

# **INTERNATIONAL BUSINESS SCHOOL**

## **COMPENSATION REGULATIONS**

**including changes effective from 18 November 2014**

### **Students' Compensation Liability**

#### **1.§**

(1) A student who causes damage by unlawful conduct (negligence) shall bear compensation liability. The student's liability shall be to the School in matters connected to pursuit of his or her studies and to the employer (hereinafter employer) during practical training (placement). These Regulations must be applied in all cases where the student has a legal relationship with the College according to the Act on National Higher Education (ANHE, Act CCIV of 2011), and also in all cases where College acts as a collaborative partner of a foreign institution of higher education, permitted to operate in Hungary (UoB, OBU).

(2) The School/employer shall be obliged to prove the student's culpability, the occurrence and extent of the damage and the causal relationship between the damage and the unlawful conduct.

(3) The obligation to prove the relationship of the damage with pursuit of studies shall lie with School, and the obligation to prove the relationship with participation in practical training (placement) shall lie with employer.

(4) The provisions of paragraphs (1)-(3) shall also be applied to liability for damage caused by a student in the course of activities (events) organised by the School/employer.

#### **2.§.**

(1) In the case of negligent damage, the student shall bear restricted liability. The extent of damage may not be greater than 50% of the official minimum wage valid on the day of the damage (Section (2) of §72 of the Higher Education Act – henceforth: HEA).

(2) Damage shall be negligent if the student does not foresee the consequences of his or her conduct but does not act with reasonable care or is aware of the consequences but thoughtlessly assumed they would not occur.

#### **3.§**

(1) In the case of wilful damage, the student shall be obliged to reimburse the full damage, according to the Civil Code (Section (2) of §72 HEA).

(2) Damage shall be wilful if the student has advance awareness and foresight of the consequences of his or her action (negligence) and acquiesces in them.

#### 4.§

(1) A student shall bear full compensation liability without regard to culpability for the loss of things which against register entry or receipt are transferred to the student for permanent safeguarding or exclusive use or handling and which the student bears an obligation to return or account for (Section (3) of §72 HEA).

(2) A student shall be exempt from liability if he or she proves that the loss was caused by an external cause outside his or her control.

(3) The School/employer shall prove the fulfilment of the conditions defined in paragraph (1) and the occurrence and extent of the damage (loss).

(4) If damage occurs to a thing provided for safeguarding, the student's liability shall be judged by the rules of culpability liability. In this case, the student shall bear the burden of proof of innocence.

(5) The amount of the damage shall be determined by consideration of

a) the expenditure on repairing the damaged thing – including administrative costs – and the amount of remaining diminution of value in spite of the repair.

b) if the thing is destroyed or becomes unusable, or if it is lost, the retail price at the date when the damage is caused, with due heed to wear and tear.

### **Compensation Liability of School/Employer**

#### 5.§

(1) If a student suffers damage in connection with pursuit of studies or during practical training (placement), the School/employer shall compensate for the damage.

(2) The student shall prove the occurrence and extent of the damage and prove that the damage occurred in connection with pursuit of studies or in the course of practical training.

(3) The School/employer shall be exempt from liability if it proves that the damage was due to a cause outside its scope of operation or solely by the unavoidable conduct of the party suffering damage.

(4) Damage shall not be regarded as being due to an unavoidable cause outside the scope of operation if it was caused by:

a) a School employee or a person contracted to the School,

b) a School student, if the School could have prevented the damage.

(5) The provisions of paragraphs (1)-(4) shall also be applicable to liability for damage caused during activities (events) organised by the School/employer.

## **Rules for Establishing Liability for Damage Caused to the School**

### **6.§**

A procedure to establish (material) compensation liability (hereinafter compensation procedure) shall be launched on the basis of the matter being reported or officially learned of.

### **7.§**

- (1) A written record shall be taken of the damage caused by the student. The record shall contain:
  - a) the place and time of taking the record;
  - b) the name, address, year, course and speciality of the student;
  - c) the place and time of the commission of damage;
  - d) description of the commission of damage, the nature of the conduct causing the damage, the form of damage (damaged or destroyed thing, etc.), and other facts and circumstances related to the commission of damage;
  - e) the name and position of the person taking the record, and his or her signature. The names of witnesses, indicating whether they are witnesses to the commission of damage or of taking the record.
  
- (2) If the student is present when the record is taken, then on the student's request, his or her statements relating to the commission of damage shall be entered into the record. In this case the student shall sign the record, or if he or she refuses to sign, this fact shall be entered. The student shall be provided with a copy of the record on request.
  
- (3) The record shall be taken by an employee of the department where the damage was caused. If there is no such employee in the locality, the legal representative of the School may countersign the record.

### **8.§**

- (1) The record mentioned in section 7 shall be sent to the Head of the Finance and Logistics Centre within three days of being taken.
  
- (2) On the basis of the record, the Head of the Finance and Logistics Centre shall make a proposal on the extent (magnitude) of damage within 15 days of receipt. This shall involve taking the necessary action to supplement the facts, especially by interviewing the student.

### 9.§

(1) Within eight days of making a proposal for the extent of the damage, the Head of the Finance and Logistics Centre shall call a three-member Compensation Committee.

(2) The chairman of the Compensation Committee shall be the Head of the Finance and Logistics Centre, and a place on the committee shall be given to a student from the same year as the student involved in the compensation procedure, appointed by the Student Union Council at the request of Head of the Finance and Logistics Centre. The third member of the committee shall be invited by the Head of the Finance and Logistics Centre from among the teaching or non-teaching staff of the School.

### 10.§.

The Compensation Committee shall discuss the matter and make a ruling

- a) prescribing payment of compensation or
- b) discontinuing the compensation procedure.

### 11.§

(1) The provisions (first part) of the ruling prescribing payment of compensation shall contain:

- a) the name, place and date of birth, mother's maiden name, address, year, course and speciality of the student;
- b) the amount, payment time limit and mode of payment of the compensation, and possibly permission to pay by instalments;
- c) an indication that the ruling may be challenged in court. This may be omitted if the parties entitled renounce their right to legal redress.

(2) The grounds for the ruling must briefly contain:

- a) the facts established,
- b) the evidence and an evaluation thereof,
- c) depending on the nature of the matter, the explanation of the extent to which the student was culpable,
- d) mitigating and aggravating circumstances in prescribing compensation,
- e) citations of the provisions forming the basis of compensation.

### 12. §

(1) The Compensation Committee shall make a discontinuation ruling if:

- a) the commission of damage was not unlawful or was not caused by the student subjected to the procedure,
- b) the commission of damage was not proven,
- c) the student is not at fault,
- d) the compensation claim has lapsed,
- e) the compensation claim has been rejected by an executable court judgement

(2) The provisions of a discontinuation ruling must contain:

- a) the details mentioned in section 11 (1) a) of the student subjected to the procedure,
- b) the pronouncement of discontinuation of the procedure,
- c) and indication of the reason for discontinuation.

(3) The grounds of the discontinuation ruling shall briefly give the facts and proof established, with reference to the provision of paragraph (1) on which discontinuation of the procedure is based.

### **13.§**

In other issues of the rules of procedure relating to finding (material) compensation liability, the provisions of §'s 11-18 shall be applied where applicable.

## **Rules for Establishing Liability for Damage Caused to a Student by the School**

### **14.§**

(1) A student may lodge a claim for compensation to the person defined in section 8 (1) either verbally or in writing.

(2) In case of a verbal claim, the procedure shall of section 7 shall be applied with the additional entry into the record of the extent of damages claimed.

(3) If a written claim does not contain the information defined in section 7 (1) b) and d), then the student shall be requested to supplement the claim within a given time limit of not more than fifteen days.

### **15.§**

(1) If the Head of the Finance and Logistics Centre finds the information available to provide adequate grounds for the student's compensation claim, he shall make a compensation ruling by appropriate application of § 11 (simplified procedure).

(2) The compensation ruling shall be made within fifteen days following the date when the written claim or its supplement or the record of claim was made.

### **16.§**

(1) If the Head of the Finance and Logistics Centre finds insufficient grounds for the student's claim, the Compensation Committee shall decide the matter.

(2) The procedure of the Compensation Committee shall be governed by the provisions of §'s 9-13.

**Establishment of Liability for Damage  
Caused by a Student to an Employer or by an Employer to a Student**

**17. §**

(1) Liability for damage caused by a student to an employer or by an employer to a student shall be established in accordance with the employer's own internal rules of procedure.

(2) The School shall send these Regulations for information to an employer where School students are attending practical training or are on placement if a compensation claim procedure commences in the matter of damage committed by the employer or a student.

(3) The party responsible for the task defined in paragraph (2) shall be the head of the School department which is in direct contact with the employer.

**Appeal Procedure**

**18. §**

A student may lodge an appeal against a compensation ruling of first instance within 15 days after receiving it, failing which 15 days after learning of it, to the Student Centre, addressed to the Rector (Section (3) of §73 of HEA).

If the appeal is lodged late or is not lodged by the party entitled to do so, the Rector shall reject the appeal.

With regard to the complexity of the case or to other circumstances the Rector at his discretion may appoint one or more employees of the School to prepare the case or to obtain documents.

The Rector may take the following decisions as the result of the examinations it makes during the procedure.

- a) reject the appeal;
- b) change the ruling of first instance;
- c) set aside the ruling of first instance and instruct the body or person proceeding in the first instance to conduct a new procedure and make a new ruling.

The decision shall be set into a ruling and grounds shall be given. The ruling shall indicate the option of legal redress and the student must be heard in person at least once during the procedure. If the student does not appear at the Rector's hearing despite being given proper notice, the personal interview may be omitted or on request the student may be permitted to make his or her comments in writing. The content of the appeal ruling and notification thereof shall be governed by the same provisions as apply to the ruling of first instance. The ruling shall be delivered to the addressee (or his or her legal representative) by the Student Centre and to the Compensation Committee which acted in the first instance (the Head of the Finance and Logistics Centre, with due heed to §15).

The provisions of the General Rules of Public Administration Procedures shall apply to the establishment of the facts, the setting of time limits, verification, and the form, content and notification of the ruling.

The student may request a court review of the School's ruling of second instance within 30 days of notification citing a misdemeanour or breach of provisions relating to student status. The court procedure shall be subject to chapter XX of Act III of 1952 on the Code of Civil Procedure. The court may change the decision. The court shall judge the matter as a matter of urgency. (§57-58 of ANHE)

An appeal ruling shall become final upon notification. The final ruling shall be executable unless the student requests court review. The student shall inform the School of its court application by sending a copy of the letter of application.

### **Court Application**

#### **19.§**

(1) The appeal ruling establishing compensation may be challenged in court within 30 days of notification of the ruling. The final ruling shall be executable unless court review is requested. The student shall inform the School of its court application by sending a copy of the letter of application.

(2) The documents required for the application may be requested from Head of the Finance and Logistics Centre.

(3) The School shall be represented in court by a person authorised in writing by the Rector.

### **Other Provisions**

#### **20.§**

(1) The Rector may deviate from these Regulations in a case meriting special treatment, without violation of the student's rights to legal remedy.

(2) In other matters relating to (material) compensation liability, the rules of the Hungarian Civil Code relating to compensation shall be applied.

### **Closing Provisions**

#### **21.§.**

(1) These Regulations shall come into effect on the day they are passed.

(2) These Regulations were accepted as an annex to the International Business School's amended Organisation Regulations by Resolution number 8/2014 of the Senate at its meeting of 18 November 2014.

Budapest, 18 November 2014

**Dr László Láng**  
Rector