

Title

A controversy is brewing over whether a Hungarian trust is a true trust, or just a type of contract

Summary

A controversy is brewing over whether a Hungarian trust is a true trust, or just a type of contract. Istvan Illés and Charles E. Rounds, Jr. conclude that it is not and explain the rationale for their conclusion in a law review article. Ákos Menyhei takes issue with their conclusion and explains why in an article. Links to the dueling articles are set forth below.

Text

In 2015, Istvan Illés and Charles E. Rounds, Jr. published *Is a Hungarian Trust a Clone of the Anglo-American Trust, or Just a Type of Contract?* See Rounds & Illés, 6 J. of Int. Comm. L. 153 (2015). Here is a link to the article: <http://www.jdsupra.com/legalnews/is-a-hungarian-trust-a-clone-of-the-angl-94537/>. The article's main conclusion: The Hungarian trust is not a trust as that term is understood in the Anglo-American legal tradition. The article, and specifically its main conclusion, has engendered some specific pushback. See, e.g. Ákos Menyhei, *Development of the estate planning industry through the introduction of the trust in Hungary, Trusts & Trustees*, Vol. 22, no. 6, July 2016, pp. 659-664 (an Oxford University Press publication). Here is a link to the Menyhei article: <http://tandt.oxfordjournals.org/content/22/6/659.full>. The common law lawyer will note that Atty. Menyhei confuses the fiduciary power of appointment with the non-fiduciary power of appointment. See *Loring and Rounds: A Trustee's Handbook* §8.1.1 (fiduciary and nonfiduciary powers compared) [pages 846-848 of the 2016 Edition]. Not just civil law commentators are muddling core equity doctrine. See, e.g., Rounds, *Old Doctrine Misunderstood, New Doctrine Misconceived: Deconstructing the Newly-Minted Restatement (Third) of Property's Power of Appointment Sections*, 26 Quinnipiac Prob. L. J. 240 (2013). Here is a link to that article: <http://www.jdsupra.com/legalnews/old-doctrine-misunderstood-new-doctrine-62165/>.