commission and the national governments. In Hungary, the Subnational B-READY covers seven cities in seven regions at the NUTS2[1] level: Budapest (Budapest), Debrecen (Northern Great Plain), Győr (Western Transdanubia), Miskolc (Northern Hungary), Pécs (Southern Transdanubia), Szeged (Southern Great Plain), and Székesfehérvár (Central Transdanubia) (map 1).

Subnational B-READY assessments in the EU are organized into five topics that follow the life cycle of the firm: Business Entry, Business Location, Utility Services, Dispute Resolution, and Business Insolvency (figure 1). Across the five topics, assessments include crosscutting areas of digital adoption, environmental sustainability, and gender.

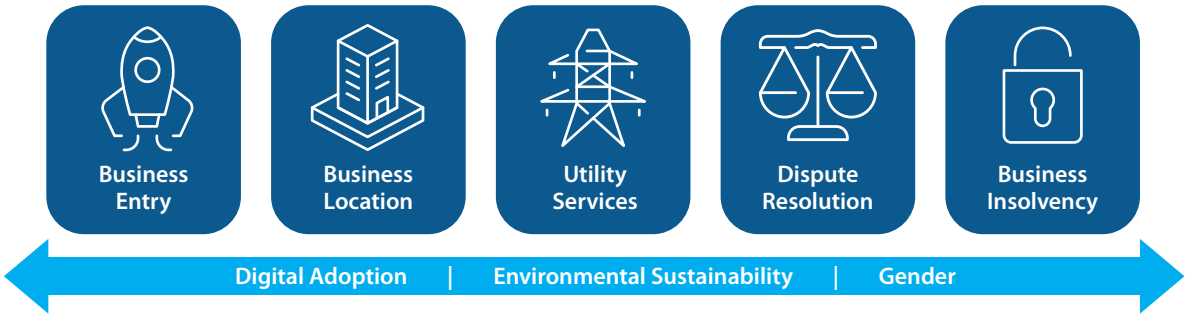
Each of the five Subnational B-READY topics rests on three pillars: Regulatory Framework, Public Services,

Map 1. Cities in Hungary Covered by Subnational B-READY

Source: Subnational Business Ready

1 Nomenclature of Territorial Units for Statistics (NUTS) is a geocode standard for referencing the administrative divisions of countries for statistical purposes developed and regulated by the European Union. There are three major categories of administrative divisions: NUTS1 (major socio-economic regions), NUTS2 (basic regions for regional policies), and NUTS3 (small regions for specific diagnoses). For more details, see https://ec.europa.eu/eurostat/web/nuts.

Figure 1. Subnational B-READY Topics



Source: Business Ready

and Operational Efficiency (figure 2). The Regulatory Framework pillar comprises the rules and regulations that firms must follow as they open, operate, and close a business. Public Services refers to both the facilities that governments provide to support compliance with regulations and the institutions and infrastructure that enable business activities. In the project, public services are limited to the business environment areas related to the life cycle of the firm. Operational Efficiency refers to both the ease of compliance with the regulatory framework and the effective use of public services directly relevant to firms.

The Subnational B-READY methodology compiles a large set of indicators for each pillar within each topic following the Global B-READY categorizations.[2] The selection of indicators is based on their relevance, value added, and complementarity. These indicators have five major characteristics: they are indicative of established good practices; they are quantifiable and actionable through policy reforms; they seek to balance *de jure* and *de facto* measures within topics; they are comparable across economies and representative within each economy; and they span the most relevant aspects of each topic.

In the Regulatory Framework pillar, the indicators address the quality of rules and regulations, distinguishing between those that lead to clarity, fairness, and sustainability of the business environment and those that impose

Figure 2. Subnational B-READY Pillars

Source: Business Ready

2 Adjustments have been made to the Global B-READY indicators to make them more suitable for Subnational B-READY assessments: two indicators in the Operational Efficiency pillar of Business Entry have been excluded due to not being relevant at the regional level, and one indicator in the Operational Efficiency pillar of Business Location has been excluded due to insufficient regional coverage.

unnecessary restrictions on entrepreneurial activity. In the Public Services pillar, the indicators emphasize digitalization, interoperability, transparency, and adequacy of services directed at easing regulatory compliance and enabling business activities. In the Operational Efficiency pillar, the indicators across topics assess a firm's experience in practice with respect to the business environment.

The Subnational B-READY combines primary data from expert questionnaires with data collected through Enterprise Surveys following the Global B-READY methodology (figure 3). In the EU context, data from the Enterprise Surveys aggregated at the NUTS2 region level were used for each city. Detailed data to help produce the Regulatory Framework and Public Services indicators were collected exclusively through expert questionnaires. Data for the Operational Efficiency indicators were collected through a combination of expert questionnaires and Enterprise Surveys for Business Location, Utility Services, and Dispute Resolution.[3] For topics related to issues that are not faced routinely by firms, such as Business Entry or Business Insolvency, the data-collection process relied solely on expert questionnaires.

Similar to the Global B-READY methodology, in the Subnational B-READY, data collected through expert surveys are validated against surveys received from the public entities. All responses that result in contradictory or inconclusive data points are followed up on with the experts. Moreover, in the case of the Subnational B-READY methodology, the reconciliation process is pursued until the data point is firmly established through hard evidence based on additional research, in-depth interviews with contributors, or data validation with public entities.

The Subnational B-READY implements a scoring methodology that aggregates individual indicators to subcategories, categories, and pillars following the Global B-READY methodology (figure 4). The methodology allows comparisons across pillars and economies by weighting each subcategory accordingly. From indicators to pillars, scores are aggregated through summation of the weighted scores. Each pillar is scored out of 100, and the topic score is obtained by averaging the pillar scores.

The Subnational B-READY is governed by the highest data-integrity standards, including sound data-gathering processes, robust data safeguards, and clear approval protocols, which are detailed in the *Subnational Business Ready (B-READY) Manual and Guide*, publicly available on the Subnational B-READY website. Additionally, the B-READY Methodology Handbook details both the B-READY indicators and the scoring approach. Any deviations from the B-READY Methodology Handbook are detailed in the Subnational B-READY Manual and Guide. The project governance documents will be updated and improved as the project progresses through the initial phases. The cornerstone of B-READY governance is transparency and replicability; as such, all data at the individual city level used to calculate scores will be made publicly available on the project's website.

Figure 3. Subnational B-READY Data Sources

Expert Questionnaires

- Collect data from experts who regularly deal with business regulations and related public services and institutions.
- Provide mainly *de jure*, but also *de facto*, information.
- Data collection through topic-specific questionnaires, administered to three to five experts per questionnaire and city.
- From experts in the private sector and public agencies.

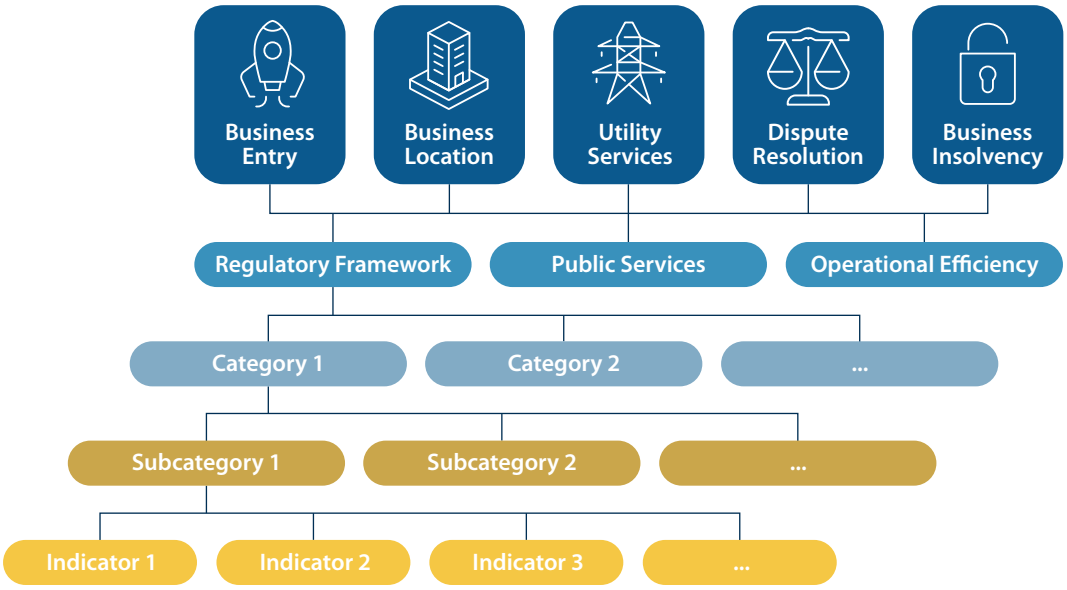
Enterprise Surveys

- Collect data from the owners or managers of a representative sample of registered firms.
- Provide *de facto* information.
- Data collection embedded in the World Bank Enterprise Surveys (expanded from 15 to 65 Enterprise Surveys a year).
- Updated every three years for each economy.

Source: Subnational Business Ready

3 For one indicator in the Operational Efficiency pillar of the Utility Services topic, data from expert surveys, rather than Enterprise Surveys, have been used, in contrast to the Global B-READY, because of limitations of the Enterprise Surveys data at the regional level.

Figure 4. Subnational B-READY Scoring Cascade



Source: Business Ready

Overall Results

Hungarian cities, on average, have the highest scores in the areas of Business Entry and Business Location, 89.9 and 83.2, respectively. On these two topics, the score variability across cities is very low, indicating that company incorporation, property transfer, and building and environmental permitting are implemented with equal effectiveness across the measured regions.

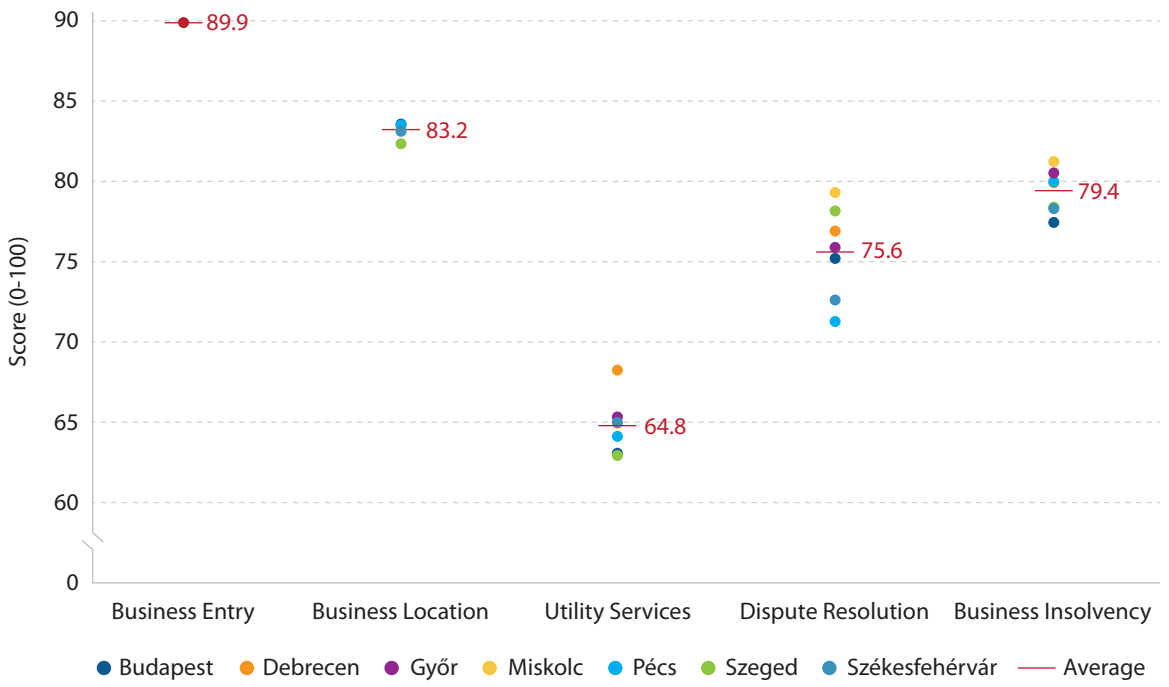
Conversely, on the Dispute Resolution and Business Insolvency topics, the average scores are 75.6 and 79.4 points, respectively, signaling room for improvement. Miskolc and Szeged fare best in Dispute Resolution, while Pécs and Székesfehérvár are the worst. Subnational differences on Dispute Resolution exist both in terms of the availability of public services and efficiency. In terms of the availability of public services, only Budapest and Debrecen benefit from the existence of a specialized court division dedicated solely to hearing commercial cases at the first-instance level. Regarding efficiency, court litigation is fastest in Szeged, at 420 days, while Miskolc takes the least time to enforce the judgment, 30 days. To put things in perspective, court litigation can take up to 605 days in Győr, and enforcing a judgment requires up to two months in Debrecen, Szeged, and Székesfehérvár. The difference between the worst and best performers on this topic is eight points, the largest gap across all measured areas (figure 5).

On Business Insolvency, Miskolc leads with a score of 81.3 points, while Budapest trails with 77.4 points. Differences in terms of efficiency are found mainly in the length of liquidation proceedings—depending on the workload and internal organizational issues faced by each court and, particularly in Budapest, on the cost of both the liquidation[4] and the reorganization[5] proceedings.

The Utility Services topic, which comprises electricity, water, and internet, has the weakest average and city-specific scores. For example, from an efficiency standpoint, getting an electricity connection takes almost a year (360 days) in cities such as Budapest and Győr and no less than 295 days in the fastest city (Miskolc). On the regulatory side, duplications in effort result from the absence of requirements for joint planning and coordination across utilities when digging is needed to build new networks. The worst-performing cities in this area are Szeged, with 63 points, and Budapest, with 63.1 points. Debrecen is the best performer, with 68.3 points. In particular, Szeged has the costliest and second lengthiest process for getting electricity (HUF 3,788,900 and 354 days). Most of the variation in Utility Services is driven by scores on the internet subtopic. For example, the share of firms reporting that they have experienced service interruptions varies from up to 69 percent in Budapest to only 15 percent in the Northern Great Plain region, where Debrecen is located.

4 Liquidation is the process of assembling and selling the assets of an insolvent debtor to dissolve the company and distribute the proceeds to its creditors. Liquidation may include the piecemeal sale of the debtor's assets or the sale of all or most of the debtor's assets as a going concern. The term *liquidation* refers only to formal in-court insolvency proceedings and does not include the voluntary winding-up of a company.
5 Reorganization refers to the collective proceedings through which the financial well-being and viability of a debtor's business may be restored based on a reorganization plan, so that the business can continue to operate as a going concern, including debt forgiveness, debt rescheduling, debt equity conversions, and sale of the business (or parts of it). The term *reorganization* refers exclusively to formal in-court proceedings available to all commercial debtors and does not include schemes of arrangement and out-of-court agreements with creditors.

Figure 5. Overall Topic Scores, by City



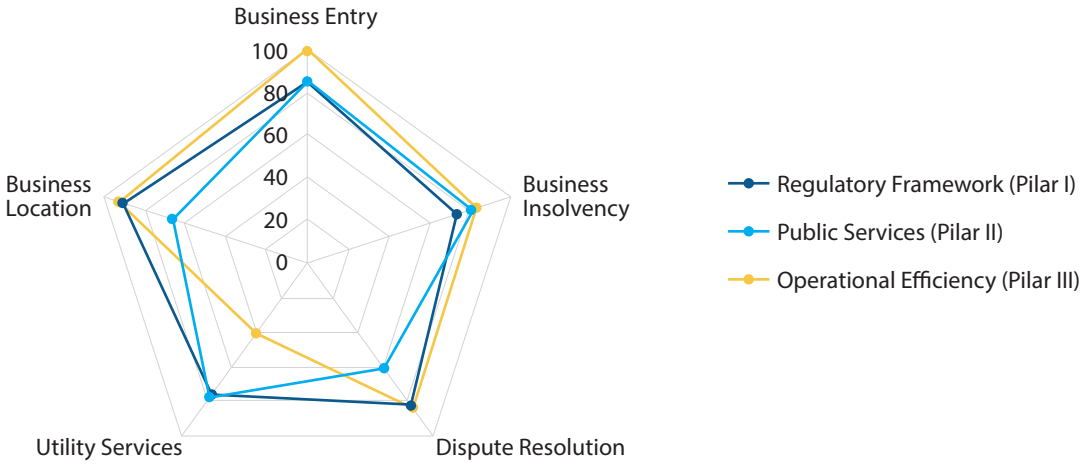
Source: Subnational Business Ready

There are no clearly defined top-performing cities across all topics. For example, Budapest, Győr, and Pécs are the best performers on the Business Location topic, yet they lag behind other regions on Dispute Resolution. Miskolc and Szeged receive high scores on Dispute Resolution, but these high scores contrast with their weaker performance on Utility Services and Business Location.

Across the five topics, cities in Hungary tend to perform better on Pillars I and III—which capture the strength of the Regulatory Framework and Operational Efficiency, respectively—than on Pillar II, which assesses the quality and reliability of the delivery of public services. All seven cities receive relatively high scores in Pillars I and III on Business Location and Dispute Resolution topics. Moreover, in the area of company incorporation, all cities achieved an almost perfect Operational Efficiency score of 99.5 points in Pillar III: all registrations of new limited liability companies are completed electronically, and information on the process required to set up a business, as well as information on registered businesses, is publicly available online. Compared to the other two pillars, cities score the highest, on average, in Pillar III in the Business Entry, Business Insolvency, Business Location, and Dispute Resolution topics (figure 6). Interestingly, the average score on the Public Services pillar (Pillar II) is the second highest in the case of Utility Services, while the aggregate city performance on the Operational Efficiency pillar (40.7 points) is the worst among the measured areas, especially due to the long wait time required to get an electricity connection (between 295 and 360 days, depending on the location) and to the frequency of internet service interruptions (55 percent of enterprises across the country report suffering such connection discontinuities). The difference between Pillar II and Pillar III scores is 37 points. This result implies a substantial gap between the provision of public services and infrastructure versus their actual update and implementation.

Breaking down topic scores by pillar shows that most of the cross-city variation is driven by Pillar III, which measures regulatory efficiency (figure 7). This result is expected, especially in the context of the EU, where regulatory frameworks and the delivery of public services tend to be uniform at the national and subnational levels. On Pillar I, which looks at the Regulatory Framework, there are no city-level variations within the country. The best-performing topic on this pillar is Business Location (90.6 points out of 100), followed by Business Entry (85 points) and Dispute Resolution (82 points). In the context of the measured ar-

Figure 6. Average Pillar Scores, by Topic



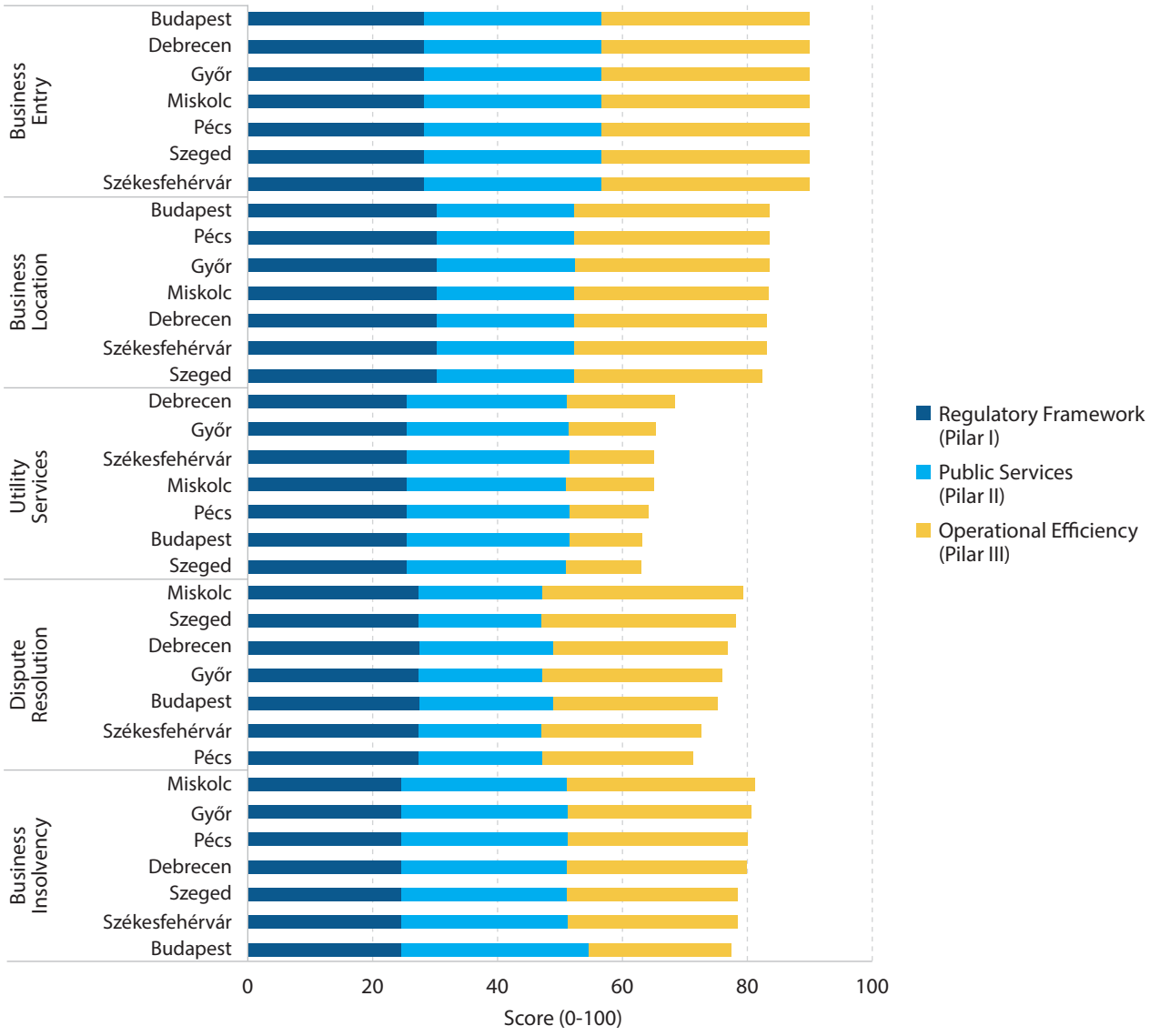
Source: Subnational Business Ready

eas, most laws and regulations are enacted and applied at the national, rather than the regional, level.

A similar pattern is observed on Pillar II, which looks at the availability of Public Services, which are largely harmonized across Hungarian cities. Yet, in the areas where local courts play a key role (Dispute Resolution and Business Insolvency), subnational differences in the availability of Public Services do exist. On Business Insolvency, Budapest is the evident front-runner in Pillar II, with a score gap of 10 points out of 100 over the other cities. The organization of the court in Budapest for insolvency is unique, since it has an Economic College with specialized insolvency judges and holding exclusive jurisdiction over restructuring proceedings. In contrast, all other courts lack specialized judges for insolvency proceedings. On Dispute Resolution, the best-performing cities in Pillar II are Budapest and Debrecen, with a gap of 5.6 points when compared to the other cities. Budapest and Debrecen are the only cities that have specialized commercial divisions within existing regional courts.

Although Hungarian cities adhere to a uniform regulatory framework and their public services largely have the same level of quality, how regulations are implemented in practice and the efficiency of public agencies vary within the country: most of the cross-city variation identified by this study is driven by differences in the Operational Efficiency of business regulatory processes, with subnational variance on Pillar III existing on all topics except Business Entry. For example, building permitting takes 76 days in the fastest of the seven measured cities (Győr) but 122 days in the slowest (Szeged). Similarly, on registering property, where the main procedural steps are identical across cities, the time needed to complete the process varies from 16 days (as in Székesfehérvár) to 55 days (as in Szeged), over three times longer, depending mainly on how long it takes to register the sale deed at the land registry. Time, cost, and number and frequency of service interruptions vary the three utility services measured (electricity, water, and internet). Subnational differences also exist on Dispute Resolution and Business Insolvency. For example, the time required to resolve a commercial dispute varies from 420 days (as in Szeged) to 605 days (as in Győr). On Business Insolvency, subnational differences are due mainly to liquidation proceedings, as local courts face different workloads and internal organizational issues.

Figure 7. Topic Scores, by City and Pillar



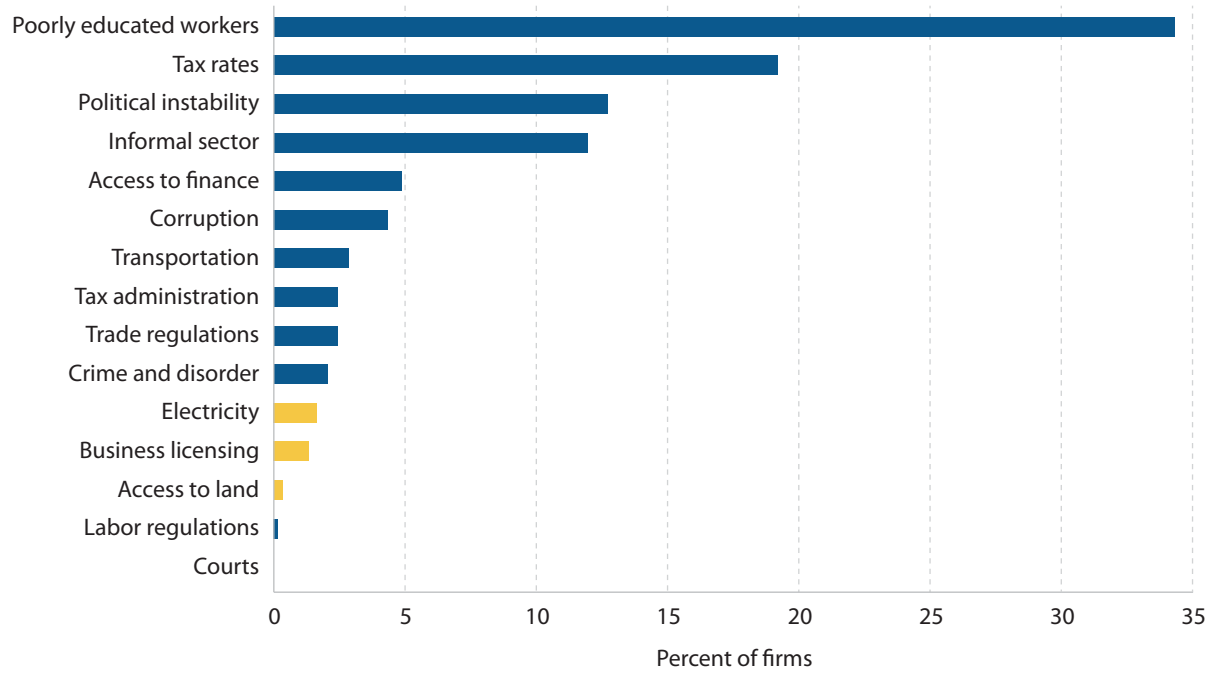
Source: Subnational Business Ready

Findings from the Enterprise Surveys Data

Results from the World Bank Enterprise Surveys[6] implemented in Hungary in 2023 show that, according to firms in Hungary, the top business-environment obstacle they face is a lack of skilled workers (figure 8). All of the responses directly related to the areas measured by *Subnational Business Ready*—electricity, business licensing, access to lands, and courts—ranked in the bottom five when the firms were asked to choose the biggest obstacle.

On average, senior managers of companies in Hungary spend 3.6 percent of their time dealing with regulatory requirements, which signals an overall efficiency of the busi-

Figure 8. Biggest Business-Environment Obstacles Reported by Firms



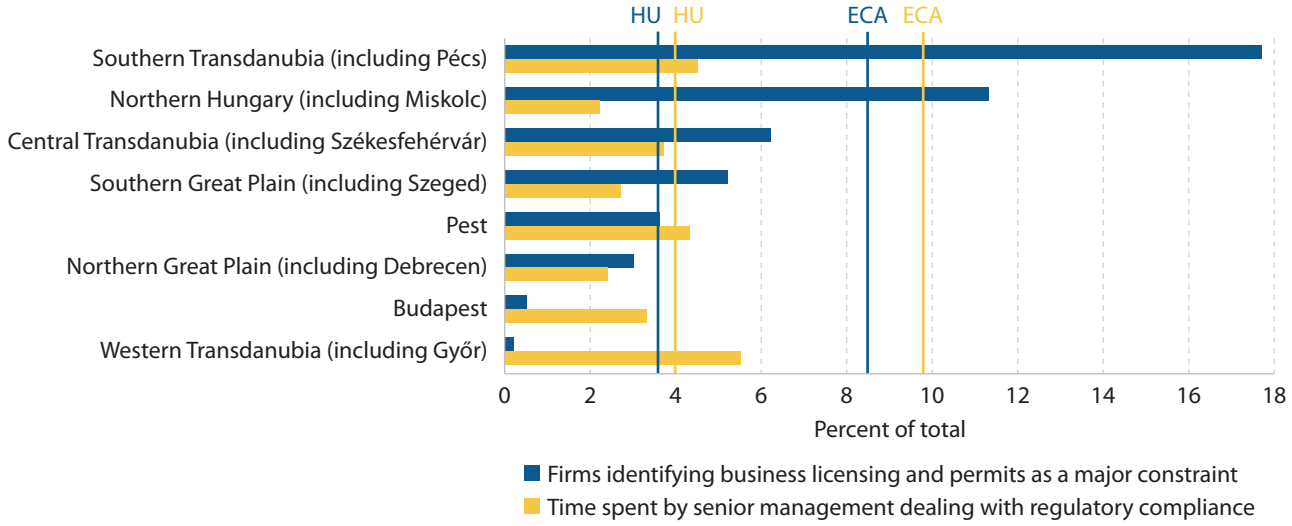
Source: World Bank Enterprise Surveys 2023
Note: Respondents were asked to choose the biggest obstacle from a list of 15 obstacles. Yellow bars show responses directly related to the areas studied by *Subnational Business Ready.*

6 For more information, visit the Enterprise Surveys website at https://www.enterprisesurveys.org/.

ness climate. This estimate is about 2.5 times less than the regional average for Europe and Central Asia. Across geographic locations, senior managers spend the least amount of time on governmental regulatory compliance in the Northern Hungary region, while they spend most time on this in Western Transdanubia. Regulatory compliance consumes more time of senior management in large firms (5.7 percent) than small and medium-sized firms (3.7 percent). About 4 percent of firms in Hungary identify business licenses as a major constraint to operations, which is also about 2.5 times less than the average for Europe and Central Asia. Obtaining business licenses and permits is most problematic in Southern Transdanubia and Northern Hungary and least problematic in Western Transdanubia (figure 9).

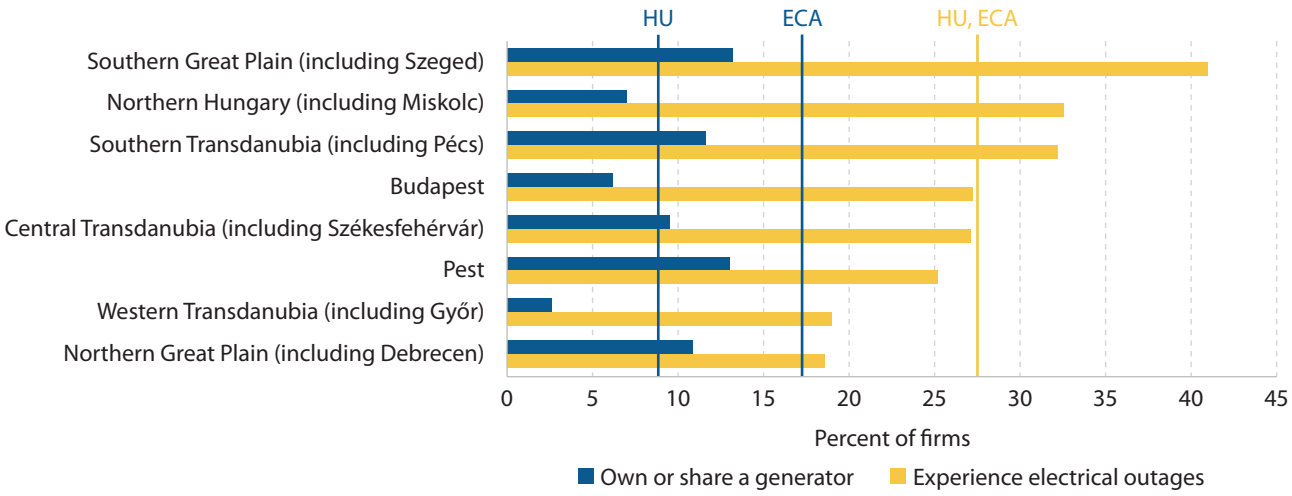
Based on the firm-level data, about 27.5 percent of firms countrywide experience electrical outages per year, which is comparable to the Europe and Central Asia average of about 28 percent. Firms in the Southern Great Plain, Northern Hungary, and Southern Transdanubia report experiencing the highest number of service interruptions (figure 10). The average losses due to electrical outages are minimal, ranging from 0.1 percent for large firms to 0.2 percent for small and medium-sized firms. About 39 percent of large, 12 percent of medium-sized, and 8 percent of small firms own or share a generator. Overall, about 17 percent of large firms identify electricity as a major constraint to their business operations, compared to less than 4 percent and 3 percent of small and medium-sized firms, respectively. Firms identifying access to electricity as a major constraint are highest in Central Transdanubia (15 percent).

Figure 9. Percentage of Firms That Identify Licensing and Permits as a Constraint and Percentage of Time Spent on Regulatory Compliance, by Region



Source: World Bank Enterprise Surveys 2023
Note: Vertical lines indicate the countrywide and region-wide averages in the measures. HU = Hungary. ECA = Europe and Central Asia.

Figure 10. Percentage of Firms That Own or Share a Generator and That Report Experiencing Electrical Outages, by Region



Source: World Bank Enterprise Surveys 2023
Note: Vertical lines indicate the countrywide and region-wide averages in the measures. HU = Hungary. ECA = Europe and Central Asia.

Business Entry[7]

The process of business entry is harmonized across the seven cities in Hungary. The country aligns closely with international standards regarding regulatory requirements and procedural norms for business entry. Recent reforms have introduced changes, such as the establishment of the Central Beneficial Owner Registry by the National Tax and Customs Administration in May 2021 to enhance transparency and combat illicit financial activities.

The current regulations, however, still require the involvement of third-party intermediaries, such as lawyers or notaries, for incorporating a new company or updating company information. Relying on intermediaries raises the cost of business entry to 4.9 percent of income per capita,[8] which is one of the highest in the EU. Similarly, regulations maintain a minimum capital requirement of HUF 3,000,000 for limited liability companies, applicable to both domestic and foreign investors. This contrasts with the trend in other EU Member States, where such requirements have either been eliminated or significantly reduced.

Hungary adheres to international standards regarding the availability of digital tools and electronic services for registering new businesses and accessing company information. The availability of interconnected digital services among various agencies—including the company courts, the National Tax and Customs Administration, and the Statistical Office—streamlines the business entry process. Additionally, electronic signature and authentication options are readily accessible. While most services are available online, verification of company names remains unavailable to entrepreneurs without the intervention of third-party intermediaries.

Regarding the availability and transparency of online information, official websites offer details of the documents necessary to establish a new business, associated fees, service standards, and public programs supporting small and medium-sized enterprises. However, information on environmental permit requirements for low-risk businesses and programs aiding small and medium-sized enterprises led by women is not publicly accessible. Electronic searches exist for all company records. However, beneficial ownership information[9] is not kept at the companies' registry's database. Although the Hungarian Central Statistical Office website furnishes statistics on newly registered companies, data on the number of companies initiated by female entrepreneurs are not publicly available.

Entrepreneurs can complete the registration of a new business in the seven cities across Hungary in just six days, owing to electronic registration and the interconnection of public services. Moreover, statutory time limits are enforced to ensure that company registration is completed promptly. Hungary offers a simplified company registration option, allowing registration with the court and tax authority in as little as two days. In 2023, 84 percent of new company registrations in Hungary were processed using this simplified

7 See section 2, "Business Entry in Detail," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
8 Hungary's 2021 gross national income (GNI) per capita is HUF 5,377,718.
9 A beneficial owner is considered as the natural person who ultimately owns or controls a company, even if the title to the property is under another name (that is, the ownership or control is exercised through a chain of ownership or by means of control other than direct shareholding).

process. Since January 1, 2018, the process of registering for local taxes was further streamlined. The National Tax and Customs Administration began to transmit information on newly created companies electronically to the municipal tax authority where the company is headquartered. This simplifies the process for entrepreneurs who previously had to register for local taxes with the municipality separately. Still, new businesses in Hungary are required to register and pay a contribution of HUF 5,000 to the Hungarian Chamber of Commerce at the start of operations.

Table 2 provides a detailed overview—by pillar, category, and subcategory—of the Hungarian cities' performance on the Business Entry topic. The column with the rescaled points indicates the total maximum points a city can get on each of the measured areas. For example, none of the cities receives any points (out of a possible 10 points) under Pillar I (Quality of Regulations for Business Entry), category 1.1 (Information and Procedural Standards), subcategory 1.1.3 (Availability of Simplified Registration), as simplified business registration is available only through third-party intermediaries. Conversely, all cities receive the maximum number of points on the other three subcategories: Company Information Filing Requirements (15 out of 15), Beneficial Ownership Filing Requirements (15 out of 15), and Risk-based Assessment for Operating Businesses and Environmental Licenses[10] (10 out of 10).

Table 2. Business Entry Scores

		No. of indicators	Re-scaled points	Budapest	Debrecen	Győr	Miskolc	Pécs	Szeged	Székesfehérvár
Pillar I: Quality of Regulations for Business Entry										
1.1	**Information and Procedural Standards**	**18**	**50**	**40.0**	**40.0**	**40.0**	**40.0**	**40.0**	**40.0**	**40.0**
1.1.1	Company Information Filing Requirements	7	15	15.0	15.0	15.0	15.0	15.0	15.0	15.0
1.1.2	Beneficial Ownership Filing Requirements	6	15	15.0	15.0	15.0	15.0	15.0	15.0	15.0
1.1.3	Availability of Simplified Registration	3	10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.4	Risk-Based Assessment for Operating Businesses and Environmental Licenses	2	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0
1.2	**Restrictions on Registering a Business**	**19**	**50**	**45.0**	**45.0**	**45.0**	**45.0**	**45.0**	**45.0**	**45.0**
1.2.1	Domestic Firms	9	25	22.5	22.5	22.5	22.5	22.5	22.5	22.5
1.2.2	Foreign Firms	10	25	22.5	22.5	22.5	22.5	22.5	22.5	22.5
	Total	**37**	**100**	**85.0**	**85.0**	**85.0**	**85.0**	**85.0**	**85.0**	**85.0**
Pillar II: Digital Public Services and Transparency of Information for Business Entry										
2.1	**Digital Services**	**11**	**40**	**36.7**	**36.7**	**36.7**	**36.7**	**36.7**	**36.7**	**36.7**
2.1.1	Business Start-Up Process	6	20	16.7	16.7	16.7	16.7	16.7	16.7	16.7
2.1.2	Storage of Company and Beneficial Ownership Information	3	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2.1.3	Identity Verification	2	10	10.0	100	10.0	10.0	10.0	10.0	10.0
2.2	**Interoperability of Services**	**4**	**20**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**
2.2.1	Exchange of Company Information	2	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2.2.2	Unique Business Identification	2	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2.3	**Transparency of Online Information**	**9**	**40**	**28.5**	**28.5**	**28.5**	**28.5**	**28.5**	**28.5**	**28.5**
2.3.1	Business Start-Up (includes gender and environment)	5	20	14.0	14.0	14.0	14.0	14.0	14.0	14.0
2.3.2	Availability of General Company Information	2	10	9.5	9.5	9.5	9.5	9.5	9.5	9.5

10 A risk-based approach for business and environmental licensing prioritizes resources and oversight based on the level of risk associated with specific business activities or sectors.

Table 2. Business Entry Scores

		No. of indicators	Re-scaled points	Budapest	Debrecen	Győr	Miskolc	Pécs	Szeged	Székesfehérvár
2.3.3	General and Sex-Disaggregated Statistics on Newly Registered Firms	2	10	5.0	5.0	5.0	5.0	5.0	5.0	5.0
	Total	**24**	**100**	**85.2**	**85.2**	**85.2**	**85.2**	**85.2**	**85.2**	**85.2**
Pillar III: Operational Efficiency of Business Entry										
3.1	**Domestic Firms**	**2**	**100**	**99.5**	**99.5**	**99.5**	**99.5**	**99.5**	**99.5**	**99.5**
3.1.1	Total Time to Register a New Domestic Firm	1	50	50.0	50.0	50.0	50.0	50.0	50.0	50.0
3.1.2	Total Cost to Register a New Domestic Firm	1	50	49.5	49.5	49.5	49.5	49.5	49.5	49.5
	Total	**2**	**100**	**99.5**	**99.5**	**99.5**	**99.5**	**99.5**	**99.5**	**99.5**

Source: Subnational Business Ready
Note: The reported individual scores were rounded off; therefore, the sum of individual scores may not add up to the totals.

Business Location

Building Permitting[11]

Hungary's regulations on urban planning conform to international standards, with no regional variation.[12] Since 2013, electronic platforms have been integrated into the construction-permitting process, streamlining building permit applications and assisting in internal administrative procedures during construction. As of March 1, 2020, permitting authorities have been shifted from local governments to offices within the central administration. Currently, municipal governments are involved only in the urban planning approval phase of the building permitting process.

Building regulations in Hungary are comprehensive and set at the national level, applicable to all construction projects. Safety standards are clearly outlined in the legal framework, including regulations on construction materials posing health risks, with a defined list of regulated materials. Local authorities are staffed with licensed architects and engineers who verify that building plans comply with building regulations. Technical inspections (risk-based or phased) for mandatory risk-based structural safety are required during construction, along with a final inspection mandated by law. There are strict qualification requirements for the professionals responsible for conducting technical supervision. Liability for structural flaws is also defined by law, and building standards allow building permit decisions to be disputed with the issuing authority.

Hungary's energy code standards align with international best practices, featuring minimum energy-efficiency performance standards. Proof of compliance with these standards is required for building permits. In Hungary, incentives are available for builders to promote green building standards. Land-use and zoning regulations include requirements for trunk infrastructure service access. They also identify areas for various purposes, such as residential, commercial, agricultural, recreational, and public/institutional use. Hazard maps identify zones where building is prohibited due to natural hazards. Additionally, maps delineate areas where building is restricted due to considerations concerning natural resources. An online platform for submitting building and occupancy applications and issuing building authorizations is available, yet it lacks features such as online payment and auto-generated checklists. Entrepreneurs are also able to file disputes about building permits online. All Hungarian cities make zoning requirements publicly available, but the Geographic Information System or other spatial-data platforms that incorporate local plans has not yet been adopted.

Planning and building control regulations are publicly accessible and list requirements for obtaining all types of building-related permits. Up-to-date fee schedules for applying for building permits are accessible online. Additionally, online statistics tracking the number of issued building permits are updated and publicly available online. The city's master plan/zoning regulations have been updated in the last 10 years and are accessible. Procedures

11 See section 3.1, "Building Location in Detail—Building Permitting," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
12 Government Decree No. 312/2012 (XI. 8.); Government Decree No. 531/2017 (XII. 29.); and Act CX of 2019.

for modifying zoning and land-use plans are clear and defined, as are verification processes to ensure adherence to zoning regulations.

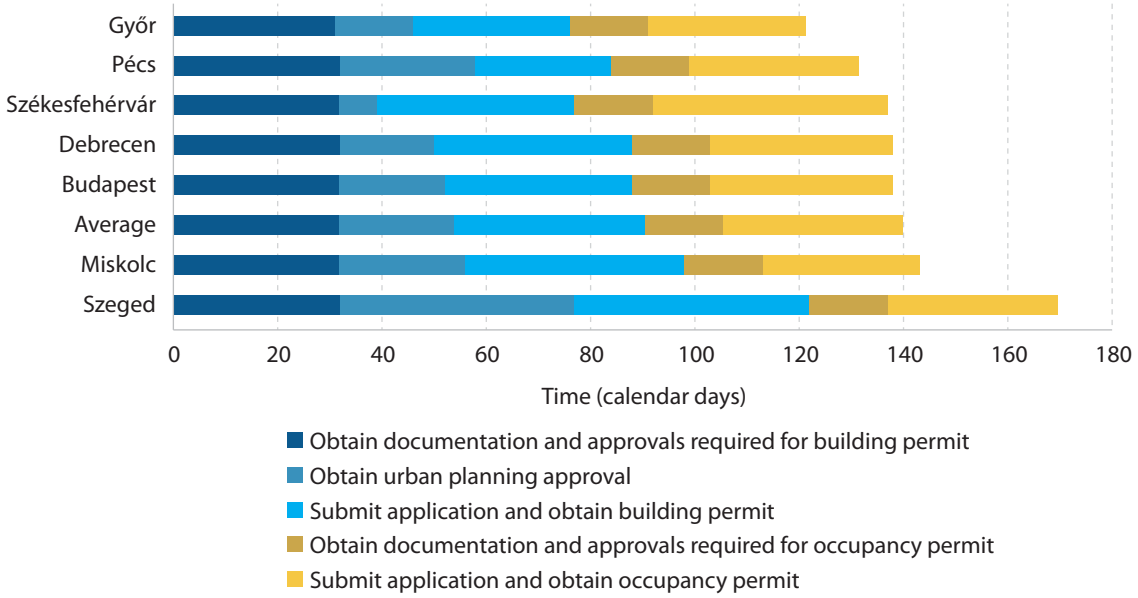
Obtaining construction-related permits, which includes completing building and occupancy permitting processes, is fastest in Győr and slowest in Szeged (figure 11). The time it takes to comply with the building-permitting process spans from 76 days in Győr to 122 days in Szeged. Obtaining urban planning approvals and building permits drive most of the time variations across cities. The cost of obtaining building permits ranges from 9.7 percent to 10 percent of income per capita,[13] showing minimal differences across Hungarian cities. Only Győr and Pécs charge a fee for approval from the roadworks agency. For occupancy permits, processing times range from 45 to 60 days, with a uniform cost of 6.4 percent of income per capita across all cities. Acquiring final approvals and obtaining an occupancy permit take an average of 13 more days in Székesfehérvár than in the rest of the country.

Environmental Permitting[14]

Environmental permitting regulations are consistent throughout Hungary.[15] National environmental regulations are regularly updated to incorporate environmental and technological advancements in the construction sector. Penalties or fines are imposed for noncompliance, and the regulations and environmental risks are clearly outlined in the legal framework.

The use of qualified professionals/agencies to conduct environmental impact assessments is mandated by law, as are specific criteria for conducting an assessment. However, independent external review of compliance with environmental impact assessments is lacking, and the legal framework does not cover all activities and approaches that facilitate the involvement of interested parties in assessment decision-making processes (such as surveys

Figure 11. Time to Obtain Building and Occupancy Permits in Hungary, by City and Stage



Source: Subnational Business Ready
Note: The time to obtain an occupancy permit is not scored in the *Subnational Business Ready* methodology.

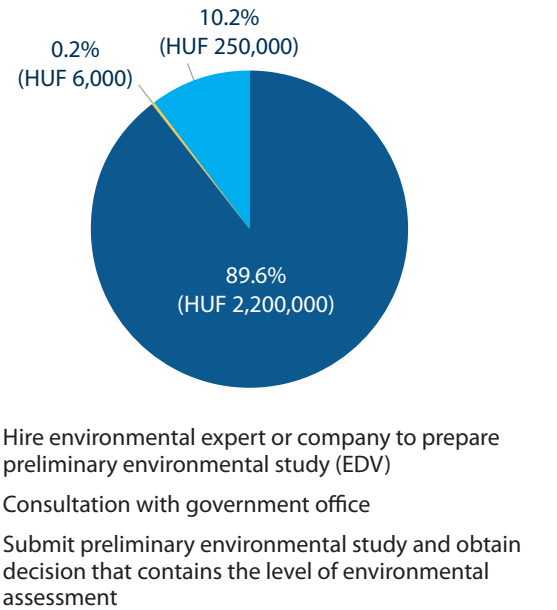
13 Hungary's 2021 GNI per capita is HUF 5,377,718.
14 See section 3.2, "Business Location—Environmental Permitting," of the full report, for an overview of the subtopic, the country-specific context, and detailed assessment of the data.
15 Governmental Decree No. 314/2005 (XII. 25.), on environmental impact assessments and on the integrated environmental usage permitting process.

and polls to capture inputs and feedback from concerned stakeholders, training, resources, and technical assistance to project-affected parties). While the regulatory framework allows for disputing environmental permits with the issuing authority, there are no out-of-court mechanisms for resolving environmental disputes.

An online environmental permitting system exists, but it lacks certain functionalities, such as online payment and auto-generated checklists, to aid applicants. Information regarding environmental permitting is transparent, including the requirements for obtaining environmental licensing for construction projects with moderate environmental risks. Additionally, an up-to-date fee schedule for obtaining environmental clearances is also available online.

The efficiency of the environmental clearance process varies among cities. In Miskolc and Székesfehérvár, it takes 76 days to complete, while the process in Pécs takes about 91 days. This discrepancy reflects differences in the duration of specific procedural steps. For example, while the documentation of preliminary screening and subsequent consultation with the government office typically take around one month in all cities, the final step of obtaining the necessary environmental assessment decision varies from 45 days in Székesfehérvár to 60 days in Pécs. This final stage, which includes public consultation through offline modes as well as website announcements, significantly influences the overall duration of environmental clearance processes. However, the cost of obtaining environmental clearances—46 percent of income per capita,[16] equivalent to HUF 2,456,000—is consistent across the seven evaluated cities (figure 12).

Figure 12. Fees to Obtain Environmental Permits in Hungary in HUF and as Percentage of Average Total Cost, by Stage



Source: Subnational Business Ready

Property Transfer[17]

The regulatory framework[18] for property transfer and land administration is the same across all cities. It mandates verifying the legality of property registration documents, confirming the identities of involved parties, and completing the property registration at the Land Registry.[19] Both electronic and paper documents hold equal legal weight in transactions. The law provides for mechanisms for alternative dispute resolution (ADR) between private parties regarding registered property rights. Nonetheless, there is no out-of-court mechanism to compensate for losses incurred by good-faith private parties due to land registry errors. Hungary's land administration system adheres to internationally recognized standards, including provisions for accessing information on property rights and cadastral maps, and the presence of a cadastral agency. Domestic and foreign firms face no restrictions on leasing or owning property, except for agricultural land.

Digital public services for property transfers are accessible, offering an electronic platform for due diligence, encumbrance checks, and online complaints. However, there is no electronic platform to conduct the property registration. Property titles and cadastral plans are digitized, with all properties accurately registered and mapped. In addition to the Geographic Information System, a unique identifier

16 Hungary's 2021 GNI per capita is HUF 5,377,718.
17 See section 3.3, "Building Location in Detail—Property Transfer," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
18 The regulatory framework includes Act CXLI of 1997, on the Real Estate Register; Act V of 2013, on the Civil Code; Act CL of 2016, on general administration procedures; Act XCIII of 1990, on fees; and Act LXXVIII of 2017, on lawyers' activity.
19 The Land Registry is an official public inventory that documents and maintains information on land ownership through recording titles (rights on land) or deeds (documents concerning changes in the legal situation of land).

is used for properties by the Land Registry and Cadaster, which in Hungary are unified within a single agency. Nevertheless, the Land Registry and Cadaster's database is not interoperable with other agencies.

Fee schedules are available online at the Land Registry and Cadaster, along with statistics on the number and types of transactions, yet the list of requirements for property transfers is not published electronically. There are neither published service standards on the Land Registry's and Cadaster's websites nor online statistics on transactions, land disputes, or resolution times. Additionally, sex-disaggregated data on property ownership are not available.

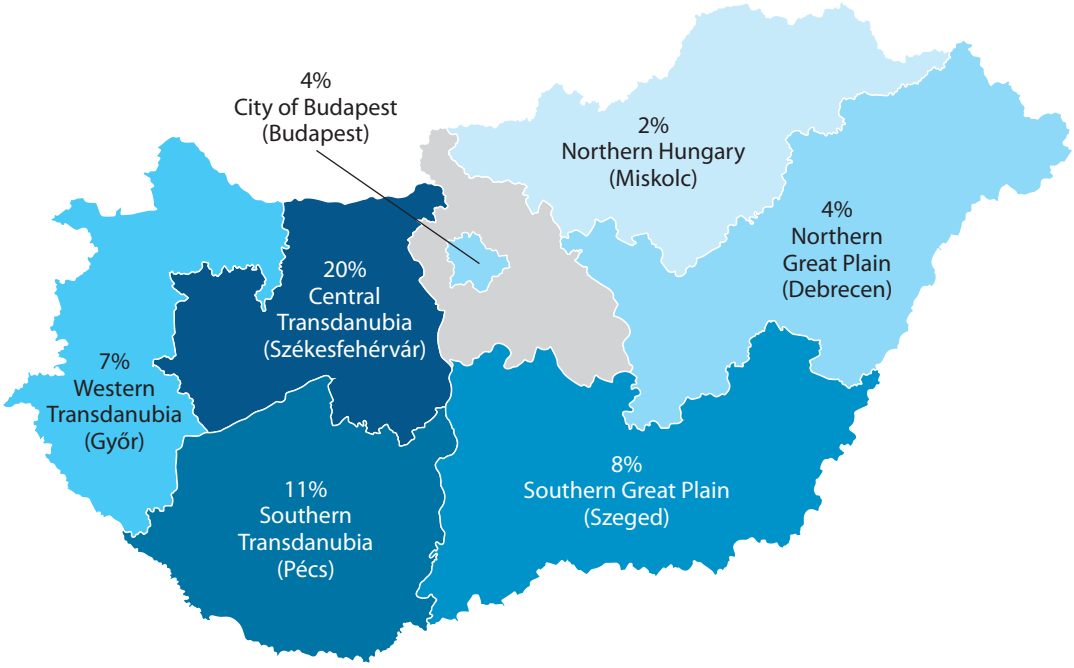
World Bank Enterprise Surveys data show that the percentage of Hungarian firms reporting access to land as an obstacle varies from region to region (map 2). While 20 percent of firms in Central Transdanubia (including Székesfehérvár) report access to land as an obstacle, only 2 percent do in Northern Hungary (including Miskolc).

The process of transferring a property is similar across the cities. There are three main stages: (i) due diligence, (ii) deed preparation and authentication, and (iii) registration with public agencies. Each stage comprises a few steps. The entire process takes between 16 days Székesfehérvár and 55 days in Szeged (figure 13). One step under the third stage—namely, registering the authenticated deed at the Land Registry—represents the bulk of the process and drives time variations across cities—from 9 days in Székesfehérvár to 48 days in Szeged.

Despite workload differences, local offices exhibit significant disparities in efficiency, as the speed of registering deeds is not necessarily correlated with workloads. In 2023, the Budapest Land Registry's 167 officers managed to register 125,620 transfers, whereas the 26 officers in Szeged handled 23 times fewer transfers (5,390).[20] There are no differences across cities in the cost to transfer a property. The predominant expense in property transfer is the property transfer tax. Set at 4 percent of the property's value,[21] it represents 89 percent of the total cost to transfer a property. Legal fees make up the remaining 11 percent of the total cost.

Table 3 provides a detailed overview—by pillar, category, and subcategory—of the Hungarian cities' performance

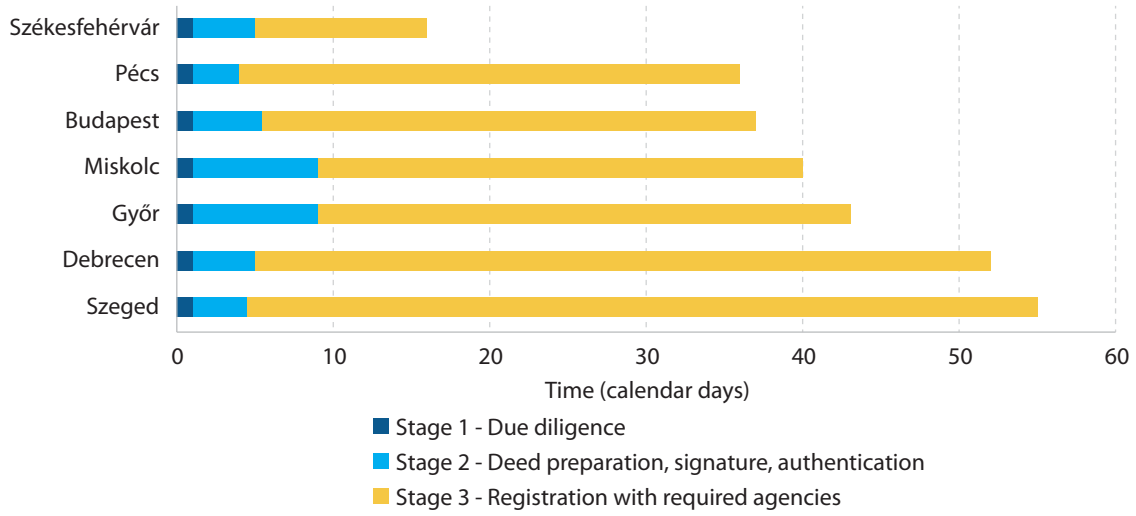
Map 2. Share of Firms That Report Access to Land as an Obstacle, by Region



Source: World Bank Enterprise Surveys 2023

20 World Bank team calculations based on data provided by Land Registry and Cadaster in February 2024.
21 For a property value of HUF 537,771,800, equal to 100 times the 2021 GNI per capita. Hungary's 2021 GNI per capita is HUF 5,377,718.

Figure 13. Number of Days to Transfer Property, by City and Stage



Source: Subnational Business Ready

on the Business Location topic. The topic includes three subtopics: property transfer, building permits, and environmental permits, detailed below. The column with the rescaled points indicates the total maximum points a city can get on each of the measured areas. For example, none of the cities receives the total possible maximum of 15 points under Pillar I (Quality of Regulations for Business Location), category 1.1 (Property Transfer and Land Administration), subcategory 1.1.2 (Land Dispute Mechanism). Conversely, on subcategories 1.1.1 (Property Transfer Standards), and 1.1.3 (Land Administration System), all cities receive the maximum points: 15 out of 15 and 10 out of 10, respectively. Most cross-city variability is observed under Pillar III.

Table 3. Business Location Scores

		No. of indicators	Re-scaled points	Budapest	Debrecen	Győr	Miskolc	Pécs	Szeged	Székesfehérvár
Pillar I: Quality of Regulations for Business Location										
1.1	**Property Transfer and Land Administration**	**11**	**40**	**36.3**	**36.3**	**36.3**	**36.3**	**36.3**	**36.3**	**36.3**
1.1.1	Property Transfer Standards	4	15	15.0	15.0	15.0	15.0	15.0	15.0	15.0
1.1.2	Land Dispute Mechanism	4	15	11.3	11.3	11.3	11.3	11.3	11.3	11.3
1.1.3	Land Administration System	3	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0
1.2	**Building, Zoning and Land Use**	**20**	**40**	**40.0**	**40.0**	**40.0**	**40.0**	**40.0**	**40.0**	**40.0**
1.2.1	Building Standards	11	15	15.0	15.0	15.0	15.0	15.0	15.0	15.0
1.2.2	Building Energy Standards	4	15	15.0	15.0	15.0	15.0	15.0	15.0	15.0
1.2.3	Zoning and Land Use Regulations	5	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0
1.3	**Restrictions on Owning and Leasing Property**	**19**	**10**	**7.4**	**7.4**	**7.4**	**7.4**	**7.4**	**7.4**	**7.4**
1.3.1	Domestic firms—Ownership	4	2.5	1.9	1.9	1.9	1.9	1.9	1.9	1.9
1.3.2	Domestic firms—Leasehold	5	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
1.3.3	Foreign firms—Ownership	5	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

Table 3. Business Location Scores

		No. of indicators	Re-scaled points	Budapest	Debrecen	Győr	Miskolc	Pécs	Szeged	Székesfehérvár
1.3.4	Foreign firms—Leasehold	5	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
1.4	**Environmental Permits**	**12**	**10**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**
1.4.1	Environmental Permits for Construction	10	5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
1.4.2	Dispute Mechanisms for Construction-Related Environmental Permits	2	5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
	Total	**62**	**100**	**90.6**	**90.6**	**90.6**	**90.6**	**90.6**	**90.6**	**90.6**
Pillar II: Quality of Public Services and Transparency of Information for Business Location										
2.1	**Availability and Reliability of Digital Services**	**21**	**40**	**32.0**	**32.0**	**32.0**	**32.0**	**32.0**	**32.0**	**32.0**
2.1.1	Property Transfer—Digital Public Services	6	8	2.4	2.4	2.4	2.4	2.4	2.4	2.4
2.1.2	Property Transfer—Digital Land Management and Identification System	5	8	8.0	8.0	8.0	8.0	8.0	8.0	8.0
2.1.3	Property Transfer—Coverage of the Land Registry and Mapping Agency	4	8	8.0	8.0	8.0	8.0	8.0	8.0	8.0
2.1.4	Building Permits—Digital Public Services	4	8	7.2	7.2	7.2	7.2	7.2	7.2	7.2
2.1.5	Environmental Permits—Digital Public Services	2	8	6.4	6.4	6.4	6.4	6.4	6.4	6.4
2.2	**Interoperability of Services**	**6**	**20**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**	**7.5**
2.2.1	Interoperability of Services for Property Transfer	4	10	7.5	7.5	7.5	7.5	7.5	7.5	7.5
2.2.2	Interoperability of Services for Building Permits	2	10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3	**Transparency of Information**	**19**	**40**	**26.7**	**26.7**	**26.7**	**26.7**	**26.7**	**26.7**	**26.7**
2.3.1	Immovable Property (includes gender)	9	20	6.7	6.7	6.7	6.7	6.7	6.7	6.7
2.3.2	Building, Zoning and Land Use	8	15	15.0	15.0	15.0	15.0	15.0	15.0	15.0
2.3.3	Environmental Permits	2	5	5.0	5.0	5.0	5.0	5.0	5.0	5.0
	Total	**46**	**100**	**66.2**	**66.2**	**66.2**	**66.2**	**66.2**	**66.2**	**66.2**
Pillar III: Operational Efficiency of Establishing a Business Location										
3.1	**Property Transfer and Land Administration**	**3**	**40**	**35.2**	**33.7**	**34.5**	**34.9**	**34.8**	**33.2**	**33.2**
3.1.1	Major Constraints on Access to Land	1	13.3	13.3	13.3	13.2	13.3	12.9	13.2	10.5
3.1.2	Time to Obtain a Property Transfer	1	13.3	12.4	10.9	11.9	12.1	12.4	10.5	13.2
3.1.3	Cost to Obtain a Property Transfer	1	13.3	9.5	9.5	9.5	9.5	9.5	9.5	9.5
3.2	**Construction Permits**	**2**	**40**	**39.0**	**39.0**	**39.4**	**38.6**	**39.2**	**37.2**	**39.4**
3.2.1	Time to Obtain a Building Permit	1	20	19.0	19.0	19.4	18.6	19.2	17.2	19.4
3.2.2	Cost to Obtain a Building Permit	1	20	20.0	20.0	20.0	20.0	20.0	20.0	20.0
3.3	**Environmental Permits**	**2**	**20**	**19.8**	**19.8**	**19.8**	**19.8**	**19.8**	**19.8**	**19.8**
3.3.1	Time to Obtain an Environmental Permit	1	10	9.9	9.9	9.9	9.9	9.9	9.9	9.9
3.3.2	Cost to Obtain an Environmental Permit	1	10	9.9	9.9	9.9	9.9	9.9	9.9	9.9
	Total	**7**	**100**	**99.4**	**92.5**	**93.7**	**93.3**	**93.8**	**90.2**	**92.4**

Source: Subnational Business Ready
Note: The reported individual scores were rounded off; therefore, the sum of individual scores may not add up to the totals.

Utility Services

Electricity[22]

The electricity regulatory framework applies uniformly to all regions;[23] most subnational differences lie in the quality of public services. While Hungary monitors the quality of electricity services, joint planning and construction among utility providers, including provisions for common excavation permits and "dig once" policies, are absent. Regulations concerning the safety of electricity connections and environmental sustainability align with internationally recognized good practices.

Key performance indicators are used to monitor the quality, reliability, and sustainability of the electricity supply. Sex-disaggregated data on customer satisfaction and customer complaints are lacking, but an independent complaint mechanism exists, and there is a comprehensive inspection regime for electricity connections. Digital services are more advanced in Budapest, Győr, Pécs, and Székesfehérvár, where clients can utilize an online platform to request new connections and track the status of applications. Conversely, in other cities, such as Debrecen, Miskolc, and Szeged, these features are absent. Connection fees are not available online in Miskolc and Szeged, nor are time standards stipulated in the seven measured cities.

Obtaining a new electricity connection is quickest in Miskolc, where it takes 295 days, and slowest in Budapest and Győr, where it requires 360 days. Variations among cities stem primarily from completion of external connection work and post-construction tasks, including the installation of meters, supply contracts, and network usage contracts. The most time-consuming actions are obtaining all the necessary approvals and permits, averaging 150 days, and completing external work, averaging 140 days. Delays can be attributed to a shortage of technicians in the electricity sector. As for connection costs, the regulator sets the maximum fee that utilities can charge for a new electricity connection. Miskolc and Szeged have the highest connection costs, HUF 3,788,900, whereas Debrecen's cost is HUF 2,710,488, due to the absence of cable fees where connection lengths are typically below 50 meters (figure 14). Variations in connection fees are also influenced by slight differences in the calculation formulas, which are based on the technical conditions of the connection.

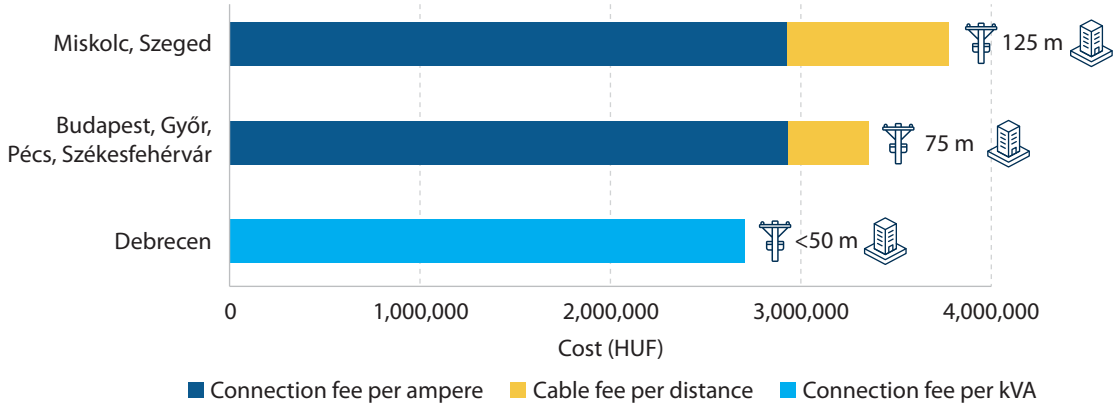
Hungary has one of the most reliable electricity supplies among the EU countries. In 2022, Hungarian entrepreneurs experienced an average of 0.7 interruptions, each lasting 50 minutes. The frequency of outages, however, differs by city. Pécs has the lowest frequency, averaging 0.3 interruptions lasting 18 minutes each, while Debrecen records the highest frequency, with an average of 1.08 interruptions, each over two hours long. Nevertheless, announcements of planned electricity outages are published on the utility's website.

Nine percent of Hungarian firms own or share a generator, according to data from World Bank Enterprise Surveys,

22 See section 4.1, "Utility Services in Detail—Electricity," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
23 Act LXXXVI (Vet.), on electricity distribution, 2007; Government Decree No. 273/2007 (X. 19.); and Act LVII, 2015.

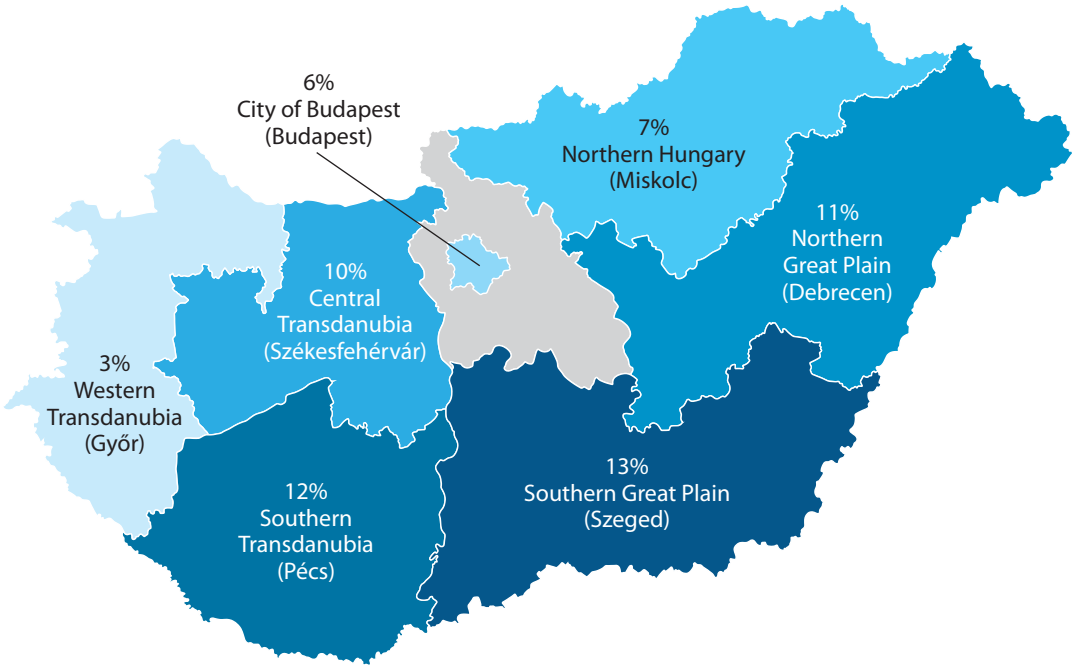
but percentages vary across the cities. The share is highest (13 percent) in the Southern Great Plain (including Szeged) and lowest (3 percent) in Western Transdanubia (including Győr) (map 3).

Figure 14. Cost of Obtaining Electricity Connection, by City and Category



Source: Subnational Business Ready
Note: Electricity connection costs are not scored in the *Subnational Business Ready* methodology. HUF = Hungarian forints.

Map 3. Share of Firms That Own or Share a Generator, by Region



Source: World Bank Enterprise Surveys 2023

Water[24]

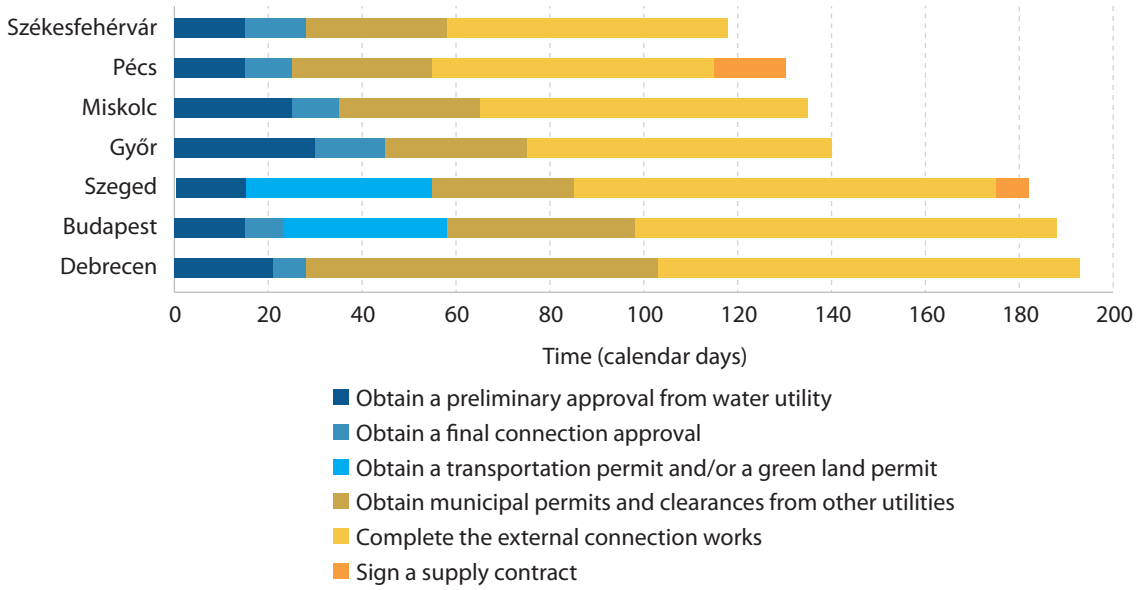
The regulatory framework for water utility services is uniform across all seven cities in the country.[25] Regulations ensure the efficient deployment of water connections and maintain the quality of supply. However, Hungary lacks not only requirements for joint planning and construction among different network operators but also inspection regimes for internal water installations. And while the current regulation promotes water-saving and sustainable wastewater practices, regulations on the environmental sustainability of the provision and use of water are lacking. Moreover, no incentives encourage the adoption of water-saving practices, as tariffs and the quality of water services are not monitored.

The governance and transparency of water services are consistent across all seven cities. Key performance indicators are in place to monitor the quality and reliability of the water supply, but indicators to assess sustainability are missing. Connection requirements can be accessed online, and electronic payment options and application processes for new connections are provided, but online application tracking does not exist. An independent complaint mechanism is in place, but a comprehensive inspection regime for water connections has not been implemented.

The time required to acquire water connections differs significantly throughout Hungary, varying between 118 and 193 days across cities. The process is fastest in Pécs and Székesfehérvár, while it is slowest in Budapest and Debrecen. In Pécs and Székesfehérvár, obtaining all necessary authorizations for excavation takes one month, and completion of work takes another two months. Conversely, in Budapest and Debrecen, acquiring all permits and clearances takes two and a half months, with infrastructural work taking an additional three months to complete.

In all assessed Hungarian cities except Szeged, clients requesting a water connection undergo a two-step approval process with the utility. While the 15-day time limit for preliminary approval is typically adhered to in Budapest, Pécs, Szeged, and Székesfehérvár, delays are often encountered in other cities. Győr has the longest wait time for preliminary approval (30 days) and the longest processing time for the second approval (15 days), taking a total of 45 days. In contrast, Debrecen's final approval step takes one week.

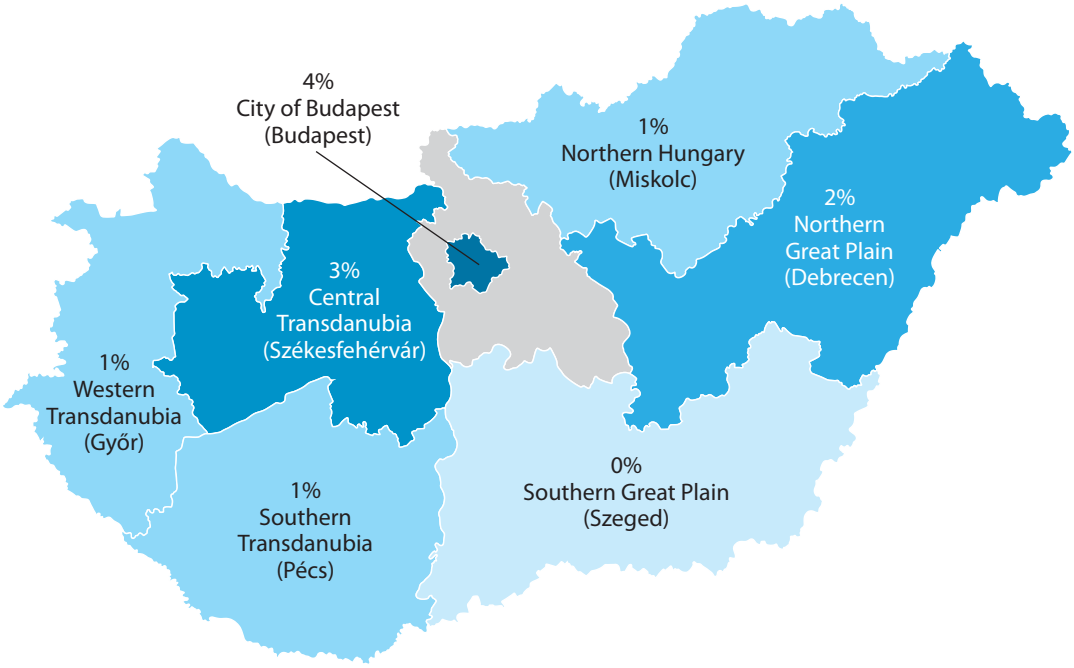
Figure 15. Days to Obtain a Water Connection, by City and Stage



Source: Subnational Business Ready

24 See section 4.2, "Utility Services in Detail—Water," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
25 Government Decree No. 201/2001 and Act LVII of 1995, on water management.

Map 4. Share of Firms That Report Having Suffered Insufficiency in Their Water Supply, by Region



Source: World Bank Enterprise Surveys 2023

Budapest has the shortest overall two-step approval process: 23 days. Clients in Szeged benefit from an expedited process with a one-step approval (figure 15).

Most firms across Hungarian regions experience either no instances or minor instances of water insufficiency, according to data from World Bank Enterprise Surveys. Regional data show that while no firm in the Southern Great Plain (including Szeged) reported having suffered insufficiency in water supply, 4 percent of firms reported having experienced insufficiencies in the capital region of Budapest (map 4).

The cost of obtaining a water connection varies significantly across Hungarian cities. Each water utility sets its own fee schedule, resulting in considerable differences in costs for the same type of connection. A connection in Debrecen, where the process is least expensive, costs HUF 4.6 million, about one-third of the charge for the same connection in Miskolc, where the process costs HUF 13.5 million. Similarly, the water connection process in Budapest, Győr, and Pécs is more than twice as expensive as in Székesfehérvár.

Internet[26]

Hungary applies consistent internet regulations throughout the country.[27] Aligned with international best practices, the National Media and Infocommunications Authority (NMHH) oversees wholesale connectivity tariffs and has the authority to investigate anticompetitive behavior. NMHH also sets and monitors performance standards to ensure the quality and reliability of internet service. The regulatory framework includes provisions for joint planning and construction as well as infrastructure sharing. It also establishes safety regulations, such as liability for personal data protection breaches. Additionally, the National Cyber Security Center coordinates national cybersecurity efforts, conducting risk assessments, audits, and drills and enforcing cybersecurity laws. Although regulations mandate environmental reporting or disclosure standards for digital connectivity and data infrastructure, there are no national emissions or energy-efficiency targets for electronic communication networks and data infrastructure.

26 See section 4.3, "Utility Services in Detail—Internet," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
27 Act C of 2003, on electronic communications (*Eht*).

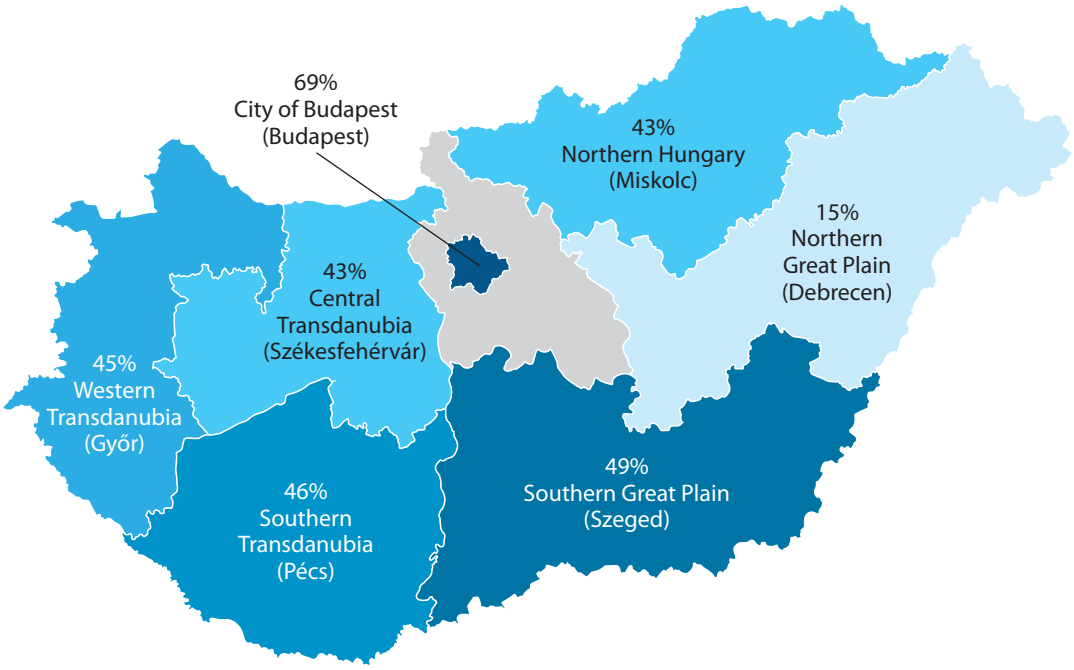
All cities throughout Hungary offer electronic application options for new commercial internet connections, and it is also possible to track these applications online. Hungary has an infrastructure database for identifying networks of internet service providers, coupled with a shared database for network lines of multiple utilities. An electronic payment system is operational, as are coordination mechanisms for obtaining excavation permits.

Transparency measures include the online availability of service quality indicators and key performance indicators on internet reliability and quality. Plus, connection requirements and information about planned internet outages are publicly accessible. An independent complaint mechanism addresses issues with internet service provision. While internet monthly fees and tariff adjustments are posted online and communicated to customers, formulas explaining how tariff levels are determined are not published.

The efficiency of internet provision varies among Hungarian cities. The average time required to obtain a connection is 10 days. In Győr, this process takes seven days, while in other cities, such as Miskolc, Pécs, and Szeged, businesses may face delays of up to 12 days. Such delays can be attributed to limited competition in certain cities, as internet service providers have established operational zones, dividing the fixed broadband market. Another factor contributing to delays is the shortage of internet connection technicians. According to World Bank Enterprise Surveys data, 55 percent of Hungarian firms have reported experiencing internet disruptions. In Budapest, nearly 70 percent of firms have faced internet disruptions, the highest in the country (map 5).

Table 4 provides a detailed overview—by pillar, category, and subcategory—of the Hungarian cities' performance on the Utility Services topic. The topic includes three subtopics: electricity, water, and internet, which are detailed below. The column with the rescaled points indicates the total maximum points a city can get on each of the measured areas. For example, none of the seven cities receives the total possible maximum of 8.33 points under Pillar I (Quality of Regulations on Utility Services), category 1.1 (Electricity), subcategories 1.1.1 (Regulatory Monitoring of Tariffs and Service Quality), and 1.1.2 (Utility Infrastructure Sharing and Quality Assurance Mechanisms). Conversely, the cities receive the maximum number of points (8.3) on the other two subcategories: 1.1.3 (Safety of Utility Connections), and 1.1.4 (Environmental Sustainability). Most cross-city variability is observed under Pillar III.

Map 5. Share of Firms Experiencing Internet Disruptions, by Region



Source: World Bank Enterprise Surveys 2023

Table 4. Utility Services Scores

		No. of indicators	Re-scaled points	Budapest	Debrecen	Győr	Miskolc	Pécs	Szeged	Székesfehérvár
Pillar I: Quality of Regulations on Utility Services										
1.1	**Electricity**	**10**	**33.3**	**27.1**	**27.1**	**27.1**	**27.1**	**27.1**	**27.1**	**27.1**
1.1.1	Regulatory Monitoring of Tariffs and Service Quality	2	8.3	4.2	4.2	4.2	4.2	4.2	4.2	4.2
1.1.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms	2	8.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
1.1.3	Safety of Utility Connections	3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
1.1.4	Environmental Sustainability	3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
1.2	**Water**	**12**	**33.3**	**17.4**	**17.4**	**17.4**	**17.4**	**17.4**	**17.4**	**17.4**
1.2.1	Regulatory Monitoring of Tariffs and Service Quality	2	8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms	2	8.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
1.2.3	Safety of Utility Connections	3	8.3	6.9	6.9	6.9	6.9	6.9	6.9	6.9
1.2.4	Environmental Sustainability	5	8.3	4.2	4.2	4.2	4.2	4.2	4.2	4.2
1.3	**Internet**	**11**	**33.3**	**31.7**	**31.7**	**31.7**	**31.7**	**31.7**	**31.7**	**31.7**
1.3.1	Regulatory Monitoring of Tariffs and Service Quality	2	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
1.3.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms	4	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3
1.3.3	Safety of Utility Connections	3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
1.3.4	Environmental Sustainability	2	3.3	1.7	1.7	1.7	1.7	1.7	1.7	1.7
	Total	**33**	**100**	**76.1**	**76.1**	**76.1**	**76.1**	**76.1**	**76.1**	**76.1**
Pillar II: Quality of the Governance and Transparency of Utility Services										
2.1	**Electricity**	**15**	**33.3**	**29.6**	**28.6**	**29.6**	**28.2**	**29.6**	**28.2**	**29.6**
2.1.1	Digital Services and Interoperability	4	8.3	8.3	7.3	8.3	7.3	8.3	7.3	8.3
2.1.2	Availability of Information and Transparency	6	8.3	8.0	8.0	8.0	7.6	8.0	7.6	8.0
2.1.3	Monitoring of Service Supply (includes gender and environment)	3	8.3	5.0	5.0	5.0	5.0	5.0	5.0	5.0
2.1.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms	2	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
2.2	**Water**	**15**	**33.3**	**22.2**	**22.2**	**22.2**	**22.2**	**22.2**	**22.2**	**22.2**
2.2.1	Digital Services and Interoperability	4	8.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3
2.2.2	Availability of Information and Transparency	6	8.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
2.2.3	Monitoring of Service Supply (includes gender and environment)	3	8.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
2.2.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms	2	8.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
2.3	**Internet**	**13**	**33.3**	**26.5**	**26.5**	**26.5**	**26.5**	**26.5**	**26.5**	**26.5**
2.3.1	Digital Services and Interoperability	4	8.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3
2.3.2	Availability of Information and Transparency	5	8.3	6.7	6.7	6.7	6.7	6.7	6.7	6.7

Table 4. Utility Services Scores

		No. of indicators	Re-scaled points	Budapest	Debrecen	Győr	Miskolc	Pécs	Szeged	Székesfehérvár
2.3.3	Monitoring of Service Supply (includes gender and environment)	2	8.3	4.2	4.2	4.2	4.2	4.2	4.2	4.2
2.3.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms	2	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
	Total	**43**	**100**	**78.3**	**77.2**	**78.3**	**76.8**	**78.3**	**76.8**	**78.3**
Pillar III: Operational Efficiency of Utility Service Provision										
3.1	**Electricity**	**5**	**33.3**	**17.1**	**17.3**	**17.1**	**19.6**	**17.2**	**17.1**	**17.4**
3.1.1	Time to Obtain a Connection	1	16.7	0.5	0.8	0.5	3.0	0.7	0.7	0.8
3.1.2	Reliability of Supply	4	16.7	16.6	16.5	16.6	16.6	16.5	16.4	16.5
3.2	**Water**	**2**	**33.3**	**16.5**	**16.5**	**17.0**	**17.2**	**17.3**	**16.7**	**18.0**
3.2.1	Time to Obtain a Connection	1	16.7	0.0	0.0	0.3	0.5	0.7	0.0	1.5
3.2.2	Reliability of Supply	1	16.7	16.5	16.5	16.7	16.7	16.7	16.7	16.5
3.3	**Internet**	**2**	**33.3**	**1.3**	**17.7**	**7.5**	**5.3**	**3.5**	**2.3**	**5.3**
3.3.1	Time to Obtain a Connection	1	16.7	1.3	1.3	3.3	0.0	0.0	0.0	0.3
3.3.2	Reliability of Supply	1	16.7	0.0	16.3	4.2	5.3	3.5	2.3	5.0
	Total	**9**	**100**	**34.9**	**51.5**	**41.6**	**42.1**	**38.0**	**36.1**	**40.7**

Source: Subnational Business Ready
Note: The reported individual scores were rounded off; therefore, the sum of individual scores may not add up to the totals.

Dispute Resolution[28]

Laws and regulations on dispute resolution are applied consistently throughout Hungary.[29] Since 2017, the country has implemented several legal reforms affecting civil procedures and court operations. Law CXXX of 2016, on civil procedure, which came into force in 2018, introduced a preparatory phase in which judges evaluate case details and evidence before trial, limiting parties' ability to introduce new evidence at later dates. It also mandated digital communication between legal entities and courts, and allowed remote hearings to be conducted. In 2021, Hungary established independent oversight of court bailiffs, moving away from self-governance, and specific legal training and exams for all bailiffs was mandated. Moreover, the National Court Authority of Hungary (OBH) launched the Digital Court Project. This initiative involves digitizing paper-based court documents and establishing an e-file system. In addition to integrating court systems to provide direct access to certified data and government services, the project aims to digitize and publish anonymized court judgments. In 2018, OBH initiated the VIA VIDEO project to develop a nationwide courtroom video and audio recording system. Currently, OBH is working on developing a new digital tool for submitting all documents electronically.

With regard to judicial integrity, Hungary follows several international good practices. Judges are required to recuse themselves in cases of conflict of interest, and parties are allowed to challenge a judge's impartiality. Codes of ethics for judges and enforcement agents are in place, and there are no restrictions on women becoming judges. Women have equal rights to men in commercial litigation, but judges are not required to disclose their assets annually. Similarly, Hungary's regulatory framework offers legal protections in arbitration and mediation, yet it lacks explicit provisions for third-party funding in investor-state arbitration and specific rules regarding recognition and enforcement of international mediation settlement agreements that do not require court approval.

Regarding public services for dispute resolution, the presence of specialized courts or divisions varies among cities. Of the seven cities assessed in Hungary, Budapest and Debrecen have courts with a specialized division dedicated to commercial cases. Judges in these courts specialize exclusively in adjudicating commercial law cases. In contrast, judges in Győr, Miskolc, Pécs, Szeged, and Székesfehérvár preside over departments handling a mix of civil, commercial, and labor cases. The establishment of court divisions is permitted by the legal framework at the discretion of the courts' presidents. Regarding digitalization, only one of the seven cities in Hungary conducts virtual hearings in all matters when requested by a party. The other six cities conduct virtual hearings only for urgent matters.

As for transparency, public access is provided to all binding legal instruments, in-person court hearings, and judgments at supreme and appellate levels. Conversely, no published judgments from first-instance courts are available to the public. Furthermore, no statistics are available on case disposal and clearance rates and the number of

28 See section 5, "Dispute Resolution in Detail," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
29 Law CXXX of 2016, on civil procedure; Law XXVII of 2021; and Directive 13/2021 of the Ministry of Justice.

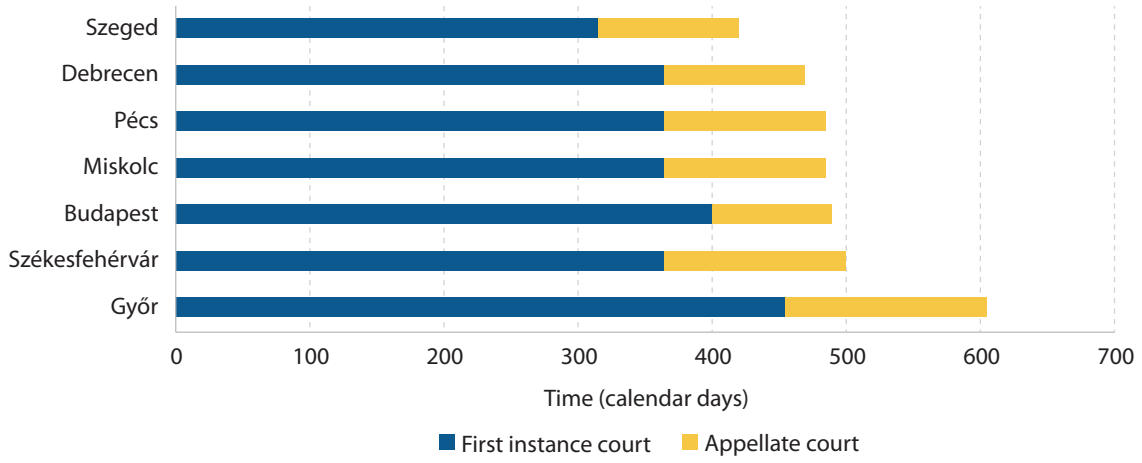
judges disaggregated by sex and court. Public services such as commercial arbitration, published rosters of all qualified arbitrators, the availability of virtual conferences, and published summaries of arbitral awards are available, but there is no electronic signing of arbitral awards, and no public statistics are available on the number of arbitration cases and the time required to resolve them. Commercial mediation has the option to use virtual tools and obtain financial incentives, but no statistics are available on the number of mediation cases and there is no provision for submitting requests to mediate electronically.

Across cities, the time required to resolve court litigation varies from 420 to 605 days (figure 16). The longest time for a first-instance procedure is in Győr, 455 days, followed by Budapest, at 400 days. In cities such as Debrecen, Miskolc, Pécs, and Székesfehérvár, it takes one year to complete first-instance court procedures. The shortest time is in Szeged, where 315 days are needed to adjudicate first-instance commercial cases. Szeged schedules new hearings in just 35 days, while Győr takes 60 days. The number of hearings also differs among cities. Győr holds four hearings for commercial cases, whereas Szeged usually holds only two. Judges' schedules are the most important reason for differences in the time needed to complete first-instance procedures among cities measured in Hungary.

All courts in Hungary are regulated at the national level and charge the same fees. Attorneys' fees, however, differ across Hungary. For first-instance cases, fees range from 2.1 percent of the claim value in Miskolc to 5 percent in Budapest and Pécs.[30] The same holds for the appellate procedure, where lawyers charge 1.5 percent of the claim value in Miskolc and 5 percent in Budapest. Factors such as the size of the law firm, the economic development of cities, and clients' financial capacity heavily influence attorneys' fees. The regulatory reform of 2016 led to an increase in up-front fees charged by lawyers due to the heightened workload and responsibility to draft initial claims that adhere to the requirements of the Law on Civil Procedure. Before the reform, claims were typically drafted in two to three pages. The stricter rules introduced by the reform extended the length to eight to ten pages, consequently making court proceedings more costly.

Enforcement of judgments varies in duration across Hungarian cities. Miskolc and Pécs can enforce final domestic judgments within 30 days, while Budapest, Debrecen, Győr, Szeged, and Székesfehérvár may take up to 60 days. The costs of enforcing a judgment consist of attorneys' fees and range from 0.5 percent to 2.3 percent of the claim value. Attorneys charge around 0.5 percent in Debrecen; 0.8 percent in Miskolc; 1 percent in Budapest, Győr, Pécs, and Székesfehérvár; and 2.3 percent of the claim value in Szeged. In addition, creditors pay a fee for the enforcement request in an amount of 0.33 percent of the claim value. However, this fee is reimbursed once the assets are seized from the debtor and thus are not calculated in this study as enforcement costs.

Figure 16. Days to Resolve Disputes through Court Litigation, by City



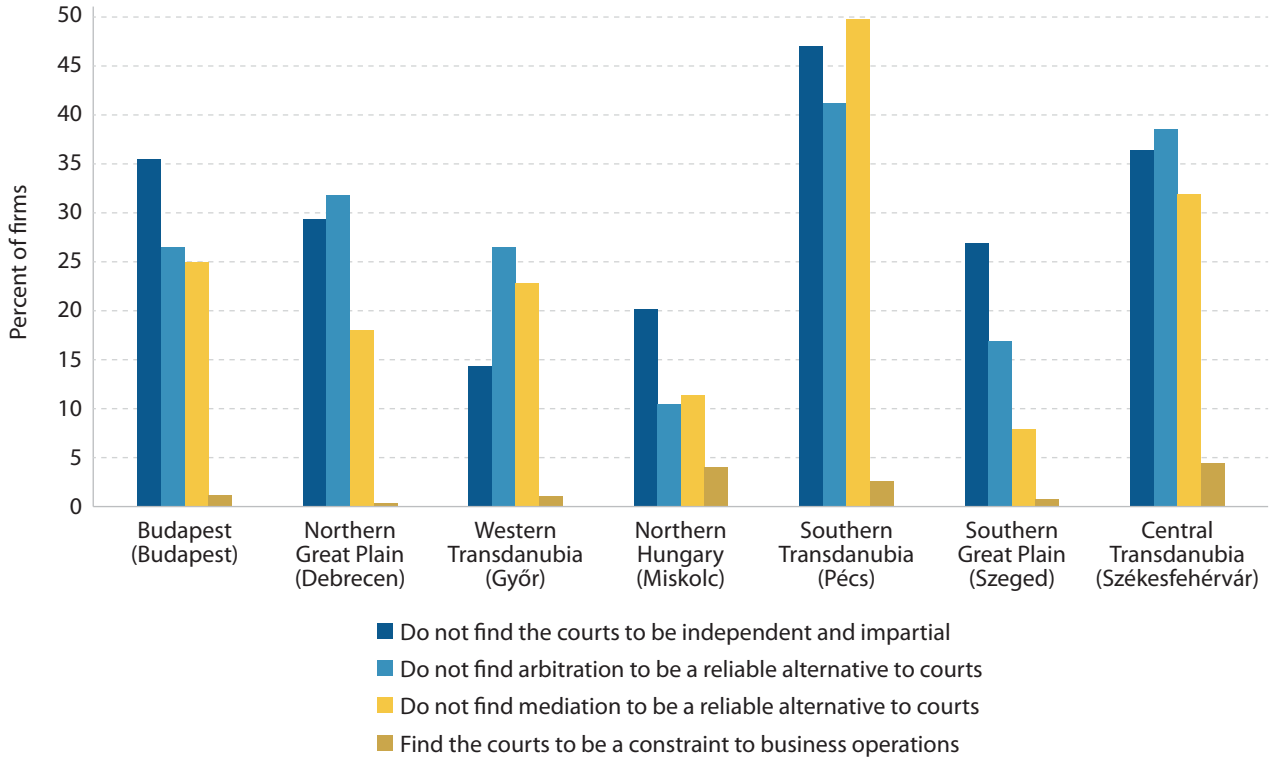
Source: Subnational Business Ready

30 For a claim value of HUF 107,554,370, equal to 20 times the 2021 GNI per capita. Hungary's 2021 GNI per capita is HUF 5,377,718.

Data from the World Bank Enterprise Surveys show that although 27 percent of the Hungarian firms do not find the courts to be independent and impartial, only 3 percent find the courts to be a constraint to business operations. Across regions, firms in Southern Transdanubia (including Pécs) have the most negative perception of the courts and ADR mechanisms. Namely, 47 percent of firms do not find courts to be independent and impartial, while the percentages of firms that do not find arbitration and mediation to be reliable alternatives are 41 and 50 percent, respectively (figure 17). Firms in Northern Hungary (including Miskolc) and the Southern Great Plain (including Szeged) have the most positive perception of the arbitration and mediation processes as reliable alternatives to courts.

Table 5 provides a detailed overview—by pillar, category, and subcategory—of the Hungarian cities' performance on the Dispute Resolution topic. The column with the rescaled points indicates the total maximum points a city can get on each of the measured areas. For example, none of the measured cities receives the total possible maximum score of 40 points under Pillar I (Quality of Regulations for Dispute Resolution), category 1.1 (Court Litigation), subcategory 1.1.1 (Procedural Certainty), which includes environmental disputes. In fact, none of the cities receives a maximum score on any of the subcategories of the Dispute Resolution topic, although some cities score very close to the upper ceiling. Specifically, under Pillar III, subcategory 3.2.1 (Reliability of ADR), Miskolc receives a nearly perfect score (12.7 out of 13.3), compared to Pécs and Székesfehérvár, both of which score zero points on this subcategory. Most cross-city variability is observed under Pillar III.

Figure 17. Perception of Courts and ADR Mechanisms, by Category and Region



Source: World Bank Enterprise Surveys 2023

Table 5. Dispute Resolution Scores

		No. of indicators	Re-scaled points	Budapest	Debrecen	Győr	Miskolc	Pécs	Szeged	Székesfehérvár
Pillar I: Quality of Regulations for Dispute Resolution										
1.1	**Court Litigation**	**14**	**66.7**	**52.1**	**52.1**	**52.1**	**52.1**	**52.1**	**52.1**	**52.1**
1.1.1	Procedural Certainty (includes environment)	9	40	30.8	30.8	30.8	30.8	30.8	30.8	30.8
1.1.2	Judicial Integrity (includes gender)	5	26.7	21.3	21.3	21.3	21.3	21.3	21.3	21.3
1.2	**Alternative Dispute Resolution (ADR)**	**10**	**33.3**	**29.9**	**29.9**	**29.9**	**29.9**	**29.9**	**29.9**	**29.9**
1.2.1	Legal Safeguards in Arbitration	6	16.7	15.3	15.3	15.3	15.3	15.3	15.3	15.3
1.2.2	Legal Safeguards in Mediation	4	16.7	14.6	14.6	14.6	14.6	14.6	14.6	14.6
	Total	**24**	**100**	**82.0**	**82.0**	**82.0**	**82.0**	**82.0**	**82.0**	**82.0**
Pillar II: Public Services for Dispute Resolution										
2.1	**Court Litigation**	**19**	**66.7**	**43.0**	**43.0**	**37.4**	**37.4**	**37.4**	**37.4**	**37.4**
2.1.1	Organizational Structure of Courts	4	22.2	11.1	11.1	5.6	5.6	5.6	5.6	5.6
2.1.2	Digitalization of Court Processes	8	22.2	21.3	21.3	21.3	21.3	21.3	21.3	21.3
2.1.3	Transparency of Courts (includes gender)	7	22.2	10.6	10.6	10.6	10.6	10.6	10.6	10.6
2.2	**Alternative Dispute Resolution (ADR)**	**9**	**33.3**	**21.9**	**21.9**	**21.9**	**21.9**	**21.9**	**21.9**	**21.9**
2.2.1	Public Services for Arbitration (includes gender)	4	16.7	10.8	10.8	10.8	10.8	10.8	10.8	10.8
2.2.2	Public Services for Mediation (includes gender)	5	16.7	11.1	11.1	11.1	11.1	11.1	11.1	11.1
	Total	**28**	**100**	**64.9**	**64.9**	**59.3**	**59.3**	**59.3**	**59.3**	**59.3**
Pillar III: Ease of Resolving a Commercial Dispute										
3.1	**Court Litigation**	**8**	**66.7**	**57.6**	**60.5**	**64.6**	**64.3**	**53.5**	**61.9**	**56.8**
3.1.1	Reliability of Courts	2	26.7	18.7	21.7	26.1	25.1	14.5	22.9	18.1
3.1.2	Operational Efficiency of Court Processes	6	40	38.9	38.8	38.5	39.3	38.9	39.0	38.6
3.2	**Alternative Dispute Resolution (ADR)**	**6**	**33.3**	**21.2**	**23.4**	**21.8**	**32.3**	**19.0**	**31.4**	**19.8**
3.2.1	Reliability of ADR	2	13.3	1.5	3.7	2.1	12.7	0.0	11.6	0.0
3.2.2	Operational Efficiency of Arbitration Processes	4	20	19.7	19.8	19.7	19.6	19.0	19.8	19.8
	Total	**14**	**100**	**78.7**	**83.9**	**86.4**	**96.7**	**72.5**	**93.3**	**76.5**

Source: Subnational Business Ready
Note: The reported individual scores were rounded off; therefore, the sum of individual scores may not add up to the totals.

Business Insolvency[31]

The Hungarian legal framework is homogeneous in all cities measured. Insolvency proceedings in Hungary are of three types: liquidation (for the final winding-up of the insolvent company), reorganization (within bankruptcy proceedings), and restructuring proceedings (not measured by this study).[32] Restructuring was introduced as part of the implementation of EU Directive 2019/1023, which was enacted in 2021 and came into force in July 2022; it was quickly adopted by debtors, whereas reorganization within bankruptcy proceedings rarely occurs.

Most informational and procedural standards for business insolvency exist in line with international good practices. The legal framework imposes obligations on company management prior to the formal initiation of insolvency proceedings. It also allows electronic voting on reorganization plans and offers the option to convert reorganization proceedings into liquidation. Legal requirements are in place for the selection and dismissal of insolvency administrators. Regarding assets and stakeholders, the legal framework also establishes certain protections, including an automatic stay of proceedings, the continuation of essential contracts, and the ability to reject burdensome contracts. However, it lacks mechanisms for out-of-court restructuring and falls short in protecting dissenting creditors within the reorganization process. Additionally, it does not provide for exceptions or relief to the automatic stay of proceedings. Furthermore, the legal framework does not provide specific provisions recognizing the need for post-commencement financing, specifically authorizing its use, and no provision establishes that post-commencement creditors should rank above ordinary unsecured creditors. Finally, while specialized proceedings are available for foreign insolvency cases, the legal framework does not have specialized insolvency proceedings tailored for micro-, small, and medium-sized enterprises.

In general, public services for business insolvency in Hungary are largely uniform across cities, with only one exception. The Budapest Court stands out for its specialized infrastructure dedicated to handling insolvency cases. The Economic College in Budapest, as an internal division of the court dealing with cases related to the economy, plays a crucial role in Hungary's insolvency field, thanks to specialized judges dedicated solely to insolvency matters. Engaging in pilot projects, the Economic College tests new initiatives and collaborates with institutions, such as the Hungarian School of Judiciary, to disseminate knowledge. Accordingly, the Budapest Court benefits from specialized judges who possess greater expertise in adjudication, a feature unique to the capital and not found in any other city in the country. Despite this difference, courts in regions other than Budapest may resolve insolvency proceedings more quickly, due to their lighter caseloads. Concerns have been raised by experts regarding the limited availability of IT tools and related infrastructural challenges in local courts, potentially affecting the functioning and accessibility of online platforms.

31 See section 6, "Business Insolvency in Detail," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
32 Act XLIX, Legal Act on Bankruptcy and Liquidation Proceedings, 1991; Act XXVIII, Legal Act on Private International Law, 2007; Act LXVI, Legal Act on the Wage-Guarantee Fund, 1994; Act LXIV, Legal Act on Restructuring, implements EU Directive 2019/1023, 2021; Supervisory Authority for Regulated Activities of Hungary (SZTFH) Decree No. 14/2021 (X. 29.); Government Decree No. 75/2018 (IV. 20.); and Government Decree No. 263/2022 (VII. 27.).

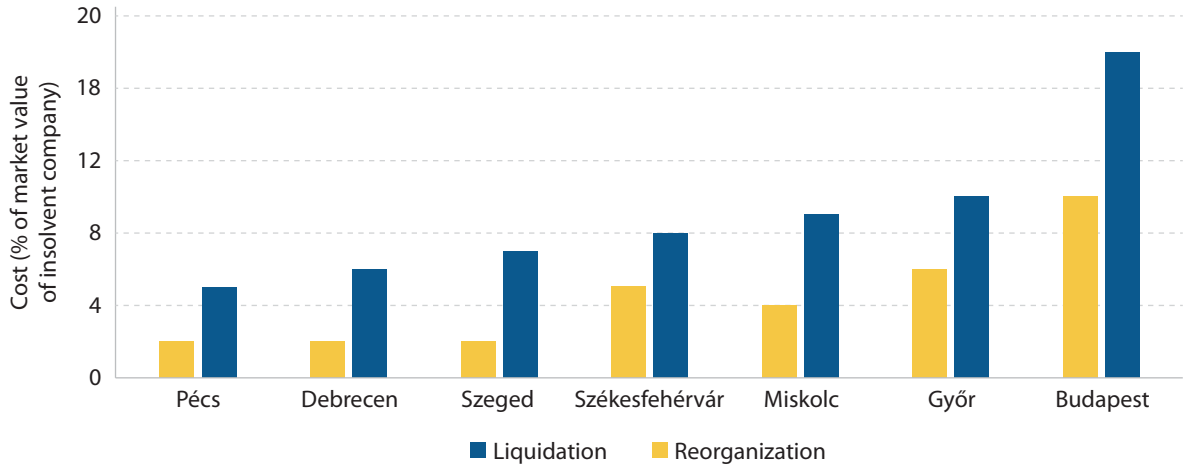
Online services for business insolvency are accessible in all Hungarian cities, including e-courts, which facilitate filing insolvency proceedings, notifications, fee payments, and communications among insolvency administrators, lawyers, and judges. Lawyers receive notifications and decisions electronically, and creditors can monitor proceedings either by visiting the court's premises or through lawyers. Online electronic bidding and virtual hearings are also available. Judgments in insolvency proceedings are publicly available at all levels, along with data on the number and types of insolvency proceedings.

In Hungary, the costs and duration of insolvency proceedings remain largely consistent, governed by nationwide laws (Codex). Cost variations are due primarily to lawyers' fees, which are influenced by market dynamics. Since all other cost components are uniformly regulated nationwide, the parties have sole discretion when choosing legal representation, and lawyers can represent clients from different jurisdictions. Judges intervene only in the case of excessive fees by lawyers and insolvency administrators. Among cities, Budapest has the highest costs for liquidation and reorganization. Conversely, Pécs has the lowest liquidation costs. In terms of duration, Szeged has the longest average liquidation period, 33 months, while the same procedure lasts about 24 months in Budapest, Győr, and Miskolc. Subnational differences in the time required for reorganization are limited, given the low number of pending reorganizations at the national level (only 15 cases).[33] Székesfehérvár is the most efficient in reorganization, completing the process in 8.5 months, compared with Győr and Miskolc, which complete it in 12 months each.

The insolvency law imposes strict deadlines for key elements of the proceedings. According to regulations, liquidation should be completed within two years, while bankruptcy reorganization should conclude within one year. While reorganization deadlines are generally met nationwide, courts often require more time to finalize liquidations, due to caseloads. For instance, in Szeged, liquidation typically takes 33 months. However, the Budapest Court, despite its workload, is efficient in managing most liquidation cases within the statutory two-year limit. Courts with economic colleges, such as Debrecen and Miskolc, have the capacity to handle current workloads.

The costs of insolvency proceedings include fees for the court, the insolvency administrator, and lawyers. Lawyers' fees, subject to market conditions, are the primary drivers of the overall costs. On the other hand, fees for the court and insolvency administrator have less impact, as they are regulated by national laws ensuring consistency across different cities. Expenses in Budapest are significantly higher, standing at 18 percent of the total cost for liquidation and 10 percent for reorganization (figure 18). In contrast, Pécs reports the lowest liquidation costs, 5 percent, while Debrecen, Pécs, and Szeged have the lowest reorganization costs, 2 percent. The disparity in costs is attributed

Figure 18. Cost of Business Insolvency Proceedings, by Insolvency Resolution Type



Source: Subnational Business Ready

33 2023 statistics for reorganization cases courtesy of the National Office for Judiciary.

largely to Budapest's status as the focal point of economic activity. Conversely, other cities show greater uniformity in terms of population size and economic conditions. Some smaller cities experience less competition among law firms, resulting in slightly higher fees in Győr, Miskolc, and Székesfehérvár. The method for calculating insolvency administrators' fees remains consistent across all cities.

Table 6 provides a detailed overview—by pillar, category, and subcategory—of the Hungarian cities' performance on the Business Insolvency topic. The column with the rescaled points indicates the total maximum points a city can get on each of the measured areas. For example, none of the cities receives the total possible maximum score of 15 points on Pillar I (Quality of Regulations for Judicial Insolvency Proceedings), category 1.1 (Legal and Procedural Standards in Insolvency Proceedings), subcategory 1.1.1 (Precommencement and Commencement Standards in Liquidation and Reorganization). Conversely, all cities receive the maximum points, 20 and 10, respectively, under category 1.2 (Debtor's Assets and Creditor's Participation in Insolvency Proceedings), subcategories 1.2.2 (Creditor's Rights in Liquidation and Reorganization (includes environment)), and 1.2.3 (Selection and Dismissal of the Insolvency Administrator). Most cross-city variability is observed under Pillar III.

Table 6. Business Insolvency Scores

		No. of indicators	Re-scaled points	Budapest	Debrecen	Győr	Miskolc	Pécs	Szeged	Székesfehérvár
Pillar I: Quality of Regulations for Judicial Insolvency Proceedings										
1.1	**Legal and Procedural Standards in Insolvency Proceedings**	**10**	**30**	**22.5**	**22.5**	**22.5**	**22.5**	**22.5**	**22.5**	**22.5**
1.1.1	Pre-Commencement and Commencement Standards in Liquidation and Reorganization	5	15	10.5	10.5	10.5	10.5	10.5	10.5	10.5
1.1.2	Post-Commencement Standards in Liquidation and Reorganization	5	15	12.0	12.0	12.0	12.0	12.0	12.0	12.0
1.2	**Debtor's Assets and Creditor's Participation in Insolvency Proceedings**	**14**	**50**	**41.0**	**41.0**	**41.0**	**41.0**	**41.0**	**41.0**	**41.0**
1.2.1	Treatment and Protection of Debtor's Assets during Liquidation and Reorganization (includes environment)	6	20	11.0	11.0	11.0	11.0	11.0	11.0	11.0
1.2.2	Creditor's Rights in Liquidation and Reorganization (includes environment)	5	20	20.0	20.0	20.0	20.0	20.0	20.0	20.0
1.2.3	Selection and Dismissal of the Insolvency Administrator	3	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0
1.3	**Specialized Insolvency Proceedings and International Insolvency**	**5**	**20**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**
1.3.1	Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)	3	10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.2	Cross-Border Insolvency	2	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0
	Total	**29**	**100**	**73.5**	**73.5**	**73.5**	**73.5**	**73.5**	**73.5**	**73.5**
Pillar II: Quality of Institutional and Operational Infrastructure for Judicial Insolvency Proceedings										
2.1	**Digital Services (e-Courts) in Insolvency Proceedings**	**7**	**40**	**40.0**	**40.0**	**40.0**	**40.0**	**40.0**	**40.0**	**40.0**
2.1.1	Electronic Services in Liquidation and Reorganization	4	20	20.0	20.0	20.0	20.0	20.0	20.0	20.0
2.1.2	Electronic Case Management Systems in Liquidation and Reorganization	3	20	20.0	20.0	20.0	20.0	20.0	20.0	20.0
2.2	**Interoperability in Insolvency Proceedings**	**2**	**20**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**
2.2.1	Digital Services Connectivity with External Systems in Liquidation and Reorganization	1	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0

Table 6. Business Insolvency Scores

		No. of indicators	Re-scaled points	Budapest	Debrecen	Győr	Miskolc	Pécs	Szeged	Székesfehérvár
2.2.2	Interconnection between e-Case Management System and e-Filing Systems in Liquidation and Reorganization	1	10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3	**Public Information on Insolvency Proceedings and Registry of Insolvency Practitioners**	**5**	**20**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**
2.3.1	Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments	3	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2.3.2	Availability of a Public Registry of Insolvency Practitioners	2	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0
2.4	**Public Officials and Insolvency Administrators**	**3**	**20**	**20.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**
2.4.1	Specialization of Courts with Jurisdiction on Reorganization and Liquidation Proceedings	2	10	10.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.2	Insolvency Administrator's Expertise in Practice	1	10	10.0	10.0	10.0	10.0	10.0	10.0	10.0
	Total	**17**	**100**	**90.0**	**80.0**	**80.0**	**80.0**	**80.0**	**80.0**	**80.0**
Pillar III: Operational Efficiency of Resolving Judicial Insolvency Proceedings										
3.1	**Liquidation Proceedings**	**2**	**50**	**29.0**	**36.8**	**41.8**	**42.5**	**37.0**	**32.3**	**33.0**
3.1.1	Time to Resolve a Liquidation Proceeding	1	25	20.0	12.5	20.0	20.0	12.5	8.3	9.8
3.1.2	Cost to Resolve a Liquidation Proceeding	1	25	9.0	24.3	21.8	22.5	24.5	24.0	23.3
3.2	**Reorganization Proceedings**	**2**	**50**	**39.8**	**49.5**	**46.5**	**47.8**	**49.5**	**49.5**	**48.5**
3.2.1	Time to Resolve a Reorganization Proceeding	1	25	24.5	24.5	23.5	23.5	24.5	24.5	24.5
3.2.2	Cost to Resolve a Reorganization Proceeding	1	25	15.3	25.0	23.0	24.3	25.0	25.0	24.0
	Total	**4**	**100**	**68.8**	**86.3**	**88.3**	**90.3**	**86.5**	**81.8**	**81.5**

Source: Subnational Business Ready
Note: The reported individual scores were rounded off; therefore, the sum of individual scores may not add up to the totals.

With funding by the European Commission