









Assessment
of Hungary's compliance
with conditions to access
European Union funds

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#### **Executive Summary**

In December 2022, European Union institutions suspended and tied to conditions Hungary's access to EU funds under various procedures due to severe breaches of the rule of law and human rights. The present paper, prepared by Hungarian civil society organisations ahead of the upcoming reassessment by the European Commission and the Council of the European Union in the framework of the conditionality mechanism in December 2025, looks at the steps the Hungarian government has taken to date to address the deficiencies identified by the European Commission and the representatives of Member States in the Council as an obstacle to the country's access to EU funds. As the analysis shows in detail, to date, the Hungarian government has not taken adequate steps in order to fully address the rule of law and human rights concerns raised, and it has not complied with significant conditions established by EU institutions to access EU funds. There are areas where no progress has been made at all, many of the required measures are severely delayed, and flaws in the regulation and the practice undermine the capacity of legal amendments and new measures to effect real change. Certain new developments that have taken place since our previous comprehensive assessment, published in November 2024, further undermine previously achieved progress. In other words, the Hungarian government's approach suggests that it looks at the conditions set by the EU and Member States as a "ticking-the-box" exercise at best, without a real commitment to restoring the rule of law and respect for human rights in Hungary. Taken together, these factors continue to jeopardise Hungary's ability to comply with the safeguards that EU law attached to the disbursement of EU funds.

The deficiencies and the required remedial measures were established by EU institutions as follows:

- In the framework of the conditionality mechanism launched in relation to Hungary in April 2022 under the Conditionality Regulation1 with a view to protecting the EU budget, Hungary has committed to adopt 17 anti-corruption measures to address the breaches of the principles of the rule of law as identified by the European Commission. However, in December 2022, the Council found that the remedial measures adopted by Hungary up to that point had significant weaknesses and did not sufficiently address the identified breaches of the rule of law and the risks these entail for the Union budget. Therefore, the Council decided to suspend 55% of the budgetary commitments under three operational programmes in Cohesion Policy, amounting to approximately €6.3 billion. The Council also prohibited, in relation to EU funds, entering into financial commitments with public interest asset management foundations.2
- When approving Hungary's Recovery and Resilience Plan (RRP), the Council defined 27 "super milestones" that Hungary has to fully and correctly fulfil before it can receive any payment under the EU's Recovery and Resilience Facility (RRF).3 Four super milestones were aimed at restoring the independence of the judiciary in Hungary. Beyond the super milestones,

<sup>&</sup>lt;sup>1</sup>Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget.

<sup>&</sup>lt;sup>2</sup> Council Implementing Decision (EU) 2022/2506 of 15 December 2022 on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary. See also: <a href="https://www.consilium.europa.eu/en/press/press-releases/2022/12/12/rule-of-law-conditionality-mechanism/">https://www.consilium.europa.eu/en/press/press-releases/2022/12/12/rule-of-law-conditionality-mechanism/</a>.

<sup>&</sup>lt;sup>3</sup>Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Hungary, <a href="https://data.consilium.europa.eu/doc/document/ST-15447-2022-INIT/en/pdf">https://data.consilium.europa.eu/doc/document/ST-15447-2022-INIT/en/pdf</a>. See also: <a href="https://ec.europa.eu/commission/presscorner/detail/en/IP\_22\_7273">https://ec.europa.eu/commission/presscorner/detail/en/IP\_22\_7273</a>.

- numerous further "ordinary" milestones with a rule of law connection were set out.4 A significant part of the milestones coincide with the 17 measures required under the conditionality mechanism.
- Finally, the European Commission found in its implementing decisions in relation to 10 operational programmes that Hungary fails to comply with the horizontal enabling condition "Effective application and implementation of the Charter of Fundamental Rights" under the Common Provisions Regulation 5 (1) due to deficiencies around judicial independence, and so Hungary cannot access the respective EU funds until these are addressed. The measures required by the European Commission in this regard were the same as the ones required under the four super milestones related to the judiciary under the RRP. In some of these implementing decisions, it is also set out as an obstacle to accessing funds under the respective operational programmes that (2) the operation of public interest asset management foundations, many of them maintaining universities, results in the violation of academic freedom as guaranteed by the Charter; that (3) various elements of the Hungarian asylum system and the non-implementation of related judgments of the Court of Justice of the European Union (CJEU) violate the Charter; and that (4) the Hungarian anti-LGBTQI+ law that prohibits or limits access to content that propagates or portrays so-called "divergence from self-identity corresponding to sex at birth, sex change or homosexuality" for individuals under 18 violates the Charter.

In this report, Amnesty International Hungary, the Hungarian Helsinki Committee, K-Monitor and Transparency International Hungary assess compliance with the 17 conditionality measures, the 27 super milestones under the RRP, a further 45 milestones and targets under the RRP that were due to have been complied with by the third quarter of 2025 as per the deadline the Hungarian government has set itself, and compliance with the horizontal enabling condition "Effective application and implementation of the Charter of Fundamental Rights" in the 4 areas identified by the Commission. Our review is based on legislative steps and other publicly available information and data, and on experiences of some of the authors in the Anti-Corruption Task Force and the monitoring committees tasked with the monitoring of the use of EU funds, as well as on experience accumulated by the authors in relation to the practical implementation of amended access to information regulations by courts and by the National Authority for Data Protection and Freedom of Information. After presenting and assessing the steps taken by the Hungarian authorities, we provide, in certain areas, recommendations aimed at tackling the various rule of law and human rights deficiencies identified. Our recommendations are constrained to the steps needed to comply with the conditions set by EU institutions (except for the area of judicial independence, where a number of new developments accelerating the regression are addressed by the assessment). Therefore, the recommendations cannot be taken as an exhaustive list of desired steps in a given area from a rule of law, anti-corruption or human rights perspective. In addition to these core elements, the final chapter of the assessment examines legislative developments since November 2024 that introduce (or would introduce, in the

<sup>4</sup>For a full list of the respective milestones, see: Annex to the Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Hungary, I. COMPONENT 9: GOVERNANCE AND PUBLIC

ADMINISTRATION. Available at: <a href="https://data.consilium.europa.eu/doc/document/ST-15447-2022-ADD-1/en/pdf">https://data.consilium.europa.eu/doc/document/ST-15447-2022-ADD-1/en/pdf</a>. <sup>5</sup> Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy.

case of a currently pending Bill) systemic risks that breach or directly undermine the requirements set out in the Conditionality Regulation and the Common Provisions Regulation.

According to our assessment, out of the 27 super milestones (which all would have been due by the end of 2022), 1 has not been achieved, 9 have been achieved only partly, and only 17 can be considered as fully achieved to date. This shows a regression compared to November 2024.

In light of these delays and the continued failure to address the substantive concerns raised by EU institutions, the Hungarian government has, instead of accelerating implementation, prepared a substantial modification of the already adopted Recovery and Resilience Plan. <sup>6</sup> According to the draft amendment, several investments of the original plan would be reduced to zero (mainly in the fields of water management, sustainable green transport, energy, the transition to a circular economy as well as investments in the RePowerEU programme)7, while a disproportionately large share of the RRF allocation would be redirected to a capital injection for the state-owned MFB Bank (Hungarian Development Bank).8 This proposed restructuring disregards the reform priorities identified in the European Semester recommendations. Rather than constituting a credible reform effort, the planned amendment appears primarily aimed at reallocating funds in the face of impending implementation deadlines.

Looking at the "ordinary" milestones as well and the measures required in general, the picture is even more bleak. Although the Hungarian government has adopted a number of legislative and administrative amendments, the implementation is slow, inconsistent, and often incompatible with the genuine achievement of the objectives set by EU institutions. In several key areas, such as freedom of information, judicial independence, and the enabling environment for civil society, new amendments, judgments of the Kúria, Hungary's apex court, and policy initiatives adopted since late 2024 indicate regression rather than progress.

- As regards anti-corruption measures, the implementation of the commitments is far from being carried out at the right pace and with the ambition to achieve real results in the fight against corruption in Hungary. The implementation of many of the measures will at best only formally meet the milestones, and the implementation of the substantive commitments is seriously delayed. This is the area where the Government's "ticking-the-box" approach is the most striking, seriously undermining the effectiveness and long-term sustainability of the remedial measures.
- In May 2023, a judicial reform package was adopted to comply with conditions under the horizontal enabling condition (and the 4 equalling RRP milestones). In December 2023, the Commission assessed the reform positively and decided that, as regards the independence of the judiciary, the horizontal enabling condition of the Charter had been fulfilled. 9 However, over the past two years, the adoption of legal changes, administrative decisions, and the destructive consequences of the so-called uniformity complaint proceedings on the primacy

https://www.palyazat.gov.hu/letoltes/68e8ag8of5o65eoe6121ccb6.

<sup>&</sup>lt;sup>6</sup> The proposed new RRP is available, in Hungarian, at: <a href="https://www.palyazat.gov.hu/letoltes/68e8ag8of5o65eoe6121ccb6">https://www.palyazat.gov.hu/letoltes/68e8ag8of5o65eoe6121ccb6</a>

<sup>&</sup>lt;sup>7</sup> Component A: Demography and public education, Component B: Highly qualified, competitive workforce, Component E: Sustainable green transport, Component F: Energy - green transition, Component G: Transition to the circular economy.

<sup>8</sup> Chapter 11 of the proposed new RPP, available in Hungarian at:

<sup>9</sup> Commission Implementing Decision C(2023) 9014 of 13 December 2023 on the approval and signature of the Commission assessment, in accordance with Article 15(4) of Regulation (EU) 2021/1060, of the fulfilment of the horizontal enabling condition '3. Effective application and implementation of the Charter of Fundamental Rights' with regard to the deficiencies in judicial independence in Hungary.

- of EU law have undermined any positive results of the reform and caused regression. In a wider context, therefore, new and old systemic deficiencies continue to jeopardise the independence of the Hungarian judiciary.
- The concerns related to academic freedom, the right to asylum and the principle of non-refoulement, and the rights of LGBTQI+ persons have not been resolved, and no steps whatsoever have been taken to remedy the fundamental rights violations in these areas, to the contrary, the situation has deteriorated since 2024. Thus, out of the 4 areas of concern identified in relation to the operational programmes and the Charter of Fundamental Rights, three have not been addressed at all.

Thus, to date, numerous issues related to the anti-corruption framework, competition in public procurement, judicial independence, the predictability, quality and transparency of decision-making, academic freedom, the rights of refugees and asylum-seekers, and the rights of LGBTQI+ persons remain unresolved. These deficiencies are compounded by new measures that either advance instead of reverse already identified breaches of the rule of law or fundamental rights or lead to new, systemic breaches.

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Note that the findings of this assessment are also summarised in a <u>traffic-light table</u>. References to our previous assessment of November 2024 inserted throughout this assessment guides reader to the relevant location of that document.

# I. Assessment of compliance with milestones under the Recovery and Resilience Plan and with conditionality measures

C9.R1: Establishment of an Integrity Authority to reinforce the prevention, detection and correction of fraud, conflicts of interest and corruption as well as other illegalities and irregularities concerning the implementation of Union support

Both the Integrity Authority (IA) and the Anticorruption Task Force (ACTF) faced a severe crisis following a police raid and criminal investigation targeting the IA's president, Ferenc Biró starting in January 2025. 10 According to the prosecution service the IA president abused his office and improperly used public funds on multiple occasions, including the lease of a vehicle for his wife's private use and the commissioning of a consultancy to help the IA's strategic communication at the European Union's level and the establishment of the IA's diplomatic representation to the Commission<sup>11</sup> – charges Ferenc Biró vehemently denies.<sup>12</sup> While the alleged abuse and financial irregularities appear to be relatively minor, the scale and intensity of the raid, and the ensuing investigation are perceived as disproportionate and intimidating, especially when compared to the typically muted responses in similar, yet much larger and more complex corruption investigations in Hungary. This apparent overreach raises serious questions about the motives behind the investigation and threatens the perceived independence and credibility of both the IA and ACTF. The disproportionate response from the prosecution risks undermining the ability of both bodies to function independently and effectively as credible checks on corruption. More anxiety results from the fact that although Mr Ferenc Biro was interrogated two times as a criminal suspect and accusations were communicated to him in January and in February 2025, the prosecution service has failed to close the investigation and decide whether to dismiss the case or to press charges. Given that the acts Mr Ferenc Bíró is accused of are relatively simple in nature, the protraction of the criminal procedure pending against him gives rise to the speculation that the prosecution service rather aims to intimidate the IA's president instead of attempting to bring full clarity to the cases concerned.

The president of the State Audit Office (SAO) is empowered by the law to initiate legal proceedings to unseat the IA's president for unworthiness, which, if approved by the court, would leave the organisation without a president and therefore vulnerable to attempts of capture. It is, however, indicative that the SAO's president has so far not initiated the termination of the employment of Mr Ferenc Bíró, yet another sign that criminal accusations against him stand on shaky legal grounds. However, the potential of early termination of the IA president's mandate and the pending criminal cases have a chilling effect and carry the risk of self-censorship.

The institutional relationship between the Integrity Authority and other state and government bodies remains characterized by significant friction and a lack of cooperation. Despite this strained environment, the Authority continues to fulfil its mandate, as evidenced by its 2024 Annual Integrity

<sup>&</sup>lt;sup>10</sup> See e. q. https://www.bbc.com/news/articles/c5y66j852nyo.

<sup>&</sup>lt;sup>11</sup> See the English press release: <a href="https://ugyeszseg.hu/en/the-central-chief-prosecution-office-of-investigation-interrogates-president-of-the-integrity-authority-as-a-suspect/">https://ugyeszseg.hu/en/the-central-chief-prosecution-office-of-investigation-interrogates-president-of-the-integrity-authority-as-a-suspect/</a>.

<sup>&</sup>lt;sup>12</sup> See Mr Biró's statement in English: <a href="https://www.integritashatosag.hu/en/statement-by-ferenc-pal-biro-on-articles-about-his-property/">https://www.integritashatosag.hu/en/statement-by-ferenc-pal-biro-on-articles-about-his-property/</a>.

Report,<sup>13</sup> in which it submitted approximately 50 specific recommendations to the government. However, the executive's reception of these proposals highlights the Authority's limited impact on actual policy-making: the government explicitly disagreed with the rationale of roughly half of the recommendations, while for the vast majority of the remainder, it deemed no further measures necessary.<sup>14</sup> Ultimately, out of the 50 proposals, the government accepted and committed to concrete implementation measures for only two, signalling a systemic disregard for the Authority's advisory function.<sup>15</sup>

#### **Recommendation**:

• The Integrity Authority's jurisdiction ought to be strengthened in order to decrease its reliance on the support of other state agencies. As a minimum, the Integrity Authority should be empowered to indict on its own before the court in case the prosecution service fails to take action.

#### Relevant milestones:

- Milestone 160 Setting up of an Integrity Authority (Q4 2022) [super milestone related to e conditionality measure (remedial action i.)]
- Milestone 161 Report on the Integrity Risk Assessment Exercise (Q1 2023)
- Milestone 162 Start of application of the powers and competences on the verification of asset declarations by the Integrity Authority (Q1 2023)
- Milestone 163 The annual Integrity Report for the year 2022 is made publicly available (Q2 2023)
- Milestone 164 The Government examines the first annual Integrity Report of the Integrity Authority and provides its responses in writing (Q<sub>3</sub> 202<sub>3</sub>)
- Milestone 165 Review of the asset declaration system by the Integrity Authority (Q4 2023)

### C9.R2: Establishment of an Anti-Corruption Task Force to monitor and review the measures taken in Hungary to prevent, detect, prosecute and sanction corruption

The Anti-Corruption Task Force (ACTF) fails to exhaust its powers, which, although vaguely defined, would still enable a more proactive stance in order to expose corrupt practices and inadequate responses by the government. Due to more disciplined coordination on behalf of state representatives, who are primarily inclined to prevent meaningful actions and critical conclusions that could embarrass the government's anticorruption performance, and to the lacking unanimity of civil society members, the ACTF is unable to carry out its mission. An outstanding example of this approach relates to legal reforms believed necessary to foster the ACTF's functionality. Albeit ACTF members' unanimous support, the government fails to initiate relevant legal amendments, claiming that in lack of the Commission's consent, the underlying legal framework cannot be changed.

<sup>&</sup>lt;sup>13</sup> Available in Hungarian at: <a href="https://integritashatosag.hu/wp-content/uploads/2025/06/IH-2024-Eves-Elemzo-Integritasjelentes-1.pdf">https://integritashatosag.hu/wp-content/uploads/2025/06/IH-2024-Eves-Elemzo-Integritasjelentes-1.pdf</a>.

<sup>&</sup>lt;sup>14</sup> Available in Hungarian at: <a href="https://integritashatosag.hu/wp-content/uploads/2025/11/Dr\_Navracsics-T\_level\_Biro-F\_-">https://integritashatosag.hu/wp-content/uploads/2025/11/Dr\_Navracsics-T\_level\_Biro-F\_-</a> Int. Hat\_.-2024, -eves-jelentes\_melleklet.pdf.

<sup>&</sup>lt;sup>15</sup> See also <a href="https://atlatszo.hu/kozpenz/2025/11/28/a-kormany-lesoporte-az-integritas-hatosag-kozpenzek-felelos-felhasznalasat-celzo-javaslatait/">https://atlatszo.hu/kozpenz/2025/11/28/a-kormany-lesoporte-az-integritas-hatosag-kozpenzek-felelos-felhasznalasat-celzo-javaslatait/</a>.

The ACTF failed to adopt its 2024 annual report following a breakdown in consensus-building that persisted despite postponing the statutory voting deadline from March 15 to April 30. The deadlock stemmed from a fundamental disagreement over the report's content: state delegates produced a unilateral draft that omitted specific high-profile corruption cases and minimized the systemic nature of corruption, characterizing the civil members' insistence on including scandals such as the Elios case or ventilator procurements as unacceptable "political statements." Conversely, civil delegates rejected the report's version as proposed by state delegates for presenting a distorted reality that ignored the severity of corruption in Hungary. <sup>16</sup> The stalemate was finalized during the April vote when neither the state nor the civil draft secured a majority, a result solidified by the abstention of the Integrity Authority's president, who declined to cast a deciding vote on the grounds that the Authority performs only administrative duties and does not comment on the report's content. <sup>17</sup>

Not entirely unrelated to these trends, the ACTF decided to downscale the scope of its annual report on corruption for the year 2025, which is envisioned to solely focus on the issue of anti-corruption education and abandon topics covered in annual reports of previous years such as public tendering, public procurement processes, criminal prosecution of corrupt conducts and access to information. The Integrity Authority, however, intends to increase efficiency by becoming more involved in the preparation of materials than before. All these indicate that from a practical perspective, the ACTF becomes growingly dormant.<sup>18</sup>

#### Recommendations:

Amendments to Act XXVII of 2022 are required on the following points:

- Substitution for non-governmental members should be permitted. The law stipulates that
  non-governmental members are required to act in person. Many non-governmental members
  of the ACTF possess the requisite professional background and also represent organisations
  associated with anti-corruption; it is exactly their involvement with these organisations that
  qualifies them for membership in the ACTF. It is important to permit a derogation from the
  in-person activity in their case.
- Fair compensation for non-governmental members. After three years, it is evident that participation in the ACTF requires a substantial time commitment. Appropriate guarantees should ensure fair remunerations for non-governmental participants, similar to the provisions established for the Monitoring Committees.
- Extending the deadline for the annual report. Annual data for numerous topics is typically
  accessible only in January or February of the year subsequent to the year under review.
  Consequently, the ACTF has a very limited timeframe to process the data and generate the
  report, hindering the possibility of comprehensive analysis.
- Allocation of a standalone budget for the ACTF to enable the procurement of research and expertise, as needed.
- Review membership of state organs in order to address changes in the government structure since 2022, e.g.: the Constitutional Protection Agency, one of Hungary's clandestine services, is tasked with an important anti-corruption portfolio, but the minister who oversees this agency does not have membership in the ACTF. The Data Protection and Freedom of Information Authority ought to be given membership in the ACTF, too, given the significance

<sup>&</sup>lt;sup>16</sup> Available in Hungarian at: <a href="https://transparency.hu/wp-content/uploads/2025/05/KEMCS\_civil\_sajtokozlemeny\_20250502.pdf">https://transparency.hu/wp-content/uploads/2025/05/KEMCS\_civil\_sajtokozlemeny\_20250502.pdf</a>.

<sup>&</sup>lt;sup>17</sup> Available in Hungarian at: https://www.kemcs.hu/wp-content/uploads/2025/05/KEMCS\_jegyzokonyv\_20250430.pdf.

<sup>18</sup> Available in Hungarian at: https://www.kemcs.hu/wp-content/uploads/2025/09/KEMCS\_felulvizsgalat\_jelentes.pdf.

of this office's jurisdiction. Should the proportion between state members and non-state members in the ACTF change, the mechanism of vote distribution ought to be kept unchanged in order to allocate extra weight to votes of non-state members.

#### Relevant milestones:

- Milestone 166 Establishment of an Anti-Corruption Task Force (Q<sub>4</sub> 2022) [super milestone related to a conditionality measure (remedial action ii.)]
- Milestone 167 The annual analysis of the Anti-Corruption Task Force for the year 2022 is publicly available (Q1 2023)
- Milestone 168 The Government examines the first report of the Task Force (Q2 2023)

### C9.R3: Introduction of a specific procedure in the case of special crimes related to the exercise of public authority or the management of public property ('judicial review')

In 2022, Hungary's criminal procedure framework was expanded with the institution of judicial review in response to EU rule-of-law criticisms<sup>19</sup> over impunity of corruption offences and prosecutorial inaction. Many cases have confirmed these concerns in every respect since 2010. The election of the new Prosecutor General in June 2025 has also not changed the long-standing practice of law enforcement authorities, whereby complaints in politically sensitive corruption cases are dismissed on false grounds<sup>20</sup> (e.g., that no crime occurred, or it cannot be proven). Even when investigations<sup>21</sup> are launched, no substantive procedural steps follow,<sup>22</sup> or appeal rights are excluded through unjustified dismissals<sup>23</sup> citing, for example, the statute of limitations. This entrenched situation is closely linked to the broader political capture of key components of the Anti-Corruption Framework, whose pervasive impact prevents the institutions concerned from carrying out their duties.

Although the introduction of judicial review made it possible for any non-state player to take action if they believe that the investigative authority mishandled a corruption case, the abusive interpretation of the law in the above-referenced cases also demonstrates that the mere existence of a statutory provision is not a sufficient guarantee — a commitment to enforcing it is also needed. At the same time, the examples of motions for judicial review previously submitted by K-Monitor show that — if the case reaches that stage — the court can provide an effective forum for remedy, often the only chance for a thorough investigation.

A motion for judicial review, by its nature, allows anyone to file it if the complainant does not do so within 30 days. Thus, by dismissing the crime report on the grounds of the statute of limitations in one of the mentioned cases, the authorities deprived not only the complainant of the opportunity to file a motion, but also the broader public. This raises particular concerns for the future, given that the history of public spending in Hungary has been marked by numerous corruption-related stories:<sup>24</sup>

monitor\_inditvanyat\_kovetoen\_nyomozni\_kell\_tiborcz\_istvan\_erdekeltsege\_ugyeben.

https://k.blog.hu/2025/08/22/polt\_peter\_a\_buntethetetlen\_trukkozessel\_lehetetlenitette\_el\_az\_ugyeszseg\_a\_felulbiralati\_inditvanyu.

<sup>19</sup> https://eur-lex.europa.eu/legal-content/HU/TXT/PDF/?uri=CELEX:52024SC0817

<sup>&</sup>lt;sup>20</sup> Available in Hungarian at: <a href="https://k.blog.hu/2025/06/10/polt\_peter\_megy\_a\_rendszer\_marad.">https://k.blog.hu/2025/06/10/polt\_peter\_megy\_a\_rendszer\_marad.</a>

<sup>&</sup>lt;sup>21</sup>https://www.facebook.com/story.php?story\_fbid=1108512737975370&id=100064499627742&rdid=0WEetHkHxfLeQkAb

<sup>&</sup>lt;sup>22</sup>Available in Hungarian at: <a href="https://k.blog.hu/2025/03/20/a\_k-">https://k.blog.hu/2025/03/20/a\_k-</a>

<sup>&</sup>lt;sup>23</sup> Available in Hungarian at:

<sup>&</sup>lt;sup>24</sup> See K-Monitor's database in English: https://k-monitor.hu/activities/20170410-k-monitor-database.

distortions of transparency, and various anomalies in the use of public funds that are still awaiting investigation.

According to the Prosecutor General's 2025 annual report to Parliament, <sup>25</sup> a total of 80 motions were submitted to the investigating judge in 2024, 6 of which were granted. A repeated motion for judicial review was submitted in 1 case (which the court dismissed), and there was no private prosecution in any of the cases concerned. Since the introduction of the institution, the court has annulled the decision of the investigating authorities in a total of 15 cases. We agree with the conclusion in the report that the overwhelming majority of cases challenged by motions for review concern specific administrative decisions taken against the complainant. In our view, this does not serve the fight against systemic corruption, and it would be justified to exclude this category of abuses of office from the scope of judicial review. Tracking relevant cases is also made more difficult by the absence of separate prosecutorial statistics on high-level corruption cases. At the same time, in a conference talk<sup>26</sup> delivered this April, former Prosecutor General Péter Polt attacked the entire institution of the motion for judicial review when he stated that investigating judges had developed a judicial practice in their assessments that contradicts not only lawful statutory interpretation but also the principles of the rule of law. According to him, this practice is like a "triggered detonator," whose harmful effects can only be prevented by stopping it at the very beginning of the process.

In addition to the deficiencies and empirical observations included in our previous report, effective social action is also hindered by the factual and legal complexities of high-level corruption cases, which are often opaque to laypersons, as well as by the costs of mandatory legal representation.

**Milestone 170** of the RRP stipulated a revision of the procedure by December 2023. The review of the procedure was incorporated into the action plan for the NACS, as described in our previous report. The most recent update on the implementation of the Action Plan (Q3 2025)<sup>27</sup> indicates that the draft report has been revised, and the final agreed version is awaiting a ministerial decision on its submission to the Government. The content of the report and any potential legislative amendment proposals are not known.

#### **Recommendations:**

- Ensure the professional autonomy of state institutions belonging to the Anti-Corruption Framework and depoliticise the selection and appointment of their leadership.
- Establish a reliable track record of investigating and prosecuting high-level corruption cases.
- Remove minor cases of maladministration from the scope of crimes subject to motions for judicial review.
- Improve societal access to motions for judicial review by providing free legal representation and allowing access to anonymised case files.

#### Relevant milestones:

<sup>&</sup>lt;sup>25</sup> Available in Hungarian at: https://www.parlament.hu/documents/static/biz42/bizjkv42/IUB/2510071.pdf.

<sup>&</sup>lt;sup>26</sup> Available in Hungarian at: <a href="https://ugyeszseg.hu/wp-content/uploads/2025/04/jogbiztonsag-es-jogegyseg-az-ugyeszseg-szemszogebol-1.pdf">https://ugyeszseg.hu/wp-content/uploads/2025/04/jogbiztonsag-es-jogegyseg-az-ugyeszseg-szemszogebol-1.pdf</a>.

<sup>&</sup>lt;sup>27</sup> Implementation Matrix 2025 Q3, available on the Government's website in Hungarian at: https://korrupciomegelozes.kormany.hu/download/f/69/73000/Monitoring%20T%C3%A1mogat%C3%B3%20M%C3%A1trixx%202025\_III\_negyed%C3%A9v.pdf.

- Milestone 169 Introduction of a specific procedure in the case of special crimes related to the exercise of public authority or the management of public property (Q4 2022) [super milestone related to conditionality measure (remedial action v.)]
- Milestone 170 Review of the specific procedure in the case of special crimes related to the exercise of public authority or the management of public property (Q4 2023)

#### C9.R4: Strengthening rules related to asset declarations

The lack of meaningful changes to the asset declaration system remains an indicator for the low level of commitment to introduce effective anti-corruption measures in Hungary.

While the government has amended relevant legislation to expand the number of individuals required to submit asset declarations, it has failed to similarly broaden the material scope of those declarations. Furthermore, the system is still fragmented as different regimes apply to MPs, government leaders and to other high level public decision makers, mayors and municipal representatives to other categories of public officials and employees of publicly funded enterprises. The current material scope is even a degradation compared to the asset declaration system in place before the launch of the conditionality mechanism. For instance, individuals are no longer required to declare all real estate properties, and instead of providing exact income figures, they may now use an income scale.<sup>28</sup> Although a law<sup>29</sup> has been adopted that includes minor amendments to the verification procedure of asset declarations, it does not address any of the shortcomings identified.

The Integrity Authority still lacks the necessary powers to effectively carry out its duties regarding asset declarations, for instance it has no access to databases that contain information on the assets and incomes of declarants. Additionally, the outcomes of its "investigation (verification) procedure" are not binding on the other bodies responsible for the asset declaration process. In relation to parliamentarians' asset declarations, the powers of the Integrity Authority are even further limited. It is also important to note that some assets remain unverifiable due to inadequate record-keeping. For example, if someone is a beneficiary of a private equity fund or trust or has preferential dividends in a company where s/he owns less than 25%, such assets cannot be properly verified. The same applies to optional agreements, which investigative media reports suggest are becoming more common methods for concealing assets. Equally problematic is the fact that only taxable revenues need to be declared. As insurance royalties are exempted from taxation, declarants may lawfully hide their incomes accumulated from insurance bonds. Overall, the range of assets required to be declared is much narrower than what the government had indicated in the remedial measures and recovery plan.

While the Office of the Parliament provides an electronic submission system for MPs, declarations can still be submitted on paper. In this case the document is manually digitised by the office of the Parliament, which has done so for all asset declarations submitted in the previous years of this term. Despite the introduction of this system, there is no electronic submission platform for all declarants under **Milestone 172**, and no searchable database is available for the public. Consolidation of all MPs'

https://k.blog.hu/2023/02/15/hungarian\_mp\_s\_assets\_less\_declared\_and\_still\_not\_monitored.

<sup>&</sup>lt;sup>28</sup> See K-Monitor's related note in English, available at:

<sup>&</sup>lt;sup>29</sup> Act LXXIV of 2024, available in Hungarian at <a href="https://njt.hu/jogszabaly/2024-75-00-00.0#Cl">https://njt.hu/jogszabaly/2024-75-00-00.0#Cl</a>.

asset declarations into a single searchable PDF document — about 2,000 pages long, available on the webpage of the parliament<sup>30</sup> - is far from the fulfilment of the relevant milestone.

The most pressing commitment remains the implementation of effective, dissuasive sanctions for asset declaration violations. This new enforcement system, which should already be in place, has been repeatedly highlighted as a shortcoming in previous GRECO reports<sup>31</sup> and in the Commission's annual Rule of Law Reports.<sup>32</sup> Yet the government appears to be actively obstructing its development. Not only has the legal framework not been established, but there has been no consultation or debate on the matter. Besides, scrutiny of asset declarations by a competent authority and the measuring of asset declarations against tax declarations are not on the agenda, either. K-Monitor identified over 10 cases in 2025 where asset declaration of MPs contained errors and had to be corrected, without any consequences for the affected MPs.<sup>33</sup> In lack of such verification and control, asset declarations remain unfit to screen the origins of the declarants' assets and the reliability of their enrichment.

While the government remained reluctant to address the shortcomings of the asset declaration system, a law was adopted by the Hungarian parliament that requires Hungarian MEPs to submit asset declarations under the Hungarian asset declaration framework too, beyond the one that applies to the European Parliament<sup>34</sup>. The law allows the National Electoral Office to revoke the mandates of MEPs if they fail to comply with rules on asset declarations. It is likely that this amendment serves no other purpose than creating a tool to potentially investigate the leader of the Hungarian opposition who at the same time is an MEP of the EPP.<sup>35</sup>

The Integrity Authority published a comprehensive report on the shortcomings of the asset declaration system in 2023, including recommendations for reform.<sup>36</sup> The implementation of these would solve the vast majority of the problems identified above. Although the action plan of the National Anti-corruption Strategy includes three actions that target the asset declaration system, the progress report published by the Ministry of Interior confirms that all planned measures are still in a preparatory stage at the Ministry of Justice. Two of these, the creation of an electronic submission system and a new system of sanctions for non-compliance were due in April and May 2024. A concept on the extension of the personal scope was due at the end of November 2024.

#### Recommendation:

• Implement reforms recommended by the Integrity Authority.

#### Relevant milestones:

https://k.blog.hu/2025/02/20/javittattuk\_12\_kormanyzati\_vezeto\_vagyonnyilatkozatat\_orban\_viktore\_meg\_varat\_magar\_a.

<sup>&</sup>lt;sup>30</sup> See on the Parliament's website in Hungarian at: <a href="https://www.parlament.hu/web/guest/keresheto-vagyonnyilatkozatok-kepviselok">https://www.parlament.hu/web/guest/keresheto-vagyonnyilatkozatok-kepviselok</a>.

<sup>&</sup>lt;sup>31</sup> See GRECO's reports in English at: <a href="https://www.coe.int/en/web/greco/-/hungary-publication-of-5th-round-evaluation-report-and-4th-interim-compliance-report-of-4th-round">https://www.coe.int/en/web/greco/-/hungary-publication-of-5th-round-evaluation-report-and-4th-interim-compliance-report-of-4th-round</a>.

<sup>&</sup>lt;sup>32</sup> Available at: https://commission.europa.eu/document/download/egoed74c-7ae1-4bfb-8b6e-82goo8bd2cc6\_en?filename%3D4o\_1\_58o71\_coun\_chap\_hungary\_en.pdf.

<sup>&</sup>lt;sup>33</sup> Available in Hungarian at:

<sup>&</sup>lt;sup>34</sup> Act XX of 2025., available in Hungarian at: <a href="https://njt.hu/jogszabaly/2025-20-00-00.0#Cl">https://njt.hu/jogszabaly/2025-20-00-00.0#Cl</a>.

<sup>35</sup> See: https://www.euronews.com/my-europe/2025/03/24/hungarian-opposition-leader-mep-peter-magyar-claims-new-law-targets-him.

<sup>&</sup>lt;sup>36</sup> See the report in Hungarian at: <a href="https://integritashatosag.hu/wp-content/uploads/2023/12/Integritashatosag.vagyonnyilatkozatok.">https://integritashatosag.hu/wp-content/uploads/2023/12/Integritashatosag.vagyonnyilatkozatok.eseti\_Jelentes\_2023-1.pdf.</a>

- Milestone 171 Entry into force of legislative amendments extending the personal and material scope of asset declarations, while ensuring frequent disclosure (Q4 2022) [super milestone related to a conditionality measure (remedial action iii.)]
- Milestone 172 Setting up of a new system for the electronic submission of asset declarations in digital format and a public database for asset declarations (Q1 2023)
- Milestone 173 Introduction of effective administrative and criminal sanctions concerning the serious violations of asset declaration obligations (Q<sub>3</sub> 2023)

### C9.R5: Ensuring the transparency of the use of public resources by public interest asset management foundations

In the last two years, the legislation on public interest asset management foundations has not been amended significantly. Deficiencies highlighted in <u>our November 2024</u> assessment remain

Following the adoption (but not its entering into force) of Act LIII of 2024, the Government notified the Commission in accordance with the rules set out in the Conditionality Regulation that it deemed to have met the requirements set out in the December 2022 Council Implementing Decision regarding public interest asset management foundations. The Commission, on 16 December 2024, issued its assessment finding that the reasons that led to the Council Implementing Decision on prohibiting from entering into legal commitments with such foundations have not been remedied.<sup>37</sup> The Government decided to take the case to the General Court; the dispute is pending at the time of this assessment.<sup>38</sup>

Ultimately, Act LIII of 2024 never entered into force,<sup>39</sup> and in any case, only concerned those public interest asset management foundations that are tasked to maintain higher education institutions and receive EU funds, and legal entities established by them. As explained in detail in <u>our November 2024</u> <u>assessment</u>, this amendment fell short of meeting both the requirements regarding transparency and conflicts of interest, as well as the identified risks to academic freedom<sup>40</sup> (see also Chapter II.2. below).

The Constitutional Court has not examined the conflict-of-interest rules since the summer of 2021. <sup>41</sup> Minister János Lázár and former member of the government János Martonyi, as well as deputy minister Nándor Csepreghy are still members of the board of trustees in *Kék Bolygó Klímavédelmi Alapítvány*, which is chaired by former head of state János Áder. In the meantime, the government keeps on endowing new public interest asset management foundations. The, *ZalaZONE Alapítvány* has been established by Act No. LIII of 2025, with its board of trustees chaired by former minister, currently government commissioner László Palkovics, while the *Élvonal Csúcskutatási és* 

https://commission.europa.eu/document/download/8003e1ad-8e79-4238-bf76-

af1fcd2b5efe\_en?filename=20241216%20Decision%20on%20PITs%2onotification%20-%20EN.pdfp

 $\frac{https://curia.europa.eu/juris/document/document.jsf?text=\&docid=298000\&pageIndex=0\&doclang=EN\&mode=req\&dir=\&occ=first\&part=1\&cid=15238425$ 

13

<sup>&</sup>lt;sup>37</sup> Article 1 of Commission Decision C(2024) 9140 final, available at.

<sup>&</sup>lt;sup>38</sup> Case T-138/25, available in English at:

<sup>&</sup>lt;sup>39</sup> Act LIII. of 2024., available in Hungarian at: <a href="https://njt.hu/jogszabaly/2024-53-00-00">https://njt.hu/jogszabaly/2024-53-00-00</a>

<sup>&</sup>lt;sup>40</sup> For our November 2024 assessment on compliance with the Charter HEC in relation to ensuring academic freedom at higher education institutions maintained by public interest asset management foundations, see: <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2024/12/HU\_EU\_funds\_assessment\_Q3\_2024.pdf#nameddest=HECacademic">https://helsinki.hu/en/wp-content/uploads/sites/2/2024/12/HU\_EU\_funds\_assessment\_Q3\_2024.pdf#nameddest=HECacademic</a>

<sup>&</sup>lt;sup>41</sup> Case number: II/02280/2021.

Tehetséggondozó Alapítvány [Frontiers Top Research and Talent Development Foundation] was established by Act LII of 2025.

#### Recommendations:

- Legislation should specify who is entitled to appoint board members, their exact term of membership (no longer than 5 years, exclusion of renewability), and the qualifications and experience that board members must have (board members need to be professionally qualified for the task).
- Law should explicitly provide which state body is competent to oversee the use of public funds
- Law should provide that government officials (like for example government commissioners
  assigned by the PM, political advisors serving in the government, low level government
  employees) are excluded from board membership. An absolute ban of dual mandates for
  these positions as it has been before 2021 could solve the problem of dependency on the
  Government and the tension stemming from having a membership beside a full-time position
  in public service.
- It should be clarified that conflicts of interest might be not only political but also economic.
- Extensive cooling off period requirements should apply to avoid revolving doors cases.
- Third parties (public interest litigants or the Integrity Authority) should have standing to challenge decisions of the board of trustees along their mandate as the prevailing scheme of oversight does not ensure effective remedies against board decisions.
- Public interest asset management foundations should fall under the scope of the Central Public Data Information Registry, and the National Authority for Data Protection and Freedom of Information should have power to enforce proactive disclosures.

#### Relevant milestone:

• Milestone 174 – Entry into force of an act ensuring effective oversight on how public interest asset management foundations performing public interest activity and legal persons established or maintained by them make use of Union support (Q4 2022) [super milestone related to a conditionality measure (remedial action iv.)]

#### C9.R6: Enhancing the transparency of public spending

Proactive disclosure rules have not been amended significantly. Deficiencies highlighted in <u>our November 2024 assessment</u> remain.

The Central Public Data Information Registry is accessible from 2023. Amendments to the Freedom of Information Act, including rules on the Registry, were adopted at the end of 2024.<sup>42</sup> From January 2025 not only "budgetary bodies" within the meaning of the Public Finance Act are required to provide data to the Registry, but bodies registered by the Hungarian State Treasury would fall under the scope of the Registry. Consequently, the Registry will cover municipalities, however, public interest asset management foundations and publicly owned companies fall out of the scope of it. This also means that the new transparency procedure empowering the National Authority for Data Protection and Freedom of Information to impose sanctions for failure in disclosure does not apply for these entities.

<sup>42</sup> Sections 37/C and 75/H of Act LXXXV of 2024, available in Hungarian at: https://njt.hu/jogszabaly/2024-85-00-00.0#Cl

Only the metadata of contracts is required to be uploaded to the Registry. The mandatory publication of contract amendments is not specified in the law. The bi-monthly update is in line with **Milestone** 175. The vague wording of the provision was challenged by an administrative court but found by the Constitutional Court to be in line with constitutional provisions in decision No. 3313/2025. (X. 22.).<sup>43</sup>

The law also enables the bodies concerned to stop uploading data on their own websites if they publish them in the Registry. This means that important data will no longer be found together with other data that have been published on the bodies' own website.

The Registry still does not allow searching for contractors within the entire database, only within the documents of the contracting authority. This makes it impossible to list all contracts that a service provider concluded with public authorities. Furthermore, the lack of data download in bulk makes comprehensive data analysis impossible.

The limited scope of the Registry is a significant problem as many procurements and subsidies are administered through entities that fall out of the scope of it. For example, one of Hungary's largest public procurement agencies, the Digital Government Agency, which centrally manages all digital procurements, operates in a corporate form.

While the establishment of the Registry and empowering the Authority to monitor the uploads to the Registry, including the creation of a unit within the Authority to handle transparency procedures are steps into the right direction, the overall state of Freedom of Information has not improved.

In the last two years, a dozen legal provisions to restrict transparency, with no prior public consultation on the new regulations, were adopted as part of bundled-up "omnibus" laws. Public bodies are no longer obliged, among other things, to fulfil a request for information that is not aimed at data held directly by them, but by their subordinate entities, although based on previous practice, the requested data had to be collected in such cases<sup>44</sup>. In addition, state-owned enterprises were authorised to keep the data of their foreign investments secret for ten years<sup>45</sup>, while the government can block some of its decisions for twenty years instead of the previous ten years<sup>46</sup>. These legal amendments contradict Hungary's obligations to enhance transparency of public spending.

Accessibility of information relating to public spending is further restricted by an amendment to Act CVI of 2007 on State Assets. New provisions set out that only those corporate quotas and shares qualify as state assets, in respect of which the company registry indicates that the owner is the Hungarian state.<sup>47</sup> This amendment restricts state assets to corporate quotas and shares directly owned by the Hungarian state, while excluding indirectly owned quotas and shares, which, prior to this amendment, were covered by the respective legal definition. As a consequence, quotas and shares owned by state owned enterprises no longer qualify as state assets. According to the Act on State Assets, information relating to state assets is public interest information, which means that information on corporate quotas and shares indirectly owned by the state no longer qualify as public interest information.

#### Recommendations:

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<sup>&</sup>lt;sup>43</sup> Case number: III/oo679/2025., available in Hungarian at: https://alkotmanybirosag.hu/ugyadatlap/?id%3DEE3348AADFC581D5C1258C4Boo6152A2?OpenDocument&sa=D&source =docs&ust=1764409975383931&usg=AOvVaw1qqy9wl16ctN3KA7JP1DD

<sup>&</sup>lt;sup>44</sup> Section 30(2a) of Act CXII of 2011 on informational self-determination and freedom of information

<sup>&</sup>lt;sup>45</sup> Sections 7/K-7/L of Act CXXII of 2009 on austerity measures applicable to publicly owned corporations.

<sup>&</sup>lt;sup>46</sup> Section 7/A(2) of Act CXXV of 2018 on Government Administration.

<sup>&</sup>lt;sup>47</sup> Act LXXXVII of 2023.

- The registry should enable searching for information in the entire database, to enable, among others, the listing of all contracts connected to a given provider (Milestone 175).
- The law should require that all information in the Registry is accessible and downloadable as a whole.
- Public bodies' proactive disclosure of their contract data on their own website should be upheld, beside the disclosure on the Central Public Data Information Registry.
- The registry should include contracts and their amendments.
- To comply with Milestone 175, public interest asset management foundations and publicly owned companies should fall under the scope of the Registry and the National Authority for Data Protection and Freedom of Information should have the power to conduct transparency procedures.

#### Relevant milestones:

- Milestone 175 Entry into force of a legislative act ensuring enhanced transparency of public spending (Q4 2022) [super milestone related to conditionality measure (remedial action xvii)]
- Milestone 176 The central register set up under the remedial measures in the conditionality procedure is fully operational and the full set of information required is available in it (Q1 2023)

### C9.R7: Development and implementation of a National Anti-corruption strategy and action plan

Significant uncertainties persist regarding the continuity and transparency of Hungary's anti-corruption framework, bridging the gap between the closed 2020–2022 strategy (Milestone 177) and the current 2024–2025 National Anti-Corruption Strategy (Milestone 178). While the government claims the previous strategy was successfully implemented, no public assessment was conducted, and the results were not comprehensively integrated into the new document. The adoption of the current strategy was delayed by over six months compared to the initial deadline, and the process was heavily criticized by both the OECD and the Anti-Corruption Task Force (ACTF). The government restricted the ACTF's ability to provide meaningful input, ignored the majority of civil society recommendations, and dismissed calls for broader public consultation, resulting in a strategy developed largely in isolation from non-governmental stakeholders.

The accompanying action plan, while comprehensive with over 50 proposed measures, suffers from vague definitions and a lack of concrete deadlines. A structural weakness of the plan is the delegation of numerous tasks to independent bodies—such as the National Office for the Judiciary—rather than retaining government responsibility, thereby diluting direct accountability. Although the new strategy introduced a continuous monitoring mechanism involving civil society, in critical points, the execution has stagnated at the highest political levels. While the OECD's "Government at a Glance" report in the summer of 2025<sup>48</sup> acknowledged the strategy's comprehensive nature, the Q3 2025 monitoring data reveals that preliminary work often concludes with consultations, yet final governmental decisions remain pending indefinitely for undisclosed reasons.<sup>49</sup>

<sup>48</sup> See: https://www.oecd.org/en/publications/government-at-a-glance-2025\_oefdobcd-en.html.

<sup>&</sup>lt;sup>49</sup> Implementation Matrix 2025 Q3., available in Hungarian on the Government's website at: <a href="https://korrupciomegelozes.kormany.hu/download/f/69/73000/Monitoring%20T%C3%A1mogat%C3%B3%20M%C3%A1trix%202025\_III\_negyed%C3%A9v.pdf">https://korrupciomegelozes.kormany.hu/download/f/69/73000/Monitoring%20T%C3%A1mogat%C3%B3%20M%C3%A1trixx%202025\_III\_negyed%C3%A9v.pdf</a>.

By late 2025, severe bottlenecks have emerged in critical areas, particularly those linked to the EU's Recovery and Resilience Facility (RRF) milestones. Reforms regarding asset declarations—specifically their digitization and the introduction of a sanctioning regime—are effectively stalled; despite action plan deadlines expiring over a year ago, the government reports that only "consultations" are ongoing. A similarly serious delay characterises the revisit of the new criminal procedure, "judicial review" (C.9. R. 3.), another RRF-linked commitment. Furthermore, a long-planned novelty of the strategy, the adoption of new lobbying regulations by November 30, 2025, appears all but abandoned. There is currently no legislative proposal for this regulation, nor does it appear in the government's legislative schedule. In several other instances, the government appears to be engaging in a "checkbox exercise," marking measures as complete despite failing to deliver substantive reform. A prime example is the amendment to the Freedom of Information Act in 2024: while technically passed, it excluded the most critical recommendations from the National Authority for Data Protection and Freedom of Information (NADPFI)—which was not even consulted—effectively failing to remove existing hindrances to information access.<sup>50</sup> Similarly, the commitment to establish ethical codes for MPs, senior officials, and advisors was marked as "done" despite a near-total failure to implement the substance. No code was created for MPs, and for senior officials, the regulation was reduced to a narrow decree on protocol gifts, 51 ignoring broader conflict-of-interest issues. The anticipated awareness campaign regarding whistleblower protection was also reduced to a mere administrative formality—a single information letter sent by the Chamber of Commerce—rather than a genuine effort to foster a culture of reporting.

In general, only the implementation of commitments of a "soft" nature, such as the delivery of integrity training programs is proceeding according to the established deadlines.

In light of these cumulative failures and delays, the timely and proper fulfilment of the next key objective—Milestone 179, scheduled for Q1 2026, which concerns the finalization and evaluation of the strategy—appears highly unrealistic. The current trajectory suggests that the closure of the 2024-2025 strategy will likely suffer from a similar lack of transparency and substantive results that characterized the previous cycle.

#### Recommendations:

- Speed-up government decision-making process at bottlenecks.
- Review the implementation of strategic RRP-related commitments

#### Relevant milestones:

- Milestone 177 Strengthening the anti-corruption framework in Hungary by implementing concrete actions under the National Anti-Corruption Strategy and a related action plan covering the period 2020-2022 (Q1 2023)
- Milestone 178 Strengthening the anti-corruption framework in Hungary by putting in place a new National Anti- Corruption Strategy and a related Action plan (Q2 2023)

C9.R8: Upgrading the cooperation systems of the prosecution service to tackle corruption practices

<sup>&</sup>lt;sup>50</sup> See also C<sub>9</sub>. R<sub>2</sub>6 below.

<sup>51</sup> Government Decree 477/2024. (XII. 31.), available in Hungarian at: https://net.jogtar.hu/jogszabaly?docid=a2400477.kor.

There is still little publicly available information regarding the implementation of this reform: a review of the Prosecutor General's Office (PGO) official channels—including its website and the latest annual reports submitted to Parliament—shows no updates or details about this major IT reform. Moreover, public procurement databases show no evidence of recent tenders for the necessary software or services, other than the preliminary studies finished years ago. The latest implementation reports<sup>52</sup> submitted to the RRF Monitoring Committee also suggest that the implementation of this reform (both for **Milestone 180 and 181**) is stalled, despite the requirement that the entire project is required to be finalized and a fully functional system established by 31 December 2025.

#### Relevant milestone:

• Milestone 180 – Setting up of a new IT system for the handling of sensitive documents of the prosecution service (Q2 2024)

### C9.R9: Awareness-raising for the eradication of gratuity payments in the healthcare sector

The National Protective Service (NPS) launched its awareness-raising campaign against informal payments in December 2022 by publishing the brochure "Gratitude is Not Money."<sup>53</sup> An audiovisual campaign followed in January 2024<sup>54</sup> that consisted of two short campaign spots aired on television and promoted on social media. According to the NPS the campaign ended in June, and the two spots were aired at 21 TV stations<sup>55</sup>. A report by the company that prepared the media campaign claims it has reached over 5 million people.<sup>56</sup>

A study published in June 2024 by the government-close Századvég Institute, commissioned by the NPS to survey citizens' attitudes towards informal payments after the reforms revealed that in 2022 (base line)<sup>57</sup>, March 2024 (interim assessment)<sup>58</sup>, and June 2024 (final assessment)<sup>59</sup>, the group of respondents who stated that they were aware of the criminalization of giving and accepting informal payments consistently approached 90 percent.

According to the study, among those who learned in healthcare institutions about this change, around 30 percent were told by a healthcare worker. From March to June, the group who learned in waiting rooms of medical institutions that informal payments were illegal, for example from posters or publications, grew. By June, just over half of respondents mentioned this source. Around 50 percent of respondents in both March and June had encountered a television advertising campaign, followed by around 33 percent who saw a poster, and around 24 percent who came across an online advertisement. In June, there was a notable increase in the number of people who cited radio or TV interviews or advertisements as their source of information - the final study by Századvég states.

A study by PwC concluded in December 2023<sup>60</sup> that the prevalence of informal payments in the Hungarian healthcare system has significantly decreased since the 2021 reforms, mainly due to salary

 $\underline{https://cdn.kormany.hu/uploads/document/f/f4/f48/f4847fe3d411845cf3671b8ddod94fdco72386e9.pdf.}$ 

<sup>52</sup> https://www.palyazat.gov.hu/letoltes/66740c34594da4f2f617468e

<sup>53</sup> Available in Hungarian at: https://okfo.gov.hu/Hirek/a-hala-nem-penz.

<sup>&</sup>lt;sup>54</sup> See in Hungarian at: <u>https://nvsz.hu/hirek/?p=115</u>.

<sup>55</sup> See in Hungarian at: https://nvsz.hu/hirek/?p=266.

<sup>&</sup>lt;sup>56</sup> Available in Hungarian at: https://nvsz.hu/files/V%C3%A1llalkoz%C3%B3i%20jelent%C3%A9s\_Harmeron%20Kft.pdf.

 $<sup>^{57}\,</sup>Available\,in\,Hungarian\,at:\,\underline{https://nvsz.hu/files/A\_halapenz\_lakossagi\_megitelese\_l\_utem.pdf}.$ 

<sup>&</sup>lt;sup>58</sup> Available in Hungarian at: <a href="https://nvsz.hu/files/A\_halapenz\_lakossagi\_megitelese\_II\_utem.pdf">https://nvsz.hu/files/A\_halapenz\_lakossagi\_megitelese\_II\_utem.pdf</a>.

<sup>&</sup>lt;sup>59</sup> Available in Hungarian at: <a href="https://nvsz.hu/files/A">https://nvsz.hu/files/A</a> halapenz lakossagi megitelese III utem.pdf.

<sup>&</sup>lt;sup>60</sup> Available in Hungarian at:

increases and the stricter ban of informal payments. However, several conditions that fuelled the system were not addressed, maintaining tension in the public healthcare system.

#### Relevant milestones:

- Milestone 182 Launch of an awareness-raising campaign on the acceptability of gratuity payments in healthcare (Q4 2022)
- Milestone 183 Interim assessment of the first results of the awareness-raising campaign on the acceptability of gratuity payments in healthcare (Q<sub>3</sub> 202<sub>3</sub>)
- Milestone 184 The final campaign report is accepted by the National Protective Service and its main results are made publicly available, including the number of citizens reached (at least 5 000 000) by the campaign as validated by an independent survey and set out in the accepted campaign report, which shall also describe the campaign tools used, the target groups reached and an analysis of the change of attitude among citizens as a result of the awareness-raising campaign on the eradication of bribery in the field of health (Q4 2024)

#### C9.R10: Reducing the share of single-bid public procurement procedures

Regarding the administrative framework, the Government has successfully fulfilled the procedural requirements set out in **Milestones 195 and 196**. With the adoption of Government Decree 63/2022, a monitoring and reporting tool was established within the Electronic Public Procurement System (EKR) to track single-bid procedures in line with the Single Market Scoreboard methodology. Consequently, the first required report was published on time in February 2023, followed by subsequent annual updates, ensuring the technical compliance of the monitoring mechanism.

In terms of procurement financed by European Union support, the Government has consistently met and exceeded the requirements. The share of single-bid procedures dropped to 13.3% in 2022, satisfying Target 185 (<15%). This positive trend continued into the following years, with the rate falling further to 5.5% in 2023, thereby achieving Target 187. For the final assessment period of 2024, linked to Target 189, although there is a discrepancy between the Government's reported figure of 4.2%<sup>61</sup> and the Integrity Authority's calculation of 12.7%,<sup>62</sup> both figures remain below the 15% threshold. Therefore, the specific quantitative targets for EU-funded tenders have been successfully achieved.

However, the picture is significantly worse regarding procurements financed from national resources, where the Government failed to sustain the necessary improvements. While the initial goal for 2022 (Target 186) was narrowly met with a single-bid rate of 31.3% against a 32% limit, the subsequent, more ambitious targets were missed. In 2023, the proportion of single-bid tenders stood at 29%, significantly exceeding the 24% limit prescribed by Target 188. This failure was compounded in 2024; although the rate improved slightly to 22%, it fell far short of the final 15% goal set in Target 190. This sharp divergence demonstrates that while EU scrutiny successfully enforced competition in EUfunded projects, the remedial measures were ineffective in breaking the high market concentration and lack of competition in the domestic public procurement sector.

<sup>61</sup> Annex to Gov. Resolution No. 1086/2025 (III.31) https://njt.hu/document/9a/9adaEJR\_7875077-5X01425.pdf, p 4.

<sup>&</sup>lt;sup>62</sup> Annual Integrity Report of the Integrity Authority, 2024 <a href="https://integritashatosag.hu/wp-content/uploads/2025/06/IH-2024-Eves-Elemzo-Integritasjelentes-1.pdf">https://integritashatosag.hu/wp-content/uploads/2025/06/IH-2024-Eves-Elemzo-Integritasjelentes-1.pdf</a>, p. 16, p. 44.

Furthermore, this indicates that the government measures aimed at increasing competition and addressing single-bidder public procurements (see also C.9 R 13.) have thus far not been sufficiently effective.

It is crucial to highlight that the statistical compliance—particularly in the case of EU-funded tenders—may not fully reflect the actual restoration of genuine competition. As analysed by the Integrity Authority in its Annual Report, the reduction in single-bid procedures may be partly attributed to the phenomenon of "supporting bids" (fake bids). In these scenarios, a secondary bidder—often lacking the genuine intent or capacity to win—participates solely to ensure that the tender is not declared unsuccessful due to a lack of competition. <sup>63</sup>

Furthermore, a significant systemic issue is that the Single Market Scoreboard methodology—which serves as the basis for these RRF milestones—does not adequately capture the market distortions caused by framework agreements. In Hungary, it is a widespread practice for Central Purchasing Bodies (CPBs) to conclude multi-year framework agreements with a single economic operator. Since the use of these central frameworks is mandatory for a wide range of goods, works and services (communication, IT-software and hardware, operating environment and infrastructure) and for almost all public institutions, this structure inherently drives market monopolization. A single supplier may gain exclusive access to a vast segment of public sector demand for years, effectively eliminating competition. As the RRF milestones focus on the Single Market Scoreboard, which does not include framework agreements, the fulfilled targets fail to reflect the reality that competition remains severely restricted in these major market segments. <sup>64</sup> (See also Cg.R12. below.)

#### Recommendations:

- Implement the Integrity Authority's relevant recommendations
- Framework agreements shouldn't be exempted from the assessment of single-bidding practices

#### Relevant milestones:

- Target 185 The share of tender procedures with single bids for procurements financed from Union support shall not exceed 15% (Q1 2023)
- Target 186 The share of tender procedures with single bids for procurements financed from national resources shall not exceed 32% (Q1 2023)
- Target 187 The share of tender procedures with single bids for procurements financed from Union support shall not exceed 15% (Q1 2024)
- Target 188 The share of tender procedures with single bids for procurements financed from national resources shall not exceed 24% (Q1 2024)
- Target 189 The share of tender procedures with single bids for procurements financed from Union support shall not exceed 15 % (Q1 2025)
- Target 190 The share of tender procedures with single bids for procurements financed from national resources shall not exceed 15% (Q1 2025)
- Milestone 195 Setting up of a monitoring and reporting tool ("single-bid reporting tool") to
  monitor and report on public procurements closed with single-bids financed from Union
  support or from national resources in accordance with the Single Market Scoreboard

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<sup>&</sup>lt;sup>63</sup> Ibid, p. 84.

<sup>&</sup>lt;sup>64</sup> Ibid. p. 113.

- methodology (Q<sub>3</sub> 2022) [super milestone related to a conditionality measure (remedial actions vii., viii. and ix.)]
- Milestone 196 First report based on the "single-bid reporting tool" is made available (Q1 2023)

### C9.R11: Development of the Electronic Public Procurement System (EPS) to increase transparency

A machine-processable database (in particular allowing structured search and bulk export of data on public procurement procedures) was created, containing in a structured format detailed information on contract award notices from public procurement procedures launched in the EPS (EKR). The platform was launched on 30 September 2022 (Milestone 197), and subsequent updates included search functions for subcontractors (Milestone 198) and historical data from 2014 (Milestone 199).

While the platform initially promised improved transparency through bulk downloads and filtering, practical accessibility significantly deteriorated in 2025. Contrary to the goal of easy, longitudinal analysis, the system's built-in search and filtering tool has been restricted to a maximum time interval of 180 days per query. Consequently, users cannot run multi-year searches, making systemic monitoring extremely burdensome. Furthermore, annual datasets are now provided only in separate ZIP files rather than a unified, easily queryable interface. These technical limitations effectively undermine the "bulk export" capability and hinder the work of civil society and oversight bodies.

As the Integrity Authority pointed out again in its 2024 Report, the level and quality of the data remain problematic. A significant portion of critical data is available only in PDF format rather than as structured database entries, rendering it unsuitable for automated analysis.<sup>65</sup>

Moreover, they identified the following intervention points in order to enhance analysis:

- eForms Delay: Although the eForms system was introduced, it currently excludes many procedures, particularly those under national procurement rules. The Integrity Authority recommended extending the detailed eForms requirements to all procedures. However, the Government has deferred this expansion, citing Law LXVII of 2025, which postpones the full rollout of eForms to national procedures until 1 September 2026.
- Identification Errors: Identifying winning bidders remains difficult due to non-standardized name formats and missing tax numbers. The Integrity Authority proposed synchronizing the EPS with the official company registry to automatically correct these errors. The Government rejected this proposal, arguing that a broader reform of the legal entity registry is pending, making immediate integration "untimely."
- Consortium Shares: Precise data on the financial shares of consortium members is essential for assessing market concentration. While the Authority possesses some of this data, it is often incomplete or inaccurate in the public database. The Government refused to implement technical safeguards to enforce accurate reporting, arguing that missing data is a legal violation to be addressed through individual remedies by the Public Procurement Arbitration Board, rather than by improving the IT system's design.

While the Government maintains that it has fulfilled the milestones based on the Council Implementing Decision (EU) 2022/2506, the practical reality is a fragmented and increasingly restricted system. The combination of the new 180-day search limit, the delay in eForms expansion,

<sup>&</sup>lt;sup>65</sup> Available in Hungarian at: <a href="https://integritashatosag.hu/wp-content/uploads/2025/06/IH-2024-Eves-Elemzo-Integritasjelentes-1.pdf">https://integritashatosag.hu/wp-content/uploads/2025/06/IH-2024-Eves-Elemzo-Integritasjelentes-1.pdf</a> p. 21.

and the refusal to automate data quality checks means that while the "box is ticked" for creating a database, the usability and transparency of the public procurement system have not substantively improved, and in some technical respects, have regressed in 2025.

#### Recommendations:

- Implement the Integrity Authority's recommendations related to the data quality in the EPS database
- Reconsider the 180-day query-limit

#### Relevant milestones:

- Milestone 197 The EPS functions allowing the structured search and bulk export of contract award notice data are available to the public (Q<sub>3</sub> 2022) [super milestone related to a conditionality measure (remedial action x.)]
- Milestone 198 The EPS functions allowing the structured search and bulk export of all data related to subcontractors is available to the public (Q4 2022) [super milestone related to a conditionality measure (remedial action x.)]
- Milestone 199 The EPS functions allowing the structured search and bulk export of contract award notice data from 1 January 2014 are available to the public (Q1 2023)

#### C9.R12: Performance measurement framework for public procurements

In September 2022, the Government adopted Government Resolution 1425/2022. (IX. 5.), <sup>66</sup> which aimed to develop a performance measurement framework (hereinafter: the Framework) to assess the efficiency and cost-effectiveness of public procurement. The performance measurement framework became operational on schedule as published on the EPS website on 30 November 2022 (**Milestones 200 and 201**). <sup>67</sup> The Framework is operated by a working group of independent CSOs (hereinafter: Working Group) and procurement experts in the field of public procurement in Hungary, selected through an open call for tender. The results of the Framework are published by 28 February each year. The first analysis was published on 28 February 2023 (**Milestone 202**).

By Government Resolution 1230/2023. (VI. 16.),<sup>68</sup> the Government ordered the further development of the framework documentation and the publication of the further developed documentation, with the involvement of independent non-governmental organisations and public procurement experts selected in accordance with the government resolution, and the Organisation for Economic Cooperation and Development (OECD).

The second analysis was published on 28 February 2024 containing 115 indicators.<sup>69</sup> The third round of analysis was published in 2025, with a list of indicators refined compared to 2024.<sup>70</sup> The main problem at present is that the approach to analysis is not sufficiently problem-oriented, so that many

<sup>&</sup>lt;sup>66</sup> Government Resolution 1425/2022. (IX. 5.)., available in Hungarian at: <a href="https://njt.hu/jogszabaly/2022-1425-30-22">https://njt.hu/jogszabaly/2022-1425-30-22</a>. 67 Available in Hungarian at: <a href="https://ekr.gov.hu/cms/hirek/a-kozbeszerzesek-hatekonysagat-es-koltseghatekonysagat-ertekelo-teljesitmenymeresi-keretrendszer-eredmenyei-2023">https://ekr.gov.hu/cms/hirek/a-kozbeszerzesek-hatekonysagat-es-koltseghatekonysagat-eredmenyei-2023</a>.

<sup>&</sup>lt;sup>68</sup> Government Resolution 1230/2023. (VI. 16.)., available in Hungarian at: <a href="https://njt.hu/jogszabaly/2023-1230-30-22">https://njt.hu/jogszabaly/2023-1230-30-22</a>.

<sup>&</sup>lt;sup>69</sup> Available in Hungarian at: <a href="https://ekr.gov.hu/cms/hirek/a-kozbeszerzesek-hatekonysagat-es-koltseghatekonysagat-es-koltseghatekonysagat-er-koltseghatekonysagat-e

<sup>&</sup>lt;sup>70</sup> Available in Hungarian at: <a href="https://ekr.gov.hu/cms/hirek/a-kozbeszerzesek-hatekonysagat-es-koltseghatekonysagat-er-koltseghatekonysagat-e

phenomena are not adequately explained. Although recommended by both the OECD<sup>71</sup> and the Working Group, the National Development Centre did not accept that the Working Group should address the problem of high concentration in the public procurement market. The analysis of the concentration of public procurement was ultimately not included in government documents, but only in the report of the Integrity Authority.<sup>72</sup>

The timing of the publication of the analysis at the end of February leaves very little time for comment, as there are only two months to compile the analysis based on the previous year's data. Therefore, the Working Group's Special Report was published a few months later than the original analysis, due to the limited time available for comments on the hundreds of pages of material. It contained a number of recommendations that were much more problem-oriented than the original report. The Working Group highlighted that the analysis of the Framework should be given more publicity, as the results are only disclosed on the central public procurement portal. Among the efficiency problems, they continued to emphasize the relatively high number of unsuccessful public procurement procedures, as well as the relatively high proportion of missing bids and the failure rate due to invalid bids (participation applications) as the reasons for this. In terms of the level of playing field and the proper functioning of the market, it is noteworthy and concerning that the proportion of framework agreements concluded with a single bidder remains high (69%). This phenomenon is particularly important in the examination of central purchasing bodies. Longer-term framework agreements close the market and competition. They also still considered it necessary to underline that the transparency of individual contracts concluded on the basis of framework agreements is weak. These problems are not adequately addressed by the milestones either, it is therefore feared that the expected reforms in public procurement will not be achieved despite the implementation of the measures.

#### Recommendations:

- Raise awareness on the importance of ensuring a good quality of public procurement data.
- Consider integrity and concentration issues to be included among indicators
- The Framework should highlight the importance the transparency of framework agreement and central public procurement bodies.
- Provide concise and problem-oriented insights in the executive summary and the different chapters

#### Relevant milestones:

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 Milestone 200 – Setting up of a performance measurement framework of public procurements (Q<sub>3</sub> 2022) [super milestone related to a conditionality measure (remedial action xi.)]

 Milestone 201 – Entry into operation of a performance measurement framework of public procurements (Q4 2022) [super milestone related to a conditionality measure (remedial action xi.)]

<sup>&</sup>lt;sup>71</sup> OECD: Enhancing the Public Procurement Performance Measurement Framework in Hungary: Assessing Efficiency, Compliance and Strategic Objectives. OECD Public Governance Reviews, OECD Publishing 2024, available at: <a href="https://www.oecd.org/en/publications/enhancing-the-public-procurement-performance-measurement-framework-in-hungary\_afc1d91a-en.html">https://www.oecd.org/en/publications/enhancing-the-public-procurement-performance-measurement-framework-in-hungary\_afc1d91a-en.html</a>.

<sup>&</sup>lt;sup>72</sup> Available in Hungarian at: <a href="https://integritashatosag.hu/wp-content/uploads/2025/06/IH-2024-Eves-Elemzo-Integritasjelentes-1.pdf">https://integritashatosag.hu/wp-content/uploads/2025/06/IH-2024-Eves-Elemzo-Integritasjelentes-1.pdf</a>.

• Milestone 202 – First annual analysis carried out under the performance measurement framework of public procurements (Q1 2023)

#### C9.R13 Action plan for increasing the level of competition in public procurement

The results of the performance measurement framework serve as one of the bases for formulating the proposed measures that constitute the elements of the government's action plan aimed at increasing competition in public procurement. The first action plan was adopted by the Government in its Resolution No. 1118/2023. (III. 31.). The action plan is reviewed by March 31 each year, and the review is the responsibility of the minister responsible for public procurement (hereinafter: the minister).<sup>73</sup> The first review resulted in Government Decree 1082/2024. (III. 28.) and the Action Plan on measures to increase competition in public procurement (2023-2026) contained in its annex. <sup>74</sup>

In the framework of the 2025 review,<sup>75</sup> the Government evaluated the execution of the Action Plan aimed at increasing competition (originally established by Decisions 1118/2023 and 1082/2024). The review concludes that out of 28 introduced measures, 22 have been fully implemented, while the remaining 6 are partially complete or currently in progress. Based on the data from 2024, the Government identified a "clear positive trend" in the reduction of single-bid procurements across most breakdown categories, arguing that the measures introduced so far have proven effective. Consequently, the Government's stated strategic focus for the upcoming period will shift from creating new regulations to the monitoring and effective enforcement of existing ones.

Despite this positive self-assessment, the review identified three specific critical areas where competition remains insufficient and further targeted measures are required:

- Dynamic Purchasing Systems (DPS): This remains a significant bottleneck. Data from the Performance Measurement Framework revealed that the proportion of single-bid procedures within DPS was critically high at 34.8% in 2024. To this end, the Public Procurement Authority is requested to update its guidance on Dynamic Purchasing Systems, specifically addressing measures to improve competition.
- Healthcare Sector: Procurements for medical equipment, pharmaceuticals, and personal care
  products (specific CPV groups) continue to generate a high volume of non-competitive
  tenders. Despite a slowly decreasing trend, there were still 740 single-bid cases in this sector
  in 2024. To address this critical area the government committed to develop a new life-cycle
  cost calculation methodology for three specific medical devices.
- Professionalization and Training: A major structural change is approaching with the phasing out of the accredited public procurement consultant (FAKSZ) system after 30 June 2026. The Government acknowledges that this creates a risk, as experts not employed as State Public Procurement Consultants (ÁKSZ) will no longer be subject to uniform training and qualification requirements, necessitating new measures to maintain professional standards. To address this concern the government committed to create a new professionalization strategy.

<sup>&</sup>lt;sup>73</sup> Available in Hungarian at: <a href="https://njt.hu/jogszabaly/2023-1118-30-22">https://njt.hu/jogszabaly/2023-1118-30-22</a>.

<sup>&</sup>lt;sup>74</sup> Available in Hungarian at: <a href="https://njt.hu/jogszabaly/2024-1082-30-22">https://njt.hu/jogszabaly/2024-1082-30-22</a>.

<sup>75</sup> Government Resolution 1086/2025 (III.31.) https://njt.hu/document/ga/gadaEJR\_7875077-5X01425.pdf

The Government asserts that these supplementary measures were developed by incorporating recommendations from the Integrity Authority's 2023 Annual Report, the Anti-Corruption Task Force (ACTF), and the results of the 2024 Performance Measurement Framework.

However, it is crucial to emphasise that, in numerous instances, the action plans had limited ambitions, which raises doubts about their potential to enhance competition.

Specifically, the government rejected a proposal to abolish the procedure under Section 115 of the Public Procurement Act (which allows for the award of low-value construction contracts without prior publication of a notice). Instead, it undertook to prepare an analysis, which did not highlight the risks of significant restrictions on competition, but merely recommended that the authorities increase their checks on contracting authorities that frequently use this procedure. The analysis was not made public but was shared with members of the working group examining the efficiency of public procurement, of which TI Hungary was also a member. In this respect the government only restrained it from compiling a list of contracting authorities that have utilized the procedure more than ten times within a twelve-month period. This list should be submitted to the State Audit Office and the Government Control Office to inform their annual audit plans.

In the case of central purchasing bodies, which also engage in highly controversial practices, the only relevant new commitment is to create a web-based system for contracting authorities to evaluate the services of central purchasing bodies.

#### Recommendation:

• It is essential that the action plan addresses all intervention areas deemed problematic by key stakeholders (EU, OECD, Integrity Authority, ACTF).

#### Relevant milestones:

- Milestone 203 Adoption of an action plan to increase the level of competition in public procurement (Q1 2023)
- Milestone 204 Revision of the action plan to increase the level of competition in public procurements following its first annual review (Q1 2024)

## C9.R14: Training scheme, and support scheme, on procurement for micro-, small and medium-sized enterprises to facilitate their participation in public procurement procedures

In Milestone 205 the Government has committed to offering free training sessions to at least 2,200 SMEs to support their engagement in public procurement processes. These sessions are led by public procurement experts and based on newly developed e-learning materials, allowing for both individual participation and in-person or online group training, all coordinated by the Ministry responsible for public procurement. The initial goal was to train 1,000 SMEs by 31 March 2024, with an additional 1,200 SMEs to receive training by 30 June 2026. The training started in June 2023. According to the latest available information for 2024, the training scheme was provided for 1,300 participants. For the

year 2025, no official data was available regarding the number of additional individuals reached, although it is noted that several in-person training sessions have commenced during this period. <sup>76</sup>

In **Milestone 209**, the Government committed to launch a support scheme for at least 1,800 SMEs for facilitating their participation in public procurement procedures. The scheme provides a flat-rate support for SMEs compensating for the costs associated with their participation in public procurement procedures. According to the central portal for EU funds, the call for application was opened on 31 March 2023. The objective of this measure was to reduce the entry barriers and facilitate their participation in public procurement. By November 2025, a total of 1,158 grants had been awarded under the scheme.<sup>77</sup>

However, the mid-term evaluation on the added value and effectiveness of the support scheme (**Milestone 210**) has not been conducted or published. The absence of this review is particularly problematic as it prevented any evidence-based adjustment of the eligibility criteria to address the identified loopholes.<sup>78</sup> Current data continues to suggest that abuses may be prevalent, with a significant number of applicants claiming support without a genuine intent or capacity to win the tender. A proper analysis would have been crucial to uncover regional inequalities, anomalies regarding specific subjects of procurement, or instances where certain tenders were effectively "swarmed" by bidders lacking the actual capacity to execute the contract, solely to access the grant.

#### Recommendation:

 Conducting the mid-term evaluation of the lump-sum support scheme without delay, and based on the findings, fully investigate potential misuse, while modifying the application criteria based on the evidence where necessary.

#### Relevant milestones:

- Milestone 205 Launch of a training scheme for facilitating the participation of micro-, small and medium-sized enterprises in public procurement procedures (Q2 2023)
- Milestone 206 Number of micro-, small and medium-sized enterprises having received training on public procurement practices (Q1 2024)
- Milestone 209 Setting up a support scheme for compensating the costs associated with participating in public procurements of micro-, small and medium-sized enterprises (Q1 2023)
- Milestone 210 Carrying out of a mid-term evaluation on the added value and effectiveness of the support scheme (Q3 2024)

### C9.R15-C9.R18: General remarks related to Milestones 213, 214, 215 and 216 concerning the judiciary

Acknowledging that judicial independence is an inherent prerequisite for the functioning of an effective internal control system for the budget, the RRF established four so-called super-milestones (Judicial Super-milestones) to remedy existing deficiencies in the Hungarian justice system. The four

<sup>&</sup>lt;sup>76</sup> See the official training website in Hungarian at: https://kkvkepzes.gov.hu/.

<sup>&</sup>lt;sup>77</sup> See on the dedicated Government website in Hungarian at: <a href="https://www.palyazat.gov.hu/eredmenyek/aktualis-statisztikak/rrf/eljarasrend.">https://www.palyazat.gov.hu/eredmenyek/aktualis-statisztikak/rrf/eljarasrend.</a>

<sup>&</sup>lt;sup>78</sup> See e. g. <u>https://atlatszo.hu/orszagszerte/2023/12/04/magyar-csoda-tojastermelo-es-adoszakerto-is-jelentkezett-a-kerekparut-epitesere/.</u>

Judicial Super-milestones required (i) the entry into force of legislative amendments to strengthen the role of the National Judicial Council while safeguarding its independence (**Milestone 213** – Q1 2023); (ii) the entry into force of amendments to strengthen judicial independence of the Supreme Court (**Milestone 214** – Q1 2023); (iii) the entry into force of legislative amendments to remove obstacles to references for preliminary rulings to the Court of Justice of the European Union (**Milestone 215** – Q1 2023); and (iv) the entry into force of legislative amendments to remove the possibility for public authorities to challenge final decisions before the Constitutional Court (**Milestone 216** – Q1 2023). The Judicial Super-milestones were also included in identical terms under the CPR as horizontal enabling conditions of the Charter of Fundamental Rights to have access to funds under 10 different operative programmes for the programming period 2021-2027.

In May 2023, Hungary adopted a judicial package<sup>79</sup> (Judicial Reform) and claimed to have met all four Judicial Super-milestones. Whilst CSO's called attention to outstanding deficiencies in compliance, <sup>80</sup> in December 2023, Hungary adopted further legislative amendments<sup>81</sup> to supplement the Judicial Reform, partly covering outstanding fundamental deficiencies. <sup>82</sup> In Decision C(2023) 9014 of 13 December 2023, the Commission assessed the Hungarian judicial reforms positively and decided that, as regards the independence of the judiciary, the horizontal enabling condition on the Charter had been fulfilled.

Following the positive assessment of the Judicial Super-milestones by the Commission, subsequent legislative steps and implementing techniques have led to a regression. Amplifying the impacts of this regression, certain systemic deficiencies outside the scope of the milestones continue to jeopardise the independence of the Hungarian judiciary. The problematic issues include both concerns related to already implemented reforms and concerns that were not tackled by milestones, but further the regression, as set out in detail in seven sections in Chapter II.1. below:

- Deficient execution of the rules on case allocation at the Kúria (Milestone 214)
- Escape-clause allowing the de-facto re-election of the Kúria President contrary to express requirements of Judicial Super-milestones (Milestone 214)
- The distorted point system for the assessment of judicial posts remains effective (Milestone 213)
- trends in compliance with the supervisory powers of the National Judicial Council (Milestone 213)
- Financial pressure on the judiciary
- Lack of guarantees to the freedom of expression of Hungarian judges
- The possibility of the Kúria to block the binding effect of CJEU judgments (Milestone 215)

https://helsinki.hu/en/wp-content/uploads/sites/2/2023/10/Fundamental\_deficiencies\_Judicial\_Reform\_20231030.pdf, 31 October 2023.

<sup>&</sup>lt;sup>79</sup> Act X of 2023 on the Amendment of Certain Laws on Justice related to the Hungarian Recovery and Resilience Plan was adopted by the Hungarian Parliament on 3 May 2023.

https://magyarkozlony.hu/dokumentumok/a87dd6ba5bb3td1od132a3461d87b3365ob38323/megtekintes

<sup>&</sup>lt;sup>80</sup> Amnesty International Hungary – Eötvös Károly Institute – Hungarian Helsinki Committee, Assessment of Act X of 2023 on the Amendment of Certain Laws on Justice related to the Hungarian Recovery and Resilience Plan, <a href="https://helsinki.hu/en/assessment-of-hungarys-judicial-reforms/">https://helsinki.hu/en/assessment-of-hungarys-judicial-reforms/</a>, 23 May 2023.

<sup>&</sup>lt;sup>81</sup> Amnesty International Hungary, Hungarian Helsinki Committee: <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2023/12/Makeshift-solutions-cannot-resolve-RoL-concerns.pdf">https://helsinki.hu/en/wp-content/uploads/sites/2/2023/12/Makeshift-solutions-cannot-resolve-RoL-concerns.pdf</a> 8 December, 2023.

<sup>82</sup> Hungarian Helsinki Committee:

### C9.R19: Reinforced legal provisions setting out implementation, monitoring, and audit and control arrangements to guarantee the sound use of Union support

Government Decree 202/2025 (VII. 16.) amended the regulations governing the management of EU funds (both the 2021–2027 Structural Funds and the RRF). Effective July 2025, the audit process became stricter with the rule that any failure to meet deadlines for deficiency corrections or clarifications will result in the immediate rejection of documents, while the sanctioning regime for sustainability breaches is adjusted to ensure penalties are proportional to the gravity of the detected irregularity. A significant structural change took effect on 1 September 2025, when the National Development Centre (NDC) assumed direct authority over the control of public procurements below EU thresholds for its operational programs, replacing Managing Authorities in this function. This shift was accompanied by new formal requirements for legal remedies, mandating that appeals against irregularity decisions must precisely specify whether they challenge the Managing Authority's statement, the NDC's audit report, or the sanction itself. Furthermore, starting 1 January 2026, preaward controls will be reinforced by mandatorily rejecting applications from any entities listed in the EU's Early Detection and Exclusion System (EDES).

The Directorate for Internal Audit and Integrity performs conflict of interest verifications through a dual approach: firstly, via spot checks targeting specific risk groups, and secondly, based on whistleblower reports. However, a critical operational failure concerns the conflict-of-interest reporting interface. Experience indicates that this channel is highly ineffective: for years, it has received an extremely low number of reports, and a significant proportion of those submitted are irrelevant or misdirected (i.e., submitted in error regarding issues outside the DIAI's competence). <sup>84</sup> This underutilization suggests that the interface is either not sufficiently visible, poorly designed, or lacks the necessary user guidance, effectively preventing it from serving as a functional early-warning mechanism for detecting irregularities.

#### **Recommendation:**

 Overhaul the Reporting Interface: Redesign the conflict-of-interest reporting channel to improve its visibility and user-friendliness. Clearer guidance must be provided to potential whistleblowers to reduce the high rate of irrelevant submissions and to encourage the reporting of genuine conflict of interest cases.

#### Relevant milestones:

- Milestone 217 Legal mandate for the implementation, audit and control of the recovery and resilience plan (Q<sub>3</sub> 2022) [super milestone related to a conditionality measure (remedial action vi.)]
- Milestone 218 Amendment of the legal provisions relating to the implementation, monitoring, control and audit of the European Structural and Investment Funds and the funds under Regulation (EU) 2021/1060 in Hungary (Q<sub>3</sub> 2022) [super milestone related to a conditionality measure (remedial action vi.)]
- Milestone 219 Adoption and start of application of guidelines to ensure the effective the prevention, detection and correction of conflict of interest for the staff of all bodies involved

<sup>83</sup> Available in Hungarian at: https://njt.hu/jogszabaly/2025-202-20-22.0#Cl.

<sup>&</sup>lt;sup>84</sup> Data obtained through a freedom of information request by K-Monitor Public Association.

in the implementation, control and audit of Union support in Hungary (Q4 2022) [super milestone related to a conditionality measure (remedial action vi.)]

### C9.R20: An effective anti-fraud and anti-corruption strategy for the implementation, audit and control of Union support

In November 2022, the Government adopted the Anti-Fraud and Anti-Corruption Strategy (**Milestone 220**). 85 While the strategy was revised in August 2024 (**Milestone 221**) 86 to incorporate proposals from the Integrity Authority and the ACTF, the transparency of its implementation has significantly deteriorated.

Previously, the annual implementation reports were published with substantial delays: the report for 2022<sup>87</sup> was released in September 2023, and the report for 2023<sup>88</sup> was published in September 2024. However, in 2025, this trend of lateness has turned into a complete failure to report. As of late November 2025, the Government has not published the annual report on the implementation of the strategy at all. This absence of disclosure makes it impossible to verify whether the measures outlined in the revised strategy are actually being enforced.

#### **Recommendation**:

• Publishing the annual report on the implementation of the Anti-Fraud and Anti-Corruption Strategy without further delay.

#### Relevant milestones:

- Milestone 220 Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support by drawing up and implementing an effective anti-fraud and anti-corruption strategy for Union support (Q<sub>3</sub> 2022) [super milestone related to a conditionality measure (remedial action vi.)]
- Milestone 221 Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support by drawing up and implementing an effective action plan related to the anti-fraud and anti-corruption strategy for Union support (Q4 2022) [super milestone related to a conditionality measure (remedial action vi.)]

#### C9.R21: Full and effective use of the Arachne system for all Union support

Despite the Government's assertions that the Arachne risk scoring tool is fully operational, its practical implementation faces criticism from both the competent audit body and the Integrity Authority, indicating that the milestone is not satisfactorily fulfilled.

In a parliamentary committee hearing on 29 October 2025, the Directorate General for Auditing European Funds (EUTAF in Hungarian) explicitly confirmed that it is unable to certify that the operation of Arachne in Hungary complies with European Commission regulations. Director General Balázs Dencső stated that due to significant inconsistencies in data provision and the uneven application of the tool across different sectors, the system does not currently meet the EC's

<sup>&</sup>lt;sup>85</sup> Available in Hungarian at: https://www.palyazat.gov.hu/letoltes/65c1ed2c455e7c083bb88835

<sup>86</sup> See in Hungarian at: https://www.palyazat.gov.hu/letoltes/66eaca6caee5c4a1foa9f9c5

<sup>&</sup>lt;sup>87</sup> Available on the Government's dedicated website at: https://www.palyazat.gov.hu/letoltes/65c1ed2c455e7c083bb88e3f.

<sup>88</sup> Available on the Government's dedicated website at: <a href="https://www.palyazat.gov.hu/letoltes/66eaca6caee5c4a1foa9faoc">https://www.palyazat.gov.hu/letoltes/66eaca6caee5c4a1foa9faoc</a>.

requirements. Consequently, the Audit Authority has officially refused to issue a positive compliance opinion, effectively signalling that the milestone has not been met from a professional audit perspective.<sup>89</sup>

Simultaneously, a dispute has arisen regarding the effectiveness of the tool. The Integrity Authority proposed the implementation of an automated alert system within or alongside Arachne to flag economic operators involved in projects where irregularity proceedings were previously initiated due to suspected collusion. The Government rejected this proposal, it citing technical limitations. They argued that since Arachne is a centrally developed European Commission tool, Member States lack the capability to modify its functions. The Government maintains that the current practice—uploading data on contracts above EU thresholds and relying on manual checks for connected companies—is sufficient.

#### Recommendation:

• The Government must urgently address the operational deficiencies identified by the Audit Authority (EUTAF) to ensure the Arachne risk scoring tool fully complies with EU regulations and implement the automated alert functions recommended by the Integrity Authority.

#### Relevant milestones:

- Milestone 222 Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support through appropriate arrangements ensuring the effective use of the Arachne risk-scoring tool (Q<sub>3</sub> 2022) [super milestone related to a conditionality measure (remedial action xv.)]
- Milestone 223 Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support by confirming the adequacy of the procedures on the systematic and effective use of the Arachne risk-scoring tool (Q4 2022) [super milestone related to a conditionality measure (remedial action xv.)]

### C9.R22: Establishment of a Directorate of Internal Audit and Integrity to reinforce the control of conflicts of interest when implementing Union support

Although the Directorate for Internal Audit and Integrity (DIAI) was established and its jurisdiction regarding objections and appeals related to EU funds has been broadened by amendments to government decrees, its actual impact is difficult to assess due to the persistent lack of publicly accessible information. (See also Cg.R2o. on the delayed publication of reports on the implementation of the Anti-Fraud and anti-corruption strategies above.)

#### Recommendation:

Establish a Statutory Deadline for Reporting: Enact a legal requirement fixing a strict calendar
deadline for the mandatory publication of the annual report on the Anti-Fraud and AntiCorruption Strategy, to prevent the complete failure to report observed in 2025.

https://www.parlament.hu/documents/static/biz42/bizjkv42/EUB/2510291.pdf , p. 13.

<sup>&</sup>lt;sup>89</sup> See in Hungarian on the Parliament's website at:

<sup>&</sup>lt;sup>90</sup> Available in Hungarian at: <a href="https://integritashatosag.hu/wp-content/uploads/2025/06/IH-2024-Eves-Elemzo-Integritasjelentes-1.pdf">https://integritashatosag.hu/wp-content/uploads/2025/06/IH-2024-Eves-Elemzo-Integritasjelentes-1.pdf</a>, p. 125.

<sup>&</sup>lt;sup>91</sup> Available in Hungarian at: <a href="https://integritashatosag.hu/wp-content/uploads/2025/11/Dr">https://integritashatosag.hu/wp-content/uploads/2025/11/Dr</a> Navracsics-T level Biro-F - Int. Hat .-2024.-eves-jelentes melleklet.pdf, p. 20.

#### Relevant milestone:

 Milestone 224 – Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support through the setting up and full functioning of a new Directorate of Internal Audit and Integrity (DIAI) (Q4 2022) [super milestone related to a conditionality measure (remedial action vi.)]

#### C9.R23: Ensuring the capacity for the EUTAF to effectively carry out its tasks

The Directorate General for the Audit of Union Funds (EUTAF in Hungarian) was transformed into an autonomous state organ, as a result of which it is not anymore subordinated to the Finance Ministry. However, no empirical evidence or publicly available information support that the EUTAF's new legal standing would result in more efficient scrutiny of the use of EU funds in Hungary. The output of the reorganized EUTAF shows no discernible improvement compared to its previous operation.

While the Director General asserted during a parliamentary hearing that the institution's capacities are sufficient, practical evidence seems to contradict this claim. The institution's website is frequently outdated and lacks timely and comprehensive information, pointing to administrative bottlenecks. A major indicator of these constraints is the significant delay in accountability: the annual parliamentary report regarding the year 2023 was only submitted in 2025, simultaneously with the 2024 report.

Furthermore, the content of these reports remains critically deficient in transparency. While they list general categories of irregularities identified during audits, they lack specific data regarding the prevalence, scope, or financial impact of these findings. This vagueness makes it impossible for Parliament or the public to gauge the true extent of systemic errors or to verify whether the reformed EUTAF is performing a more rigorous control function than its predecessor.

#### Relevant milestone:

 Milestone 225 – Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support through appropriate capacity for EUTAF (Q4 2022) [super milestone related to a conditionality measure (remedial action vi.)]

### C9.R24: Strengthening cooperation with OLAF to reinforce the detection of fraud related to the implementation of Union support

By the adoption of Act XXIX of 2022, the Parliament technically fulfilled the requirement to designate the National Tax and Customs Administration (NAV) as the authority responsible for assisting the European Anti-Fraud Office (OLAF) during on-the-spot checks and introduced the possibility to levy financial sanctions (up to HUF 1 million) on non-cooperating economic actors (**Milestone 226**). However, the situation regarding the practical application of this law has remained unchanged since our November 2024 assessment. As of late 2025, no new instances of effective collaboration have

<sup>92</sup> Available in Hungarian at: https://www.parlament.hu/documents/static/biz42/bizjkv42/EUB/2510291.pdf, p 13.

<sup>93</sup> https://eutaf.hu/english

<sup>94</sup> Available in Hungarian at: <a href="https://www.parlament.hu/web/guest/iromanyok-lekerdezese?ppid=hu-parlament.cms-pair-portlet\_PairProxy\_INSTANCE\_gxd2WcgjP4z8&p-p\_lifecycle=1&p-p\_state=normal&p-p\_mode=view&p\_auth=ithTmsPu&\_hu\_parlament\_cms\_pair\_portlet\_PairProxy\_INSTANCE\_gxd2WcgjP4z8\_pai.</a>

<sup>&</sup>lt;sup>95</sup> Available in Hungarian at: <a href="https://www.parlament.hu/web/guest/iromanyok-lekerdezese?ppid=hu-parlament-cms-pair-portlet-PairProxy-INSTANCE-gxd2Wc9jP4z8&ppilifecycle=1&ppstate=normal&ppmode=view&pauth=ithTmsPu&hu-parlament-cms-pair-portlet-PairProxy-INSTANCE-gxd2Wc9jP4z8-pairAction=%2Finternet%2Fcplsql%2Fogy\_irom.irom\_adat%3Fp\_ckl%3D42%26p\_izon%3D12374</a>

been reported beyond the single case originally cited in 2024.<sup>96</sup> There continues to be a complete lack of public data regarding whether the sanctioning mechanism has ever been utilized or if NAV has provided active assistance in recent investigations – making unverifiable the practical relevance of this reform.

#### Relevant milestone:

 Milestone 226 – Designation of a national authority in charge with assisting OLAF with its onthe-spot checks in Hungary and the introduction of the possibility to levy financial sanctions on non-cooperating economic actors (Q4 2022) [super milestone related to a conditionality measure (remedial action xvi.)]

### C9.R25: Effective implementation, control and audit of the Recovery and Resilience Plan and the protection of the financial interests of the Union

This reform aims to ensure the effective implementation, control, and audit of the Recovery and Resilience Plan (RRP) through a data repository system (**Milestone 227**) and an effective audit strategy (**Milestone 228**). The legal framework for the repository was established by Government Decree 373/2022 (IX. 30.).<sup>97</sup>

Regarding the audit strategy, the Directorate General for Auditing European Funds (EUTAF in Hungarian) has continued to update its planning documents. The fourth and latest available version of the Audit Strategy was adopted and published on the EUTAF website in July 2024. <sup>98</sup> (It is highly possible that the compulsory annual revision of the Audit Strategy for 2025 has taken place, but the publication of the updated document has been omitted, leaving the public without current information on the audit framework.)

Since Hungary has not yet submitted a payment request to the European Commission under the RRP, no audits of actual expenditures or specific projects have been conducted. Therefore, EUTAF's activity has been limited to system audits; however, the findings of these preliminary system reviews have not been made publicly available, maintaining a lack of transparency regarding the system's readiness.

#### **Recommendations:**

- EUTAF should publish the 2025 revision of the Audit Strategy
- EUTAF should release a public summary of the findings from the system audits conducted to date

#### Relevant milestones:

- Milestone 227 Monitoring system for the implementation of the Hungarian recovery and resilience plan (Q4 2022) [super milestone]
- Milestone 228 Ensuring effective audit of the implementation of the Hungarian recovery and resilience plan (Q4 2022) [super milestone]

<sup>&</sup>lt;sup>96</sup> See in Hungarian: https://nav.gov.hu/olaf/Hirek/Eredmenyes\_volt\_a\_nemzetkozi\_egyuttmukodes.

<sup>97</sup> Available in Hungarian at: https://njt.hu/jogszabaly/2022-373-20-22.

<sup>98</sup> See in English: https://eutaf.hu/wp-content/uploads/2024/07/RRF\_audit\_strategy\_2024\_FIN.pdf.

#### C9.R26: Improving transparency and access to public information

Findings of our November 2024 assessment remain relevant.

The Parliament amended the Freedom of Information Act with Act XL of 2022 by speeding up court proceedings in access to public interest data cases. These rules have not been amended since adoption in 2022 (**Milestone 229**). The expedited procedural rules may operate to the detriment of the data requester in more complex cases or in proceedings in which the hearing of witnesses is required. Experience shows that the courts of second instance and the Kúria do not comply with the time limits set out for expedited procedures.

Still no rule has been adopted to ensure that any information made available upon an access to information request shall be made available simultaneously in the central register mentioned in **Milestone 175** (see above, C9.R6.).

While milestones have been mostly complied with (**Milestones 229-232**), over the past two years, several laws have further restricted access to information.<sup>99</sup>

Act LXXXV of 2024, adopted in December 2024, makes it clear that the period from the date of the request for clarification until the date of receipt of the response from the requester does not count towards the time limit for complying with the request. The law expands the range of entities controlling public interest data to include the bodies receiving the data from another data controller as well. It also broadens the grounds for rejection in case of preparatory data. The request can be refused if it would endanger the position of the body developed during a court proceeding. Inquiries to the EU are to only be sent if it is necessary.

There is still no rule on the time limit for the Constitutional Court (CC) to rule on FOI cases upon a constitutional complaint.

No rule has been adopted to ensure compliance with the 2020 CC decision that required providing judicial remedy against companies receiving public funds, which is a serious problem as government advertisements targeting the whole population are provided by private companies. <sup>101</sup>

New rules on requests concerning foreign policy interests are principally in line with the Freedom of Information Act's provision on preparatory data as the denial is not automatic and a public interest test should be made by the Minister. However, the Kúria interpreted the law that the discretionary decision by the Minister cannot be reviewed by the court.<sup>102</sup> Under this interpretation no judicial remedy would be provided for those contesting the Minister's decision. This understanding was confirmed by the Constitutional Court.<sup>103</sup> This has begun to affect the practice of the lower courts as well,<sup>104</sup> making information related to foreign policies and investments less accessible.

https://k.blog.hu/2024/11/19/what\_has\_the\_hungarian\_government\_done\_in\_freedom\_of\_information\_since.

<sup>99</sup> For a detailed assessment see:

<sup>&</sup>lt;sup>100</sup> Section 29(1) of Act LXXXV of 2024 on the amendment of certain laws for deregulation purposes in the interest of legal competitiveness, available in Hungarian at: <a href="https://njt.hu/jogszabaly/2024-85-00-00.0#Cl">https://njt.hu/jogszabaly/2024-85-00-00.0#Cl</a>.

<sup>&</sup>lt;sup>101</sup> 7/2020. (V. 13.) AB, available in Hungarian at:

 $<sup>\</sup>underline{https://public.mkab.hu/dev/dontesek.nsf/o/f78921c8c1c53d88c12583d8oo5bc5a4/\$FILE/7\_2020\%20AB\%20hat\%C3\%A1roz\_at.pdf.}$ 

<sup>&</sup>lt;sup>102</sup> Kúria's decision No. Pfv.IV.20.100/2022/5.

<sup>&</sup>lt;sup>104</sup> Fővárosi Ítélőtábla's decision No. 2.Pf.20.386/2025/5. (mission in Chad).

The Kúria's judicature becomes alarmingly controversial in certain highly sensitive freedom of information litigations, which results in decisions that curtail the accessibility of public interest information. For example in the freedom of information case related to the selection of subcontractors of the Belgrade - Budapest railway investment, the Kúria found that the judicial review of the foreign minister's decision to deny access to the requested data would contradict the principle of the separation of powers. 105 In a recent decision, the Kúria, overturning the previous judgements of the case concerned, found without previously assessing the requested document that invoices issued by a state owned hospital of services to private patients dispatched by an intermediary company cannot be accessed even if personal data are erased of the invoices, because such invoices may residually contain information that allows the identification of the patient. 106 This contradicts previous judgements of the Kúria, which expect courts to assess the document sought prior to ruling. In another recent decision by the Kúria, overturning the judgment by the appeals court on a freedom of information case in connection with the accessibility of non-transparent government resolutions, ruled that the rejection of requests to access large data sets may not be challenged in a single lawsuit, instead, separate claims shall be submitted in separate lawsuits regarding each and every element of the dataset sought for. 107 Following this decision it will be more difficult to request larger sets of data and to enforce access to them before the courts.

Uniformity complaint proceedings before the Kúria (see also Chapter II.1.7. below on uniformity complaint proceedings and the HHC's related note<sup>108</sup>) have now also been initiated in the field of freedom of information.<sup>109</sup> These proceedings delay access to information, as the Kúria has no set deadline to conclude them. This remedy, and any potential subsequent proceedings before the Kúria, can extend the case for up to a year, temporarily preventing the applicant from turning to the CC. It appears that state authorities began relying on this remedy following the abolition of their right to file a constitutional complaint.

Bill No. T/12537, submitted by the Government and pending before the Parliament at the time of this assessment, aims to introduce a new ground for rejection in case of cybersecurity concerns. <sup>110</sup> In the case of classified information, access to the data may be further delayed if the data controller is not the body that classified the information. In such instances, the matter is planned to remain pending until the data controller receives a response from the body that issued the classification, and the legal remedies could not come into play.

#### Recommendations:

- To comply with Milestone 230, any information made available upon an access to information request shall be made available simultaneously in the central register mentioned in Milestone 175.
- Sectoral rules emptying out the Freedom of Information framework shall be withdrawn.
- The rules for legal proceedings shall be amended along the following issues:

<sup>&</sup>lt;sup>105</sup> Kúria decision No. Pfv.IV.20.100/2022/5.

<sup>106</sup> Judgement in case Pfv.IV.21.030/2025.

<sup>&</sup>lt;sup>107</sup>Kúria's decision No. IV.Pfv.20.614/2025/8-II.

<sup>&</sup>lt;sup>108</sup> Hungarian Helsinki Committee, *Disregard for EU values: a snapshot of rule of law issues in Hungary in light of the Article 7 procedure*, 12 November 2024, <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2024/11/HHC\_Hungary\_RoL-HR\_issues\_and\_rec\_12112024.pdf">https://helsinki.hu/en/wp-content/uploads/sites/2/2024/11/HHC\_Hungary\_RoL-HR\_issues\_and\_rec\_12112024.pdf</a>, pp. 4-6.

<sup>&</sup>lt;sup>109</sup> Case numbers: Jpe.II.60.038/2025., Jpe.I.60.065/2025.

<sup>&</sup>lt;sup>110</sup> See in Hungarian on the Parliament's website: https://www.parlament.hu/irom42/12537/12537.pdf.

- The position of the data requester should be reinforced in legal proceedings. The
  defendant should be prohibited from altering the grounds for rejecting an FOI request
  after it has been communicated to the data requester prior to the commencement of
  the lawsuit;
- o If the defendant asserts that it does not process the requested data, it should be required to identify the public body responsible for the data in accordance with the Tromsø Convention;
- The defendant should be mandated to submit a statement of defence prior to the first hearing. Furthermore, the defendant should be precluded from amending its defence during the course of the trial;
- With the consent of both parties, the court should be granted the discretion to extend the standard 15-day time frame for scheduling hearings and set a later date if necessary;
- O The court should have the authority to order a stay of proceedings upon joint request by the parties involved;
- o Standard rules regarding the submission of evidence should be applicable in these cases. Additionally, rules governing proportionality should be applied to the legal costs incurred by intervening defendants seeking to protect trade secrets, ensuring that the cost of legal proceedings does not serve as a barrier to citizens pursuing justice.
- Set time limits for the Constitutional Court (CC) and the Kúria in uniformity complaint proceedings when deciding on FOI cases.
- Comply with CC decision No. 7/2020. (V. 13.).
- Repeal laws restricting access to information.
- Judicial remedy should explicitly include the review of the Minister's decision in cases where rejection is vested in the Minister's discretion.
- Empower the National Authority for Data Protection and Freedom of Information to impose sanctions in FOI cases and not only in transparency procedures. To comply with Milestone 232, the Authority's reporting should be semi-annually. The Authority's report should identify the shortcomings per public body concerned as Milestones 231-232 requires.

#### Relevant milestones:

- Milestone 229 Entry into force of a legislative act ensuring legal predictability in access to public information cases in court (Q4 2022)
- Milestone 230 Entry into force of legislative amendments ensuring increased transparency of public information (Q4 2022)
- Milestone 231 Report of the Government Control Office on access to public information (1) (Q4 2022)
- Milestone 232 Report of the Government Control Office on access to public information (2)
   (Q2 2024)

C9.R27 Improving the quality of law-making and effective involvement of stakeholders and social partners in decision-making

The transparency and quality of the legislative process and the efficiency of public consultations in practice remain a serious source of concern due to regulatory shortcomings, the circumvention of rules, and a deeply flawed practice.<sup>111</sup>

Even though the amendment of Act CXXXI of 2010 on Public Participation in Preparing Laws, <sup>112</sup> adopted in 2022, formally complied with the respective elements of **Milestone 235**, it has not brought a real solution to a range of related problems. In particular, the following regulatory flaws undermine the capacity of the amendments to ensure effective public consultation: (1) laws adopted in breach of public consultation rules can still become/remain part of the legal system; (2) the range of statutory exemptions when draft laws do not have to or must not be subject to public consultation remains wide; and (3) the Government Control Office (GCO) which can impose fines on ministries for violating the rules on public consultation is subordinated to the Government and is not adequately placed to carry out effective oversight.

Accordingly, the regulatory framework allows for a wide discretion that makes it relatively easy to circumvent the obligation of public consultation, and allows for a flawed practice, where non-compliance and only formal compliance remain without real consequences. As a result, the impact of the amended public consultation rules remains rather limited.

First and foremost, as we reported in <u>our November 2024 assessment</u>, it occurred after the amendment of Act CXXXI of 2010 on Public Participation in Preparing Laws as well that significant laws were not published for public consultation, such as the 12<sup>th</sup> and the 13<sup>th</sup> Amendment to the Fundamental Law. As shown by documents pertaining to 2023, recently acquired by the Hungarian Helsinki Committee from the GCO in a court procedure, at times this happened without even a reference to any of the statutory exemptions. According to these documents, which contain the information provided by ministries to the GCO for its annual report, in two instances the respective ministries submitted that no statutory exemptions had applied, and they still issued two decrees without consultation on the basis of an instruction from the leadership, due to urgency, which however is not a statutory ground. <sup>113</sup> Furthermore, the respective ministry admitted that the law that severely curtailed the powers of the Hungarian Medical Chamber after the Chamber protested against regulatory steps affecting the medical profession <sup>114</sup> did not fall under any of the exemptions either, and submitted that public consultation over it was omitted "on the basis of the Government's decision", <sup>115</sup> which is again not a statutory ground either.

In other instances, in an attempt to circumvent the obligation of public consultation, the Government returned in recent years to its practice of introducing laws to the Parliament that are clearly part of

<sup>&</sup>lt;sup>111</sup> For a comprehensive overview, see: Hungarian Helsinki Committee, *Deficiencies of the Law-Making Process in Hungary*, 2025, <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2025/08/HHC\_law-making\_process\_mapping\_paper\_2025.pdf">https://helsinki.hu/en/wp-content/uploads/sites/2/2025/08/HHC\_law-making\_process\_mapping\_paper\_2025.pdf</a>, pp. 4-10.

<sup>&</sup>lt;sup>112</sup> Act XXX of 2020 on the Amendments of Act CXXX of 2010 on Law-making and on Act CXXXI of 2010 on Public Participation in Preparing Laws in the Interest of Reaching an Agreement with the European Commission.

<sup>&</sup>lt;sup>113</sup> See: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_8\_miniszteriumi-jelentesek\_2023.-ev.pdf">https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_8\_miniszteriumi-jelentesek\_2023.-ev.pdf</a>, p. 28., regarding Decree 12/2023. (V. 19.) MK of the Cabinet Office of the Prime Minister; and p. 50., regarding Government Decree 368/2023. (VIII. 7.), prepared by the Ministry of Defence.

<sup>&</sup>lt;sup>114</sup> Act I of 2023 on Amending Act XCVII of 2006 on Professional Chambers in the Health Sector and Act CLIV of 1997 on Health Care. For more information, see e.g.: <a href="https://telex.hu/english/2023/02/28/a-battle-of-wills-hungarian-doctors-vs-the-government;">https://telex.hu/english/2023/03/03/the-bill-on-medical-chamber-could-threaten-eu-funds-for-hungary;</a> Response of the Hungarian Helsinki Committee to Service Request no. 14. – FRANET contributions to the Fundamental Rights Report 2024 / Threats to democratic values, 29 September 2023, <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2023/10/HHC-reply\_FRANET-service-request-no-14\_20230928.pdf">https://helsinki.hu/en/wp-content/uploads/sites/2/2023/10/HHC-reply\_FRANET-service-request-no-14\_20230928.pdf</a>, p. 14. (Section 2.4.).

<sup>&</sup>lt;sup>115</sup> See: https://helsinki.hu/wp-content/uploads/2025/11/KEHI 8 miniszteriumi-jelentesek\_2023.-ev.pdf, p. 4., 37. and 70. – the Act of Parliament was prepared by the Ministry of Interior.

government policy via governing majority MPs or parliamentary committees (with a governing party majority). Recent examples for this include the following:

- The 14<sup>th</sup> Amendment to the Fundamental Law in 2024 was proposed by the Parliament's Justice Committee. 116 This amendment opened up the Prosecutor General post to political appointees by removing career requirements, and changed certain constitutional rules regarding judges<sup>117</sup> (changes pertaining to judges were proposed as an additional amendment by the Parliament's Legislative Committee<sup>118</sup> – see also in Chapter II.1.4.). In its opinion on the amendment and related statutory changes, the Venice Commission expressed its regret that these have been adopted "through a procedure which did not include any impact assessment or meaningful consultations with the public or with the relevant stakeholders, including the judiciary", and noted that "this has become a repetitive issue in Hungary". 119
- The 15<sup>th</sup> Amendment to the Fundamental Law in 2025, which constituted an attack on the rights of LGBTQI persons, provided a basis for restricting freedom of assembly and allowed for the "suspension" of Hungarian citizenship, was also proposed by governing party MPs, 120 along with a related statutory amendment to Act LV of 2018 on the Freedom of Assembly that banned LGBTQI-themed demonstrations.121 These amendments followed months of increasingly inflammatory rhetoric by the Prime Minister, and represented a significant escalation in the Government's efforts to suppress dissent and elevate exclusion and the threatening of dissenters to a constitutional level. <sup>122</sup> In its opinion on the 15<sup>th</sup> Amendment, the Venice Commission (in addition to a series of substantial concerns) raised once again that "the amendments in question were adopted without ensuring an inclusive public debate and in the absence of a genuine consultation of all the relevant stakeholders", and added that "[f]rom the perspective of democratic standards for the legislative process, the legitimacy of the adopted constitutional amendments may be doubted". 123
- A statutory amendment in 2025 that removed campaign spending limits and thereby reinforced existing imbalances in resources was also proposed by governing party MPs. 124

<sup>117</sup> For more details, see: Erika Farkas, Hungary's 14th Constitutional Amendment: Cementing the Incremental Political Takeover of Judicial Power, 29 April 2025, https://constitutionnet.org/news/voices/hungarys-14th-constitutionalamendment-cementing-incremental-political-takeover-judicial-power.

<sup>&</sup>lt;sup>116</sup> See the Parliament's website: https://tinyurl.com/3a732e54.

<sup>&</sup>lt;sup>118</sup> See the amendment introduced by the Legislative Committee here: https://www.parlament.hu/irom42/09997/09997ooo4.pdf.

<sup>&</sup>lt;sup>119</sup> European Commission for Democracy Through Law (Venice Commission), Hungary – Opinion on the constitutional and legislative amendments concerning the requirements to be appointed Prosecutor General and Constitutional Court Judge of Hungary, as well as the appointment and retirement of judges, CDL-AD(2025)028, 16 June 2025, https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2025)028-e, § 65.

<sup>&</sup>lt;sup>120</sup> See the Parliament's website: <a href="https://tinyurl.com/5xahu9fb">https://tinyurl.com/5xahu9fb</a>.

<sup>&</sup>lt;sup>121</sup> See the Parliament's website: https://tinyurl.com/2wcdu63s.

<sup>&</sup>lt;sup>122</sup> For more details, see: Hungarian Helsinki Committee, Exclusion and threatening dissenters on a constitutional level – Information note on the 15<sup>th</sup> Amendment to Hungary's Fundamental Law and accompanying laws, 19 March 2025, https://helsinki.hu/en/wp-content/uploads/sites/2/2025/03/HHC\_info\_note\_15th\_Amendment\_19032025.pdf; Amnesty International Hungary – Háttér Society – Hungarian Civil Liberties Union – Hungarian Helsinki Committee, Legislating Fear: Banning Pride is the latest assault on fundamental rights in Hungary, 21 March 2025, https://helsinki.hu/en/wpcontent/uploads/sites/2/2025/03/AIHU\_Hatter\_HCLU\_HHC\_Pride\_03202025.pdf.

<sup>&</sup>lt;sup>123</sup> European Commission for Democracy Through Law (Venice Commission), Hungary – Opinion on the compatibility with international human rights standards of the Fifteenth Amendment to the Fundamental Law of Hungary, CDL-AD(2025)043, 13 October 2025, https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2025)043-e, § 84. <sup>124</sup> See the Parliament's website: https://tinyurl.com/4dyjxa2p. The amendment was adopted in the fast-track "discussion with urgency" procedure, was promulgated as Act LXVIII of 2025, and entered into force the day after it was promulgated.

Another avenue used to circumvent the obligation of public consultation is the Legislative Committee of the Parliament, a super committee the composition of which reflects that of the Parliament, and which can introduce even very substantial amendments to any bill directly prior to the plenary vote. As far as concrete examples for this method are concerned, alarmingly many can be cited that affected the judicial system, <sup>125</sup> the latest one from December 2024, when the Legislative Committee was utilised to introduce significant changes to the laws on the judiciary in the form of an amendment to a completely unrelated bill concerning the state budget <sup>126</sup> – in this case, the Minister of Justice practically admitted that this was necessary due to the "urgency" of the legislation, even though there was no urgency at all. <sup>127</sup> In this case, this also meant that the National Judicial Council (NJC), the Hungarian judiciary's self-governing body did not have the possibility to comment on the new provisions either, even though Act CLXI of 2011 on the Organisation and Administration of the Courts explicitly prescribes that the NJC shall comment on draft legislation affecting the judicial system – a requirement that was introduced by the judicial reform in 2023 with a view to access EU funds (see Chapter II.1.). <sup>128</sup> The NJC considered this legislative process "to be a complete and deliberate abrogation of the legislative consultative powers of the NJC". <sup>129</sup>

Finally, it has to be emphasized that a "state of danger" has been maintained in Hungary since 2020, and that the emergency government decrees that the Government has a *carte blanche* mandate to issue under this special legal order (with the possibility to override Acts of Parliament as well) do not fall under the scope of Act CXXXI of 2010 on Public Participation in Preparing Laws and so are not subject to a public consultation obligation. <sup>130</sup> Between 2020 and 2024, 19.4 to 41.9% of all government decrees issued yearly were emergency decrees. <sup>131</sup>

The practice of the so-called "general" public consultations (in the framework of which ministries publish the draft laws on a dedicated government website for commenting) is deeply flawed as well:

- Ministries almost never provide a longer consultation period than the statutory minimum of eight days, irrespective of the length and complexity of the draft law: according to K-Monitor's data, between 1 October 2022 and 4 October 2024, out of the 1,730 draft laws published, the consultation period was longer than eight days in only six instances.<sup>132</sup>
- The way in which draft laws are published only formally meets the legal requirements: e.g. the
  titles and summaries of the published legislative packages rarely indicate clearly the subject
  matter of the proposals.
- As shown by examples we provided <u>in our November 2024 assessment</u>, it is a recurring practice
  that draft laws are published for consultation with a very short (even just a one sentence long)

<sup>&</sup>lt;sup>125</sup> For more details, see: Hungarian Helsinki Committee, *Deficiencies of the Law-Making Process in Hungary*, 2025, https://helsinki.hu/en/wp-content/uploads/sites/2/2025/08/HHC\_law-making\_process\_mapping\_paper\_2025.pdf, pp. 16-17.

<sup>&</sup>lt;sup>126</sup> See the amendment introduced by the Legislative Committee to Bill T/10012 on the Foundations for Hungary's 2025 Central Budget: <a href="https://www.parlament.hu/irom42/10012-0007.pdf">https://www.parlament.hu/irom42/10012-0007.pdf</a>.

<sup>&</sup>lt;sup>127</sup> See the respective statements of the Minister of Justice at the meeting of the National Judicial Council of 15 January 2025 in the minutes of the meeting: <a href="https://obt-jud.hu/sites/default/files/ulesek/Jegyzokonyv\_2025.01.15.pdf">https://obt-jud.hu/sites/default/files/ulesek/Jegyzokonyv\_2025.01.15.pdf</a>, pp. 40-41.

<sup>128</sup> Act CLXI of 2011 on the Organisation and Administration of the Courts, Section 103(1)(b)

<sup>&</sup>lt;sup>129</sup> Public statement of the National Judicial Council, 19 December 2024, <a href="https://obt-jud.hu/hu/birosagi-szervezetrendszer-reformjaval-kapcsolatos-jogalkotasi-folyamatrol">https://obt-jud.hu/hu/birosagi-szervezetrendszer-reformjaval-kapcsolatos-jogalkotasi-folyamatrol</a>

<sup>&</sup>lt;sup>130</sup> Act CXXXI of 2010 on Public Participation in Preparing Laws, Section 1(3)

<sup>&</sup>lt;sup>131</sup> For an overview regarding the state of danger, see: Hungarian Helsinki Committee, *Deficiencies of the Law-Making Process in Hungary*, 2025, <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2025/08/HHC\_law-making\_process\_mapping\_paper\_2025.pdf">https://helsinki.hu/en/wp-content/uploads/sites/2/2025/08/HHC\_law-making\_process\_mapping\_paper\_2025.pdf</a>, pp. 19-23.

<sup>&</sup>lt;sup>132</sup> K-Monitor, *Public Consultation – There Would Be a Need for It*, 29 November 2024, https://k.blog.hu/2024/11/29/public consultation -- there would be a need for it

reasoning. As a related development, as of 1 July 2024, the respective rules do not explicitly require that the explanatory memorandums include information on the compliance of the proposed rules with obligations arising from EU law.<sup>133</sup>

• The overwhelming majority of opinions submitted are rejected by the Government: according to K-Monitor's data, between 1 October 2022 and 4 October 2024, at least 88% of the opinions were rejected, and without any real reasoning, e.g. by stating that "the draft law implements the decision of the Government" or that the opinion "is contrary to the opinion of the legislator". When it comes to assessing the opinions received, telling irregularities happen as well: e.g. in 2023, a bill on third-country nationals was submitted to the Parliament 10 minutes after it was published for public consultation and the deadline for commenting was still pending. This also happened in relation to public interest asset management foundations in 2025.

According to the respective reports published by the Government Control Office pertaining to the last three months of 2022, <sup>137</sup> to 2023, <sup>138</sup> and to 2024, <sup>139</sup> **Targets 237, 238 and 239** under the RRP were formally achieved, i.e. at least 90% of all government decrees, ministerial decrees and bills submitted by the Government to the Parliament were subject to public consultation.

However, the GCO's reports do not contain detailed information on why certain draft laws were not put to public consultation (i.e. which statutory exemptions they supposedly fell under), and on whether and how the GCO reviews the ministries' claims in this regard. When the Hungarian Helsinki Committee submitted a freedom of information request to the GCO in relation to the issue, including the GCO's methodology and the type of information ministries should submit to the GCO, the GCO refused to comply or failed to provide meaningful responses. The Hungarian Helsinki Committee challenged this decision, and the courts ruled in favour of the organisation, obliging the GCO to disclose various related documents, which paint a worrying picture. For example, the templates for ministries and the filled-in templates submitted by the ministries to the GCO pertaining to 2023<sup>142</sup>

https://helsinki.hu/wp-content/uploads/2024/11/KEHI-valasz\_tarsadalmi-egyeztetes\_20240921.pdf.

<sup>&</sup>lt;sup>133</sup> See Section 18 of Act CXXX of 2010 on Law-Making, as amended by Act XVI of 2024.

<sup>&</sup>lt;sup>134</sup> K-Monitor, *Public Consultation – There Would Be a Need for It*, 29 November 2024, https://k.blog.hu/2024/11/29/public consultation -- there would be a need for it

<sup>&</sup>lt;sup>135</sup> The public consultation site showing the date of publication is available here: <a href="https://kormany.hu/dokumentumtar/a-harmadik-orszagbeli-allampolgarok-beutazasara-es-tartozkodasara-von-alt-szab">https://kormany.hu/dokumentumtar/a-harmadik-orszagbeli-allampolgarok-beutazasara-es-tartozkodasara-von-alt-szab</a>, the site showing the date of submission to the Parliament is available here: <a href="https://tinyurl.com/5c2r8zei">https://tinyurl.com/5c2r8zei</a>.

<sup>&</sup>lt;sup>136</sup> The public consultation site showing the date of publication is available here:

https://kormany.hu/dokumentumtar/egyes-vagyonkezelo-alapitvanyokrol-es-azoknak-torteno-vagyonjuttatasrol-sz-tv, the site showing the date of submission to the Parliament is available here: https://tinyurl.com/44zybdez

<sup>&</sup>lt;sup>137</sup> Available at: https://cdn.kormany.hu/uploads/document/1/1b/1b8/1b89f211f360f193009ad1f7d9d9299a858d2co7.pdf.

<sup>&</sup>lt;sup>138</sup> Available at: https://cdn.kormany.hu/uploads/document/o/oc/ocb/ocb223be52ca99cda3194c9bo12343cc6f4518c5.pdf.

<sup>&</sup>lt;sup>139</sup> Available at: https://cdn.kormany.hu/uploads/document/9/94/944/9442347cdec31682e90370e9eddc9ce29f63bcd1.pdf.

<sup>&</sup>lt;sup>140</sup> The Hungarian Helsinki Committee's freedom of information request of 14 August 2024 is available here: https://kimittud.hu/request/tarsadalmi\_eqyeztetes. The GCO's response of 21 September 2024 is available here:

<sup>&</sup>lt;sup>141</sup> See the following documents in this regard:

<sup>-</sup> the template to be filled in by ministries: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_2\_miniszteriumi-jelentes\_minta.pdf">https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_2\_miniszteriumi-jelentes\_minta.pdf</a>,

<sup>-</sup> the annex to be filled in by ministries: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_3\_miniszteriumi-jelentes-melleklete\_minta.pdf">https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_3\_miniszteriumi-jelentes-melleklete\_minta.pdf</a>.

<sup>142</sup> See the following documents in this regard:

<sup>-</sup> templates filled in by the ministries for 2023: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_8\_miniszteriumi-jelentesek">https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_8\_miniszteriumi-jelentesek</a> 2023: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_8\_miniszteriumi-jelentesek</a> 2023: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_8\_m

<sup>-</sup> annexes filled in by the ministries for the 1<sup>st</sup> half of 2023: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_9\_miniszteriumi-jelentesek\_kitoltott\_mellekletek\_2023.-1.-felev.pdf">https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_9\_miniszteriumi-jelentesek\_kitoltott\_mellekletek\_2023.-1.-felev.pdf</a>,

<sup>-</sup> annexes filled in by the ministries for the 3<sup>rd</sup> quarter of 2023: https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_10\_miniszteriumi-jelentesek\_kitoltott\_mellekletek\_2023.-3.-negyedev.pdf,

show that the ministries provide the legal basis for not putting a draft law to public consultation only by pointing to the respective exemption category in the law, <sup>143</sup> i.e. by indicating that in their view the draft law fell under (1) the category of exemptions which do not have to be published for public consultation, or (2) the category of exemptions which must not be published for consultation, but do not pinpoint the exact basis within those categories enumerated in the respective provisions of Act CXXXI of 2010 on Public Participation in Preparing Laws (e.g. "state subsidies" or "national security", etc.), and do not provide any related explanation either. (In 2023, there were only two exceptions where a ministry included the exact basis, but the further explanation provided was minimal in these instances as well. <sup>144</sup>) Also, as detailed above, there were instances in 2023 when the ministries cited causes for omitting public consultation which are not statutory grounds, such as urgency, or "the Government's decision". Similarly, the tables in which the GCO assesses compliance basically only foresee a "yes or no" level of assessment, and indeed this is the level of assessment carried out by the GCO as shown by the filled in assessment tables for 2022 and 2023. <sup>145</sup>

In general, the documents acquired (both the templates and the filled-in documents) show that the reporting by the ministries and the assessment by the GCO are both more formal "checking the box" exercises rather than a meaningful documentation and assessment of the practice, which reinforces earlier concerns as to the effectiveness of the GCO's oversight. This is exacerbated by the fact that the audit reports of EUTAF, which shall, under the milestone, confirm the reaching of the respective targets (i.e. that at least 90% of all government decrees, ministerial decrees and bills submitted by the Government to the Parliament are subject to public consultation) are not available on EUTAF's website, <sup>146</sup> and the fact the audit happened in 2023 can be deduced only from EUTAF's annual report to the Parliament. <sup>147</sup>

The quality of the impact assessments of the draft laws and the summaries published about them in the course of the public consultation is often inadequate. The new methodology for the preparation of impact assessments, required by **Milestone 236**, was put to public consultation in February 2024

- the GCO's oversight methodology: https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_1\_ellenorzesi-modszertan.pdf,

<sup>-</sup> annexes filled in by the ministries for the 4<sup>th</sup> quarter of 2023: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_11\_miniszteriumi-jelentesek\_kitoltott\_mellekletek\_2023.-4.-negyedev.pdf">https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_11\_miniszteriumi-jelentesek\_kitoltott\_mellekletek\_2023.-4.-negyedev.pdf</a>.

<sup>&</sup>lt;sup>143</sup> According to Section 5(3) of Act CXXXI of 2010, it is not obligatory to submit for public consultation draft laws on the following topics: a) payment obligations, b) state subsidies, c) the state budget and its implementation, d) subsidies provided from European Union or international sources, e) the promulgation of international treaties, f) the establishment of organisations and institutions, and (as of 19 August 2025) g) the list of first names pursuant to Section 44(3) and Section 46(3) of Act I of 2010 on the Civil Registration Procedure. Pursuant to Section 5(4) of Act CXXXI of 2010, draft laws and concepts shall not be submitted for public consultation if such consultation would jeopardize Hungary's particularly important interests in the areas of national defence, national security, finance, foreign affairs, nature conservation, environmental protection, or heritage protection.

<sup>&</sup>lt;sup>144</sup> See: https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_8\_miniszteriumi-jelentesek\_2023.-ev.pdf, p. 53. – information provided by the Ministry of Justice.

<sup>145</sup> See the following documents in this regard:

<sup>-</sup> the GCO's general assessment table for 2022: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI">https://helsinki.hu/wp-content/uploads/2025/11/KEHI</a> 4 2022.-eviellenorzes\_munkatabla.pdf,

<sup>-</sup> the GCO's assessment table for 2022 on whether the required documents were displayed on the website dedicated for public consultation: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_5\_2022.-evi-ellenorzes\_honlap.pdf">https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_5\_2022.-evi-ellenorzes\_honlap.pdf</a>,

<sup>-</sup> the GCO's general assessment table for 2023: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_6\_2023.-evi-ellenorzes\_munkatabla.pdf">https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_6\_2023.-evi-ellenorzes\_munkatabla.pdf</a>,

<sup>-</sup> the GCO's assessment table for 2023 on whether the required documents were displayed on the website dedicated for public consultation: <a href="https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_7\_2023.-evi-ellenorzes\_honlap.pdf">https://helsinki.hu/wp-content/uploads/2025/11/KEHI\_7\_2023.-evi-ellenorzes\_honlap.pdf</a>.

146 https://eutaf.hu/

<sup>&</sup>lt;sup>147</sup> EUTAF's annual report for 2023, which they submitted to the Parliament on 16 April 2024 (but which was not displayed on the Parliament's website due to an administrative error until 28 July 2025, more than a year later), and which was approved by the Parliament only on 29 October 2025 (!) (see the information on the Parliament's website in this regard: <a href="https://tinyurl.com/w6cej5n7">https://tinyurl.com/w6cej5n7</a>), is available here: <a href="https://www.parlament.hu/irom42/12374/12374.pdf">https://www.parlament.hu/irom42/12374/12374.pdf</a> (see p. 3.).

(in line with the consultation requirements and along with further documents foreseen by the milestone)<sup>148</sup> and subsequently again on 20 December 2024 (with a 28 December 2024 consultation deadline).<sup>149</sup> According to data acquired by the Hungarian Helsinki Committee in a lawsuit, the outline of the revised impact assessment methodology was prepared with the involvement of the OECD as the "international organisation[s] with widely recognised expertise in the field of regulatory impact assessment" required by the milestone.<sup>150</sup> However, to date, the new methodology has not been adopted according to publicly available information.<sup>151</sup> Thus, **Milestone 236**, which would have been due by the end of 2023, has not been achieved yet.

The elements of **Milestone 235** (which would have been due by the end of 2022) foreseeing the development of the capacity of the Office of the Parliament to help MPs and parliamentary committees to prepare impact assessments and conduct stakeholder consultations for the bills proposed by them and their possibility to request such assistance have been achieved only partially. According to the responses of the Office of the Parliament to the Hungarian Helsinki Committee's freedom of information requests from 2024 and 2025, <sup>152</sup> as of 9 October 2025 no MP or committee had asked the Office of the Parliament for help in preparing an impact assessment or conducting a consultation. The Office did not reply to questions as to the regulatory and operational preconditions to do so, and whether the Office informed MPs and committees about this possibility at all. Furthermore, in its 2025 response, the Office stated that the budgetary basis of the impact assessments related to the proposals of parliamentary party groups is "primarily" the financial support provided for parliamentary party groups, which, according to the Office's response, was increased as of 21 December 2024 so that the groups can carry out impact assessments and consultations effectively – it shall be added though that the explanatory memorandum of the respective bill does not make a reference to this aim at all. <sup>153</sup>

As of January 2023, the regulatory background for the Hungarian Central Statistical Office to provide data to the Office of the Parliament necessary to carry out the impact assessments for MPs and parliamentary committees is ensured, <sup>154</sup> and MPs and committees were informed about this

<sup>&</sup>lt;sup>148</sup> See: https://kormany.hu/dokumentumtar/arop-1-1-10-a-jogszabaly-elokeszitesi-folyamat-racionalizalasa-modszertan.

<sup>&</sup>lt;sup>149</sup> See: <a href="https://kormany.hu/dokumentumtar/az-arop-1-1-10-a-jogszabaly-elokeszitesi-folyamat-racionalizalasa-projekt">https://kormany.hu/dokumentumtar/az-arop-1-1-10-a-jogszabaly-elokeszitesi-folyamat-racionalizalasa-projekt</a>.

<sup>&</sup>lt;sup>150</sup> This information was shared by the legal representative of the Cabinet Office of the Prime Minister with the Hungarian Helsinki Committee's lawyer at a trial hearing on 31 October 2024, held after the Hungarian Helsinki Committee challenged the Cabinet Office's refusal to comply with its related freedom of information request. (See the Hungarian Helsinki Committee's request of 26 August 2024 and the Cabinet Office's response of 10 September 2024 here: <a href="https://kimittud.hu/request/hatasvizsgalati\_modszertan?nocache=incoming-36139#incoming-36139.">https://kimittud.hu/request/hatasvizsgalati\_modszertan?nocache=incoming-36139#incoming-36139.</a>)

<sup>&</sup>lt;sup>151</sup> At the time of writing the present assessment, the documents available on the respective government website (<a href="https://hatasvizsgalat.kormany.hu/a-hatasvizsgalati-rendszer">https://hatasvizsgalat.kormany.hu/a-hatasvizsgalati-rendszer</a>) predate the RRF.

 $<sup>^{152}</sup>$  The Hungarian Helsinki Committee's freedom of information request of 26 August 2024 and the response of the Office of the Parliament of 9 September 2024 is available here:

https://kimittud.hu/request/torvenyjavaslatokkal\_kapcsolatos#incoming-36121. The Hungarian Helsinki Committee's freedom of information request of 25 September 2025 and the response of the Office of the Parliament of 9 October 2025 is available here: https://kimittud.hu/request/torvenyjavaslatokkal\_kapcsolatos\_2#incoming-39813.

<sup>&</sup>lt;sup>153</sup> Cf. Section 164 of Act LXXIV of 2024 on the Foundations for Hungary's 2025 Central Budget, amending provisions of Act XXXVI of 2012 on the Parliament as of 21 December 2024. The increase was significant in general but resulted in particularly significant increase for the governing party groups. Resources of individual MPs were also raised. The amendment was adopted solely with the votes of the governing parties. See as well: <a href="https://lakmusz.hu/2025/01/14/nem-szavaztak-meg-az-ellenzeki-partok-hogy-tobb-kozpenzt-kapjanak-a-frakcioik">https://lakmusz.hu/2025/01/14/nem-szavaztak-meg-az-ellenzeki-partok-hogy-tobb-kozpenzt-kapjanak-a-frakcioik</a>. The explanatory memorandum for Act LXXIV of 2024 is available here: <a href="https://njt.hu/jogszabaly/2024-74-Ko-oo">https://njt.hu/jogszabaly/2024-74-Ko-oo</a>. In its response to the Hungarian Helsinki Committee's freedom of information request the Office of the Parliament also stated that "regardless" of this increase, MPs "may request professional assistance">https://njt.hu/jogszabaly/2024-74-Ko-oo</a>. In its response to the Hungarian Helsinki Committee's freedom of information request the Office of the Parliament also stated that "regardless" of this increase, MPs "may request professional assistance">https://njt.hu/jogszabaly/2024-74-Ko-oo</a>. In its response to the Hungarian Helsinki Committee's freedom of information request the Office of the Parliament also stated that "regardless" of this increase, MPs "may request professional assistance" (e.g. regarding codification) from various organisational units of the Office, but they typically do not resort to this [possibility]".

<sup>&</sup>lt;sup>154</sup> Government Decree 388/2017. (XII. 13.) on the Mandatory Data Provision under the National Statistical Data Collection Programme, Section 6

possibility on 19 May 2023. However, the Office of the Parliament reported that as of 9 October 2025, no related request had been submitted by any MP or committee to the Office of the Parliament.

Finally, it has to be highlighted that in other related areas (falling beyond the issue of public consultation on draft national laws but strongly connected to the effective involvement of stakeholders in decision-making), the Government has taken steps towards eliminating existing forms of social consultation, such as public hearings by local governments and administrative authorities. <sup>155</sup>

**Milestone 234** regarding the laying down of a framework for effectively involving all relevant stakeholders in the implementation of the RRP is formally complied with, <sup>156</sup> as the Monitoring Committee convenes semi-annually and civil society members receive briefings on implementation progress and planned modifications prior to the commencement of public consultations. However, these engagements are frequently formalistic, and civil society representatives often lack the opportunity to make contributions that are genuinely taken into account. This is partly a structural shortcoming: contrary to the spirit of the Partnership Agreement, the most substantive negotiations and realignments occur bilaterally between the European Commission and the Hungarian Government.

Nevertheless, beyond these general systemic limitations, specific risks regarding the inclusiveness of the original framework may emerge in the context of the planned RRP amendment¹57 concerning a €4 billion capital injection into the Hungarian Development Bank (MFB). According to the proposal, the investment policies governing this financial envelope are to be drafted by an external consultancy firm, while their approval will be delegated to a seven-member "Professional Committee". The proposed rules stipulate that a majority of these members must be independent from the state − drawn from economic and civil society organizations, umbrella organizations, or chambers with relevant competencies − and that the investment policy requires the approval of this independent majority. However, since the selection process will remain managed by the MFB, concerns persist that the "independent" seats may be filled by government-aligned interest groups rather than critical stakeholders. This governance structure offers significantly fewer guarantees for the inclusion of all relevant stakeholders compared to the general monitoring mechanism, raising serious concerns especially given the magnitude of the funds involved.

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https://www.palyazat.gov.hu/letoltes/68e8ag8of5o65eoe6121ccb6.

<sup>155</sup> In April 2024, an emergency government decree [Government Decree 146/2023. (IV. 27.) on Establishing Rules on the Operation of Certain Organisations During the State of Danger and Certain Administrative Procedures Rules] opened up the possibility of not holding personal public hearings in administrative authorities' procedures and by local governments – see also: K-Monitor, *Hungarian government to hollow out public consultations despite commitments*, 28 April 2023, <a href="https://k.blog.hu/2023/04/28/hungarian">https://k.blog.hu/2023/04/28/hungarian government to hollow out public consultations despite commitments</a>. As of 1 January 2024, Act LXX of 2023 on Provisions Relating to Further Simplifying the State's Administration allows local governments, nationality self-governments and administrative authorities to hold public hearings without the personal attendance of the public, and even only via publishing materials on their websites. (For more details, see: *Response of the Hungarian Helsinki Committee to Service Request no.* 14. – *FRANET contributions to the Fundamental Rights Report* 2024 / *Threats to democratic values*, 29 September 2023, <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2023/10/HHC-reply FRANET-service-request-no-14.20230928.pdf">https://helsinki.hu/en/wp-content/uploads/sites/2/2023/10/HHC-reply FRANET-service-request-no-14.20230928.pdf</a>, p. 15.) Making use of this possibility, public hearings without the public, i.e. held through electronic means (whereby opinions may be submitted via e-mail or left on an answering machine) are becoming widespread especially in cases of planned investments likely to generate local protest due to their potential environmental impacts. See e.g.: <a href="https://hebseciner.hu/cikk/nem-vehetnek-reszt-szemelyesen-a-debreceniek-az-ujabb-akkumulatorgyar-kozmeghallqatasan-eve-power-debreciner.hu/cikk/nem-vehetnek-reszt-szemelyesen-a-debreceniek-az-ujabb-akkumulatorgyar-kozmeghallqatasan-eve-power-debreciner.

<sup>156</sup> In more detail, see: Amnesty International Hungary – Eötvös Károly Institute – Hungarian Civil Liberties Union Hungarian Helsinki Committee – K-Monitor – Transparency International Hungary, Assessment of compliance by Hungary with conditions to access European Union funds, April 2023, <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2023/04/HU\_EU\_funds\_assessment\_Q1\_2023.pdf">https://helsinki.hu/en/wp-content/uploads/sites/2/2023/04/HU\_EU\_funds\_assessment\_Q1\_2023.pdf</a>, pp. 39–40.

<sup>&</sup>lt;sup>157</sup> The proposed new RRP is available, in Hungarian, at:

#### Recommendations:

- At a minimum, appropriately implement and adhere to existing domestic legislation providing for public participation and consultation in the legislative process.
- Ensure meaningful public consultation on all draft laws and strengthen transparency and participation by narrowing the statutory exemptions from consultation, providing adequate timeframes for consultations, publishing draft laws for consultation with adequate reasoning, and ensuring the proper consideration of input received. It should be added to the provision that prescribes a consultation period of minimum eight days that the consultation period must be adequate to the length and complexity of the law.
- Introduce independent and meaningful oversight of the practice of ministries regarding public consultations, encompassing all factors relevant in terms of the effective and genuine nature of public consultations.
- Put in place effective legal consequences for non-compliance with consultation obligations, including the introduction of legislation that ensures that laws adopted in this manner cannot become/remain part of the legal system.
- Parliamentary committees should not be used to bypass consultation obligations.
- MPs and parliamentary committees should explicitly have the possibility to request the Office
  of the Parliament to prepare impact assessments and carry out effective stakeholder
  consultations on bills or amendments initiated by them.

#### Relevant milestones:

- Milestone 234 Entry into force of a legislative act laying down the framework for effectively involving all relevant stakeholders in the implementation of the Hungarian recovery and resilience plan (Q3 2022)
- Milestone 235 Entry into force of amendments to the relevant legislative acts to enhance the use of public consultations and impact assessments in the law-making process (Q4 2022)
- Milestone 236 Start of application of a new methodology for the preparation of impact assessments of legislative proposals (Q4 2023)
- Target 237 Strengthening the effective application of rules concerning obligatory public consultation of legislative acts and the systematic publication of preliminary impact assessment summaries (1) (Q1 2023)
- Target 238 Strengthening the effective application of rules concerning obligatory public consultation of legislative acts and the systematic publication of preliminary impact assessment summaries (2) (Q1 2024)
- Target 239 Strengthening the effective application of rules concerning obligatory public consultation of legislative acts and the systematic publication of preliminary impact assessment summaries (3) (Q1 2025)

## C9.R28: Support to the data-based decision-making and legislative process with a view to increasing efficiency, transparency and reducing risks of irregularities

**Milestone 241** required the setting up of a data platform and a data modelling system. The reform was implemented through project RRF-9.6.1-21-2023-00001, managed by the National Data Asset

Agency (NAVÜ) with a total budget of HUF 1.93 billion. Although the original deadline was Q2 2024, the public platform became fully accessible on the navu.hu interface only in late 2025. The public platform currently hosts a limited collection of approximately 20 thematic dashboards, ranging from health statistics to energy market data. The high project cost relative to the modest public output raises questions about efficiency, suggesting that the bulk of funding was absorbed by backend IT infrastructure integration (hardware and software procurement) rather than visible public-facing tools.

For a major RRF reform intended to revolutionize data-driven law-making, a library of only ~20 analyses after a 1.5-year delay appears disproportionately small relative to the presumed investment, even if it remains unclear whether a more comprehensive and usable data modelling tool exists for public administration. Moreover, the current modules function primarily as statistical reports on existing trends (e.g., past smoking habits or current housing stock) rather than as a dynamic "modelling tool" that would allow the public or legislators to simulate the future impacts of proposed laws, as originally envisioned by the reform.

There is currently no empirical evidence to suggest that the "data-driven" approach has been integrated into the daily workflow of ministries. Without visible proof of its application in actual draft legislation, the risk remains high that the platform will function merely as a standalone statistical repository rather than the transformative policy-making tool envisioned by the RRP.

The transparency regarding the mandatory capacity-building component (Target 242) is entirely lacking. While the project documentation assigned the task of training at least 200 government officials and social partners to the National University of Public Service (NKE), there is no publicly available information confirming that these training sessions have even commenced, let alone concluded.

#### **Recommendations:**

- Publish Verified Evidence of Capacity Building
- Develop a Roadmap for Content Expansion: To justify the high development costs, the
  platform must evolve beyond a static collection of 20 dashboards. The National Data Asset
  Agency should publish a development roadmap committing to the regular addition of new
  datasets relevant to upcoming legislative priorities. Without a continuous influx of new data
  modules, the platform risks becoming obsolete and irrelevant for future law-making cycles.

#### Relevant milestone:

- Milestone 241 Setting up of a data platform and data modelling system (Q2 2024)
- Target 242 Number of persons having completed training courses on data visualisation (200)

# II. Assessment of compliance with the horizontal enabling condition on the effective application and implementation of the Charter of Fundamental Rights

#### 1. Independence of the judiciary

As regards deficiencies in Hungarian judicial independence, by implementing decisions adopted on 22 December 2022 (approving 10 different programmes for Hungary), the Commission considered that the effective application of the Charter of Fundamental Rights can only be considered as fulfilled once Hungary had taken a number of measures and once those measures were being applied. In the case of judicial independence, the measures required by the Commission's implementing decisions are fully identical with the Judicial Super Milestones under the RRP (see above under Cg.R15–Cg.R18), namely: (1) the entry into force of legislative amendments to strengthen the role of the National Judicial Council (NJC) while safeguarding its independence; (2) the entry into force of amendments to strengthen judicial independence of the Supreme Court, i.e. the Kúria; (3) the entry into force of legislative amendments to remove obstacles to references for preliminary rulings to the CJEU; (4) entry into force of legislative amendments to remove the possibility for public authorities to challenge final decisions before the Constitutional Court.

By Commission Decision C(2023) 9014 of 13 December 2023 adopted under Article 15(4) of the Common Provisions Regulation, the Commission approved the fulfilment of the enabling conditions with respect to judicial independence with a view to the Judicial Reform adopted in 2023 (see also above under Cg.R15–Cg.R18). Following the positive assessment by the Commission, subsequent legislative steps and implementing techniques led to a regression. Amplifying the impacts of this regression, certain systemic deficiencies outside the scope of the milestones continue to jeopardise the independence of the Hungarian judiciary. Concerning developments affect both areas related to already implemented reforms (see below under Section 1.1.–1.4.) and areas that were not tackled by milestones (see below under Sections 1.5.–1.7.).

#### 1.1. Deficient execution of the rules on case allocation at the Kúria

One of the expectations of the Judicial Super Milestones was to make the procedural arrangements for allocating incoming cases between the different chambers (panels of judges who decide cases) in the Kúria more transparent. <sup>158</sup> While the Kúria's case allocation scheme <sup>159</sup> is more transparent than before the Judicial Reform, the allocation of cases at the Kúria still raises questions and concerns.

<sup>&</sup>lt;sup>158</sup> In the wording of the milestone, "the parties to proceedings be able to verify on the basis of the case file whether the rules on case allocation have been duly applied" and "cases be allocated to chambers following pre-established, objective criteria". Annex to the Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Hungary, https://data.consilium.europa.eu/doc/document/ST-15447-2022-ADD-1/en/pdf, p. 133.

<sup>&</sup>lt;sup>159</sup> The actual case allocation scheme (in force since 1 January 2025, also indicating the amendments that have been performed since then) is available here: https://kuria-

birosag.hu/sites/default/files/szabalyzatok/a kuria 2025 januar 1 napjatol hatalyos ugyelosztasi rendje modositasokk al egyseges szerkezetben.pdf.

In addition to the problems raised in our November 2024 assessment, it must be mentioned that the Kúria's chambers continue to be established in a way and the case allocation scheme continues to be formulated in a manner that does not meet the milestone's criterion according to which "the bench hearing the case [must] be composed following an algorithm prescribed in advance". The reason is that while benches hearing the cases are – as a main rule – composed of 5 judges (3 judges and 2 heads of chambers taking turns performing the tasks of the head of chamber in newly arriving cases), there are a number of chambers that are composed of more than 5 judges and/or contain more than 2 heads of chambers (e.g. 3 heads of chamber and 3 judges; 160 3 heads of chamber and 4 judges; 161 2 heads of chamber and 4 judges;<sup>162</sup> etc.). For such situations the case allocation scheme prescribes the following: "In this case, the assignment of the head of panel [i.e. which head of panel will perform the tasks of the head of panel in the given case] and the actual composition of the bench hearing the case will be determined by the subject matter of the case, the field of expertise of the heads of panel, with an additional view to the administrative managerial tasks of the head of panel." How the subject matter of the case, the expertise of the heads of panel or their administrative managerial tasks influence the composition of the benches is not specified. These vague, overbroad terms and conditions, with no further specification available for the parties or the public, certainly cannot be regarded as meeting the requirement of "an algorithm prescribed in advance".

As regards lower courts, although both the 2024 and the 2025 Rule of Law Report of the Commission recommended improving the transparency of their case allocation systems, no progress has been made regarding that issue. <sup>163</sup>

#### Recommendation:

 Amend the respective laws to provide more transparency and more defined grounds for deviating from the general rules for case allocation at the Kúria; prescribe a clarity and transparency for the Kúria's case allocation scheme to make sure that the actual composition of the bench hearing the case would be foreseeable; and amend the respective laws to ensure the transparency of the case allocation systems at lower courts.

## 1.2. Escape-clause allowing the *de-facto* re-election of the Kúria President contrary to express requirements of Judicial Super-milestones

There has been no development in this regard since our November 2024 assessment.

#### Recommendation:

 Remove the possibilities of undue interference in the mandate of the Kúria President, including the possibility to keep him in position for an indefinite term.

#### 1.3. The distorted point system for the assessment of judicial posts remains effective

There has been no development in this regard since our November 2024 assessment.

<sup>161</sup> E.g. Chamber P.V.

<sup>160</sup> E.g. Chamber K.III.

<sup>&</sup>lt;sup>162</sup> E.g. Chamber P.IV. and Chamber K.IV.

<sup>&</sup>lt;sup>163</sup> See: https://commission.europa.eu/document/download/524bd8d4-33ba-4802-891f-d8959831ed5a\_en?filename=2025%20Rule%20of%20Law%20Report%20-%20Country%20Chapter%20Hungary.pdf, p. 2:

<sup>&</sup>quot;Improve the transparency of case allocation systems in lower-instance courts, taking into account European standards on case allocation."

#### Recommendation:

• Supplement the laws with new transitional rules obliging the Ministry of Justice to submit a new draft decree within a well-defined period of time, thereby activating the right of the National Judicial Council to provide a binding opinion.

#### 1.4. Concerning trends in compliance with the supervisory powers of the National Judicial Council

As mentioned in <u>our November 2024 assessment</u>, on 22 November 2024, the NJC President signed a so-called "Agreement" with the Ministry of Justice, the Kúria President and the NOJ President consenting to unspecified overall reforms that had the potential of further undermining the independence of the judiciary in exchange for the promise of a salary raise for judges and judicial staff (for more details, see 1.5 below). The signing of the Agreement resulted in unprecedented public criticism from judicial associations and individual judges (including the former NJC President), who objected to both the way of adopting the NJC resolution on signing the "Agreement" and the content thereof, and claimed that the NJC had given up its independence. In the face of the protest, on 3 December 2024, the NJC President resigned, and on 11 December 2024, the body elected a new President.

On 12 December, the incumbent parties' MPs delegated to the Legislative Committee of the Parliament submitted in the ongoing legislative process aimed at the amendment of the Fundamental Law an amending proposal with a view to raising the age limit for becoming a judge from 30 to 35 years (a change envisaged by the Agreement and criticised by several judges for reasons set out below). The submission of the proposal was not preceded by any consultation with the judiciary, including the NJC. The NJC President criticised the lack of consultation in a letter sent to the Minister of Justice and requested steps to make sure that no decision would be taken by the Parliament on the proposed amendment until the NJC had the opportunity to formulate an opinion on the proposal. The NJC President raised similar problems regarding the proposed amendments of the Act on the Status and Remuneration of Judges and the Act on the status of judicial employees. However, in his response of 14 December, the Minister of Justice informed the NJC that since the amending proposal had been tabled by MPs, the Government was in no position to comply with the request, nor did the proposed amendment fall under those legislative initiatives regarding which there was an obligation

content/uploads/sites/2/2024/12/HHC\_Black\_Friday\_Hungarian\_judiciary\_2024.pdf.

<sup>&</sup>lt;sup>164</sup> https://obt-jud.hu/hu/tajekoztatas, The NJC President signed the Agreement following a debate and vote at an NJC meeting held on 20 November 2024, where the draft Agreement had been shared with the NJC members only two days prior to the meeting.

<sup>&</sup>lt;sup>165</sup> See the statements in Hungarian at: <a href="https://mabie.hu/berjavaslat/a-mabie-koezlemenye-az-obt-obh-kuria-igazsaguegyi-miniszterium-koezoetti-megallapodas-megkoeteserol">https://mabie.hu/berjavaslat/a-mabie-koezlemenye-az-obt-obh-kuria-igazsaguegyi-miniszterium-koezoetti-megallapodas-megkoeteserol</a> and <a href="https://resiudicata.hu/kozlemeny-a-birosagokat-erinto-megallapodasrol/">https://resiudicata.hu/kozlemeny-a-birosagokat-erinto-megallapodasrol/</a>.

https://mabie.hu/berjavaslat/felhivas-velemenynyilvanitasra-csatlakozo-nyilatkozatok-megkueldesere and https://resiudicata.hu/kozlemeny-a-birosagokat-erinto-megallapodasrol/.

<sup>&</sup>lt;sup>167</sup> See also the statement of Tamás Matusik former President of the National Judicial Council <a href="https://x.com/TamasMatusik/status/1859490126155427965?t=ehnO\_QDIR-MI440isTkYew&s=19">https://x.com/TamasMatusik/status/1859490126155427965?t=ehnO\_QDIR-MI440isTkYew&s=19</a>

<sup>&</sup>lt;sup>168</sup> See more here: <u>https://helsinki.hu/en/wp-</u>

<sup>&</sup>lt;sup>169</sup> Available in Hungarian at: <a href="https://obt-jud.hu/hu/az-orszagos-biroi-tanacs-elnokenek-lemondasat-kovetoen-meghozott-dontesek">https://obt-jud.hu/hu/az-orszagos-biroi-tanacs-elnokenek-lemondasat-kovetoen-meghozott-dontesek</a>.

<sup>&</sup>lt;sup>170</sup> Available in Hungarian at: <a href="https://obt-jud.hu/hu/uj-elnokot-valasztott-az-orszagos-biroi-tanacs">https://obt-jud.hu/hu/uj-elnokot-valasztott-az-orszagos-biroi-tanacs</a>.

<sup>&</sup>lt;sup>172</sup> Available in Hungarian at: https://www.parlament.hu/irom42/09997/09997-0004.pdf.

<sup>&</sup>lt;sup>172</sup> Available in Hungarian at: <a href="https://obt-jud.hu/sites/default/files/sajtokozlemenyek-mellekletek/2024.OBT\_.K.VII\_.90-2.-Letter-to-MoJ.pdf">https://obt-jud.hu/sites/default/files/sajtokozlemenyek-mellekletek/2024.OBT\_.K.VII\_.90-2.-Letter-to-MoJ.pdf</a>.

to consult the NJC.<sup>173</sup> While this is technically true, this is yet another example for how the Hungarian Government circumvents the rules aimed at improving the quality of law-making and effectively involving stakeholders (see C9.R27), especially taking into account the fact that the raising of the age limit for becoming a judge was part of the original Agreement signed by the Minister of Justice on behalf of the Government, which makes it obvious that the amendment tabled by the ruling parties' MPs reflected professed governmental intentions. Primarily relying on the Government's failure to consult on matters listed in the Agreement as potential subjects of future reforms, the NJC declared the Agreement invalid and withdrew its support from the document on 15 January 2025.<sup>174</sup> Ever since then, the Ministry of Justice has not delegated a representative to the meetings of the NJC despite the fact that under the Act on the Organisation and Administration of the Courts prescribes the participation of the Minister of Justice at the NJC's session (with consulting rights).

The adoption of the above-mentioned amendments has not been the only instance when the consultation rights of the NJC have been circumvented. Practice shows that the Government only formally complies with the requirement that the NJC must be provided with the opportunity to comment on such legislative proposals affecting the justice system, and regularly disregards the fact that the NJC is a collective body with specific rules regarding the time frame of convening meetings and voting on positions to be adopted on the issues coming before it. The Government practically always sends the NJC draft laws for commenting with deadlines so short that it becomes impossible for the NJC to discuss them in accordance with its rules of procedure, so while the obligation to consult the NJC is met formally, in practice, the procedure does not guarantee the body's effective and meaningful participation in the legislative process.

The latest example was the adoption of an extensive omnibus law, Act XLIX of 2025 on the Amendment of Certain Laws Pertaining to the Justice System regulating different aspects of the justice system, including the prolongation of the service relationship of judges reaching the mandatory retirement age; compensation paid to parties ex officio in case of delays of adjudicating cases; a reform of the extraordinary review system in civil cases; and creating the online publicity of hearings. The draft bill (124 pages with the explanatory memorandum) was sent to the NJC for commenting on 4 April 2025 (a Friday) just before the end of office hours with a deadline of just seven days (11 April). Upon the NJC's request the deadline was prolonged until 17 April, but notification about this was only communicated to the body on 10 April after the end of office hours. Although even under these circumstances, the NJC managed to draft (and submit on 11 April) a comment on the bill in an irregular procedure based on e-mail communication among the members, they were of the view that this procedure made their right to be consulted illusory.

Therefore, the body submitted a complaint to the Constitutional Court arguing that this had been a de facto violation of the pertaining laws. In its decision no. IX/1726/2025. of 9 September 2025, the Constitutional Court rejected the complaint claiming that since the NJC had actually prepared comments on the draft law, the provisions of the Act on the Organisation and Administration of the Courts had not been breached, and that it was not in the position to address the Government's practice of regularly sending draft bills for commenting with deadlines that did not enable the NJC to

<sup>&</sup>lt;sup>173</sup> Available in Hungarian at: https://obt-jud.hu/sites/default/files/sajtokozlemenyek-mellekletek/VII.83.2.2024\_Response-to-the-President-of-NCJ.pdf.

<sup>&</sup>lt;sup>174</sup> Available in Hungarian at: <a href="https://obt-jud.hu/sites/default/files/ulesek/Osszefoglalo\_2025.01.15.pdf">https://obt-jud.hu/sites/default/files/ulesek/Osszefoglalo\_2025.01.15.pdf</a>.

formulate opinions in accordance with its rules of procedure as a collective body. While this is a debatable argument (since the Constitutional Court has the right and obligation to call on the legislator to amend legislative gaps and omissions, and the lack of setting a minimum deadline is certainly such a gap), the instance provides an illustrative example of how provisions of the 2023 judicial reform that look on paper to comply with the milestones fail to effectively provide the envisaged result in the actual practice.

Mention must also be made of instances regarding which the Judicial Reform only partly resolved certain systemic problems of the Hungarian judicial system. The serious problems caused by the secondment of judges were explained in detail in HHC's 2022 background paper. <sup>175</sup> While the Judicial Reform addressed some of the most pressing problems regarding secondment (e.g. the NOJ President is obliged to provide an explanation to the seconding decisions<sup>176</sup> and the NJC's approval is required for any secondment<sup>177</sup>), however, significant problems have remained in place regarding secondments. E.g., no objective criteria for secondments are established by law, so it is not possible to know when the workload of a given court necessitates the secondment of a judge, or how it is decided which judge is seconded. Since there is no application for secondments the way there is an open call for applications when it comes to judicial positions, this is particularly problematic when secondment takes place for the purposes of facilitating the professional advancement of a judge, as this type of secondment may serve as a form of award (assuming that all judges wish to develop professionally and that experience acquired this way may be an advantage when a judge applies for a higher judicial position) or a means of exerting pressure. The lack of objective criteria makes it more difficult for the NJC to formulate a well-grounded decision on such secondments (as opposed to secondments based on workload, where there are some objective criteria to be taken into account), so it becomes more difficult for the NJC to exercise its constitutional role of overseeing judicial administration from the point of view of judicial independence.

The issue becomes even more problematic in relation to the termination of secondments. Secondments can be terminated at any time without the agreement of the concerned judge or the approval of the NJC, it is sufficient if the president of the given court indicates that the secondment is no longer necessary. As this is not a type of NOJ decision that requires the agreement of the NJC, there is no obligation to give reasons for the termination of secondments, which means that this measure is especially prone to being used for exerting pressure on judges (it can actually be used for taking a judge off a given case) without the NJC's possibility to exercise any meaningful control over it.

#### Recommendations:

Create guarantees ensuring that the prerogatives of the National Judicial Council that were
introduced with a view to complying with the milestones on judicial independence are
effective, including (i) a minimum deadline that the Government must provide to the NJC for
commenting on legislative proposals, or (ii) the introduction of a provision requiring that the
deadline given for this purpose is commensurate with the length and complexity of the

<sup>&</sup>lt;sup>175</sup> Available in English: <a href="https://helsinki.hu/wp-content/uploads/2022/09/Background-Paper-on-the-Secondment-of-Judges-in-Hungary-updated-06092022.pdf">https://helsinki.hu/wp-content/uploads/2022/09/Background-Paper-on-the-Secondment-of-Judges-in-Hungary-updated-06092022.pdf</a>.

<sup>&</sup>lt;sup>176</sup> Article 76(2) of the Act on the Organisation and Administration of Courts.

<sup>&</sup>lt;sup>177</sup> Article 76(5)(h) of the Act on the Organisation and Administration of Courts.

- legislative proposal, or (iii) the introduction of a provision guaranteeing a reasonable prolongation of the deadline upon the NJC's request.
- Codify a mechanism through which the NJC is provided with a possibility to channel its opinion of draft laws affecting the justice system into the legislative process even when the draft legislation is not initiated by the Government.
- Review the range of NOJ decisions (including the termination of secondments) regarding which the NJC's control functions should be additionally established.
- Introduce objective criteria for the secondment of judges.

#### 1.5. Financial pressure on the judiciary

In its 2025 Rule of Law Report, the Commission recommended that Hungary should "take measures to ensure that the ongoing increase in the remuneration of judges, prosecutors and judicial and prosecutorial staff is carried out in a structured manner, taking into account European standards on remuneration for the justice system". However, the developments of the past year point into a completely different direction.

Before 2025, the judicial salary base was last raised (by 13%) on 1 January 2022. After that, no further adjustments were made for three years despite cumulative inflation of roughly forty percent and the lack of any mechanism to preserve the real value of judicial remuneration. This reflects a structural deficiency in the legal framework governing judicial salaries, which remain entirely dependent on the discretion of the executive and legislative branches. As a result, between 2022 and 2024, the remuneration of judges fell sharply behind that of staff employed in the executive and legislative sectors, raising substantive concerns regarding the balance of powers and the effective independence of the judiciary.

This growing disparity between judicial and non-judicial public sector salaries formed the basis of the NOJ President's proposal for a salary base adjustment during the 2025 budget cycle envisaging a 35% increase of the salary base as of 1 January 2025. 179 Although under Article 76 of the Act on the Organisation and Administration of the Courts, the Government would have been obliged to submit to Parliament this proposal unchanged as part of the Bill for the 2025 State Budget, the Government declined to do so and instead submitted on 11 November 2024 a budget bill maintaining the previous amount of the salary base. 180 The judiciary's formal role in the budgetary process concludes once the NOJ President's proposal is delivered to the Government, so the courts lack meaningful influence over the conditions necessary for their own functioning. The statutory requirement that the Government forward the judiciary's proposal unchanged to Parliament is designed to prevent the executive's interference over the judicial branch of power, yet even this safeguard was disrespected in the process of adopting the 2025 state budget.

In this context of mounting tension over judicial salaries and following the Government's refusal to forward the NOJ's proposal for a salary base adjustment, the Ministry of Justice instead offered to

<sup>&</sup>lt;sup>178</sup> See: https://commission.europa.eu/document/download/524bd8d4-33ba-4802-891f-

d8959831ed5a\_en?filename=2025%20Rule%20of%20Law%20Report%20-%20Country%20Chapter%20Hungary.pdf, p. 2.

<sup>&</sup>lt;sup>179</sup> Available in Hungarian at: https://obt-jud.hu/sites/default/files/hatarozatok/2024-11/189-2024-X-16-OBT-hatarozat.pdf.

<sup>&</sup>lt;sup>180</sup> For more details see: https://helsinki.hu/en/wp-

content/uploads/sites/2/2024/12/HHC\_Black\_Friday\_Hungarian\_judiciary\_2024.pdf.

bodies representing the judiciary the signing of a four-party "Agreement"<sup>181</sup> conditioning the long-awaited salary increase on the judiciary's prior acceptance of broad and undefined institutional reforms. The agreement was concluded on 22 November between the Ministry of Justice, the President of the Kúria and the NOJ President and the NJC. The process leading to the agreement was urgent and conducted in secrecy, and the NJC was given only a day and a half to decide whether to accept or reject the reform directions outlined by the Ministry of Justice. In the absence of any developed reform concept, the agreement offered no clarity on how the organisational guarantees of independent adjudication would be preserved after the planned restructuring. The resulting salary increase envisaged by the Agreement (48% carried out for judges in the time span of 3 years) would have compensated only a small portion of the inflation accumulated since 2021, and linking even this limited and insufficient salary correction to consent to reforms whose contours remained undefined created an appearance of conditionality incompatible with the principle of judicial independence.<sup>182</sup>

As explained above, the signing of the Agreement triggered very strong protest among the judiciary and judicial staff, leading to the resignation of the NJC's President. At the same time, the Kúria President expressed continued support for the envisaged changes.

Act XC of 2024 on Hungary's 2025 Central Budget (adopted by the Parliament on 20 December 2024) eventually increased the salary base for judges by only 15%, <sup>183</sup> whereas Act LXXIV of 2024 on Determining the Basis for Hungary's 2025 Central Budget (adopted by the Parliament on 17 December 2024) amended the Act on the Status and Remuneration of Judges, severing the system of the Kúria judges' remuneration from the system of remuneration applicable to all other judges (tying the remuneration of Kúria judges to the remuneration of the Kúria President)<sup>184</sup> and thus making the income differences between the Kúria and the lower-level courts drastic, disproportionately widening the salary gap between them. According to the Hungarian Association of Judges, "a difference of this magnitude eliminates the proportionality within the judiciary, which disrupts society's trust in the court system, and creates enormous internal tensions". <sup>185</sup>

In his new year's letter, the Kúria President wrote about the significant salary raise that "obviously, we must know that this beneficial treatment – which we are naturally happy about – has not been given to us for free". Although it is not clear from the letter what in the President's view the price of the treatment has been, it seems likely that the significant changes in the salary system were not independent from the judiciary's reactions to the quadrilateral Agreement.

birosag.hu/sites/default/files/sajto/a\_kuria\_elnokenek\_ujevi\_koszontoje\_2025\_b.pdf.

<sup>&</sup>lt;sup>181</sup> National Judicial Council's (Information on the Agreement), see: https://obt-jud.hu/hu/tajekoztatas.

<sup>&</sup>lt;sup>182</sup> For more information, see: <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2024/12/HHC\_Black\_Friday\_Hungarian\_judiciary\_2024.pdf">https://helsinki.hu/en/wp-content/uploads/sites/2/2024/12/HHC\_Black\_Friday\_Hungarian\_judiciary\_2024.pdf</a>.

<sup>&</sup>lt;sup>183</sup> Section 69 of Act XC of 2024: from HUF 566,660 (ca. EUR 1490) to HUF 651,660 (ca. EUR 1715). Available in Hungarian at: https://nit.hu/jogszabaly/2024-90-00-00.

<sup>184</sup> Section 158/C of Act XC of 2024., available in Hungarian at: https://njt.hu/jogszabaly/2024-90-00-00.

<sup>&</sup>lt;sup>185</sup> Available in Hungarian at: <a href="https://www.mabie.hu/berjavaslat/a-mabie-koezlemenye-a-biroi-fizetesek-aranyossaganak-biztositasarol">https://www.mabie.hu/berjavaslat/a-mabie-koezlemenye-a-biroi-fizetesek-aranyossaganak-biztositasarol</a>.

<sup>&</sup>lt;sup>186</sup> Available in Hungarian at: https://kuria-

Although the Hungary's 2026 Central Budget envisages a further increase of the salary base for judges, <sup>187</sup> the overall increase compared to 2022 still falls behind the inflation rate and the rate of increase recommended by professional organisations.

An additional problem is that due to the very low salary levels, there is an exodus of clerks and other judicial staff from some of the courts. In August 2025, the president of Hungary's largest court, the Budapest Regional Court, wrote a letter to ask other court presidents for help due to the fact that the number of court stenographers/clerks reached a critical low (25 clerks per 50 judges) at the penal branch of the Budapest Central District Court. Judges confirmed that the labour shortage was so acute that they had to spend the summer recess producing the records and transcripts from their spring hearings and taking care of all administrative matters that are normally performed by clerks and other judicial staff. <sup>188</sup>

Under these circumstances, it is obvious why further risks to the effective operation of courts and judicial independence stem from the adoption of Act XLIX of 2025 on Certain Laws Pertaining to the Justice System (i.e. the omnibus bill regarding which the consultative rights of the NJC were only formally complied with – see above), which introduced an automatic *ex officio* financial compensation mechanism for parties in civil and administrative proceedings whenever courts exceed statutory procedural deadlines (e.g. for setting the date of a hearing, or putting a judgment into writing). This new obligation, in force since August 2025, applies without exception and without any possibility of justification for the delay even when caused by objective circumstances. A parallel compensation mechanism – triggered by the parties' complaint – had already been in place in relation to civil lawsuits since the adoption of Act XCIV of 2021, therefore, the rationale of the new legislation is unclear, while its potentially negative impacts on the functioning of courts are evident: with the labour shortage, it can be predicted that there will be delays, putting an additional financial burden on the courts even in cases where the clients would not request a compensation, whereas the administration of the payments puts additional administrative burden on those parts of the court system that are already stretched thin.

In addition, the automatic compensation regime risks creating indirect pressure on judges. Court leaders are legally responsible for ensuring the timely administration of justice, and the threat of automatic payments affecting the court's budget may prompt them to place pressure on individual judges to accelerate adjudicatory work. Repeated delays may expose judges to administrative steps, internal inquiries, or even disciplinary proceedings. Where judges feel compelled to prioritise speed to avoid institutional or personal consequences, parties may reasonably question whether rapid decision-making compromises the quality, depth, and independence of judicial reasoning. Even the appearance that administrative or budgetary considerations might influence the outcome of a case can erode public trust and undermine the core of judicial independence. Although compliance with statutory deadlines is essential to the functioning of the justice system, the newly introduced automatic payment mechanism goes beyond the legitimate objective of addressing procedural

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<sup>&</sup>lt;sup>187</sup> Section 67 of Act LXIX of 2025, available in Hungarian at: <a href="https://njt.hu/jogszabaly/2025-69-00-00.0#Cl">https://njt.hu/jogszabaly/2025-69-00-00.0#Cl</a>. The text envisaged a 10% increase from HUF 651,660 (ca. EUR EUR 1715) to HUF 716,830 (ca. EUR 1886).

<sup>&</sup>lt;sup>188</sup> Available in Hungarian at: <a href="https://hvg.hu/360/20250903\_levelben-kert-segitseget-a-jegyzohiany-miatt-a-Fovarosi-Torvenyszek-elnoke">https://hvg.hu/360/20250903\_levelben-kert-segitseget-a-jegyzohiany-miatt-a-Fovarosi-Torvenyszek-elnoke</a>.

<sup>&</sup>lt;sup>189</sup> Res Iudicata, "Opinion on the Introduction of the Obligation to Pay Financial Compensation," 6 October 2025, available in Hungarian at: https://resiudicata.hu/velemeny-a-vagyoni-elegtetel-fizetesi-kotelezettsegenek-bevezeteserol/.

delays. It places additional financial strain on a judiciary already weakened by stagnant remuneration, limited resources and widening internal disparities. 190

Taken together, the above outlined deficiencies of the system of remuneration of judges and judicial staff; the lack of a mechanism that guarantees the necessary corrections of remunerations without upsetting the balance between the judiciary and the other branches of power; and the introduction of an automatic compensation regime reveal a pattern of legislative and institutional developments that threaten to weaken judicial independence in Hungary.

The intertwined nature of the problems of the judicial system is illustrated by how the problems of secondment are connected to funding issues. Whereas according to the pertaining regulation, prosecutors seconded to a higher ranking prosecutorial office shall be duly compensated, <sup>191</sup> no similar provision applies to judges, so if a judge is seconded to a higher court, they will receive the remuneration that is applicable to their original position even though their work is equivalent to that of the judges of the court to which they have been seconded. This makes it possible to save money on seconded judges and therefore may function as an incentive to solve workload problems through secondment instead of creating additional positions and/or issuing calls for applications regarding vacant judicial positions.

This problem has been known to the judicial administration for some time, and in January 2025, the NOJ President submitted a proposal for a legislative amendment to address the issue – to no avail. <sup>192</sup> In September 2025, an opposition MP submitted a bill to resolve the problem, <sup>193</sup> but the governmental majority in the Parliament's Justice Committee voted down the proposition in October <sup>194</sup> sustaining an unjustified and inexplicable difference in the financial status of judges and prosecutors.

#### **Recommendations:**

- Restore the financial independence of the judiciary by ensuring that remuneration for judges
  and judicial staff is increased in a structured and predictable manner, including annual
  indexation, without imposing additional financial burdens such as automatic compensation
  schemes. In this framework, take steps to resolve the problems of the remuneration of
  seconded judges.
- Reconsider the automatic compensation regime and replace it with a system that balances more proportionally the public interest in the efficient functioning of the courts and against the parties' right to a trial within reasonable time.

content/uploads/2025/04/igazsagugyi\_torvenycsomag\_tarsadalmi\_konzultacio.pdf.

https://www.parlament.hu/documents/static/biz42/bizjkv42/IUB/2510071.pdf, pp. 38-39.

<sup>&</sup>lt;sup>190</sup> Amnesty International Hungary and the Hungarian Helsinki Committee, *Opinion on the Draft Law Amending Legislation Concerning the Judiciary*, 25 April 2025, available at <a href="https://helsinki.hu/wp-">https://helsinki.hu/wp-</a>

<sup>&</sup>lt;sup>191</sup> Act CLXIV of 2011, Section 27., available in Hungarian at: <a href="https://njt.hu/jogszabaly/2011-164-00-00">https://njt.hu/jogszabaly/2011-164-00-00</a>.

<sup>&</sup>lt;sup>192</sup> Available in Hungarian at: <a href="https://www.szabadeuropa.hu/a/a-biroi-kirendelesek-a-birosagi-ugyterheles-a-biroi-fuggetlenseg/33544160.html">https://www.szabadeuropa.hu/a/a-biroi-kirendelesek-a-birosagi-ugyterheles-a-biroi-fuggetlenseg/33544160.html</a>.

<sup>193</sup> Proposal available in Hungarian at: https://www.parlament.hu/irom42/12651/12651.pdf.

<sup>&</sup>lt;sup>194</sup> Minutes of the Committee's session is available in Hungarian at:

#### 1.6. Lack of guarantees to the freedom of expression of Hungarian judges

Judges in Hungary continue to face undue pressure regarding their freedom of expression, particularly when engaging in debates on judicial independence. A 2023 survey<sup>195</sup> conducted by the Hungarian Association of Judges confirmed this, revealing a pervasive lack of freedom and confidence among Hungarian judges when it comes to expressing views on matters affecting the judiciary. Fewer than one-fifth (18%) of respondents believed that, in practice, judges are free to participate in public debates on legislative reforms concerning the judiciary or judicial independence, while an overwhelming 82% felt that this freedom does not exist in reality. Almost two-thirds (65%) reported that they had not expressed their views on issues related to the judiciary, judicial independence, the legal system or the application of laws in any public forum. Most of those who remained silent said they did so because they believed it would be pointless and would not lead to any change (79%) and/or because they feared retaliation, pressure or discrimination (78%). Nearly three-quarters (73%) indicated that they knew of a case in the past five years in which a judge had been retaliated against, pressured or discriminated against for expressing views on matters affecting the judiciary, judicial independence or the administration of justice. Reflecting these experiences, 86% of respondents stated that a chilling effect on the expression of opinions exists among Hungarian judges.

Although the "Four-Party Agreement" triggered unprecedented protest, with more than 800 judges, several retired judges, and nearly 1,000 members of the judicial staff publicly opposing it<sup>196</sup> and a street demonstration organised against the Agreement by the Hungarian Association of Judges, <sup>197</sup> the sense of fear reflected in the survey is not abstract: judges who speak out in defence of judicial independence face tangible external and internal pressures. External pressure often takes the form of smear campaigns in government-affiliated media.

An example is the accusation that judges protesting against the Four-Party Agreement were participating in an anti-government political action financed by the "Soros network and Brussels". <sup>198</sup> Another is a series of defamatory articles targeting Tamás Matusik, former President of the National Judicial Council and a vocal defender of judicial independence, published in connection with one of his adjudicatory decisions. <sup>199</sup> The most recent incident in this regard is that in November 2025, some Hungarian judges were publicly listed based on alleged political affiliations after their names appeared in a leaked database containing nearly 200,000 individuals registered with an app linked to Tisza, Hungary's strongest opposition party. None of these judges had ever publicly expressed political views or engaged in political activity. The app had originally been created for participation in party primaries, as well as for receiving information about party events and participation opportunities. Progovernment media guickly singled out judges, publishing their names and noting that their addresses

<sup>&</sup>lt;sup>195</sup> Hungarian Association of Judges, "Research Report on Certain Issues Related to the Freedom of Expression of Hungarian Judges," 21 June 2024, available at <a href="https://mabie.hu/hirek/kutatasi-jelentes-a-magyar-birak-velemenynyilvanitasi-szabadsagaval-kapcsolatos-egyes-kerdesekrol">https://mabie.hu/hirek/kutatasi-jelentes-a-magyar-birak-velemenynyilvanitasi-szabadsagaval-kapcsolatos-egyes-kerdesekrol</a>.

<sup>&</sup>lt;sup>196</sup> Hungarian Association of Judges, "Call for Statements of Opinion – Submission of Supporting Declarations," available at https://mabie.hu/berjavaslat/felhivas-velemenynyilvanitasra-csatlakozo-nyilatkozatok-meqkueldesere.

<sup>&</sup>lt;sup>197</sup> Hungarian Helsinki Committee, "Judges' Salary Is a Public Matter, and Not an Issue of Personal Finances," available at <a href="https://helsinki.hu/en/judges-salary-is-a-public-matter-and-not-an-issue-of-personal-finances/">https://helsinki.hu/en/judges-salary-is-a-public-matter-and-not-an-issue-of-personal-finances/</a>.

<sup>&</sup>lt;sup>198</sup> Hungarian Association of Judges, "Final Judgment in the Press Rectification Case," 6 August 2025, available at https://mabie.hu/hirek/jogeros-doentes-a-sajto-helyreigazitasi-perben.

<sup>&</sup>lt;sup>199</sup> "Pressman's Favourite Judge Released the Drug Dealers," *Magyar Nemzet*, 10 April 2025, available at <a href="https://magyarnemzet.hu/belfold/2025/04/pressman-matusik-drog-biro">https://magyarnemzet.hu/belfold/2025/04/pressman-matusik-drog-biro</a>.

and phone numbers were included among the leaked data.<sup>200</sup> Because several persons appearing in the leaked set of data stated that they had never downloaded or used the app, even the authenticity of the leak was immediately called into question.

However, the President of the NOJ failed to take a firm stance on the matter and defend the doxed judges and gave an evasive response to media inquiries, while the Kúria President proactively issued a press release hinting that the concerned judges themselves might be held responsible for breaching their duties, and stating that if he received credible information that made this necessary he would be ready to conduct the appropriate procedures.<sup>201</sup> The Kúria President's statement is all the more problematic, since – as the NJC's 22 November press release<sup>202</sup> warns – he has no right to conduct procedures in such cases, he may only initiate disciplinary, and only against judges serving at the Kúria.

Although judges in Hungary are prohibited from being party members or engaging in political activities, they are not banned from activities with political implications. Most importantly, they are eligible to nominate party candidates for elections and also to vote. Downloading an application that can serve as the source of information for doing so seems to be well within the boundaries of what is allowed under the pertaining regulation. The implication that this may serve as a reason for disciplinary action and that mere inclusion in an unverified leaked database could justify disciplinary consequences underscores a deteriorating climate for judicial freedom of expression.<sup>203</sup>

The case also highlights the problems caused by the lack of clear and binding norms protecting judges' freedom of expression and regulating their participation in public life. The only instrument offering some protection is the Code of Judicial Ethics, adopted by the NJC in July 2022, but as a soft-law document it lacks legal enforceability<sup>204</sup>. The President of the Kúria has even challenged the Code before the Constitutional Court, further discouraging reliance on it.<sup>205</sup> This longstanding practice of interpreting judicial freedom of expression narrowly has consistently reinforced a restrictive environment that deters judges from speaking publicly about laws, the legal system or judicial administration.

#### Recommendation:

• Take meaningful steps to guarantee the freedom of expression of judges by enshrining this right in an Act of Parliament, explicitly affirming that judges are free to express their views on laws, the legal system, and the administration of justice.

<sup>&</sup>lt;sup>200</sup> Active Judges in the Leaked Tisza Database – The NOJ Responded," *Mandiner*, 13 November 2025, available at <a href="https://mandiner.hu/belfold/2025/11/aktiv-birak-a-kiszivargott-tisza-adatbazisban-valaszolt-az-obh">https://mandiner.hu/belfold/2025/11/aktiv-birak-a-kiszivargott-tisza-adatbazisban-valaszolt-az-obh</a>.

<sup>&</sup>lt;sup>201</sup> Kúria (Supreme Court of Hungary), "Kúria Press Release" 16 November 2025, available at <a href="https://kuria-birosag.hu/hu/sajto/kuria-kozlemenye-17">https://kuria-birosag.hu/hu/sajto/kuria-kozlemenye-17</a>.

<sup>&</sup>lt;sup>202</sup> Available in Hungarian at: <a href="https://obt-jud.hu/hu/biroi-fuggetlenseg-vedelmerol">https://obt-jud.hu/hu/biroi-fuggetlenseg-vedelmerol</a>.

<sup>&</sup>lt;sup>203</sup> Tamás Matusik, "Doxing Judges: How a Serious Personal Data Breach Exposed the Continuing Vulnerability of Hungary's Judges," Verfassungsblog, 11 November 2025, available at <a href="https://verfassungsblog.de/hungary-judges-leak-list/">https://verfassungsblog.de/hungary-judges-leak-list/</a>

<sup>&</sup>lt;sup>204</sup> National Judicial Council (OBT), "Ethical Code of Judges," available at https://birosag.hu/obt/birak-etikai-kodexe

<sup>&</sup>lt;sup>205</sup> Motion for Ex Post Constitutional Review Against the Code of Judicial Ethics Adopted by OBT Decision 16/2022 (III. 02.) and Section 103(1)(e) of Act CLXI of 2011 on the Organisation and Administration of the Courts (Code of Judicial Ethics), Case No. II/o1285/2022, available at https://alkotmanybirosag.hu/ugyadatlap/?id=B1E83AFC8B10B1D2C125885B005B3B7E.

#### 1.7. The possibility of the Kúria to block the binding effect of CJEU judgments

As explained in detail in HHC's paper prepared ahead of the General Affairs Council's 19 November 2024 meeting, <sup>206</sup> one of the issues that are crucial for judicial independence but were not addressed by the milestones is the uniformity complaint system, which was introduced in 2020 and consolidated in several steps in subsequent years. Uniformity decisions delivered by the Kúria with a view to safeguarding the uniformity of jurisprudence shall be deemed as quasi laws with judges and courts subordinated to them to the same extent as to legal norms. According to the Kúria's interpretation, if a new interpretation of EU law by the CJEU conflicts with the obligatory interpretation adopted by the Kúria in a previous uniformity decision, Kúria judges must – instead of putting aside on their own accord the apex court's interpretation violating the EU acquis – request the Kúria to cancel the binding force of its previous uniformity decision, <sup>207</sup> which is a clear breach of the fundamental principles of EU law.

This highly problematic interpretation was very clearly confirmed by the Kúria in a February 2025 uniformity decision adopted in a procedure concerning (i) the withdrawal of the residence permit of a third-country national who is a family member of EU citizens and (ii) the authorities' obligation to provide information on at least the substance of the grounds on which the withdrawal was based. The uniformity procedure was initiated by an adjudicating panel of the Kúria due to the incompatibility of previous Kúria jurisprudence with the CJEU's 2024 NW-PQ judgment<sup>208</sup> on pertinent matters. In its Uniformity Decision no. 3/2025. JEH,<sup>209</sup> the Kúria reiterated that in such cases requesting a new decision from the Uniformity Complaint Panel is "unavoidable", since "adjudicating panels of the Kúria may only deviate from previous interpretations if the Uniformity Complaint Panel's uniformity decision allows this. In this regard, the jurisprudence of the Uniformity Complaint Panel is consistent."<sup>210</sup> In addition, the Uniformity Decision declared that "it cannot even be raised" as an arguable claim that Hungarian judges may put aside domestic laws on the sole basis of a CJEU judgment and base their decision "directly and exclusively" on a CJEU judgment even if the CJEU is authorised to provide mandatory interpretations of the EU acquis.<sup>211</sup>

There are at least two preliminary references from Hungarian judges before the CJEU regarding the compatibility of the Hungarian law and practice of uniformity decisions with the acquis, including Article 267 TFEU,<sup>212</sup> but even before the CJEU provides responses to the preliminary questions, it

<sup>&</sup>lt;sup>206</sup> Hungarian Helsinki Committee, *Disregard for EU values: a snapshot of rule of law issues in Hungary in light of the Article 7 procedure*, 12 November 2024, <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2024/11/HHC\_Hungary\_RoL-HR\_issues\_and\_rec\_12112024.pdf">https://helsinki.hu/en/wp-content/uploads/sites/2/2024/11/HHC\_Hungary\_RoL-HR\_issues\_and\_rec\_12112024.pdf</a>, pp. 4-6.

<sup>&</sup>lt;sup>207</sup> See statement in Hungarian at: <a href="https://kuria-birosag.hu/hu/sajto/magyarorszagi-korlatozott-precedens-rendszer-osszhangban-van-az-europai-unio-jogaval">https://kuria-birosag.hu/hu/sajto/magyarorszagi-korlatozott-precedens-rendszer-osszhangban-van-az-europai-unio-jogaval</a>.

<sup>&</sup>lt;sup>208</sup> Judgment of the Court (First Chamber) of 25 April 2024, NW and PQ v Országos Idegenrendészeti Főigazgatóság and Miniszterelnöki Kabinetirodát vezető miniszter, Joined Cases C-420/22 and C-528/22, <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:62022CJ0420">https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:62022CJ0420</a>.

<sup>&</sup>lt;sup>209</sup> Uniformity Decision no. 3/2025. JEH (Jpe.III.60.053/2024/12. szám), <a href="https://kuria-birosag.hu/hu/joghat/32025-jeh-jpeiii60053202412-szam">https://kuria-birosag.hu/hu/joghat/32025-jeh-jpeiii60053202412-szam</a>.

<sup>&</sup>lt;sup>210</sup> Uniformity Decision no. 3/2025. JEH, § 25.

<sup>&</sup>lt;sup>211</sup> Uniformity Decision no. 3/2025. JEH, § 51.

<sup>&</sup>lt;sup>212</sup> In case C-26/25 (see:

 $<sup>\</sup>frac{\text{https://curia.europa.eu/juris/showPdf.jsf?text=\&docid=302552\&pageIndex=0\&doclang=EN\&mode=req\&dir=\&occ=first\&part=1\&cid=1259609)}{\text{rt=1\&cid=1259609)}} \text{ and } \text{ case } \text{C-285/25 (see:}$ 

 $<sup>\</sup>frac{\text{https://curia.europa.eu/juris/showPdf.jsf?text=\&docid=303234\&pageIndex=o\&doclang=hu\&mode=lst\&dir=\&occ=first\&part=1\&cid=15541950).}$ 

seems justified to conclude that in its current form, the uniformity complaint system is applied by the Kúria to block the direct effect of EU law, which necessitates action on the side of the Government and the legislature to ensure compliance with its obligation of sincere cooperation enshrined in Article 4 of the TEU.

#### **Recommendations:**

- Abolish the possibility of the Kúria to counter the direct effect of EU law through uniformity decisions.
- Modify the legislation so that it allows lower tier judges to deviate from the wording of the uniformity decisions.
- Explicitly allow Hungarian judges to rely on EU law and put aside domestic legislation contradicting the EU acquis, including uniformity decisions of the Kúria.

#### 2. Academic freedom and public interest asset management foundations

Description of the issue raised in the Commission implementing decisions: 213

The Commission states that the new governance model of higher education institutions affecting 21 out of the former 26 public universities in Hungary seriously threatens the right to academic freedom enshrined in Article 13 of the Charter of Fundamental Rights. The Commission claims that universities managed by newly established public interest asset management foundations are exposed to the direct or indirect influence of the executive branch for the following reasons. The current Government induced most universities to submit themselves to "model change". The transformation of public universities to universities managed by public interest asset management foundations entailed the transfer of significant competencies over the organization and the operation of these institutions from their representative body, the Senate, to the Board of Trustees appointed exclusively by the Government for an indefinite term. The Commission highlighted that no relevant eligibility criteria were set forth for the selection of the members of the boards, and the process took place without transparency and the involvement of representatives of the academic community of the affected institutions. Consequently, Boards of Trustees staffed mainly with pro-government officials operate under strong government influence while completely lacking safeguards for transparency and democratic accountability. Finally, the Commission considered that there is a serious risk of academic freedom being restricted in the support provided by the European Social Fund Plus (ESF+) and the European Regional Development Fund under certain specific objectives, as these specific objectives may include support to affected institutions.

Based on the above, the Commission concluded that the horizontal enabling condition "3. Effective application and implementation of the Charter of Fundamental Rights" is not fulfilled with regard to academic freedom.

<sup>&</sup>lt;sup>213</sup> Commission Implementing Decision approving the programme "Economic Development and Innovation Operational Programme Plus" for support from the European Regional Development Fund and the European Social Fund Plus under the Investment for jobs and growth goal in Hungary, C(2022) 10009 final, available at:

https://ec.europa.eu/transparency/documents-register/detail?ref=C(2022)10009&lang=en and Commission Implementing Decision approving the programme "Digital Renewal Operational Programme Plus" for support from the European Regional Development Fund and the European Social Fund Plus under the Investment for jobs and growth goal in Hungary, C(2022) 10007 final.

On 15 December 2024 the European Commission adopted a decision regarding Hungary under the conditionality mechanism that found that Hungarian legal reforms communicated towards the European Commission on 2 December 2024 were not sufficient to address risks of conflicts of interests in the boards of public interest trusts. Thus, the Commission concluded that the measure on public interest asset management foundations should remain in place.<sup>214</sup> It is important to highlight that apparently the Government did not even claim it had fulfilled the Charter HEC with regards to public interest asset management foundations.

#### Steps taken by the Hungarian authorities:

None since our November 2024 assessment.

#### Recommendation:

• Abolish the model change and revert previously public universities to public management and control.

#### 3. Right to asylum and the principle of non-refoulement

3.1. Repealing the pre-procedure system introduced in Hungary in 2020 that must be completed in a Hungarian embassy in a third country before a third-country national who is present on Hungarian territory, including at its border, can make an application for international protection

Description of the issue raised in the Commission implementing decision: 215

On 27 May 2020, the Government introduced fundamental restrictions to access to asylum in the form of a decree later converted into an Act of Parliament (the so-called Transitional Act). As a general rule, asylum-seekers are first required to express their intent to seek international protection at the Hungarian embassy in Serbia or Ukraine, before they are able to access the asylum procedures in Hungary ("embassy system"). As a consequence, most foreigners within the territory of Hungary are summarily denied the possibility of submitting an asylum application and are instead directed to travel to either Serbia or Ukraine, regardless of whether they have the legal right to enter those countries. Only people belonging to the following categories are not required to go through this process:

- those having subsidiary protection status and are staying in Hungary;
- family members<sup>221</sup> of refugees and those having subsidiary protection who are staying in Hungary;

<sup>218</sup> Act LVIII of 2020 on the Transitional Provisions related to the Termination of the State of Danger and on Epidemiological Preparedness, Sections 267–268

<sup>214</sup> https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip\_24\_6465/IP\_24\_6465\_EN.pdf.

<sup>&</sup>lt;sup>215</sup> Commission Implementing Decision approving the programme of Hungary for support from the Asylum, Migration and Integration Fund for the period of 2021–2027, C(2022) 10022 final, <a href="https://ec.europa.eu/transparency/documents-register/detail?ref=C(2022)10022&lang=en">https://ec.europa.eu/transparency/documents-register/detail?ref=C(2022)10022&lang=en</a>.

<sup>&</sup>lt;sup>216</sup> Government Decree 233/2020. (V. 26.), later converted into Act LVIII of 2020 on the Transitional Provisions related to the Termination of the State of Danger and on Epidemiological Preparedness (the Transitional Act)

<sup>&</sup>lt;sup>217</sup> Government Decree 292/2020. (VI. 17.), Section 1

<sup>&</sup>lt;sup>219</sup> Ukraine is currently not applicable in practice and the HHC is not aware of any statement of intent ever being submitted at the Hungarian embassy in Ukraine.

<sup>&</sup>lt;sup>220</sup> Section 5(1) of Government Decree 233/2020. (V. 26.) and Section 271(1) of the Transitional Act

<sup>&</sup>lt;sup>221</sup> According to the Section 2(j) of the Asylum Act, family members are only spouses, minor children and children's parents or an accompanying foreign person responsible for them under Hungarian law. Adult children for example, are therefore excluded.

• those subject to forced measures, measures or punishment affecting personal liberty, except if they have crossed Hungary in an illegal manner.

Those who do not fall under the exempted categories above cannot request asylum in Hungary.<sup>222</sup>

Technically, the embassy system is introduced *temporarily* in lieu of the previous automatic arbitrary detention system that was also found to be in breach of EU law by the CJEU in case C-8o8/18.<sup>223</sup> The provisions prescribing the embassy system have been extended regularly, without substantial changes to their content.

The embassy system does not ensure an effective and genuine access to the asylum procedure in Hungary. <sup>224</sup> Such a view is also expressed by UNHCR. <sup>225</sup> The European Commission referred Hungary to the CJEU in July 2021 over these changes. The CJEU ruled on 22 June 2023 that by introducing the embassy system, "Hungary has failed to fulfil its obligations under Article 6 of [the Asylum Procedures Directive]." <sup>226</sup> Despite the judgment, the embassy procedure remains in place.

#### Steps taken by the Hungarian authorities:

The Government submitted an omnibus bill to Parliament on 22 April 2025 that introduced certain temporary provisions regulated in emergency decrees into the regular legal order.<sup>227</sup> Title I of the proposal introduces the embassy system into the regular legal order at least until 31 December 2026.<sup>228</sup> The bill was adopted on 11 June and promulgated as Act L of 2025 on 19 June 2025.<sup>229</sup>

#### Assessment of the steps taken, main deficiencies:

The Government continues to openly refuse implementing the judgment of the Court, similarly to Case C-808/18 (see below).

#### Recommendation:

Hungary shall immediately revert to its "regular" asylum system by (a) repealing the asylum-related provisions of the Act L of 2025, and (b) ending the so-called "state of crisis due to mass migration" which, should only the embassy system be repealed, would result in a return to the transit zone system, which has already been found to be in breach of EU law in the CJEU's judgment in Case C-808/18.<sup>230</sup>

<sup>&</sup>lt;sup>222</sup> For a more detailed description of the embassy system, see: Hungarian Helsinki Committee, *Hungary de facto removes itself from the Common European Asylum System*, 12 August 2020, <a href="https://helsinki.hu/wp-content/uploads/new-Hungarian-asylum-system-HHC-Aug-2020.pdf">https://helsinki.hu/wp-content/uploads/new-Hungarian-asylum-system-HHC-Aug-2020.pdf</a>.

<sup>&</sup>lt;sup>223</sup> European Commission v. Hungary, Case C-808/18, ECLI:EU:C:2020:1029.

<sup>&</sup>lt;sup>224</sup> For further details and data, see: Hungarian Helsinki Committee, *No access to asylum for 18 months. Hungary's dysfunctional embassy system in theory and practice*, 15 December 2021, <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2021/12/No-access-to-asylum-1.11.2021.pdf">https://helsinki.hu/en/wp-content/uploads/sites/2/2021/12/No-access-to-asylum-1.11.2021.pdf</a>.

<sup>&</sup>lt;sup>225</sup> UNHCR, Position on Hungarian Act LVIII of 2020 on the Transitional Rules and Epidemiological Preparedness related to the Cessation of the State of Danger, June 2020: <a href="https://www.refworld.org/docid/5ef5co614.html">www.refworld.org/docid/5ef5co614.html</a>

<sup>&</sup>lt;sup>226</sup> Judgment of 22 June 2023 of the Court of Justice of the European Union in case C-823/21, European Commission v Hungary, ECLI:EU:C:2023:504.

<sup>&</sup>lt;sup>227</sup> Bill T/11681 On elevating decrees declared under the state of danger due to the armed conflict in the territory of Ukraine to the level of an act of Parliament, available in Hungarian at <a href="https://www.parlament.hu/irom42/11681/11681.pdf">https://www.parlament.hu/irom42/11681/11681.pdf</a>.

<sup>228</sup> Section 8(2) of the bill.

<sup>&</sup>lt;sup>229</sup> Act L of 2025, available in Hungarian at: https://net.jogtar.hu/jogszabaly?docid=a2500050.tv.

For more details on the effects of the state of crisis due to mass migration, see the 2021 update of the AIDA report on Hungary: <a href="https://asylumineurope.org/wp-content/uploads/2021/04/AIDA-HU\_2020update.pdf">https://asylumineurope.org/wp-content/uploads/2021/04/AIDA-HU\_2020update.pdf</a>, pp. 16–17.

### 3.2. Implementation of the CJEU's judgment in Case C-808/18 regarding the rules and practices in the transit zones at the Serbian-Hungarian border

Description of the issue raised in the Commission implementing decision: 231

Hungary legalised push-backs (that is, collective expulsions), originally only from within an 8 km zone of the border fence erected at the Hungarian-Serbian and Hungarian-Croatian border sections in July 2016.<sup>232</sup> On 28 March 2017, significant asylum-related amendments entered into force. Among others, these prescribe that once a "state of crisis due to mass migration" has been declared by the Government, push-backs are to take place from the entire territory of Hungary. The CJEU ruled in December 2020 in Case C-808/18 that, among others, Hungary, by prescribing the removal of unlawfully staying third-country nationals to the Serbian side of the border fence, without undertaking any identification or individualised procedure and without allowing such individuals to make an asylum application, failed to fulfil its obligations laid down in Directive 2008/115/EC, <sup>233</sup> as well as in Articles 7, 18, 19, 24, and 47 of the Charter. <sup>234</sup> As the Government expressed its unwillingness to implement the judgment and even requested the Hungarian Constitutional Court to rule on whether implementing it would be in breach of the Hungarian Fundamental Law, <sup>235</sup> the Commission decided to refer Hungary back to the CJEU based on Article 260 TFEU, requesting the Court to impose fines for not implementing the judgment. <sup>236</sup> This is unprecedented in Hungary's history as an EU Member State.

The remainder of the judgment in Case C-808/18 has already been implemented by the time of the delivery of the judgment. The transit zones were shut down in May 2020, following another CJEU judgment in which the CJEU found, among others, that placement in the transit zones constituted unlawful detention.<sup>237</sup>

The European Commission, for the first time in Hungary's membership in the European Union, decided to refer Hungary back to the CJEU under Article 260 TEU. On 13 June 2024, the CJEU issued its judgment in Case C-123/22, finding Hungary failing to fulfil its obligations for not implementing the judgment in Case C-808/18 and ordered Hungary to pay an unprecedented amount in lump sum (EUR 200 million) in addition to a daily EUR 1 million penalty payment.<sup>238</sup> The Court justified the extremely high lump sum amount with "the exceptional seriousness of the infringements at issue and Hungary's failure to cooperate in good faith in order to bring them to an end."<sup>239</sup>

<sup>&</sup>lt;sup>231</sup> Commission Implementing Decision approving the programme of Hungary for support from the Asylum, Migration and Integration Fund for the period from 2021 to 2027, C(2022) 10022 final, <a href="https://ec.europa.eu/transparency/documents-register/detail?ref=C(2022)10022&lang=en.">https://ec.europa.eu/transparency/documents-register/detail?ref=C(2022)10022&lang=en.</a>

<sup>&</sup>lt;sup>232</sup> Hungarian Helsinki Committee, Latest amendments "legalise" extrajudicial push-back of asylum-seekers, in violation of EU and international law, 5 July 2016, <a href="https://helsinki.hu/wp-content/uploads/HHC-info-update-push-backs-5-July-2016.pdf">https://helsinki.hu/wp-content/uploads/HHC-info-update-push-backs-5-July-2016.pdf</a>.

<sup>&</sup>lt;sup>233</sup> Directive 2008/115/EC of the European Parliament and of the Council of 16 December 2008 on common standards and procedures in Member States for returning illegally staying third-country nationals

<sup>&</sup>lt;sup>234</sup> Case C-808/18 – Commission v Hungary, Judgment of the Court (Grand Chamber) of 17 December 2020, ECLI:EU:C:2020:1029, <a href="https://bit.ly/3Myh13m">https://bit.ly/3Myh13m</a>.

<sup>&</sup>lt;sup>235</sup> For more on the application of the Minister of Justice to the Constitutional Court, and on the Court's decision, see: <a href="https://helsinki.hu/en/the-governments-attempt-at-sabotage-has-failed-and-the-cjeu-decision-must-be-implemented/">https://helsinki.hu/en/the-governments-attempt-at-sabotage-has-failed-and-the-cjeu-decision-must-be-implemented/</a>.

<sup>&</sup>lt;sup>236</sup> Case C-123/22. Casefile on the Court's website: https://curia.europa.eu/juris/liste.jsf?num=C-123/22. Press release of the European Commission of 12 November 2021 on referral to the CJEU:

https://ec.europa.eu/commission/presscorner/detail/EN/IP\_21\_5801

<sup>&</sup>lt;sup>237</sup> See more on these preliminary reference rulings where the Hungarian Helsinki Committee provided legal representation to the applicants: <a href="https://helsinki.hu/en/hungary-unlawfully-detains-people-in-the-transit-zone/">https://helsinki.hu/en/hungary-unlawfully-detains-people-in-the-transit-zone/</a>.

<sup>&</sup>lt;sup>238</sup> Judgment in Case C-123/22 of 13 June 2024, ECLI:EU:C:2024:493.

<sup>&</sup>lt;sup>239</sup> § 132 of the Judgment in Case C-123/22 of 13 June 2024, ECLI:EU:C:2024:493.

#### Steps taken by the Hungarian authorities:

None since our November 2024 assessment. Push-backs continue.

#### Recommendation:

• Repeal Sections 5(1a) and 5(1b) of Act LXXXIX of 2007 on State Borders which provide for the legalisation of push-backs.

## 3.3. Implementation of the CJEU's judgment in Case C-821/19 (regarding legislation criminalising the organisation of activities carried out to assist the initiation of applications for international protection in Hungary)

Description of the issue raised in the Commission implementing decision: 240

The criminalisation of providing assistance to asylum-seekers, introduced as part of the infamous set of changes the Government dubbed as the "Stop Soros package", was found to be in breach of EU law by the CJEU in Case C-821/19 in November 2021. The Court specifically underlined the deterrent effect of the introduction of criminal penalties, which may lead persons wishing and able to provide assistance not to do so.<sup>241</sup> According to the CJEU, this is a restriction on the rights enshrined in Directives 2013/32/EU<sup>242</sup> and 2013/33/EU,<sup>243</sup> which contribute to giving concrete expression to the right enshrined in Article 18 of the Charter.<sup>244</sup>

#### Steps taken by the Hungarian authorities:

None since our November 2024 assessment.

#### Recommendation:

• Repeal in its entirety Section 353/A of the Criminal Code, originally introduced in 2018, and amended as of 1 January 2023.

#### 4. Rights of LGBTQI+ persons

#### Description of the issue raised in the Commission implementing decisions:

In June 2021, the Hungarian Parliament adopted Act LXXIX of 2021 (hereinafter: the 2021 Act) on Stricter Action against Paedophile Offenders and Amending Certain Acts for the Protection of Children, which prohibits or limits access to content that "propagates" or "portrays" so-called "divergence from self-identity corresponding to sex at birth, sex change or homosexuality" for individuals under the age of 18. In July 2021, the Commission launched an infringement procedure regarding this legislation due to breach of EU legislation in connection with violation of rights enshrined in provisions of the EU Treaties and in Articles 1, 7, 11 and 21 of the Charter. Following the analysis of the Hungarian authorities reply, the Commission issued a reasoned opinion in December

<sup>&</sup>lt;sup>240</sup> Commission Implementing Decision approving the programme of Hungary for support from the Asylum, Migration and Integration Fund for the period from 2021 to 2027, C(2022) 10022 final, <a href="https://ec.europa.eu/transparency/documents-register/detail?ref=C(2022)10022&lang=en.">https://ec.europa.eu/transparency/documents-register/detail?ref=C(2022)10022&lang=en.</a>

<sup>&</sup>lt;sup>241</sup> Judgment in Case C-821/19, § 98, <a href="https://bit.ly/4002K2v.">https://bit.ly/4002K2v.</a>

<sup>&</sup>lt;sup>242</sup> Directive 2013/32/EU of the European Parliament and of the Council of 26 June 2013 on common procedures for granting and withdrawing international protection.

<sup>&</sup>lt;sup>243</sup> Directive 2013/33/EU of the European Parliament and of the Council of 26 June 2013 laying down standards for the reception of applicants for international protection.

<sup>&</sup>lt;sup>244</sup> Judgment in Case C-821/19, §§ 99 and 132, https://bit.ly/4002K2v.

2021 and decided in July 2022 to refer Hungary to the CJEU under Article 258 TFEU. <sup>245</sup> On November 19 2024, the CJEU held a hearing and all the participating Member States that spoke at the hearing expressed agreement with the Commission's position that this infringement is "systemic, intentional and widespread", therefore constitutes a violation of Article 2 of the TEU as well On 5 June 2025, Advocate General Ćapeta's opinion was published, proposing that the Court rule that the action is well founded in relation to all grounds. <sup>246</sup>

The Commission in connection with the Implementing Decision approving the "Economic Development and Innovation Operational Programme Plus" for support from the European Regional Development Fund and the European Social Fund Plus under the Investment for jobs and growth goal in Hungary<sup>247</sup> considers that the provisions of Act LXXIX of 2021 have a concrete, direct impact on compliance with the Charter in the implementation of the programme, in particular on actions supported by the ESF+ which are addressed to or are for the benefit of children, notably in the area of education but also other services provided to children which are subject to compliance with the above-mentioned Act. The Act can have a direct impact on the development of education content and the training of teachers. In particular it may lead to the rejection of applications for funding projects developing competences and access to content that would portray homosexuality, divergence from self-identity corresponding to sex at birth and gender reassignment. In addition, development of educational material aiming at preventing and combating discrimination based on sexual orientation could also be rejected.

Additionally, regarding the Commission Implementing Decision approving "Human Resources Development Operational Programme Plus" for support from the European Regional Development Fund and the European Social Fund Plus under the Investment for jobs and growth goal in Hungary, <sup>248</sup> Act LXXIX of 2021 has a direct impact on the implementation of actions supported by the ESF+, notably training of teachers and child protection actions, such as education and training of parents and foster parent networks, and provision of mental and psychological support services. The content of training of teachers and child protection actions, such as provision of mental and psychological support services can disrespect the Charter as these actions are subject to compliance with the Act.

The Act associates negative and pejorative characteristics with LGBTQI+ individuals, violating Article 1 of the Charter, which upholds equal human dignity, and Article 21 of the Charter by discriminating against LGBTQI+ individuals. By portraying LGBTQI+ people as inferior, the Act undermines the fundamental principle of equality. The Act also infringes on Article 7 of the Charter by failing to recognise gender identity as part of personal identity, thus limiting the right to respect for private life. By prohibiting the "propagation" or "portrayal" of content related to diverse sexual orientations or gender identities, the Act also infringes upon Article 11 of the Charter, hindering public discourse and access to diverse information, which creates a chilling effect on public and private speech. Excluding objective information on sexual orientation and gender identity fosters an unsafe environment, heightening risks of bullying, harassment, and mental health issues for LGBTQI+ youth.

The Act dissuades applicants who may otherwise seek funding for projects that promote inclusivity, mental health support, and educational diversity. This not only reduces potential beneficiaries'

<sup>&</sup>lt;sup>245</sup> Case C-769/22, Commission v Hungary.

<sup>&</sup>lt;sup>246</sup> AG Opinion in Case C-769/22, available at: <a href="https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:62022CC0769">https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:62022CC0769</a>.

<sup>&</sup>lt;sup>247</sup> European Commission, C(2022) 10009 final, <a href="https://ec.europa.eu/transparency/documents-register/detail?ref=C(2022)10009&lang=en">https://ec.europa.eu/transparency/documents-register/detail?ref=C(2022)10009&lang=en</a>.

<sup>&</sup>lt;sup>248</sup> European Commission, C(2022) 10010 final, <a href="https://ec.europa.eu/transparency/documents-register/detail?ref=C(2022)10010&lang=en.">https://ec.europa.eu/transparency/documents-register/detail?ref=C(2022)10010&lang=en.</a>

participation but also limits the social and developmental impact that ESF+ projects could have in Hungary.

Therefore, the horizontal enabling condition "3. Effective application and implementation of the Charter of Fundamental Rights" is not fulfilled.

#### Steps taken by the Hungarian authorities:

Provisions of Act LXXIX of 2021 have not been repealed, and no legislative changes have been introduced that would target the related concerns.

According to Section 9/A of the National Public Education Act, as amended by Act LXXIX of 2021, besides teachers and professionals providing school health services, only those experts and civil society organisations that are registered by the organ designated by legislation may provide lectures on sexuality education, drug prevention, internet usage, or any other topics relating to mental and physical development in schools. In so doing, the Act LXXIX of 2021 also introduced the possibility of petty offence proceedings against the head of the school and the person or member of the unregistered organisation who provides teaching on sexuality education, drug prevention, internet usage, or any other topics relating to mental and physical development without a registration. It authorised the minister responsible for education to issue the regulations which designate a state organ to maintain the registry of individuals and organisations that may hold such lectures. The competent Minister failed to pass such regulations, causing the de facto ban on civil society organisations' educational programmes. Finally, effective from 12 June 2025, the Interior Minister issued Decree 18/2025 (VI.4.)<sup>249</sup> regarding the registration of educational activities about "the harmful effects of drug use, the dangers of the internet and other physical and mental health promotion", but did not include all of the topics listed in Section 9/A (1) of the Act on National Public Education, as it lacks topics such as "sexual culture, sex life, sexual orientation, and sexual development."

On 11 March 2025, a group of members belonging to the governing majority of the Hungarian Parliament submitted Bill T/11152 proposing the 15th Amendment to the Fundamental Law of Hungary, which was adopted without public consultation or impact assessment<sup>250</sup> on 14 April 2025 and took effect on 15 April 2025.

Relevant amendments from the perspective of the LGBTQI+ individuals are:

- "Human beings shall be male or female."251
- The child's right to the protection and care necessary for their proper physical, mental and moral development "shall take precedence over all other fundamental rights, with the exception of the right to life."252

<sup>&</sup>lt;sup>249</sup> Decree No. 18/2025. (VI.4.) of the Ministry of Interior on the amendment of Decree 20/2012. (VIII. 31.) of the Ministry of Education and Science on the operation of educational institutions and the use of names of public educational institutions. <sup>250</sup> See also in C9.R27. above.

<sup>&</sup>lt;sup>251</sup> Amended Article L of the Fundamental Law. The explanatory report of the 15th Amendment to the Fundamental Law specifies that "the fifteenth amendment to Hungary's Constitution confirms that the sex of a person at birth is a biological given, which can be either male or female. It is the duty of the state to ensure the legal protection of this natural order and to prevent efforts that suggest the possibility of changing the sex at birth. The fixed nature of biological sex ensures the healthy development of society and the maintenance of basic community norms."

<sup>&</sup>lt;sup>252</sup> Amended Article XVI of the Fundamental Law.

The first amendment, as outlined in the explanatory report, aims to strengthen the legal basis for prohibiting legal gender recognition in Hungary. It also excludes the possibility of legally recognising intersex individuals or gender identities outside of the binary framework at the constitutional level. This prohibition on legal gender recognition violates the Charter, which acknowledges gender identity as an essential aspect of personal identity. According to the CJEU, the right to respect for private life includes an individual's right to define their identity, encompassing the rights of transgender individuals to personal development, physical and moral integrity, and the recognition and respect of their gender identity.

The second amendment aimed to create a fixed hierarchy of fundamental rights, placing the right of the child to protection and care above all other fundamental rights, with the exception of the right to life. Based on a fixed hierarchy, without the balancing exercise in case of conflict between the right of the child to the protection and care and other fundamental rights, such as the freedom of assembly, leads to the deprivation of other fundamental rights of its substance. The Venice Commission established that this provision runs a risk of a structural failure to comply with the obligation stemming from the ECtHR's case-law to conduct a balancing exercise in case of conflict between fundamental rights. <sup>255</sup>

Two further amendments were adopted to Acts of Parliament based on the changes to the Fundamental Law with relevance to the LGBTQI+ community:

- Removal of "gender identity" from the list of protected grounds enumerated in the Equal Treatment Act, and at the same time replace the term "sex" with the term "sex and corresponding identity" in the list, 256 but the list of protected grounds against discrimination remains non-exhaustive.
- Introducing a new ground to prohibit assemblies with reference to the "prohibited content" introduced by the 2021 Act,257 that is content that "propagates" or "portrays" "divergence from self-identity corresponding to sex at birth, sex change or homosexuality" for individuals under the age of 18.

The law that amended the Assembly Act also introduced changes to the Petty Offences Act, whereby attending a prohibited assembly is punishable up to EUR 500. The changes also allow for the use of facial recognition technology to identify unknown perpetrators of any petty offences.<sup>258</sup>

#### Assessment of the steps taken, main deficiencies:

The Hungarian authorities have not taken any steps to address the concerns raised by the Commission regarding Act LXXIX of 2021. It remains in force restricting access to content relating to "divergence from self-identity corresponding to sex at birth, sex change, or homosexuality" for individuals under

<sup>&</sup>lt;sup>253</sup> Article 7 of the Charter.

<sup>&</sup>lt;sup>254</sup> Case C-247/23 [Deldits] §47, available at:

 $<sup>\</sup>frac{https://curia.europa.eu/juris/document/document.jsf?text=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&doclang=EN\&mode=Ist\&dir=\&docid=296550\&pageIndex=0\&docid=29650\&pageIndex=0\&docid=29650\&pageIndex=0\&docid=29650\&pageIndex=0\&docid=29650\&pageIndex=0\&docid=29650\&pageIndex=0\&docid=29650\&pageIndex=0\&docid=29650\&pageIndex=0\&docid=29650\&pageIndex=0\&docid=29650\&pageIndex=0\&docid=29650\&pageIn$ 

<sup>&</sup>lt;sup>255</sup> Venice Commission Opinion No. 1246/2025 (CDL-AD(2025)043)),

https://www.venice.coe.int/webforms/documents/?pdf=CDL-AD(2025)043-e, pp. 10-13.

<sup>&</sup>lt;sup>256</sup> Sections 5 and 6 of Act V of 2025, amending Points a) and n) of Section 8 of the Equal Treatment Act. Available in Hungarian at: <a href="https://njt.hu/jogszabaly/2025-5-00-00.0#Cl">https://njt.hu/jogszabaly/2025-5-00-00.0#Cl</a>.

<sup>&</sup>lt;sup>257</sup> New Section 13/A of Act LV of 2018 on Assembly, prohibiting holding an assembly that is in violation of a prohibition specified in Section 6/A of Act XXXI of 1997 [as amended by the 2021 Act] or presents the core element of the prohibited content defined therein.

<sup>&</sup>lt;sup>258</sup> Section 1 of Act III of 2025, amending Section 56(5) of Act II. of 2012 on Petty Offences.

18. This lack of action demonstrates a failure to address significant breaches of the rights enshrined in the Charter, including equal human dignity, the right to respect for private life, freedom of expression, and the right to be free from discrimination.

The new restrictions on freedom of assembly are a significant regression in the protection of LGBTQI+ rights and freedom of assembly in Hungary, and another clear departure from Hungary's commitment to fulfilling the horizontal enabling condition on the 'Effective application and implementation of the Charter of Fundamental Rights'.

Section 6/A of the 2021 Act and the newly introduced provisions of the Assembly Act are inconsistent with the principle of the rule of law, particularly regarding the principle of legality. This principle includes the requirements of foreseeability, accessibility, and precision. Terms such as "depicts," "propagates," and "substantial element" are not defined in statutory law and are also not clarified in lower-level legislation. These terms are vague and cannot provide individuals with clear guidance on the circumstances under which authorities may prohibit an assembly. The Venice Commission stressed that these "overly broad and potentially ambiguous terms or concepts lack precision, which is essential for legal texts, and that they may lead to different and potentially diverging interpretations". <sup>259</sup>

In the pending infringement procedure against Hungary , the European Commission argues that Section 6/A of the 2021 Act breaches Article 2 TEU and Articles 1, 7, 11, and 21 of the Charter of Fundamental Rights.<sup>260</sup> The newly introduced provisions of the Assembly Act are broadening the use of Section 6/A in order to restrict freedom of assembly as well.

Throughout the spring and summer of 2025, Hungarian human rights organisations attempted to organise assemblies related to LGBTQI+ issues, or that would have featured LGBTQI+ speakers that were, with one exception, all prohibited by the Police. The prohibitions were ultimately upheld by the Kúria. The cases are now pending with the Constitutional Court and the ECtHR. The bans and the subsequent judgments of the Kúria upholding these confirm the "overly broad" and "ambiguity" of the terms introduced by the 2025 amendments as additional grounds to prohibit assemblies. <sup>261</sup>

Pécs Pride, the only annual LGBTQI-related assembly beyond Budapest. The organiser, a private individual, notified the police that decided to ban the assembly. The ban was again upheld by the Kúria. The organiser proceeded with the march regardless, which was held peacefully on 4 October 2025. On 28 October, the organiser was summoned for interrogation before the police as a criminal suspect for "organising a prohibited assembly", an offence punishable by up to one year in prison. This is the first known case in the European Union where a human rights defender faces criminal prosecution for organising a Pride march. <sup>262</sup>

The constitutional and legislative changes introduced in the spring collectively aim to restrict the rights of LGBTQI+ individuals and those who advocate for their rights by restricting their freedom of assembly. Rather than aligning with the horizontal enabling condition of the effective application and implementation of the Charter, the Government has broadened the violations of LGBTQI+ rights related to the 2021 Act. This approach appears to be an attempt to push LGBTQI+ individuals out of

<sup>260</sup> Case C-769/22.

<sup>&</sup>lt;sup>259</sup> Venice Commission Opinion No.1059/2021 CDL-AD(2021)050, §48., available at <a href="https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2021)050-e.">https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2021)050-e.</a>

<sup>&</sup>lt;sup>261</sup> For a summary of these procedures in English, see: <a href="https://hatter.hu/sites/default/files/dokumentum/kiadvany/lgbtqi-themed-assemblies-in-hu-bans.pdf">https://hatter.hu/sites/default/files/dokumentum/kiadvany/lgbtqi-themed-assemblies-in-hu-bans.pdf</a>.

<sup>&</sup>lt;sup>262</sup> More on Pécs Pride and the criminal investigation against the organiser: <a href="https://helsinki.hu/en/wp-content/uploads/sites/2/2025/10/CriminalisingPecsPride\_AlHU\_HATTER\_HCLU\_HHC\_28102025.pdf">https://helsinki.hu/en/wp-content/uploads/sites/2/2025/10/CriminalisingPecsPride\_AlHU\_HATTER\_HCLU\_HHC\_28102025.pdf</a>.

the public sphere by reinforcing the labelling of the "display" of homosexuality and gender-diverse identities as harmful for children.

#### Recommendations:

- Act LXXIX of 2021 must be repealed or substantively amended to remove provisions that
  restrict access to content portraying LGBTQI+ identities. This would align Hungary's
  legislation with EU principles on human dignity, non-discrimination, and freedom of
  expression.
- The Government (the Interior Ministry) should also amend Interior Ministry Decree No. 18/2025 (VI.4.) in order to incorporate anti-discrimination training in the curriculum and allow civil society organisations and other experts to provide education in schools on topics such as "sexual culture, sex life, sexual orientation, and sexual development" to reduce stigma against LGBTQI+ individuals. This would mitigate bullying and harassment, contributing to a safer environment for all students.
- Repeal the 15tz Amendment to the Fundamental Law.
- Repeal Sections 5 and 6 of Act V of 2025 that amended the Equal Treatment Act.
- Repeal Act III of 2025 that introduced the anti-LGBTQI+ restrictions to the Assembly Act and extended the use of facial recognition technology to identify unknown perpetrators of any petty offence.

#### III. Contextual information

This chapter was first included in the 2024 assessment in recognition of the fact that legislative developments (adopted following the December 2022 decisions against which the previous sections assess Hungary's compliance) created new systemic risks capable, in themselves, of triggering measures under the Conditionality Regulation and of preventing the fulfilment of horizontal enabling conditions under the Common Provisions Regulation (CPR). The 2024 assessment therefore explained in detail the establishment of the Sovereignty Protection Office (SPO) and the consequences of its operations that undermine, among others, the purpose of Monitoring Committees and result in a breach of the rule of law as defined by the Conditionality Regulation. As the assessment noted, the legal framework and ensuing activities of the SPO question Hungary's ability to comply with Horizontal Enabling Conditions 1 and 3 under the CPR.

#### The Bill on the Transparency of Public Life

Building on the architecture introduced with the establishment of the SPO, in May 2025 the an MP belonging to the governing majority tabled the Bill on the Transparency of Public Life, that would allow the Government to blacklist CSOs, independent media, and even for-profit companies deemed "sovereignty risks", block or hinder to the extent of practical impossibility their funding from outside of Hungary, while imposing administrative limitations on receiving domestic funding that in practice make that impossible, too, monitor bank accounts, fine, suspend activities of, or dissolve targeted entities. Under the Bill on the Transparency of Public Life, the government can designate in a decree any legal entity registered inside or outside of Hungary, upon the proposal of the Sovereignty Protection Office, as "an organisation that uses foreign support to influence public life" and thereby threatens the sovereignty of Hungary. There is no effective legal remedy against the government's decision to include an entity on the list. The SPO would be tasked to propose which entities would be blacklisted, without legal remedies. <sup>263</sup> The adoption of the proposal, after over a hundred MPs joined as co-sponsors, including the Prime Minister, <sup>264</sup> was postponed in June to the autumn parliamentary session and is currently pending.

The SPO, tasked with proposing which entities pose a risk to sovereignty, has already launched formal investigations into civil society organisations that are also members of the ACTF (see Chapter I. C9.R2. above) and, in the case of TI Hungary, of a Monitoring Committee as well. <sup>265</sup> The SPO regularly portrays the receipt of funding from the EU and from EU member states as a risk to sovereignty, and includes civil society organisations that serve on various Monitoring Committees in its reports as entities that carry out activities that pose a risk to Hungary's sovereignty. <sup>266</sup> If adopted, the Bill would make the effective participation of civil society in Monitoring Committees and the ACTF structurally impossible.

https://www.parlament.hu/documents/d/guest/t11923\_eloterjesztoi-csatlakozasok-2025-05-20- and https://www.parlament.hu/documents/d/guest/t11923-eloterjesztoi-csatlakozasok-2025-05-21-.

<sup>&</sup>lt;sup>263</sup> Further details and analysis of the proposal, included an English translation of the Bill, is available at: <a href="https://helsinki.hu/en/operation-starve-and-strangle-20250522/">https://helsinki.hu/en/operation-starve-and-strangle-20250522/</a>.

<sup>&</sup>lt;sup>264</sup> See the co-sponsorhip documents on the Parliament's website:

<sup>&</sup>lt;sup>265</sup> See: https://transparency.hu/en/news/spo-targets-ti-hungary/\_and\_https://english.atlatszo.hu/2024/06/25/the-sovereignty-protection-office-launched-an-investigation-against-atlatszo/.

<sup>&</sup>lt;sup>266</sup> See all SPO documents on their website: https://szuverenitasvedelmihivatal.hu/dokumentumaink/.

#### Local Identity Law allowing for systemic discrimination in settlement rules

In July 2025, Act XLVIII of 2025 on the Protection of Local Identity (Hövtv.) entered into force, enabling municipalities to adopt restrictive settlement and real-estate rules ostensibly to "preserve local community identity". <sup>267</sup> The law authorises local municipalities to determine who may move into the municipality and under what conditions with a view to "preventing the undesired increase of the population" and "taking action against the undesired directions of societal developments". <sup>268</sup> The law authorises the municipal council to adopt local decrees in order to achieve these objectives. The council may prescribe in such decrees that a right of first refusal applies to local real estates. It may also prescribe certain conditions for registration in the municipality, such as the person wishing to register meeting some preliminary criteria or making some undertaking for the municipality. Furthermore, the council may introduce a settlement tax on those who wish to buy property or register a residential address in the municipality. By late November 2025, out of the ca. 3150 Hungarian municipalities, more than 170 had adopted such decrees, many requiring applicants for residency or property purchase to meet criteria related to education, employment status, income, or "fit" community behaviour.

With very few exceptions, the decrees adopted by municipalities under the Hövtv.'s authorisation aim at restricting the mobility of lower educated and/or unemployed and/or less wealthy and/or less integrated individuals by introducing one or more criteria for establishing residency that specifically exclude such individuals and their families. Some decrees prescribe Hungarian language proficiency as well, excluding non-Hungarian speaking EU citizens from establishing residence. The majority of adopted decrees also provide for a personal hearing of the individual wishing to establish residence (either optionally or as a compulsory element of granting the right to establish residence) without establishing any criteria (and in some cases, specifically allowing for a deviation from the originally prescribed requirements for establishing residency or purchasing real-estate), paving the way for a completely arbitrary decision-making procedures.

The National Strategy for Social Inclusion 2030, adopted to meet relevant thematic enabling conditions, itself recognises that Roma communities face deep, structural disadvantages in education, employment and socioeconomic conditions:<sup>269</sup> 77.4% of Roma adults have no more than elementary education (compared to 19.5% among non-Roma), Roma early school leaving remains extremely high, and the employment rate of Roma adults is drastically lower (45.5% in 2019, with a high share in public work or informal labour) than that of non-Roma.<sup>270</sup> These patterns mean that Roma people are statistically far less likely to meet the typical requirements introduced in local decrees, such as completed secondary education, formally registered employment, or a demonstrable income level. The Strategy also acknowledges that these disadvantages are geographically concentrated. This concentration is the most prevalent in precisely those regions where restrictive decrees have proliferated.

Moreover, available evidence suggests that the decrees' exclusionary effect is not merely incidental: past findings of the Equal Treatment Authority, as well as recorded statements from local actors, indicate a conscious intent in some municipalities to prevent Roma settlement. Taken together, the

<sup>&</sup>lt;sup>267</sup> No English translation available, official Hungarian version is available at: <a href="https://njt.hu/jogszabaly/2025-48-00-00.">https://njt.hu/jogszabaly/2025-48-00-00.</a>
<sup>268</sup> Section 2 (2) of the Hövtv.

<sup>&</sup>lt;sup>269</sup> Government of Hungary (2021), Hungarian National Strategy for Social Inclusion 2030 (*Magyar Nemzeti Társadalmi Felzárkózási Stratégia 2030*), <a href="https://kormany.hu/application/documents/dcb19747-23dd-41b2-a16b-8f8bfbf20227/download">https://kormany.hu/application/documents/dcb19747-23dd-41b2-a16b-8f8bfbf20227/download</a>.

<sup>&</sup>lt;sup>270</sup> National Strategy for Social Inclusion 2030, pp. 97-98., 100.

decrees' formal criteria and their practical application produce indirect discrimination against Roma communities and in certain cases reveal a deliberate exclusionary purpose.<sup>271</sup>

On 3 November 2025, the Deputy Commissioner for Fundamental Rights Responsible for Minority Affairs published a Public Warning regarding the practical application of the law, which fully confirms earlier concerns of Roma rights activists, experts, and human rights watchdogs, that the law may be used to exclude Roma from settling within the administrative boundaries of particular settlements. At the time of the Public Warning's cut-off date, 111 municipalities had adopted local decrees on the basis of the law. As the Public Warning concludes, "the often arbitrary and stigmatising conditions set out by the municipal decrees violate human dignity and the requirement of legal certainty, limit the freedom of movement and property. These rules are in many cases suitable to lead to indirect discrimination against the members of Roma communities." 273

Based on an initial analysis of some of the decrees adopted under the Hövtv.'s authorisation, the HHC found that these are in breach of Thematic Enabling Conditions.<sup>274</sup> The Hövtv.'s wide-ranging authorisation to introduce exclusionist rules is in violation of the Equal Treatment Directive,<sup>275</sup> and provides for systemic breaches of the Horizontal Enabling Condition requiring the effective application and implementation of the Charter of Fundamental Rights.<sup>276</sup>

#### Recommendation:

- Abolish the Sovereignty Protection Office and repeal the Sovereignty Protection Act and all other laws hampering civil society organisations' capacity to carry out their mandate, in line with the recommendation of the European Commission's 2025 Rule of Law Report.
- Abandon the Bill on Transparency of Public Life and refrain from introducing legislation that unduly restricts the lawful operations of civil society and independent media.
- Repeal Act XLVIII of 2025 on the Protection of Local Identity.

#### At a minimum,

 Suspend the force of Act XLVIII of 2025 on the Protection of Local Identity and of the municipal decrees adopted on its basis until an impact assessment is carried out in line with the recommendation of the Deputy Commissioner for Fundamental Rights and amend or repeal the Act based on the assessment and an inclusive public consultation.

<sup>274</sup> Thematic Enabling Conditions 4.4.2., 4.5.1., 4.5.3, see Annex IV of the CPR at <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R1060">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R1060</a>. See also fn 270 above HHC analysis.

<sup>&</sup>lt;sup>271</sup> HHC's analysis found a number of municipalities mirroring their own local equal opportunity plan's socio-economic description of the settlement's Roma population in their local decrees adopted under the Hötv.'s authorisation (internal document on file with the authors; available upon request).

<sup>&</sup>lt;sup>272</sup> The Public Warning has since been removed from the website of the Commissioner for Fundamental Rights but is available at: <a href="https://4cdn.hu/kraken/raw/upload/8GnSJJjF4AYo.pdf">https://4cdn.hu/kraken/raw/upload/8GnSJJjF4AYo.pdf</a>.

<sup>&</sup>lt;sup>273</sup> Public Warning, p. 21.

<sup>&</sup>lt;sup>275</sup> Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin.

<sup>&</sup>lt;sup>276</sup> Horizontal Enabling Condition 3, see Annex III of the CPR at <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R1060">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R1060</a>.