EUROPEAN
COMMISSION

Brussels, 23.9.2026
COM(2026) 516 final

2026/0293 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

pursuant to Article 7(2) of 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, concerning a written notification from Hungary with regard to Council Implementing Decision (EU) 2022/2506 of 15 December 2022

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

1. 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 ('Conditionality Regulation')[1] provides in its Article 4(1) that 'appropriate measures shall be taken where it is established that breaches of the principles of the rule of law in a Member State affect or seriously risk affecting the sound financial management of the Union budget or the protection of the financial interests of the Union in a sufficiently direct way.'

2. On 18 September 2022, following a procedure started on 27 April 2022, the European Commission (the 'Commission') proposed the Council to adopt measures to protect the Union budget from breaches of the principles of the rule of law in Hungary (the 'Commission Proposal')[2]. The findings of the Commission concerned public procurement, the effectiveness of prosecutorial action and the fight against corruption in Hungary, transparency and risks of conflicts of interest regarding public interest asset management foundations ('PITs') and their maintained entities.

3. By its Implementing Decision (EU) 2022/2506 of 15 December 2022 (the 'Council Implementing Decision')[3], the Council assessed the state of implementation of the remedial measures that Hungary had proposed during the procedure and found that important weaknesses, risks and shortcomings remained in a number of remedial measures, making them inadequate to address the findings originally raised by the Commission.

4. In particular, the Council found that significant weaknesses continued to seriously undermine the adequacy of the remedial measures which have a horizontal, structural and systemic nature and are of central importance to remedy the systemic breaches of the principles of the rule of law concerning public procurement, the effectiveness of prosecutorial action and the fight against corruption in Hungary. Those weaknesses were therefore considered to jeopardise the effectiveness of the remedial measures taken as a whole. As the identified cases of non-compliance referred to breaches of a systemic character, they were found to largely affect the sound financial management of the budget of the Union and the protection of the financial interests of the Union in a sufficiently direct way.

5. Article 2(1) of the Council Implementing Decision established a suspension of 55% of the budgetary commitments under the three Cohesion policy operational programmes that were expected to be implemented mainly through public

1 OJ L 433 I, 22.12.2020, page 1, ELI: http://data.europa.eu/eli/reg/2020/2092/oj.

2 Proposal for a Council Implementing Decision on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary, COM/2022/485 final, 18.09.2022.

3 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, OJ L 325, 20.12.2022, page 94, ELI: http://data.europa.eu/eli/dec_impl/2022/2506/oj.

procurement[4]. Article 2(2) prohibited, for Union budget implemented under direct and indirect management, to enter into legal commitments with any public interest trust established on the basis of the Hungarian Act IX of 2021 on public interest asset management foundations performing public duty (the 'PITs Act') or with any entity maintained by any such public interest trust. Article 3 of the Council Implementing Decision required Hungary to inform the Commission every three months of the implementation of the remedial measures.

6. On 13 December 2023, pursuant to Article 7(2) of the Conditionality Regulation, in the absence of a written notification by Hungary, the Commission on its own initiative reassessed the situation (the 'Commission Reassessment Decision')[5] considering the information submitted by Hungary in the context of the quarterly reports pursuant to Article 3 of the Council Implementing Decision as well as any other reliable sources of information available to the Commission until that point. The Commission Reassessment Decision found that Hungary had not remedied the situation that had led to the adoption of the budgetary measures.

7. On 2 December 2024, Hungary submitted to the Commission a written notification regarding amendments to the PITs Act, requesting that the measure under Article 2(2) of the Council Implementing Decision on PITs and on their maintained entities be lifted in full or in part. On that occasion, Hungary did not notify the Commission of any other remedial measures to address the situation that had led to the adoption of the measure under Article 2(1) of the Council Implementing Decision.

8. On 16 December 2024, the Commission adopted Decision C(2024) 9140 final (the '2024 Commission Decision')[6] concluding that the situation leading to the adoption of the measure under Article 2(2) of the Council Implementing Decision was not remedied.

2. HUNGARY'S WRITTEN NOTIFICATION PURSUANT TO ARTICLE 7(2) OF THE CONDITIONALITY REGULATION

9. On 9 September 2026, Hungary transmitted to the Commission a written notification pursuant to Article 7(2) of the Conditionality Regulation.

---

4 See recitals 20 and 21 of the Council Implementing Decision. The programmes concerned are the Environmental and Energy Efficiency Operational Programme Plus, the Integrated Transport Operational Programme Plus and the Territorial and Settlement Development Operational Programme Plus.

5 C(2023) 8999 final, Commission Decision on the reassessment, on the Commission's initiative, of the fulfilment of the conditions under Article 4 of Regulation (EU, Euratom) 2020/2092 following Council Implementing Decision (EU) 2022/2506 of 15 December 2022 regarding Hungary, 13.12.2023, available at https://commission.europa.eu/document/83f08b3a-bf4a-4462-a361-88d44692452b_en.

6 Commission Decision of 16.12.2024 pursuant to Article 7(2) of 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, concerning a written notification from Hungary with regard to Article 2(2) of Council Implementing Decision (EU) 2022/2506 of 15 December 2022, available at https://commission.europa.eu/document/download/8003e1ad-8e79-4238-bf76-af1fcd2b5efe_en?filename=20241216%20Decision%20on%20PITs%20notification%20-%20EN.pdf.

10. By its written notification, Hungary claims that the commitments it took under the seventeen remedial measures listed in the Council Implementing Decision are fully and adequately implemented by the time of submission of this Written Notification (apart from a single element of the remedial measure on Arachne). Furthermore, Hungary referred to the implementation of three new remedial measures: (i) participation in the enhanced cooperation on the establishment of the European Public Prosecutor's Office (the 'EPPO'), (ii) reinforcing integrity, transparency and competitiveness in the public procurement market, and (iii) the adoption of rules ensuring the transparency of beneficial owners of entities and clarifying the use of public subsidies.

11. On this basis, Hungary submits that the conditions for the adoption of measures under Article 4 of the Conditionality Regulation are no longer fulfilled and requests the lifting of the measures contained in Article 2(1) and (2) of the Council Implementing Decision.

3. Conclusions of the assessment of the European Commission

12. The Commission assessed the remedial measures submitted by Hungary, together with the underlying evidence, consisting of existing legislation and recent legislative amendments and related implementing measures.

13. These legislative amendments contain measures to reinforce the powers of the Integrity Authority and ensure that it has access to the data necessary to carry out its work; establish a comprehensive asset declaration system; aim to improve transparency and to address risks of conflicts of interest related to the operation of PITs, pending their termination; extend judicial review of decisions of investigative authorities and of the prosecution service; reinforce the control of Union financial support; increase transparency in public procurement and in the use of public spending in general.

14. Hungary also adopted new remedial measures. For example, as a remedial measure of central importance, joining the EPPO, which will be able to investigate possible offences committed after June 2021, enhances effective investigation and prosecutorial action in relation to criminal offences affecting the financial interests of the Union. This will cover the entire period, since the Council adopted the measures in 2022. In addition, the new rules on beneficial ownership support the fight against corruption through enhanced accountability standards that allow for public scrutiny. Hungary further strengthened its public procurement rules to enhance transparency, facilitate competition and prevent corruption and conflicts of interest.

15. With the package of the adopted remedial measures submitted with the present written notification, in many instances Hungary has gone beyond the commitments it had undertaken in 2022. For example, the asset declaration system in place now grants significantly broader verification powers to the Integrity Authority and extends the obligations to submit asset declarations, as well as the sanctions for

failing to comply with those obligations, to a wider range of high-risk officials as compared to the original commitments. These additional commitments, together with the entirely new remedial measures, serve in a more effective way the purpose to which the specific, targeted remedial measures were intended to contribute.

16. Having assessed all the remedial measures and their implementation together, with specific attention to those having a horizontal, structural and systemic nature, as found in the Council Implementing Decision, the Commission concludes that Hungary has demonstrated that it has addressed the previously identified weaknesses and shortcomings.

2026/0293 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

pursuant to Article 7(2) of 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, concerning a written notification from Hungary with regard to Council Implementing Decision (EU) 2022/2506 of 15 December 2022

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to 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 (the 'Conditionality Regulation')[7], and in particular Article 7, paragraphs 1 and 2 thereof,

Having regard to the proposal from the European Commission,

Whereas:

1. PROCEDURE

(1) Following a proposal by the Commission (the 'Commission Proposal')[8], on 15 December 2022 the Council adopted Implementing Decision (EU) 2022/2506 on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary (the 'Council Implementing Decision')[9]. The Council's deliberations were based on the Commission Proposal and its explanatory memorandum, as well as on the Commission communication to the Council of 30 November 2022 (the 'Commission Communication')[10] and on the Commission's updated assessment of 9 December 2022[11].

(2) As per recitals 11-14 of the Council Implementing Decision, the Commission had found serious systemic irregularities, deficiencies and weaknesses in public procurement procedures, concentration of awards, non-application of public procurement and conflicts of interest rules to public interest asset management foundations ('public interest trusts', or 'PITs') and the entities managed by them, and the lack of transparency with regard to the management of funds by those trusts. Additional issues regarded limitations to the effective investigation and prosecution of alleged criminal activity, the organisation of the prosecution services, and the absence

7 OJ L 433 I, 22.12.2020, page 1.

8 Proposal for a Council Implementing Decision on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary, COM(2022) 485 final, 18.9.2022.

9 Council Implementing Decision, pages 94–109.

10 Communication from the Commission to the Council on the remedial measures notified by Hungary under Regulation (EU, Euratom) 2020/2092 for the protection of the Union budget, COM/2022/687 final.

11 See Council Implementing Decision, recital 33.

of a functioning and effective anti-corruption framework. The identified irregularities, deficiencies and weaknesses were considered widespread and intertwined.

(3) The Council Implementing Decision assessed the implementation of the remedial measures that Hungary had committed to take during the procedure and their 'Key Implementation Steps', which reflected key commitments to be taken within timelines submitted by Hungary[12]. The Commission Proposal had considered that those remedial measures, taken together, would in principle be capable of addressing the findings in the procedure regarding systemic irregularities, deficiencies and weaknesses in public procurement, risks of conflicts of interest, and concerns regarding public interest trusts, as well as the additional grounds regarding investigation, prosecution and the anti-corruption framework, provided that all the measures were correctly and effectively implemented [13].

(4) Despite a number of steps taken by Hungary, the Council found that important weaknesses, risks and shortcomings remained in a number of remedial measures. In particular, significant weaknesses were found to continue to seriously undermine the adequacy of the remedial measures with horizontal, structural and systemic nature and being of central importance to remedy the systemic breaches of the principles of the rule of law concerning public procurement, the effectiveness of prosecutorial action and the fight against corruption in Hungary[14].

(5) The Council Implementing Decision recalled that the remedial measures, with the sole exception of the remedial measure regarding public interest trusts, had to be assessed in their entirety and on the basis of a qualitative and not merely quantitative assessment in light of their overall adequacy to put an end to the situation that had led to the adoption of the budgetary measures[15].

(6) On that basis, the Council concluded that the relevant remedial measures notified by Hungary during the procedure in 2022, taken as a whole, as adopted and in view of their details, and the ensuing uncertainty about their application in practice, did not put an end to the identified breaches of the principles of the rule of law. As the identified cases of non-compliance referred to breaches of a systemic character, the Council Implementing Decision found that they largely affected the sound financial management of the budget of the Union and the protection of the financial interests of the Union in a sufficiently direct way[16].

(7) Regarding the identified breaches in relation to public interest trusts, the Council concluded that the regulatory framework in Hungary had weaknesses and that the steps taken had not remedied the risk of conflicts of interest that the remedial measure was meant to address. The remedial measure adopted by Hungary was found inadequate, leaving the Union budget at serious risk[17].

(8) On this basis, Article 2(1) of the Council Implementing Decision established a suspension of 55% of the budgetary commitments under the three Cohesion policy operational programmes that were expected to be implemented mainly through public

12 Thirteen of the remedial measures in the Council Implementing Decision had Key Implementation Steps to be fulfilled by 19 November 2022 by Hungary, see Council Implementing Decision, recital 27.
13 Council Implementing Decision, recital 29.
14 Council Implementing Decision, recitals 55 and 56.
15 Council Implementing Decision, recital 57.
16 Council Implementing Decision, recital 58.
17 Council Implementing Decision, recital 62.

procurement[18]. Moreover, Article 2(2) prohibited, for Union budget implemented under direct or indirect management, to enter into legal commitments with any public interest trust established on the basis of the PITs Act or with any entity maintained by any such public interest trust. Lastly, Article 3 stipulated that Hungary should inform the Commission by 16 March 2023, and every 3 months thereafter, of the implementation of the remedial measures to which it had committed.

(9) Pursuant to Article 7(1) of the Conditionality Regulation, 'the Member State concerned may, at any time, adopt new remedial measures and submit to the Commission a written notification including evidence to show that the conditions of Article 4 are no longer fulfilled'.

(10) Pursuant to Article 7(2) of the Conditionality Regulation, 'at the request of the Member State concerned, […] the Commission shall reassess the situation in the Member State concerned, taking into account any evidence submitted by the Member State concerned, as well as the adequacy of any new remedial measures adopted by the Member State concerned.' Furthermore, the same provision states that the Commission 'shall submit to the Council a proposal for an implementing decision lifting the adopted measures', where the Commission considers that the conditions of Article 4 are no longer fulfilled, or 'a proposal for an implementing decision adapting the adopted measures', where the Commission considers that the situation leading to the adoption of measures has been remedied in part. Finally, 'where the Commission considers that the situation leading to the adoption of measures has not been remedied, it shall address to the Member State concerned a reasoned decision and inform the Council thereof.'

(11) On 13 December 2023, in line with Article 7(2) of the Conditionality Regulation and in the absence of a written notification from Hungary to seek the lifting of the measures, the Commission adopted on its own initiative a decision on the reassessment of the situation (the 'Commission Reassessment Decision')[19]. The Commission Reassessment Decision found that, despite regular exchanges between the Commission and the Hungarian authorities, Hungary had not remedied the situation that had led to the adoption of the budgetary measures. Consequently, the Commission did not propose to the Council to lift or adapt the measures adopted under Article 2 of the Council Implementing Decision.

(12) On 2 December 2024, Hungary submitted to the Commission a written notification pursuant to Article 7(1) of the Conditionality Regulation regarding amendments to the PITs Act, to be considered as a new remedial measure. By that written notification, the Hungarian government requested that the measure under Article 2(2) of the Council Implementing Decision on public interest trusts be lifted in full or in part. Hungary did not notify the Commission of any other new remedial measures to address the situation that led to the adoption of the measure under Article 2(1) of the Council Implementing Decision.

[18] Council Implementing Decision, recitals 20 and 21. The programmes concerned are the Environmental and Energy Efficiency Operational Programme Plus, the Integrated Transport Operational Programme Plus and the Territorial and Settlement Development Operational Programme Plus.

[19] C(2023) 8999 final, Commission Decision on the reassessment, on the Commission's initiative, of the fulfilment of the conditions under Article 4 of Regulation (EU, Euratom) 2020/2092 following Council Implementing Decision (EU) 2022/2506 of 15 December 2022 regarding Hungary, 13.12.2023, available at https://commission.europa.eu/document/83f08b3a-bf4a-4462-a361-88d44692452b_en.

(13) On 16 December 2024, the Commission adopted Decision C(2024) 9140 final (the '2024 Commission Decision')[20] concluding that the situation leading to the adoption of the measure under Article 2(2) of the Council Implementing Decision was not remedied. In that Decision, the Commission listed a number of adaptations (or measures having an equivalent effect) to the remedial measure proposed by Hungary that would be needed to conclude that the situation has been sufficiently remedied with regard to public interest trusts and entities maintained by them. The 2024 Commission Decision also listed elements that would have contributed to the effectiveness of the remedial measure proposed by Hungary[21].

(14) On 9 September 2026, Hungary transmitted to the Commission a new written notification pursuant to Article 7(1) of the Conditionality Regulation (the 'Written Notification'), by which it submitted that the conditions for the adoption of the measures under Article 4 of the Conditionality Regulation are no longer met. In its Written Notification, the Hungarian government requested that the budgetary measures under the Council Implementing Decision be lifted in full and the related reporting obligation be ceased.

2. REMEDIAL MEASURES

(15) By its Written Notification, in accordance with Article 7(1) of the Conditionality Regulation, Hungary submitted that the commitments it took under the remedial measures adopted or proposed in the past pursuant to the Conditionality Regulation have been fully and adequately fulfilled. On that basis, Hungary argued that all systemic irregularities, deficiencies and weaknesses previously identified in the Council Implementing Decision have been successfully remedied and that the conditions of Article 4 of the Conditionality Regulation are no longer fulfilled[22].

(16) In addition, Hungary adopted further remedial measures. Most of the remedial measures, past or new, were adopted, modified or implemented by means of Act XVIII of 2026 on the amendment of certain Acts necessary for accessing European Union funds (the 'Omnibus Act'), which was adopted on 23 June 2026[23], and by Act XXXV of 2026, adopted on 28 July 2026[24].

(17) For the purposes of presentation, this Decision assesses first the remedial measure relating to public interest trusts, followed by the other existing remedial measures and by the additional new remedial measures.

2.1. Ensuring the transparency of the use of Union support by public interest asset management foundations

[20] Commission Decision of 16.12.2024 pursuant to Article 7(2) of 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, concerning a written notification from Hungary with regard to Article 2(2) of Council Implementing Decision (EU) 2022/2506 of 15 December 2022, available at https://commission.europa.eu/document/download/8003e1ad-8e79-4238-bf76-af1fcd2b5efe_en?filename=20241216%20Decision%20on%20PITs%20notification%20-%20EN.pdf.

[21] 2024 Commission Decision, recitals 49 and 50.

[22] Written Notification, page 2.

[23] Annex 1.2 to the Written Notification, Official Gazette No. 80 of 2026 ('the Omnibus Act'). All the provisions of the Omnibus Act entered into force.

[24] Annex 1.22 to the Written Notification, Official Gazette No. 102 of 2026. Provisions relevant for the remedial measures assessed under this Decision entered into force until 26 August 2026. Provisions relevant for the remedial measures assessed under this Decision entered into force until 26 August 2026. The provisions of this Act regarding the remedial measures entered into force. See Section 58 of Act XXXV.

(18) The Council Implementing Decision identified concerns regarding the non-application of public procurement and conflicts of interest rules to PITs and the entities maintained by them, and the lack of transparency with regard to the management of funds by those trusts[25]. As said in recital (7) above, the Council found that the regulatory framework had weaknesses which had not been remedied. In practice, the risk of conflicts of interest that the remedial measure on PITs was meant to address remained unaddressed.

(19) The 2024 Commission Decision recalled the concrete weaknesses of that regulatory framework that remained outstanding. In essence, despite some measures taken by Hungary, 'top-level officials' could still sit on boards of public interest trusts, and senior political executives could still have other remunerated employment while sitting on such boards. That was found to create a situation where senior political executives could participate in decision-making relating to the disbursement of public funds to entities in which they themselves are employed and have key decision-making powers[26].

(20) By its Written Notification, Hungary submitted constitutional and legislative amendments, coupled with implementation rules, meant to (i) terminate PITs (in two phases), and (ii) address the existing structural risks of conflicts of interest until all PITs are terminated. The Hungarian government considers that these amendments would provide the necessary guarantees to protect the Union budget from risks of conflicts of interest and would even go beyond what is strictly necessary, by putting to an end the very existence of PITs.

2.1.1. *Termination of public interest trusts*

(21) On 15 June 2026, Hungary adopted the Sixteenth Amendment to the Fundamental Law, which entered into force on 20 June 2026[27]. The Sixteenth Amendment set the constitutional basis for the termination process, by (i) repealing former Article 38(6) of the Fundamental Law, which recognised public interest trusts as part of the constitutional framework governing national assets, (ii) providing that assets granted by the State to public interest trusts, as well as the proceeds thereof and any assets replacing them, must, upon the termination of the public interest trusts, revert to the State free of charge as universal legal successor, (iii) stipulating that the rights of the founder of a public interest trust, including the power to terminate such entity, must be exercised by the State, and (iv) establishing that the detailed rules governing operation, termination and the performance of public duties must be laid down by law.

(22) To implement the Sixteenth Amendment, Subtitle 32 of the Omnibus Act introduced amendments to the PITs Act (the 'PITs Act as amended')[28]. Among other things, these amendments assigned the founder's rights over public interest trusts to the State[29], as represented by a minister designated by Government Decision No. 1214/2026 (of 29 June)[30], and established two separate processes to terminate (i) the public interest trusts that do not perform higher education activities as a public duty ('non-higher education PITs') by 31 August 2026 and (ii) the public interest trusts that perform

25 Council Implementing Decision, recital 11.
26 2024 Commission Decision, recitals 12 to 16, referring to Council Implementing Decision, recitals 42, 43 and 62 and to Commission Communication, paragraph 70.
27 Annex 4.4 to the Written Notification, Official Gazette No. 74 of 2026.
28 Annex 4.5 to the Written Notification, Act on PITs (in force as of 29 June 2026).
29 See Section 129 of the Omnibus Act, replacing Section 7 (1) to (3) of the PITs Act as modified.
30 Annex 4.6 to the Written Notification, Government Decision No. 1214/2026 (29 June) Official Gazette No. 81 of 2026. The Government Decision entered into force on 30 June 2026.

higher education activities as a public duty ('higher education PITs') by 1 August 2027[31].

(23) As regards non-higher education PITs, which are identified in Annex 2 of the PITs Act as amended, the new Section 25/A of the act prescribes the adoption of a government decision, based on an initial decision by the minister holding the founder's rights, to determine, inter alia, the date of termination of the PITs concerned by 31 July 2026, identify the residual tasks which can be taken over and pursued by organs of the State (if any), designate the public body receiving the assets and taking over the said tasks, and appoint a settlement agent.

(24) In this respect, Government Decision No. 1226/2026, adopted on 14 July 2026[32], provides for the termination of all the non-higher education PITs, with effect from 31 July 2026. The decision also identifies the public tasks to be retained and transferred back to the State, designates the responsible ministers and budgetary organs that will assume those tasks, appoints the settlement agents to supervise the winding-up process, and determines the exercise of ownership rights over companies and assets reverting to State ownership.

(25) Furthermore, Government Decree No. 134/2026[33] lays down the detailed rules governing the transfer of the public duties related to historical research and heritage preservation performed by two non-higher education PITs: the Foundation for Research on Central and Eastern European History and Society and the Lajos Batthyany Foundation.

(26) With specific regard to the application for or the receipt of Union funding, under Section 25/I of the PITs Act as amended, in case of projects or grant schemes co-financed by the European Union, the recipient budgetary organs replace the non-higher education PITs following the takeover of the latter's tasks.

(27) While the PITs Act as amended establishes the termination of the non-higher education PITs as the general rule, it also provides for the possibility of continuation of the legal entity, where one or more non-State founders so request. In that case, the foundation may continue either as an ordinary asset-management foundation governed by the relevant legislation or as an ordinary foundation governed by the Hungarian Civil Code. Such continuation does not, however, preserve the status of the entity as a public interest trust under the PITs Act as amended[34].

(28) Where no valid application for continuation is made, Section 25/B of the PITs Act as amended provides that the relevant court must remove the foundation from its register on 31 August 2026, with effect on that day. In this scenario, the non-higher education public interest trust in question ceases to exist altogether as a legal entity. Given that no such applications were made, all non-higher education PITs identified in Annex 2 of the PITs Act as amended were completely de-registered as legal entities on 31 August 2026, with effect as of that day, pursuant to Section 25/B(1) of the PITs Act as amended[35].

---

[31] See Section 135 of the Omnibus Act, introducing Section 31/G of the PITs Act as amended.

[32] Annex 4.10 to the Written Notification, Government Decision No. 1226/2026 (14 July) Official Gazette No. 89 of 2026.

[33] Annex 4.12 to the Written Notification, Official Gazette No. 120 of 2026.

[34] See Section 134 of the Omnibus Act, introducing Section 25/C of the PITs Act as amended.

[35] Annex 4.13 to the Written Notification, Evidence concerning de-registered PITs, which is attested by the publicly available Register of Civil Society Organisations. The register is deemed authentic and authoritative pursuant to Section 86(1) of Act CLXXXI of 2021.

(29) As regards higher education PITs, Government Decision No. 1219/2026, adopted on 2 July 2026 and with entry into force on 3 July 2026, designated the Minister for Education and Child Affairs as the authority exercising, exclusively on behalf of the Hungarian State, the founder's rights for all higher education PITs[36].

(30) In addition, by its Written Notification, Hungary provided that a separate and longer process is needed for the termination of higher education PITs, in order not to disrupt the day-to-day operations of higher education activities, including the provision of scholarships, clinical services and healthcare activities.

(31) For this reason, contrary to the case of non-higher education PITs, the Omnibus Act does not provide for specific provisions on the immediate termination of higher education PITs. Instead, Section 31/G of the PITs Act as amended, provides that a separate act will establish the rules for the settlement of the higher education PITs, as well as for the performance of their public duties and other tasks, and for their termination by no later than 1 August 2027.

2.1.2. *Provisions to address risks of conflicts of interest*

(32) In parallel to the amendments on the termination of PITs, the Omnibus Act introduced other provisions changing the governance of PITs and of their maintained entities, with a focus on addressing risks of conflicts of interest throughout the residual period of existence of PITs and their maintained entities.

(33) These amendments, according to the Written Notification, reflect the 2024 Commission Decision, in the part where it listed adaptations (or measures having an equivalent effect) needed to the specific amendments to the PITs Act that Hungary had proposed in December 2024 and elements that would have contributed to their effectiveness, as per recitals 49 and 50 of the said decision.

(34) While under the original PITs Act the mandate of a member of the board of trustees or of a member of the supervisory board was without any limitation in time, pursuant to Section 6(4) of the PITs Act as amended, the duration of their mandate, as well as of the mandate of an executive officer of a legal person established or maintained by a public interest trust[37], is limited to four years. The mandate can be renewed only once, up to four additional years; renewal can only be in a single board of trustees or supervisory board, or within a single legal person established or maintained by the public interest trust[38]. The limited duration of mandate also applies to incumbent members of the boards of trustees or of supervisory boards who have already been designated with the provision that, if their term of office has lasted for more than four years as of the date of entry into force of the Omnibus Act, their term of office must terminate on the day of the designation of a new member according to the procedure set out in the PITs Act as amended[39]. To ensure the orderly continuation of the activities of higher education PITs and their maintained entities, Section 31/I of the PITs Act as amended establishes a transitional regime: the application of this general rule for executive officers of entities maintained by higher education PITs is

[36] Annex 4.8 to the Written Notification, Government Decision No. 1219/2026 (2 July) Official Gazette No. 84 of 2026.

[37] Section 15 (1c) of the PITs Act as amended defines the executive officer of a legal person established or maintained by a PIT as the executive officer acting as the senior finance executive responsible for the use of European Union funds of the legal person established or maintained by the PIT.

[38] Section 15 (1e) of the PITs Act as amended.

[39] Section 31 (d) of the PITs Act as amended.

suspended until 1 August 2027, in line with the timeline established under Section 31/G for the termination of the said PITs.

(35) Under new paragraphs added to Section 15 of the PITs Act as amended, members of the board of trustees and the members of the supervisory board of a public interest trust must be designated by the holder of the founder's rights through an open call for applications. Candidates must hold a higher education degree, demonstrate independence, probity, impartiality, and integrity and have no grounds for conflicts of interest[40]. These members, as well as executive officers of a legal person established or maintained by a public interest trust, can only be designated if their independence, probity, impartiality and integrity is established by the State Audit Office in an opinion to be issued within 15 days following the receipt of the request from the holder of the founder's rights[41]. If the State Audit Office finds that these criteria are not met for a person that has already been appointed, the person concerned may not exercise the rights arising from their office nor receive any remuneration. For persons whose mandate started before the entry into force of the Omnibus Act, within 15 working days from that date the person exercising the founder's rights must request the State Audit Office to check their independence, probity, impartiality and integrity. If these criteria are not met, the State Audit Office must initiate the termination of the office of the person concerned before the person exercising the founder's rights[42].

(36) Section 15 (1b) of the PITs Act as amended introduced a prohibition for certain categories of officials to serve as members of the board of trustees, of the supervisory board, or as executive officers of a legal person established or maintained by a public interest trust[43]. The same provision also introduced a one-year 'cooling-off' period for the same categories of officials. Compliance with these provisions for incumbent members of the board of trustees, of the supervisory board and for incumbent executive officers is ultimately checked by the Integrity Authority[44]. Where these provisions are not met, the Integrity Authority must initiate the termination of the office of the person concerned before the person exercising the founder's rights[45].

(37) Section 15/A of the PITs Act as amended requires members of the board of trustees, members of the supervisory board, and executive officers to make an asset declaration within 30 days of their appointment, every two years thereafter and within 30 days of the termination of their term of office, each time attaching the asset declaration of their close relatives as defined in the Civil Code living in the same household with them. Persons failing to submit an asset declaration cannot exercise their rights arising from their office, nor receive any remuneration. These asset declarations are verified by the Integrity Authority. In case an asset declaration contains false data or facts provided intentionally, the Integrity Authority must initiate the termination of the mandate of

---

40 Section 15 (1a) of the PITs Act as amended.

41 Section 15 (1f) of the PITs Act as amended.

42 Section 31/F of the PITs Act as amended.

43 The officials concerned are the President of the Republic; a member of the National Assembly, national minority advocate or a member of the European Parliament elected in Hungary; mayors (including the mayor of Budapest as capital of Hungary) or the chairperson of the county assembly; officers elected by the National Assembly or appointed by the President of the Republic; specific category of senior officers or officer with a political mandate.

44 Pursuant to Section 31/E (2) of the PITs Act as amended, the persons concerned must submit a conflict of interest declaration in relation to Section 15 (1b) within five days from the entry into force of Act XXXV of 2026 (i.e. 5 days after 31 July 2026). Within the following five days, these declarations must be transmitted to the Integrity Authority, for its verification within 15 days, pursuant to Section 15/B(3) of the PITs Act as amended.

45 Section 15/B (3) of the PITs Act as amended.

the person concerned before the person exercising the founder's rights. Pursuant to Section 31/E (1) of the PITs Act as amended, the obligation to submit an asset declaration applies also to incumbent members of the board of trustees and of the supervisory board, as well as to executive officers, including those whose office is terminated by law following the expiry of their mandate.

(38) The Integrity Authority's responsibility to verify asset declarations as established under the PITs Act as amended is mirrored in the amendments to Act XXVII of 2022 on the control of the use of European Union budget funds (the 'the Integrity Authority Act')[46] brought about by the Omnibus Act. Among other things, new provisions establish a dedicated asset declaration verification procedure, allowing the Integrity Authority to access the data and obtain the information needed for its verification, as described further in recitals (59)–(62) below.

(39) Similarly, Section 15/B of the PITs Act as amended requires members of the board of trustees, members of the supervisory board, and executive officers to make a conflict of interest declaration within 30 days of their appointment, every two years thereafter and within 30 days of the termination of their term of office. Persons failing to submit a conflict of interest declaration cannot exercise their rights arising from their office, nor receive any remuneration. The Integrity Authority must verify the conflicts of interest declaration and where it establishes a conflict of interest it must initiate the termination of the office of the person concerned before the person exercising the founder's rights. Section 31/E (1) of the PITs Act as amended described in recital (37) applies for conflict of interest declarations too.

2.1.3. *Assessment*

(40) Based on the Commission's assessment, the Council considers that the provisions to address structural risks of conflicts of interest effectively reflect the adaptations (or measures having an equivalent effect) needed to the specific amendments to the PITs Act that Hungary had proposed in December 2024 and elements that would have contributed to their effectiveness, as per recitals 49 and 50 of the said decision. As stated in recital (13) above, these adaptations were found necessary to consider that the situation that had led to the adoption of the measure under Article 2(2) of the Council Implementing Decision was sufficiently remedied.

(41) These provisions entered into force between 29 June and 31 July 2026[47], before the date when the Written Notification was submitted to the Commission, and they are unconditional and applicable to all PITs and entities established or maintained by them, without any limitation. In the same vein, contrary to the remedial measure proposed in December 2024, these provisions make no distinction between rules applicable to entities eligible for EU financial support or already receiving it. These elements satisfy the first three indents of recital 49 of the 2024 Commission Decision.

(42) The requirements under the other indents of recital 49 of the 2024 Commission Decision are also satisfied as follows:

(a) Fourth indent, on the duration of the mandate, by the provisions described in recital (34) above.

[46] Annex 4.1 to the Written Notification, Official Gazette No. 163 of 2022.

[47] As introduced, respectively, by the Omnibus Act and by Act XXXV of 2026.

(b) Fifth indent, on the applicability of the rules to new and existing members of the board of trustees or of supervisory boards or to executive officers, by the provisions described in recitals (34) and (38) above.

(c) Sixth and ninth indents, on absence of conflicts of interest and eligibility checks, by the provisions described in recital (35) above.

(d) Seventh, tenth, eleventh and twelfth indents, on asset declarations and conflicts of interest declarations and related checks, by the provisions described in recitals (37) – (38) above.

(e) The eighth indent, on checks on eligibility to be performed before a concerned PIT or entity may be considered eligible to apply for Union funding, referred to specific conditions set in the proposed remedial measures of December 2024, but its purpose is satisfied, insofar as all the provisions described above have immediate application and short periods for checks regarding incumbent members whose possible conflicts of interest might expose the Union budget to risks.

(43) In addition, the provisions described in recitals (34) and (35) also satisfy the additional elements identified in recital 50 of the 2024 Commission Decision, regarding the maximum duration of the mandate and the possibility to renew it, the introduction of a cooling-off period and the inclusion of mayors among the categories of officials incompatible with membership in the board of trustees or supervisory board of PITs and with the position of executive officer.

(44) Finally, the termination of PITs, which goes beyond the already described changes to the rules applicable throughout the residual period of existence of PITs, will sever the link with their maintained entities or with entities established by them. This will definitively cancel the very entities that were governed by rules prone to risks of conflicts of interest regarding the implementation of the Union budget. Consequently, in the case of PITs that are terminated already, i.e. non-higher education PITs, the breaches of the principles of the rule of law identified under the Council Implementing Decision, together with the risk that they posed to the financial interests of the Union, are no longer present, also because the assets have been transferred back to the State and general rules applicable to the use of Union support apply (including public procurement rules, access to data, conflicts of interest etc.). In the case of PITs that will still exist at the latest until 1 August 2027, i.e. higher education PITs, adequate rules were put in place that are applicable to all individuals holding office or being employed by those PITs and the legal persons established or maintained by them that ensure compliance with the provisions of Article 61 of Regulation (EU, Euratom) 2024/2509, irrespective of their other activities and functions, including in the Hungarian government.

(45) Furthermore, PITs are subjected to public information requirements, including pursuant to the amendment of Act CXII of 2011, Section 37/C paragraph 1, point (c), which introduced an explicit requirement that public interest asset management foundations performing public duty and legal persons established or maintained by them shall regularly publish a wide set of information on their activities on the Central Transparency Register (see Section 2.17 below).

(46) Based on the Commission's assessment, the Council considers that Hungary fulfilled this remedial measure and took additional measures putting an end to the weaknesses

identified in the Council Implementing Decision as regards the legislative framework of PITs.

2.2. Reinforcing the prevention, detection and correction of illegalities and irregularities concerning the implementation of Union funds through a newly established Integrity Authority

(47) As part of the remedial measures adopted in 2022, Hungary committed to establishing a new Integrity Authority with the objective of reinforcing the prevention, detection and correction of fraud, conflicts of interest and corruption, as well as other illegalities and irregularities in the implementation of any Union financial support. In the Council Implementing Decision, the creation of the Integrity Authority was considered a horizontal measure aiming at remedying the systemic breaches of the principles of the rule of law concerning public procurement affecting the Union's financial interests[48].

(48) Despite Hungary taking several steps to meet its commitments, recital 36 of the Council Implementing Decision found that weaknesses, risks and shortcomings compromised the effectiveness, independence, and capacity of the Integrity Authority to remedy the systemic breaches of the principles of the rule of law concerning public procurement affecting the Union's financial interests, citing in particular: '(i) the lack of a clear rule stating that the Integrity Authority will retain its competence after a project is withdrawn from Union financing; (ii) the weaknesses of the system for the judicial review of the decisions of contracting authorities that do not follow the recommendations of the Integrity Authority; (iii) the weaknesses of the dismissal procedure; (iv) the direct, as opposed to the supervisory, powers of the Integrity Authority in relation to the various groups of declarants, and the lack of a transfer of powers to the Integrity Authority to verify the asset declarations of members of the Government; (v) the limited scope related to the lack of inclusion of all 'high-risk officials' in the scope of the Integrity Authority's verification powers in relation to asset declarations'. On that basis, it concluded that the weaknesses identified, and in particular the ones constraining the powers of the Integrity Authority, were 'of such gravity as to seriously undermine the capacity of the Integrity Authority to remedy the systemic breaches of the principles of the rule of law concerning public procurement affecting the Union's financial interests'[49].

(49) By its Written Notification, Hungary submitted that it fully addressed the five points listed in recital 36 of the Council Implementing Decision, in particular by amending the Integrity Authority Act and by adopting specific provisions as part of Act XXXV of 2026.

(50) As regards the first point, Section 3 of the Integrity Authority Act as amended by Section 150 of the Omnibus Act prescribes that 'the [Integrity] Authority's competence shall be maintained in the event of the withdrawal of a measure, procedure or project from Union funding'.

(51) As regards the second point, the Council Implementing Decision referred to the Commission Communication, which found that, although the Integrity Authority was empowered to initiate proceedings before the Public Procurement Arbitration Board (the 'PPAB') in respect of irregularities in public procurement and to seek judicial review of the PPAB's decisions, the applicable legal framework did not provide for

[48] Council Implementing Decision, recital 34.

[49] At the end of 2023, the Commission assessed those five points as still outstanding. See Commission Reassessment Decision, recital 21, points (i) to (iv).

the suspension of the public procurement procedure concerned pending the outcome of the PPAB proceedings. Furthermore, it did not enable the Integrity Authority to challenge the PPAB's failure to adopt a decision within the prescribed time limit. In this regard, the Omnibus Act amended provisions in Act CXLIII of 2015 on public procurement ('the Act on Public Procurement'), establishing that (i) where the Integrity Authority has initiated a procedure before the Public Procurement Arbitration Board, the latter must order the suspension of the public procurement procedure concerned, if the Integrity Authority so proposes, and (ii) the Integrity Authority can seek judicial review where the time limit for a decision of the PPAB expires without one having been taken[50].

(52) The third point concerned the termination of the office of the President and of the Vice-Presidents of the Integrity Authority based on a court decision, whose time limit was set to 30 days, and unclarity whether an appeal of such dismissal procedure would have a suspensive effect on the dismissal. The Omnibus Act amended Sections 39(6) and 39 (7) of the Integrity Authority Act by increasing the said time limit to 60 days and by stating that an appeal with suspensive effect may be lodged if the court terminates the legal relationship of a member of the Integrity Authority Board.

(53) As regards the fourth and the fifth point, on the Integrity Authority's powers regarding the verification of asset declarations, Hungary reformed its asset declaration system and addressed these points, as further explained in Section 2.4.3 below.

(54) In addition, by its Written Notification, Hungary put forward several further legislative amendments and developments regarding the governance, staffing and efficiency of the Integrity Authority.

(55) To improve governance and ensure business continuity, Sections 32 (1) and (33) of the Integrity Act as amended provide for an increase in the number of members of the Integrity Authority Board and for rules on the decision-making of the board. The new Sections 35(2) and 37(2a) of the Integrity Authority Act introduced targeted amendments to the rules governing the selection of the members of the Integrity Authority Board, by establishing that the Eligibility Committee should adopt a ranking system and by narrowing the discretionary powers of the President of the State Audit Office in the selection of eligible candidates. Section 37(3) of the Integrity Authority Act as amended further specifies the selection procedure, stating that from among the applicants, the Eligibility Committee must decide on the list of persons deemed suitable for the positions of President and Vice-President of the Authority and thus eligible to be proposed for the positions, compiled having regard to professional merits, expertise and qualifications, and establishing the ranking of the candidates[51].

(56) Furthermore, in line with the original commitments under this remedial measure, Hungary increased the staff of the Integrity Authority to make it commensurate with its tasks and activities, and to increase its efficiency[52].

50 See Annex 1.3 to the Written Notification, Sections 152 (1) (o) and 156 (2a) of the Consolidated Version of Act CXLIII of 2015 (Public Procurement Act) in force as of 20 August 2026.

51 See Sections 36 and 37 of the Integrity Authority Act. The call for applications for the new Board members was published on 4 July 2026. The call for applications was open until 3 August 2026, Written Notification, page 21. Annex 1.5 to the Written Notification, Call for applications Integrity Authority Vice-Presidents_20260704.

52 Annex 1.37 to the Written Notification, Letter of the President of the Integrity Authority 10 August 2026.

(57) The Integrity Authority has also issued its reports as set in the Integrity Authority Act. In 2023, it launched an integrity risk assessment exercise for the protection of Union funds, including an evaluation of the integrity state of play of the public procurement system in Hungary[53]. This exercise produced a report allowing the Integrity Authority to get a comprehensive picture of the specific integrity risks concerning the implementation of financial support from the Union budget, including in the field of procurement, which has been taken into account for the preparation of the first annual analytical report[54]. The same exercise was conducted in 2024[55]. The Integrity Authority has also issued its annual analytical integrity reports regularly[56], to which the Hungarian Government has provided replies in line with the said act[57]. Additionally, on 10 February 2026, the Integrity Authority's Board approved the ad hoc report focusing on central procurement system[58].

(58) Data provided by Hungary regarding whistleblower reports[59] and investigations prove the well-functioning of the Integrity Authority in line with the requirements of the remedial measure. Hungary also reported on the progress made regarding cooperation agreements with Hungarian bodies and institutions.[60] Such progress is particularly relevant for the effectiveness of the Integrity Authority's tasks and activities.

(59) Furthermore, Hungary submitted that the Integrity Authority has established the technical and institutional conditions necessary for the register of economic operators excluded from public procurement procedures as required by Chapter IV of the Integrity Authority Act[61]. This required direct data connections with the relevant registers, namely the company information register, the beneficial ownership register, the criminal records register, and the register of private entrepreneurs. These have been implemented[62] and the register of economic operators' interface has been launched in the Hungarian Electronic Public Procurement System[63]. In this regard,

---

53 Annex 1.46 to the Written Notification, Report on Integrity Risk Assessment Exercise of 2023 March.

54 Annex 1.38 to the Written Notification, Annual Integrity Report for 2022.

55 See https://integritashatosag.hu/wp-content/uploads/2025/02/Integrity-Risk-Assessment-Report-of-the-Hungarian-Public-Procurement-System-2023.pdf.

56 Annex 1.38 to the Written Notification, Annual Integrity Report for 2022; Annex 1.39 to the Written Notification, Annual Integrity Report for 2023; Annex 1.40 to the Written Notification, Annual Integrity Report for 2024; Annex 1.41 to the Written Notification, Annual Integrity Report for 2025.

57 Annex 1.42 to the Written Notification, The Government's reply to Integrity Authority annual analytical integrity report for 2022; Annex 1.43 to the Written Notification, The Government's reply to Integrity Authority annual analytical integrity report for 2023; Annex 1.44 to the Written Notification, The Government's reply to Integrity Authority annual analytical integrity report for 2024; Annex 1.45 to the Written Notification, Official Gazette No. 124 of 2026 (the Government's reply to the Integrity Authority annual analytical integrity report for 2025).

58 Annex 1.48 to the Written Notification, Special Report of the Integrity Authority on the Central Purchasing Bodies.

59 Written Notification, page 64.

60 Written Notification, pages 66 -69.

61 Written Notification, page 29.

62 Annex 1.7 to the Written Notification, Letter of the President of the Integrity Authority 23 July 2026. This letter confirmed all necessary data connections required for the operation of the register were fully operational; data transfers and data queries were functioning; and all data necessary for maintaining the register was fully available.

63 Written Notification, page 30. It is available at the following link: https://ekr.gov.hu/nyilvantartasok/hu/integritas. In particular, Section 8 of Act XLIII of 2021 on the Establishment and Operation of the Data Reporting Framework Related to the Identification Duties of Financial and Other Service Providers, as amended by the Omnibus Act, establishes the relevant legislative amendment ensuring that the Authority is able to perform tax identification number-based queries in the register of beneficial owners.

pursuant to Section 69 (4) and (5) of the Integrity Authority Act, Government Decision No. 1246/2026 (of 7 August) confirming the complete availability of the data in the register and Decision No. 1/2026 (of 11 August) of the Minister of Justice on the entry into force of relevant sections of the Integrity Authority Act were adopted[64]. In his letter of 31 August 2026[65], the President of the Integrity Authority estimates, on the basis of the data available, that the Integrity Authority will have to conduct more than five hundred registration procedures, the first of which have been initiated. The Integrity Authority will report on the progress on the registration procedures in the next annual analytical integrity report[66].

(60) As to the access to information by the Integrity Authority, amendments to Section 18 of the Integrity Authority Act further extend the guarantees for effective access to data and registries by the Integrity Authority. Under the amended rules, during its investigation, the Integrity Authority must assess all relevant information and may request data from any person or organisation involved in the case.

(61) Access to data may be ensured either through formal requests addressed to the relevant bodies or, where legally permitted and technically possible, through direct access to databases or registers, thereby allowing for efficient and comprehensive information gathering. The new provisions ensure that in the course of its procedure, the Integrity Authority may process any personal data and, to the extent necessary, data constituting legally protected secrets — including in particular tax, bank and business secrets — as well as data covered by professional secrecy, provided that such data are relevant to the investigation and their processing is indispensable for its effective conduct[67].

(62) Furthermore, the legal framework establishes clear cooperation obligations for all concerned entities. The data controller under investigation, as well as any other organisation or person concerned, is required to comply with the Integrity Authority's request for data within a time limit set by the Authority, not exceeding 30 days, with minimum procedural guarantees ensured in certain cases. Where the requested data is not available or cannot be disclosed under applicable law, the requested entity must inform the Integrity Authority accordingly within the same time frame. Finally, to ensure the effectiveness of these powers, the Authority is granted effective powers for judicial enforcement: in case of non-compliance with data requests, the Authority may initiate administrative non-compliance proceedings before the courts, with the courts required to decide within 30 days[68]. Additionally, the Integrity Authority has the possibility to call upon national authorities or bodies to initiate the procedures to verify conflict of interest declarations and suspicions in relation to the management of Union funds.

(63) In light of the provisions that have entered into force and of the elements set out above, taking into account the findings under Section 2.4.3 below, and also based on the Commission's assessment, the Council considers that Hungary has implemented the commitments under the remedial measure on the Integrity Authority and addressed the weaknesses and shortcomings identified in recital 36 of the Council Implementing Decision.

---

64 Annex 1.8 to the Written Notification, Official Gazette No. 108 of 2026; Annex 1.10 to the Written Notification, Official Gazette No. 110 of 2026.

65 Annex 1.12 to the Written Notification, Letter of the President of the Integrity Authority 31 August 2026.

66 Written Notification, page 31.

67 Section 18 (4) of the Integrity Authority Act.

68 Section 18 (6) of the Integrity Authority Act.

2.3. **Anti-Corruption Task Force**

(64) As part of the remedial measures adopted in 2022, Hungary committed to the establishment of an Anti-Corruption Task Force (the 'ACTF') with the task of, inter alia, examining the existing anti-corruption measures and elaborating proposals concerning the improvement of prevention, detection, investigation, prosecution and sanctioning of corruption[69]. The regulatory framework of the ACTF was included in the Integrity Authority Act.

(65) Considering a number of developments, based on the Commission's assessment, in the Council Implementing Decision, the Council found that Hungary took the relevant Key Implementation Steps and that the regulatory framework related to the ACTF fulfilled the commitments set out in the remedial measure[70].

(66) Nonetheless, in the Commission Reassessment Decision, the Commission considered that the Hungarian Government did not provide a detailed reasoning not to agree on measures proposed by the ACTF in its 2022 annual report, contrary to the specific commitment taken under the remedial measure[71].

(67) By its Written Notification, Hungary further submitted evidence proving that the ACTF is fully and effectively operational as required by the remedial measure and that the Omnibus Act enacted several proposals put forward by the ACTF going also beyond the commitments made under the original remedial measure.

(68) On 2 March 2026, in accordance with Section 51 (1) of the Integrity Authority Act (which also governs the ACTF) and in line with the commitment undertaken in the remedial measure[72], the ACTF adopted the 2025 annual report and published it on its website[73]. On 13 August 2026, in line with the remedial measure and in accordance with Section 52 of the Integrity Authority Act, the Hungarian government replied to the proposals in this report taking them into consideration, in particular when preparing the new national strategy for the prevention of corruption[74]. It also provided a more detailed reasoning in reply to the ACTF annual reports in light of the Commission Reassessment Decision.

---

69 Council Implementing Decision, recital 37. Section 50 (1) of the Integrity Authority Act.

70 Council Implementing Decision, recital 38. 'A key element of the remedial measure concerned the full, structured and effective participation of non-governmental actors active in the field of anti-corruption along with government representatives. Furthermore, Hungary committed to extensive consultations with national and international stakeholders, including the Commission, during the preparation of the draft legislation. In line with the remedial measure, the relevant provisions of the Integrity Authority Act provide that 50 % of the members of the new Anti-Corruption Task Force are to represent non-governmental actors and be selected based on an open, transparent, non-discriminatory selection process with objective criteria related to expertise and merits.'

71 Commission Reassessment Decision, recital 19.

72 In particular, the annual ACTF report shall analyse the risks and trends of corruption and corrupt practice, propose countermeasures and best practices for the prevention, detection and sanctioning corruption risks, assessing their applicability and how its previous proposals were followed up. See Annex 2.1 to the Written Notification, ACTF annual report of 2024 for the year 2023; Annex 2.2 to the Written Notification, ACTF annual report of 2025 for the year 2024; Annex 2.3 to the Written Notification, ACTF annual report of 2026 for the year 2025.

73 Annex 2.3 to the Written Notification, ACTF Annual Report of 2026 for the year 2025.

74 Annex 2.6 to the Written Notification, Government's response to the ACTF report 2026 for the year 2025.

(69) While the ACTF did not manage to adopt an annual report in 2025, internal reforms enhanced the ACTF's operational structure and working methods. On 2 March 2026, an annual report was once again adopted[75].

(70) In addition, the Integrity Authority Act as amended by the Omnibus Act implements the proposals put forward by the ACTF in its 2024 Annual Report to improve the efficiency of the ACTF[76].

(71) Moreover, Section 57 of the Integrity Authority Act as amended by the Omnibus Act establishes that the members representing State organs shall be designated for a term of no more than five years, but their appointment may be withdrawn at any time[77]. In addition, among the members representing State organs, a person designated by the Director-General of the Directorate-General for the Audit of European Funds ('EUTAF') may also participate in the work as a permanent invitee[78]. Members representing State organs will continue to receive no separate compensation; instead, members representing non-governmental actors are entitled to an *honorarium* corresponding to the amount of remuneration provided for the members representing non-governmental organisations of the Monitoring Committees of Hungary's operational programmes[79]. Furthermore, if absent, a member representing a non-government actor may grant a representation mandate to another member whose rights and obligations must be identical to the absent member[80].

(72) The amended Section 58 of the Integrity Authority Act stipulates that the mandate of members representing non-governmental actors may be terminated by withdrawal of their invitation if they no longer meet the selection criteria, or it shall expire by operation of law five years after their appointment[81], a term which also applies to previously appointed non-governmental members. Section 61(5) of the Integrity Authority Act as amended by the Omnibus Act clarifies that the ACTF itself establishes its rules of procedure governing its organisation and operation, and its annual work plan, on a proposal from its Chair, i.e. the President of the Integrity Authority[82].

(73) As to the current operation of the ACTF, according to the President of the Integrity Authority in his capacity as Chair of the ACTF, the ACTF has returned to its full composition following the appointment of a new non-governmental member. At the same time, government representatives have changed substantially following the establishment of the new Government. The ACTF held its inaugural meeting on 8 July 2026 and has begun preparations for the implementation of legislative amendments which entered into force on 26 August 2026, including the revision of its Rules of

---

75 Ibid. This report included a thematic report adopted by the ACTF in February 2026 on education and awareness raising to prevent corruption.

76 See Section 51(1) of the Integrity Authority Act as amended by Section 176 of the Omnibus Act; Section 56(1) of the Integrity Authority Act as amended by Section 169 of the Omnibus Act.

77 Section 167 of the Omnibus Act.

78 Section 168 of the Omnibus Act.

79 Section 170 of the Omnibus Act.

80 Section 56(7) as amended by the Omnibus Act. These provisions complement the existing rules by which non-governmental actors shall make up at least 50% of the members of the ACTF and shall be demonstrably independent from the government, public authorities, political parties and business interests, selected on the basis of an open, transparent, non-discriminatory selection process and objective criteria related to the candidates' expertise and merit.

81 Section 58 (1) c) and d) of the Integrity Authority Act.

82 Section 61 (5) of the Integrity Authority Act.

Procedure and the planning of its thematic work for 2026[83]. Considering the Council Implementing Decision, the legislative amendments and developments presented in this section, based on the Commission assessment, the Council considers that Hungary has fully implemented the remedial measure on the ACTF.

2.4. **Strengthening the anti-corruption framework**

(74) As part of the remedial measures adopted in 2022, Hungary committed to strengthening the anti-corruption framework by adopting a series of strategies and acts concerning the fight against fraud and corruption and by reforming the system of declarations of assets. This remedial measure has a horizontal and systemic nature in order to fight against corruption and ensure transparency in the political sphere. The Council therefore considered it one of the central remedial measures[84]. Some points of the latter reform, regarding the verification of asset declarations, were part of the commitments taken under the remedial measure on the Integrity Authority cited in Section 2.2.

2.4.1. *Anti-fraud and anti-corruption strategies*

(75) Hungary undertook to adopt by 30 September 2022 an anti-fraud and anti-corruption strategy for Union support defining the roles and responsibilities in relation to the prevention, detection and correction of fraud, conflicts of interest and corruption of entities involved in the implementation of any Union financial support. The Council Implementing Decision referred to the Commission assessment and considered that, despite not meeting the agreed deadline, Hungary fulfilled the commitments set out in the remedial measure[85].

(76) By its Written Notification, Hungary submitted evidence that it adopted a revised version of this strategy and the related action plan in 2024, covering all Union financial support including agricultural funds[86] and that implementation is overall on track[87]. The revised strategy continues to provide for the roles and responsibilities related to the prevention, detection and correction of fraud, conflicts of interest and corruption of the different entities involved in the implementation of Union financial support in Hungary and presents a comprehensive assessment of the main risks, factors and practices of fraud, conflicts of interest and corruption. The action plan complementing the strategy defines specific actions and deadlines for their accomplishment, identifies responsible bodies and indicators for their implementation and monitoring and sets out the necessary arrangements for the regular review of the action plan[88].

(77) Additionally, in 2022, the Hungarian Government also committed to adopt a new National Anti-Corruption Strategy (the ‘NACS’) and Action Plan (the ‘AP’), and to fully implement all actions of the existing NACS for the period 2020-2022 by 30 June 2023[89]. In December 2023, the Commission Reassessment Decision reported that the process to finalise the new NACS was still ongoing and certain shortcomings had to be addressed before adoption; it was also unclear whether the Hungarian Government had

[83] Annex 1.37 to the Written Notification, Letter of the President of the Integrity Authority 10 August 2026.
[84] Council Implementing Decision, recital 41.
[85] Council Implementing Decision, recital 41.
[86] Annex 3.7 of the Written Notification, Government Decision No. 1249/2024 (15 August 2024).
[87] Written Notification, pages 98-101.
[88] Annex 3.7 of the Written Notification, Government Decision No. 1249/2024 (15 August 2024).
[89] See the Commission Communication, paragraph 48.

systematically consulted with the relevant stakeholders. At the time, the Commission concluded that the anti-corruption framework had not been strengthened as committed so far, as the adoption of the new NACS and the related AP, including the adoption of a dissuasive sanctioning regime, were delayed[90].

(78) By its Written Notification, Hungary reported on the full implementation of the NACS 2020-2022 as well as on the involvement of the ACTF, the consultation of national organisations, the OECD and GRECO to prepare the subsequent NACS and the AP[91]. Hungary submitted evidence that it adopted the medium-term NACS for 2024-2025 and the AP for its implementation (with a delay of seven and a half months) on 14 February 2024, which entered into force the following day, establishing a monitoring committee to ensure the follow-up of the implementation of the NACS and the AP[92]. According to the Hungarian government's report on the evaluation of the implementation of the NACS and the AP[93], while a number of smaller-scale results were achieved, implementation was lacking as regards important parts of the NACS and AP. Some core commitments were not met at all (for example a systemic reform of the rules on lobbying and revolving doors), others were only partially implemented (for example as regards rules on protocol gifts and professional codes) or only implemented well after the expiration dates of the NACS and AP (notably the asset declaration related commitments)[94].

(79) In addition to the efforts undertaken by Hungary over the past months, Hungary submitted its intention to adopt a new NACS and AP by 15 November 2026 taking into account the findings from the implementation of the 2024-2025 NACS, the proposals of the ACTF, and in consultation with relevant stakeholders[95]. The new NACS and AP should put forward measures to address the remaining shortcomings.

2.4.2. *Asset declarations*

(80) The Council Implementing Decision found that Hungary, in line with the remedial measure, had extended the personal scope of asset declarations to include persons entrusted with senior political functions and members of the National Assembly, as well as their relatives living in the same household. However, it also found that important weaknesses, risks and shortcomings remained in the regulatory framework for asset declarations in Hungary, and in particular (i) the lack of clarity and legal certainty relating to the disclosure obligations for real estate including property outside the jurisdiction of Hungary; (ii) the lack of clarity on the personal, material and temporal scope of the declaration of assets, income and economic interests of certain executives, officials and Members of the National Assembly, and for their spouses or cohabitants and child(ren) living in the same household; (iii) the failure to include in the legislative framework an explicit reference to the establishment of a system of asset declarations filed electronically in a digital format, to be stored in a public database searchable without fees or the need to register.

(81) On that basis, the Council concluded that the weaknesses identified created possible loopholes in the law and consequently undermined the effectiveness of the remedial

[90] Commission Reassessment Decision, recitals 18 and 19.
[91] Written Notification, pages 102-105; it is noted though that no additional consultations took place with further stakeholders following the concerns expressed by the Commission in its Reassessment Decision.
[92] Annex 3.31 of the Written Notification, Government Decision No. 1025/2024 (14 February 2024).
[93] Ibid.
[94] Written Notification, pages 105-108; for the full evaluation, see Annex 3.32 to the Written Notification, Report evaluation of the implementation of the NACS 2024-25.
[95] Written Notification, pages 13 and 108.

measure[96]. These weaknesses remained unaddressed at the end of 2023, when the Commission Reassessment Decision was adopted[97].

(82) Linked to asset declarations, with regard to their verification, the Council Implementing Decision found that the effectiveness of the remedial measure on the Integrity Authority, cited in Section 2.2 above, was compromised, among other things, (i) by the lack of direct, as opposed to the supervisory, powers of the Integrity Authority in relation to the various groups of declarants, and the lack of a transfer of powers to the Integrity Authority to verify the asset declarations of members of the Government, and (ii) by the limited scope related to the lack of inclusion of all 'high-risk officials' in the scope of the Integrity Authority's verification powers in relation to asset declarations. These weaknesses too remained unaddressed at the end of 2023, when the Commission Reassessment Decision was adopted[98].

(83) By its Written Notification, Hungary submitted evidence to prove that a comprehensive and consistent regulatory system for asset declarations is now in place[99].

(84) The Integrity Authority is endowed with extensive powers as regards investigations and verification of asset declarations, as well as the administrative follow-up to its results[100].

(85) First, Section 19/A (1) of the Integrity Authority Act as amended now clearly establishes a list of high-risk officials subject to the verification of asset declarations by the Integrity Authority[101]. Taking a risk-based approach, the Integrity Authority,

96 Council Implementing Decision, recital 41.

97 Commission Reassessment Decision, recital 21 points (viii), (ix) and (x).

98 Commission Reassessment Decision, recital 21, point (iv).

99 Written Notification, pages 36-63 and 81-98.

100 See Section 5, paragraphs (2) and (3) of the Integrity Authority Act as amended by the Omnibus Act.

101 This list comprises: the President of the Republic; a Member of the National Assembly, a national minority advocate and — where that person is not a Member of the National Assembly — the Principal of the National Assembly, and the Members of the European Parliament from Hungary; a mayor and the Mayor of Budapest, a local government representative and a national minority self-government representative; a member of the Constitutional Court; the Commissioner for Fundamental Rights and his or her Deputy; the President and Vice-President of the State Audit Office; the President and Vice-President of the Kúria; the President and Vice-President of the National Office for the Judiciary, including the Vice-President who is a judge or a judicial employee; a judge, and a junior judge authorised to act, in a case specified by an Act, within the competence of a single judge; the Prosecutor General and his or her Deputy; the Governor and Deputy Governor of the Hungarian National Bank, the members of the Monetary Council, and a member of the Supervisory Board of the Hungarian National Bank; the President of the Fiscal Council; the President and a member of the National Committee for Remembrance; a member of the Media Council; the following officials under Act CXXV of 2018: a) a senior political executive without a mandate as a Member of the National Assembly, b) a political executive, c) a person under a commissioner relationship, and d) a political adviser, senior political adviser and chief of staff (hereinafter collectively: political adviser); the head or deputy head of an independent regulatory organ or an autonomous state administration organ within the meaning of Act XLIII of 2010, or a member of any of its decision-making collegiate bodies, in respect of whom the Act establishing the independent regulatory organ or the autonomous state administration organ prescribes an asset declaration obligation; a person required to submit an asset declaration under the Act on public interest asset management foundations performing public duty; a person required to submit an asset declaration under the Act on the operation and financial management of political parties; a person required to submit an asset declaration under Section 3 of Act CLII of 2007 this includes heads of department in law enforcement agencies or civilian national security service and senior executives of state-owned enterprises] except for the Vice-President of the National Office for the Judiciary where he or she is a judicial employee; any other person not falling under the aforementioned points who is

within the framework of its integrity risk assessment, is required to continuously identify those high-risk officials subject to asset declaration obligations for whom the level of integrity risk is high, in order to determine the priority and the frequency of the verifications[102].

(86) According to Section 19/A (2) (a) of the Integrity Authority Act as amended, the Integrity Authority has the exclusive competence to directly verify the asset declarations of senior political executives who are not Members of the National Assembly under Section 183 of the Act CXXV of 2018 on Government Administration (the 'Act on Government Administration') [103], as well as their relatives living in the same household. For other high-risk officials, this competence is shared with other bodies designated to verify asset declarations in the respective sectoral acts. In this latter case, the Integrity Authority can directly verify the asset declarations and does not rely on other authorities verifying on request, a power that, for non-public asset declarations, goes beyond the original commitments.

(87) The Integrity Authority may conduct the verification procedure independently or as part of its investigative procedure and should launch procedures regularly *ex officio* based on its integrity risk assessment. Detailed rules ensure the Integrity Authority's access to asset declarations kept by other bodies and the procedure of involving the person concerned by the investigation, including the possibility for the Integrity Authority to ask for additional information and documents[104].

(88) To verify asset declarations, the Integrity Authority enjoys wide access to data and information. In this regard, the Integrity Authority currently has direct and unlimited access to 44 registers[105] through the Central Governmental Service Bus; it can also

required by an Act to submit an asset declaration in accordance with the Act on the National Assembly or who falls within the scope of the Integrity Authority's asset declaration procedure pursuant to an Act.

102 See Section 9 of the Integrity Authority Act as amended.

103 Annex 1.14 to the Written Notification, Consolidated Version of Act CXXV of 2018 on Government Administration (in force as of 26 August 2026).

104 See Section 19/A (4) to (7) of the Integrity Authority Act as amended.

105 Written Notification, pages 45-47: the central address register, the register of citizens' personal data and addresses, the real estate register, the register necessary for the performance of the functions of the public employment service, the single social register, the electronic civil register archive, the land use register, medium and small scale national topographic maps, the pension insurance register, the health insurance register, the central register for travel documents, the road traffic register, the register of holders of the Hungarian national certificate and the Hungarian relationship certificate, the register of cultural heritage protection, the business register, the register of non-governmental organisations, the central alien register, the registration systems managed by the organs for support for agricultural and rural development, the bond register, the private entrepreneur register, the publicly certified national debt settlement register of natural persons, the register of farmers, farming cooperatives and properties serving for agricultural activities, the security interest register, the register of individuals under custodianship, the personal register of foreign nationals using electronic administration, the repository of the Integrated Legislation System, the records of contractual data of persons receiving state housing support, the register of Financial and Physical Benefits, the register of data of the food chain supervision information system, the Register of the Forestry Management Information System, the register of the Lifecourse Support Data System, the register of the data of National Environmental Information System, the register of the data of the Rehabilitation Management System, the register of the National eHealth Infrastructure, the register of data of the Electronic Documentation System supporting authorisation procedures for Building, the electronic consumer protection specialised system, the Victim Support/Legal Aid (VS/LA) specialised system, the register of the Probation Officer Records and Registration System, the register of the Information Technology and Records System for Inspections, the register of primary agricultural producers, the register of data of the Central Road Information System, the register of the Higher Education Information System, the industrial and commercial specialised system, the digital citizenship register.

request access to all information deemed necessary for its verification, based on the provisions described in recitals (60) to (62) above. At the end of the verification process, the Integrity Authority evaluates its findings in a report and, depending on the outcome, initiates a sanctions procedure (see in detail recitals (96)-(99))[106].

(89) Second, as regards the disclosure obligation**s** in the asset declarations, Annex 1 to Act XXXVI of 2012 on the National Assembly (the 'Act on the National Assembly')[107] as amended by the Omnibus Act now clearly stipulates that real estate outside the jurisdiction of Hungary are also to be reported in the asset declaration.

(90) Third, as regards the personal, material and temporal scope of asset declarations of certain officials, Section 183(1) of the Act on Government Administration and Section 90(1), (2) of the Act on the National Assembly, as amended, provide that senior political executives without a mandate as a member of the National Assembly and members of the National Assembly, including senior political executives pursuant to Section 184 of the Act on Government Administration, have to submit an asset declaration within 30 days after taking office, thereafter annually by 31 January reflecting the situation as of 31 December of the preceding year, as well as within 30 days following the termination of their mandate (with a retention period of three years).

(91) Relatives within the meaning of the Act V of 2013 on the Civil Code (the 'Civil Code')[108] living in the same household with these officials must submit non-public asset declarations with the same content. The competence to verify asset declarations of relatives follows the rules applicable to the official[109]. Going beyond the requirements of the remedial measure, other high-risk officials are also subject to the same requirements as regards their asset declarations, and the rules for relatives living in the same household also apply for those other high-risk officials where sectoral laws refer to the rules in the Act on the National Assembly[110].

(92) Fourth, as regards the system of asset declarations filed electronically in a digital format, to be stored in a searchable public database, Section 90 of the Act on the National Assembly as amended lays down the rules on the electronic submission of asset declarations of the members of the National Assembly and requires the Office of the National Assembly to ensure the operation of the electronic registration system and related user interface for structured data entry. The provision makes it clear that it applies to the asset declarations of anyone who submits their asset declarations in accordance with the rules set by the Act on the National Assembly as well as their relatives living in the same household, whose declarations must be attached to those of the officials. Sectoral rules for different high-risk officials[111] complement this logic, including Section 183 (1) of the Act on Government Administration as amended, for senior political officials without a mandate as a member of the National Assembly.

[106] See Section 19/A (8) of the Integrity Authority Act as amended.

[107] Annex 1.18 to the Written Notification, Consolidated Version of Act XXXVI of 2012 on the National Assembly (in force as of 26 August 2026).

[108] Act V of 2013 on the Civil Code, adopted on 13 February 2013.

[109] See Section 19/A (3) of the Integrity Authority Act as amended. Details on transitional provisions are elaborated on in the Written Notification, page 83.

[110] See for example Annex 1.23 to the Written Notification, Section 9(1), (2) of Act CXI of 2011 (Ombudsman Act) in force as of 26 Augst 2026 and Annex 1.27 to the Written Notification, Sections 157 of the Consolidated Version of Act CXXXIX of 2013 on the Hungarian National Bank (in force as of 31 July 2026).

[111] Ibid.

This goes beyond the more limited commitments in the remedial measure as regards the personal scope of application.

(93) According to Section 94 (2) of the Act on the National Assembly as amended, the public copy of the asset declaration (excluding the ones of relatives) is published by the Committee on Immunity of the National Assembly on the website of the National Assembly, accessible to anyone free of charge and without any registration requirement[112]. In the case of asset declarations submitted between 1 August 2022 and 26 August 2026 (before the entry into force of the new rules), access is ensured in a searchable manner on the National Assembly's website without fee or registration.

(94) By its Written Notification, Hungary submitted additional evidence of the system becoming operational. The Government designated the company to develop the electronic asset declaration system[113], and the system including the required search functions became operational in August 2026. Further enhanced functionalities[114] are to be made available by the end of 2026, in time for the asset declarations due by 31 January 2027.

(95) Lastly, in line with its commitments, Hungary set up a sanctions' regime related to the violation of asset declaration obligations. As regards criminal sanctions, Section 305/A of Act C of 2012 on the Criminal Code (the 'Criminal Code')[115] as amended by the Omnibus Act establishes criminal liability of any person (i) who, after being called upon by the competent entity, fails, by their own fault, to comply with their asset declaration obligation within the time limit prescribed by law, or (ii) who, in the course of complying with their asset declaration obligation, conceals their financial situation by making a declaration containing false information concerning a material fact, by withholding a true fact, or by any other means.

(96) Whether administrative sanctions apply depends on the report of the Integrity Authority at the end of a verification procedure of an asset declaration. According to Section 19/A (8) of the Integrity Authority Act as amended, there are three possible outcomes:

(1) if the person under investigation has failed to comply with the asset declaration obligation, or intentionally stated material data falsely or untruthfully in their asset declaration, this can lead to dismissal;

(2) if the Integrity Authority has identified deficiencies of an exclusively administrative nature not falling under the first indent, a fine can be imposed[116];

---

112 Again, sectoral rules complement this, either by referring to the rules for members of the National Assembly or by providing publication requirements for specific high-risk officials; for example, see Annex 1.17 to the Written Notification, Section 6 of Act CX of 2011 on the legal status of the President (in force as of 29 July 2026): the asset declarations are made public on the website of the office of the President; Annex 1.21 to the Written Notification, Section 11 of the Consolidated Version of Act CLI of 2011 (Constitutional Court Act) in force as of 26 August: the asset declarations of constitutional judges are made public on the website of the Constitutional Court.

113 Annex 3.1 to the Written Notification, Decree No. 1/2026 (30 July) Official Gazette No. 102 of 2026.

114 This includes advanced filtering options, increased transparency and a list of all publicly available asset declarations on the website; see Written Notification, page 90.

115 Act C of 2012 on the Criminal Code, adopted on 25 June 2012.

116 See also Section 19/B (2) of the Integrity Authority Act as amended.

(3) if no or minor deficiencies are found, the investigation is closed, in the case of minor deficiencies subject to a successful recommendation or proposal by the Integrity Authority to ensure the asset declaration's completeness.

(97) Regarding the persons for which the Integrity Authority has the exclusive competence to verify asset declarations, in the case of dismissal, the Integrity Authority informs the President of the National Assembly (for the dismissal of the Prime Minister) or the Prime Minister (for all other senior political executives without a mandate as member of the National Assembly) of the outcome of its investigation who then initiates the dismissal procedure[117]. As regards the imposition of fines, the Integrity Authority can launch *ex officio* proceedings itself[118].

(98) Regarding the persons for which the Integrity Authority has shared competence to verify asset declarations, sectoral laws complement the procedural rules for administrative sanctions. Where direct dismissal initiated by the Integrity Authority or the imposition of a fine directly by the Integrity Authority is not possible due to the constitutional status and the protection of the concerned person's office, or because the functions concerned belong to constitutionally independent branches protected by the division of state powers, these sectoral rules provide for administrative sanctions to be imposed by the competent body[119]. If, during the conduct of the procedure requested by the Integrity Authority, the competent body reaches a different conclusion than the Integrity Authority, it is under the obligation to provide a detailed statement of reasons thereof and to inform the Integrity Authority accordingly. The Integrity Authority makes its report, as well as the information received, publicly available with the report[120]. Where the Integrity Authority can decide on the fine directly, it makes its decision publicly available, including the name and the mandate of the person concerned[121].

(99) The Integrity Authority can ask for minor or negligible deficiencies to be corrected as per Section 19/A(8)b)bb) of the Integrity Authority Act as amended. In the case of high-risk officials to whom the rules of the Act on the National Assembly apply directly or by reference in sectoral acts (including for senior political officials under Section 183 of the Government Administration Act), the Act of the National Assembly complements this rule and provides for the correction to be done without delay, but no later than within 15 days, by means of a supplementary declaration[122].

2.4.3. *Assessment*

(100) As described in Section 2.4.1, Hungary strengthened its anti-corruption framework and adopted the anti-fraud and anti-corruption strategy for Union support and related action plan as well as their revision as originally committed. However, given the deficiencies regarding the 2024-2025 NACS and AP, not all commitments were fulfilled and therefore the remedial measure cannot be considered entirely fulfilled. In this regard, the remedial measure should be assessed considering its relative importance to protect the Union budget and the other, central remedial measures regarding anti-corruption as well as any other new remedial measures in this regard.

---

[117] See Section 185 (3), (5) a) of the Act on Government Administration as amended.

[118] See Section 19/B (1) of the Integrity Authority Act as amended.

[119] The only cases where Hungary indicates that there is no possibility for either direct or indirect financial sanctioning concern the President of Hungary, and the President and Vice-presidents of the Hungarian National Bank as independent branches of the government.

[120] See Section 19/A (9) and (10) of the Integrity Authority Act as amended.

[121] See Section 19/B (7) of the Integrity Authority Act as amended.

[122] See Section 90 (1d) of the Act on the National Assembly as amended.

(101) As described in Section **2.4.2.**, Hungary established a comprehensive asset declaration system, with a dissuasive and proportionate sanctions regime. The Integrity Authority, created as one of the central remedial measures[123], which has been assessed in recital (62) above as being fulfilled, has received extensive powers to verify asset declarations and follow up on the verification, going beyond Hungary's initial commitments and making the verification system more robust. Therefore, and based on the Commission's assessment, the Council considers that Hungary has fulfilled the commitments undertaken under this remedial measure as regards asset declarations and complemented them with additional safeguards to strengthening the anti-corruption framework.

2.5. The introduction of a specific procedure in the case of special crimes related to the exercise of public authority or the management of public property

(102) As part of the remedial measures adopted in 2022, Hungary committed to establish a new judicial review procedure concerning special criminal offences related to the exercise of public authority or the management of public property[124]. In essence, for specific criminal offences related to corruption and corruption-related practices, the new procedure was to allow judicial review of the decision of the prosecution service or the investigating authority to dismiss a crime report or terminate the criminal proceedings[125]. The Council considered this remedial measure a horizontal measure that aims at remedying structural problems with the effectiveness of prosecutorial action in Hungary and ensuring that effective and deterrent measures are taken to ensure the protection of the Union's financial interests, in line with Article 325 TFEU. It is therefore one of the central remedial measures to address the concerns raised by the Commission[126].

(103) Hungary also committed to (i) allocate additional dedicated posts by 31 December 2022 to the court responsible for the judicial review of the decision of the prosecution service or the investigating authority to dismiss a crime report or terminate the criminal proceedings, and (ii) conduct a review on the functioning of the procedure by 31 December 2023, and, if necessary, to provide for the adoption of amendments to the legislative framework following consultations with the Commission by 30 June 2024[127]. Both these commitments were to be implemented after the date of the Council Implementing Decision.

(104) The Council Implementing Decision found that, despite a new judicial review procedure was introduced in Act XC of 2017 on the Code of Criminal Procedure (the 'Code of Criminal Procedure')[128], specific provisions allowed a margin of discretion in the procedure which could compromise the effectiveness and overall adequacy of the remedial measure. In particular, (i) the applicable rules did not clearly state the legal consequences for the prosecutor of a judicial decision setting aside its decision following a motion for revision; (ii) for the cases where a motion for prosecution may be filed, the Code of Criminal Procedure required an examination of the ground for the motion for prosecution by the trial court in camera and without hearing evidence, additional to the preliminary examination of formal grounds; (iii) the Code of Criminal

123 Council Implementing Decision, recital 44.
124 Council Implementing Decision, recital 34.
125 Commission Communication, paragraph 71.
126 Council Implementing Decision, recital 44.
127 Commission Communication, paragraph 80.
128 Annex 5.2 to the Written Notification, Consolidated Version of Act XC of the Code of Criminal Procedure (in force as of 1 November 2022).

Procedure did not clarify the scope of application in time of the new rules and, in particular, failed to clarify that the new procedure would also apply to (non-time-barred) criminal offences committed before 1 January 2023[129]. The Commission confirmed this assessment in its Reassessment Decision[130].

(105) By its Written Notification, Hungary submitted that the three points have been remedied by the amendments to the Code of Criminal Procedure introduced with the Omnibus Act[131]. Hungary stated that the overall objective is to strengthen the procedural legal framework, to enhance the transparency of criminal proceedings and the procedural role of the Integrity Authority, and to ensure a more effective judicial oversight.

(106) As regards the first point under recital (104) above, Section 817/G (3) of the Code of Criminal Procedure as amended provides that following a relevant court decision in a motion for revision, the prosecution service or the investigating authority must continue the proceedings on the basis of the reasoning of the said court decision and, in the case of lack of detection of specific issues, remedy the deficiencies identified in the same court decision. The proceedings cannot be terminated again if, in the case of lack of detection, the deficiencies identified in the court decision have not been remedied, unless this was not possible due to reasons beyond the control of the prosecution service or the investigating authority.

(107) Furthermore, in this case, the investigating authority must, within two months from the initiation of the investigation or the continuation of the proceedings, and thereafter every two months, submit the investigation files to the prosecution service and simultaneously report on the progress of the investigation. In addition, the prosecution service must forward to the court competent to adjudicate the motion for revision all case files specified by law that pertain to the investigative authority's report.

(108) Where, on the basis of the submitted files, the court competent to adjudicate the motion for revision establishes that the investigation manifestly does not consider the reasoning of the court decision, it must refer to the head of the prosecution service for measures to be taken. The subsequent report on the progress of the investigation must also inform the court adjudicating the motion for revision of the measures taken in response to such indication.

(109) Finally, in case of a repeated termination of the proceedings and subject to the conditions specified in Act XC of 2017 as amended, the judicial review procedure opens the right to file an indictment to the competent court which shall decide on the merits of the case after having heard evidence.

(110) As regards the second point under recital (103) and (104) above, Hungary submitted that the court competent to adjudicate the motion for repeated revision can dismiss the motion with a non-conclusive order only based on formal pre-requisites[132]. Following that, the court competent to adjudicate the motion for repeated revision may only conduct a limited examination of the grounds of a motion for prosecution. It must examine whether the person specified as accused in the motion for prosecution can reasonably be suspected of having committed the criminal offence. This assessment is based on the case file and the data, documents and statements attached by the person

[129] Council Implementing Decision, recital 46 point (vi).
[130] Commission Reassessment Decision, recital 21.
[131] See Chapter CV/A of the Code of Criminal Procedure, as amended by Sections 107-115 of the Omnibus Act.
[132] See Section 817/N (1) of the Code of Criminal Procedure as amended.

entitled to present the motion for prosecution. Furthermore, if the court competent to adjudicate the motion for repeated revision finds that the accused appears to have immunity and if the immunity is not lifted, the court must dismiss the motion for prosecution, either in full or in part[133]. According to Hungary, this solution ensures that the review of the merits does not serve as a preliminary ruling by the court that will later decide on the merits of the case, but functions as a separate judicial review. This way, judicial functions are kept separate, the impartiality of the proceedings is safeguarded, and the consistency of the safeguards inherent in the separate procedure is also ensured.

(111) As regards the third point under recital (104) above, the Omnibus Act establishes that the provisions laid down in Chapter CV/A of the Code of Criminal Procedure also apply to (non-time-barred) criminal offences committed before 1 January 2023. As an additional guarantee, Chapter CV/A also applies to a crime report filed after 31 December 2022 if that crime report concerns the same act as the act subject to a prior crime report that was filed and dismissed (or where the investigation was terminated) before 1 January 2023[134].

(112) Regarding to the two commitments under recital (103) above, two new judicial posts were created in the Investigation Division of the Buda Central District Court, which is the competent court to order the commencement or the continuation of criminal proceedings under chapter CV/A of Act XC of 2017. The corresponding vacancy notices were published in the first special issue of the Judicial Gazette in 2023. Both posts were filled by appointment on 15 July 2023. In addition, from 1 February 2023, Hungary created two new court secretary posts within the jurisdiction of the Budapest Capital Regional Court. According to Hungary, the current number of judges allows the continuous rotation of case assignments and the division's leadership continuously monitors compliance with timely case processing.

(113) Hungary submitted that the review on the functioning of the procedure was not completed by 31 December 2023. While an obligation to conduct such a review was established in 2021[135], a report was adopted only on 17 June 2026[136], following questionnaires being sent to the police, the National Tax and Customs Administration as investigative authorities, the Office of the Prosecutor General, and the National Office for the Judiciary, an involvement of the Integrity Authority and of the Hungarian Bar Association in the preparation of the review, and consultation of the National Judicial Council. The report concluded that no amendments to the legislative framework were needed, considering the amendments introduced by the Omnibus Act (in draft at the time of adoption of the report) in line with comments received the Integrity Authority, the Hungarian Bar Association and the Office of the Prosecutor General.

(114) As explained in this section, Hungary addressed the outstanding weaknesses identified in the Council Implementing Decision and provided adequate staffing to the Investigation Division of the Buda Central District Court. While the review of the special procedure was carried out only in June 2026, and not by the end of 2023 as

133 Sections 817/O (1) and 817/N of the Code of Criminal Procedure as amended. For the rules on the possibility to lift the immunity of the person specified as accused in the motion for prosecution, see Section 817/P (2) of the Code of Criminal Procedure as amended.

134 See Sections 876/C of the Code of Criminal Procedure as amended.

135 See Point 56 of Annex 2 to Government Decision No. 1495/2021 (23 July), available at the following link: https://njt.jog.gov.hu/jogszabaly/2021-1495-30-22.

136 Annex 5.5 to the Written Notification, Report on Judicial Review.

originally committed, this does not affect the fact that necessary amendments to the special procedure were effectively adopted and that its objectives are now met. In addition, as further described below under Section 2.18, Hungary's participation in the enhanced cooperation on the establishment of the European Public Prosecutor's Office ('EPPO') has positively contributed to the fulfilment of this remedial measure, as the latter strengthens the broader anti-corruption and prosecution framework within which the remedial measure operates.

(115) Therefore, based on the Commission's assessment, the Council considers that Hungary has fulfilled the commitments undertaken under this remedial measure.

2.6. Strengthening audit and control mechanisms to guarantee the sound use of Union support

(116) As part of the remedial measures adopted in 2022, Hungary committed to strengthen audit and control mechanisms to guarantee the sound use of Union support by including in the relevant national legislation provisions to strengthen rules and procedures to more effectively prevent, detect and correct conflicts of interest in the use of Union funds in accordance with Article 61 of the Financial Regulation[137], including an effective control mechanism over the validity of conflict of interest declarations.

(117) The Council Implementing Decision found that Hungary had taken a number of steps to meet its commitments. In particular, Hungary established the Directorate of Internal Audit and Integrity (the 'DIAI') to strengthen audit and control mechanisms and to guarantee the sound use of EU funds and provided it with guarantees of independence and effectiveness. Hungary also amended the regulatory framework governing the EUTAF[138]. However, the Commission Reassessment Decision referred to shortcomings in the implementation of several commitment under this remedial measure[139].

(118) Hungary submitted that it adopted a clear set of rules and procedures related to the prevention, detection and correction of conflicts of interest situations[140] in line with Article 61 of Regulation (EU, Euratom) 2024/2509[141] and the related Commission Notice[142]. These rules also regard tasks and obligations for the bodies involved in the management and control of Union funds and their role in the prevention, detection and correction of conflicts of interest[143].

(119) As to the operational framework concerning the DIAI office, Hungary introduced several improvements to its practical functioning and resources, so that it could more

137 Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast), OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj.

138 Council Implementing Decision, recital 47.

139 Commission Reassessment Decision, recital 20.

140 See Annex 15.4 to the Written Notification, Consolidated Version of Government's Decree No 256/2021 (18 May) as in force as of 8 August 2026; Annex 15.5 to the Written Notification, Consolidated Version of Government Decree No. 373/2022 (29 September) in force as of 8 August 2026; Annex 15.6, Consolidated version of Government Decree No. 272/2014 (5 November) in force as of 8 August 2026.

141 Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast), OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj.

142 Commission Notice Guidance on the avoidance and management of conflicts of interest under the Financial Regulation 2021/C 121/01, C/2021/2119, OJ C 121, 9.4.2021, page 1.

143 See Written Notification, pages 146-150.

effectively handle its tasks and responsibilities. In this regard, in July 2026, to ensure that conflicts of interest investigations are effective, an updated version of the methodology has been completed[144]. Moreover, Hungary submitted that the DIAI has been continuously carrying out its activities in line with its mandate and contributing its expertise within the strengthened conflicts of interest framework[145].

(120) As to the functioning of the EUTAF, whose regulatory framework and operation were assessed as meeting the commitments under the remedial measure in 2022[146], its Director-General confirmed in his letter[147] that the EUTAF has been working efficiently and that its budget is adequate. The Director-General of EUTAF also confirmed that it has the necessary financial and human resources to safeguard its independence and to carry out its tasks, as required by the remedial measure[148].

(121) In line with the commitment taken under this remedial measure, Hungary introduced a conflict of interest declaration system for staff involved in the decision making concerning individual projects and clear conflict of interest rules applying to all staff in the preparation, implementation and audit and control of EU support[149], as well as for final recipients, contracting authorities, contractors, sub-contractors and consultancy firms involved. Hungary also submitted that a simplification of this legislation is envisaged to reduce the administrative burden on the beneficiary side[150].

(122) With regard to the rotation of staff in sensitive positions, the National Development Centre must ensure both rotation and oversight of staff in sensitive posts, especially those dealing with irregularities, controls and risk assessment[151]. A central rotation methodology was adopted on 2 June 2023 and updated on 23 February 2026; it defines the objectives, scope and procedures for rotation, covering not only staff in irregularity management, controls and risk assessment, but also posts involving direct contact with beneficiaries or otherwise designated as sensitive by senior management[152].

(123) To improve the first methodology of 2 June 2023 and ensure stronger oversight arrangements for sensitive positions, Hungary issued a second methodology on 8 January 2026[153]. Organisations submitted related action plans in February 2026 and must report annually by 15 October[154].

---

144 Annex 6.0 to the Written Notification, Conflicts of interest 12th Methodology, 12 July 2026.

145 Written Notification, pages 154-156.

146 See Council Implementing Decision, recital 47, and Commission Communication, paragraph 98.

147 Annex 6.10 to the Written Notification, Director-General of EUTAF’s Confirmation Letter, 1 September 2026; Annex 6.11 to the Written Notification, EUTAF Budget 2024; Annex 6.13 to the Written Notification, EUTAF Budget 2025; Annex 6.14 to the Written Notification, EUTAF Budget Planning Proposal 2025; Annex 6.15 to the Written Notification, EUTAF Budget 2026; Annex 6.17 to the Written Notification, EUTAF Budget 2023.

148 Council Implementing Decision, recital 47.

149 Written Notification, page 157.

150 Written Notification, page 158.

151 Annex 15.6 to the Written Notification, Consolidated Version of Government Decree No. 272/2014 (5 November) in force as of 8 August 2026; Annex 15.4 to the Written Notification, Consolidated Version of Government Decree No. 256/2021 (18 May) in force as of 8 August 2026;5(21) of Annex 15.1 to the Written Notification, Government Decree No. 373/2022 (30 September) Official Gazette No. 159 of 2022.

152 Annex 6.8 to the Written Notification, Methodology for the Regular Rotation of Staff in Sensitive Positions.

153 Annex 6.9 to the Written Notification, Methodology for the Regular and Effective Oversight of Staff in Sensitive Positions.

154 Written Notification, page 167.

(124) In addition, Hungary submitted that it plans to merge the two central methodologies setting out the procedures for rotation and for the oversight of staff in sensitive positions when they are next reviewed, which is expected to take place at the beginning of 2027[155]. This approach will move towards a broader, risk-based oversight system, complemented by training, whistleblowing channels and corrective measures, reflecting the view that existing controls already provide substantial protection.

(125) Based on the Commission's assessment, on the commitments that were already implemented in 2022 and on the recent legislative amendments and developments, the Council considers that Hungary has fulfilled this remedial measure.

2.7. Reducing the share of tender procedures with single bids financed from Union funds

(126) As part of the remedial measures adopted in 2022, Hungary undertook to reduce the share of tender procedures financed from Union funds and closed in 2022 with single bids below 15%, as measured with the Single Market Scoreboard methodology, by 31 December 2022 and to maintain this target without a time limit. In case the share of single bids would exceed 15% in any given calendar year or if Hungary was to identify a serious risk of exceeding the required level during the actual year, Hungary committed to propose additional measures within four months to facilitate reducing single bid procurements to bring it back below the threshold of 15% and inform the Integrity Authority and the Commission. The Council Implementing Decision found that Hungary had taken the required Key Implementation Step, and did not identify any weakness or deficiency[156]. The Commission Reassessment Decision took note that Hungary had reported to have reduced the share of tender procedures with single bids financed from EU funds below 15% in 2022[157].

(127) By its Written Notification, Hungary submitted that the target has been met every year to date[158].

(128) Based on the Commission's assessment, the Council considers that Hungary has fulfilled this remedial measure.

2.8. Reducing the share of tender procedures with single bids financed from the national budget

(129) As part of the remedial measures adopted in 2022, similarly to the remedial measure described in recital (126) above, Hungary committed to (i) reduce gradually (in three steps) by 31 December 2024 the share of public procurement tender procedures financed from the national budget and closed in a calendar year with single bids below 15%, as measured in line with the Single Market Scoreboard methodology, (ii) unconditionally fulfil the above referred target for subsequent years and maintain it without a time limit, and (iii) in case the share of single bids would exceed 15% in any given calendar year, to propose additional measures within four months to facilitate reducing single bid procurements to bring it back below the threshold of 15% and inform the Integrity Authority and the Commission. The Council Implementing Decision did not analyse or assess this remedial measure, as the Commission

155 Written Notification, pages 167-168.
156 See Council Implementing Decision, recital 48 and Commission Communication, paragraph 100.
157 Commission Reassessment Decision, recital 19.
158 Written Notification, pages 172 -173.

committed to monitoring its implementation based on quarterly reporting from Hungary[159].

(130) By its Written Notification, Hungary submitted that the target of reducing the share of public procurement tender procedures financed from the national budget and closed in a calendar year with single bids below 15% was not met. Instead, the share of public procurement tender procedures financed from the national budget with single bids was 31.3% in 2022, 28.95% in 2023, 22.3% in 2024, and 22% in 2025[160].

(131) In accordance with the remedial measure, Hungary adopted additional measures in 2024, 2025 and 2026 to facilitate reducing single bid procurements to bring it below the threshold of 15%. Notably, Hungary supplemented the Action Plan to increase the level of competition in public procurement with additional measures to this end on a yearly basis[161]. However, so far these measures have not yielded the intended result.

(132) Based on the Commission's assessment, the Council finds that while the rate dropped considerably, the target was never achieved. At the same time, Hungary kept the Commission informed timely and adopted measures for three consecutive years to try and meet the target. While the remedial measure cannot be considered entirely fulfilled, it should be assessed considering its relative importance to protect the Union budget and the other, central remedial measures regarding public procurement as well as any other new remedial measures regarding public procurement.

2.9. The development of a single-bid reporting tool to monitor and report on public procurement procedures closed with single-bids

(133) As part of the remedial measures adopted in 2022, Hungary committed to develop a new monitoring and reporting tool for measuring the share of procurement procedures resulting in single bids financed from national resources or from Union support or from both by 30 September 2022 and to maintain this tool for an unlimited period of time. The ministry responsible for public procurement was tasked with preparing a written report based on the information gathered by the tool and publishing it annually on the Electronic Public Procurement System (the 'EPS') website, accessible to the public without registration and free of charge. The Council Implementing Decision found that the single bid reporting tool had been developed and was operational as required by the remedial measure[162].

(134) By its Written Notification, Hungary submitted that the EUTAF audit report of 26 June 2026[163], based also on its previous audits, confirms that the monitoring and reporting tool remains fully functional and operational, that its functionalities are in accordance with the methodology of the Single Market Scoreboard, and that the data in the system is accurate and complete. Furthermore, Hungary provided evidence that the Public Procurement Monitoring Department of the National Development Centre, through which the Minister of Finance performs their responsibility for public

[159] See Council Implementing Decision, recital 27 and Commission Communication, paragraphs 104 and 105.

[160] Written Notification, page 175. The target set for 2022 was 32%, for 2023 it was 24%, for 2024 and following years 15%.

[161] Written Notification, pages 176-183. As regards the revisions of the Action Plan, see Section 2.12 below.

[162] See Council Implementing Decision, recital 49 and Commission Communication, paragraph 106.

[163] Annex 9.0 to the Written Notification, EUTAF Audit Report on the monitoring and reporting tool for single-bid public procurement procedures 26 June 2026.

procurement, has fulfilled the reporting obligation referred to above in every given year[164].

(135) Based on the Commission's assessment, the Council considers that Hungary has fulfilled this remedial measure.

2.10. The development of the Electronic Public Procurement System to increase transparency

(136) As part of the remedial measures adopted in 2022, in order to increase the transparency in public procurement, Hungary committed to create and publish on the EPS website a database containing information on all contract award notices of public procurement procedures in a structured form, including company identification numbers and the names of each individual member of the consortia and the subcontractors. That database is to be updated regularly, available to the public downloadable and free of charge. The Council Implementing Decision found that the remedial measure was fulfilled[165]. The Commission Communication referred to further developments requiring a longer implementation date[166].

(137) By its Written Notification, Hungary provided evidence that the EPS has remained fully functional and that the database is up to date, downloadable and machine readable and freely accessible to the public[167].

(138) In addition to implementing the commitments, as described in Section 2.19 below, amendments brought by the Omnibus Act have introduced the concept of 'transparent economic operator' to ensure that the beneficial owner and the ownership structure of bidders will be disclosed in all public procurements even in case of complex ownership structures. That information is also visible in the EPS.

(139) Based on the Commission's assessment, the Council considers that Hungary has been maintaining the EPS in line with the commitments undertaken and made further improvements to enhance transparency.

2.11. The development of a performance measurement framework assessing the efficiency and cost effectiveness of public procurements

(140) As part of the remedial measures adopted in 2022, Hungary committed to develop a performance measurement framework to assess the efficiency and cost effectiveness of public procurements, which had to be operational by 30 November 2022. Furthermore, Hungary undertook to unconditionally maintain the regular use of the performance measurement framework and the publication of its results for an unlimited period of time[168]. The Council Implementing Decision found that Hungary had fulfilled its commitments for this remedial measure[169].

(141) By its Written Notification, Hungary confirmed that the performance measurement framework has remained in place and in use[170]. A working group, including independent experts and representatives of non-governmental organisations, was fully

---

164 Written Notification, pages 185-188.

165 Council Implementing Decision, recital 50.

166 Commission Communication, paragraph 114.

167 Written Notification, pages 189-193; Annex 10.1 to the Written Notification, Audit Opinion EPS 28 August 2026; and Annex 10.2 to the Written Notification, EPS Search Validation 28 August 2026. See at the following link: https://ekr.gov.hu/portal/kozbeszerzes/eredmeny-tajekoztato-hirdetmenyek.

168 Council Implementing Decision, recital 51, and Commission Communication, paragraph 115.

169 Council Implementing Decision, recital 51.

170 Written Notification, pages 194-203.

involved in the development of the framework and has continued to play an active role in the preparation of annual analyses[171]. Moreover, Hungary submitted evidence that the reports on the results of the Hungarian public procurement performance measurement framework have been published every year since 2023 on the EPS website[172].

(142) Based on the Commission's assessment, the Council considers that Hungary has fulfilled this remedial measure.

2.12. The adoption of an action plan to increase the level of competition in public procurement

(143) As part of the remedial measures adopted in 2022, Hungary undertook to adopt by 31 March 2023, a comprehensive action plan (the 'Action Plan') aiming at improving the level of competition in public procurement, to be reviewed on an annual basis, as a result of which changes to existing actions could be made or new actions could be introduced. The Action Plan, its review, and annual state of play of the implementation of its measures is made publicly available without delay. The Council Implementing Decision did not analyse or assess this remedial measure, as the Commission committed to monitoring its implementation based on quarterly reporting from Hungary[173].

(144) On 31 March 2023, Hungary adopted the Action Plan which included 14 measures aimed at improving the competition in public procurement[174]. In the Commission Reassessment Decision, the Commission considered that the actions laid down in the Action Plan seemed appropriate to address many of the shortcomings addressed in the past and if properly implemented, likely to enhance transparency, the quality of data and access to information. Nevertheless, the Commission noted that Hungary, as it has committed to under the remedial measure, should ensure the effective monitoring of progress in the implementation of the actions under the Action Plan. This would be achieved by setting out specific and measurable yearly objectives and by assigning relevant indicators to each action[175].

(145) By its Written Notification, Hungary provided evidence of three annual revisions of the Action Plan so far[176]. As of the date of the transmission of the Written Notification, Hungary reported the complete implementation of 28 actions, with 11

---

[171] Written Notification, pages 195-197.

[172] Report covering the year 2022: https://ekr.gov.hu/cms/hirek/a-kozbeszerzesek-hatekonysagat-es-koltseghatekonysagat-ertekelo-teljesitmenymeresi-keretrendszer-eredmenyei-2023.
Report covering the year 2023: https://ekr.gov.hu/cms/hirek/a-kozbeszerzesek-hatekonysagat-es-koltseghatekonysagat-ertekelo-teljesitmenymeresi-keretrendszer-eredmenyei-2024.
Report covering the year 2024: https://ekr.gov.hu/cms/hirek/a-kozbeszerzesek-hatekonysagat-es-koltseghatekonysagat-ertekelo-teljesitmenymeresi-keretrendszer-eredmenyei-2025.
Report covering the year 2025: https://ekr.gov.hu/cms/szakmai-anyagok/teljesitmenymeresi-keretrendszer/2025/a-kozbeszerzesek-hatekonysagat-es-koltseghatekonysagat-ertekelo-teljesitmenymeresi-keretrendszer-eredmenyei-2025.

[173] See Council Implementing Decision, recital 27 and Commission Communication, paragraphs 122 and 123.

[174] Written Notification, page 204; Annex 8.0 to the Written Notification, Government Decision No. 1118/2023, Official Gazette No. 47 of 2023.

[175] Commission Reassessment Decision, recitals 27 to 29.

[176] Written Notification, pages 204-206. For 2024, Annex 8.1 to the Written Notification, Government Decision No. 1082/2024 Official Gazette No. 38 of 2024; Annex 8.2, Government Decision No. 1086/2025 Official Gazette No. 35 of 2025; Annex 8.3, Government Decision No. 1106/2026 Official Gazette No. 31 of 2026.

actions still ongoing and 1 action closed without achieving its goal[177]. The last annual revision of the Action Plan was adopted on 23 March 2026 and supplemented the Action Plan with five additional measures to increase competition in public procurement[178].

(146) The Action Plan, as revised, appears to include relevant and meaningful updates, showing that there was a sound evaluation of the situation on the ground, including sector-specific conditions. Those updates are designed to address the shortcoming identified and confirm that monitoring of progress in the implementation of the action plan has been effective.

(147) Based on the Commission's assessment, the Council considers that Hungary has continued to meet its commitments as regards the setup, annual review and implementation of the Action Plan.

2.13. Training to be provided for micro, small and medium-sized enterprises on public procurement practices

(148) As part of the remedial measures adopted in 2022, Hungary committed to provide free-of-charge training in public procurement for at least 2 200 micro, small and medium-sized enterprises ('SMEs'), in order to facilitate their participation in public procurement procedures. The Council Implementing Decision did not analyse or assess this remedial measure, as the Commission committed to monitoring its implementation based on quarterly reporting from Hungary[179].

(149) The first deadline to be met was 31 March 2024, by which the Government should have provided training occasions for 1 000 SMEs. The Government also undertook to provide such trainings for at least a further 1 200 SMEs by 30 June 2026. Hungary also undertook to monitor and evaluate the efficiency and added value of the programme and to put in place a follow-up mechanism to ask for feedback from participants. The results of the follow up mechanism were to feed into the decision, to be taken by 31 July 2026, whether to continue the training programme and whether any changes to it were necessary.

(150) In the Commission Reassessment Decision, the Commission considered that the implementation of this remedial measure was progressing in a timely manner[180].

(151) By its Written Notification, Hungary submitted that the training scheme became operational on 30 June 2023[181]. While the first deadline was not met – only 268 SMEs had successfully completed training by 31 March 2024 – 1 342 SMEs had done so by 30 September 2024 and as of 31 March 2026 more than 2500 SMEs had participated in training under the programme[182].

(152) Hungary collected extensive user feedback and evaluated the efficiency and added value of the programme. On this basis, Hungary decided to continue the programme in

177 Written Notification, page 206.

178 The Action Plan was supplemented with the following new measures: i) examination of contracting authorities most affected with single bid procurements during multiple years; ii) supporting the practice of prior market analysis; iii) strengthening the knowledge related to standing before the review body; iv) setting up a new concept for the training of tenderers; v) Review and supplementing of the guidance for recognising competition law infringements in public procurement. See Written Notification, pages 182-183.

179 Council Implementing Decision, recital 27 and Commission Communication, paragraphs 124 and 125.

180 Commission Reassessment Decision, recitals 30 to 33.

181 Written Notification, pages 207.

182 Annex 13.1 to the Written Notification, SMEs completing training.

the future with some modifications and improvements taking into account the information collected during the implementation period[183].

(153) Based on the Commission's assessment, the Council finds that the first interim target of trained enterprises was reached beyond the original date scheduled, but the final target was met. The Council welcomes the continued commitment of Hungary to provide training opportunities to enhance competition, notably of SMEs, in public procurement.

2.14. Setting up a support scheme for compensating the costs associated with participating in public procurement of micro, small and medium-sized enterprises

(154) As part of the remedial measures adopted in 2022, Hungary committed to set up and launch by 31 March 2023 a support scheme providing a lump sum compensation – based on objective, non-discriminatory and transparent selection criteria – for at least 1 800 eligible SMEs by 30 June 2026 for their costs associated with their participation in public procurement procedures, with the aim of facilitating their participation in public procurement and reducing their entry barriers.

(155) Hungary furthermore committed to carry out a mid-term evaluation by 30 September 2024 and a final evaluation at the end of the support programme by 31 July 2026, including the programme's added value and effectiveness and the sectors concerned. The Council Implementing Decision did not analyse nor assess this remedial measure, as the Commission committed to monitoring its implementation based on quarterly reporting from Hungary[184].

(156) In its Reassessment Decision, the Commission highlighted deficiencies in the design of the support scheme that put compliance with commitments in the remedial measure at risk[185].

(157) By its Written Notification, Hungary submitted that by the end of the programming period only 1 477 participants had received support[186]. After discussions with the Commission, the original call for applications (of 31 March 2023) was amended on 11 January 2024 with the aim to improve focus on micro and small enterprises. On 20 December 2024, another amendment took place to address concerns regarding allegations of fraud raised in the media[187]. The mid-term evaluation was carried out with significant delay and based only on a small sample of filled-in questionnaires from participants[188], limiting its use for the second phase of the programme. For the final evaluation, which was slightly delayed, no further feedback from participants was collected, thus leaving a period of eleven months uncovered[189].

---

183 This decision was adopted few weeks later than the original date envisaged in the remedial measure (31 July 2026); see Annex 13.4 to the Written Notification, Government Decision 1270/2026 Official Gazette No. 118 of 2026.

184 Council Implementing Decision, recital 27 and Commission Communication, paragraphs 126 and 127.

185 Commission Reassessment Decision, recitals 34 to 36.

186 Written Notification, pages 212-213.

187 Written Notification, pages 210-211.

188 Written Notification, page 211 and Annex 14.1 to the Written Notification, Interim Analysis of the support Scheme, 19 February 2026. The mid-term evaluation drew inter alia on the questionnaires of 103 respondents completed until 30 June 2025.

189 Written Notification, page 212 and Annex 14.2 to the Written Notification, Final Evaluation of the Support Scheme, 25 August 2026.

(158) Based on the Commission's assessment, the Council finds that the remedial measure cannot be considered entirely fulfilled. In this regard, the remedial measure should be assessed considering its relative importance to protect the Union budget and the other, central remedial measures regarding public procurement as well as any other new remedial measures regarding public procurement.

2.15. **The application of Arachne, the Commission's risk scoring tool**

(159) As part of the remedial measures adopted in 2022, Hungary committed to apply procedures for the systematic and extended use of all functionalities of the single data-mining and risk-scoring tool ('Arachne', now 'Arachne+') which the Commission puts at the disposal of Member States for any Union support and for all programming periods, to effectively prevent and detect conflicts of interest, fraud, corruption, double funding and other irregularities. All the relevant audit and control bodies had to also be given full access to the data sets uploaded into the tool[190].

(160) While the Council Implementing Decision found the measure fulfilled at that time[191], the Commission Reassessment Decision found that not all the data for all Union funding appeared to be uploaded, and deficiencies were signalled in the use of Arachne in practice[192].

(161) By its Written Notification, Hungary submitted that amendments to the regulatory framework[193] made compulsory that (i) the authorities upload every two months all data for data fields set out in applicable EU regulations in a timely manner in Arachne+ (including also for the Common Agricultural Policy ['CAP']), (ii) all the management, control and audit bodies use Arachne+ extensively (that they carry additional controls when Arachne+ signals a risk and that they are bound by the risk signals of Arachne+ in their decision-making procedures), as well as (iii) ensure that the respective audit bodies in Hungary and in the relevant Commission services and control bodies have full access to the functionalities of Arachne+.

(162) In recognising that CAP data were not uploaded in full, timely or regularly, Hungary submitted an action plan which includes the identification and description of tasks, the responsible parties, as well as the deadlines, necessary resources, success criteria, and the method and timeline for monitoring the upload of CAP data and the use of the tool by the relevant authorities and bodies[194], with the last actions to be implemented by the 31 December 2026[195]. By its Written Notification, Hungary submitted that it will provide further updates on the implementation of the action plan by the end of 2026 outside of the framework of the procedure under the Conditionality Regulation[196].

(163) In line with the original commitment under this remedial measure, for Union support under Regulation (EU) 2021/1060 (with the exception of the European territorial goal)

---

190 Council Implementing Decision, recital 52, and Commission Communication, paragraph 128.

191 Council Implementing Decision, recital 53.

192 Commission Reassessment Decision, recital 20.

193 Written Notification, pages 214-221.

194 The action plan was adopted in the form of a Government Decision. See Annex 15.7 to the Written Notification, Government Decree [Decision] No. 1259/2026 (14 August) Official Gazette No. 113 of 2026.

195 Written Notification, page 223.

196 See Annex 15.6 to the Written Notification, Consolidated Version of Government Decree No. 272/2014 (5 November) in force as of 8 August 2026; Annex 15.4 to the Written Notification, Consolidated Version of Government Decree No. 256/2021 (18 May) in force as of 8 August 2026; and Annex 15.1 to the Written Notification, Government Decree No. 373/2022 (30 September) Official Gazette No. 159 of 2022.

and the RRF, on 31 August 2026 the EUTAF issued an audit report with an unqualified audit opinion on the appropriateness of the procedures ensuring the uploading of a complete set of information to Arachne+ every two months, that the data was actually uploaded in its entirety and that arrangements are in place by the national authorities to ensure that they systematically follow up on risk-scoring generated by Arachne+[197].

(164) Based on the Commission's assessment, the Council finds that while data for some Union financial support is yet to be uploaded in the tool and practical arrangements to ensure the upload of all data for the data fields set out in applicable EU regulations in Arachne+ and its full and effective use in practice for CAP support in its entirety will only be completed by the end of 2026, Hungary has amended the necessary legislative acts and has shown commitment to swiftly and seriously address the outstanding shortcomings by means of an action plan. While the remedial measure cannot be considered entirely fulfilled, it should be assessed considering all the other remedial measures.

2.16. Strengthening the cooperation with the European Anti-Fraud Office

(165) As part of the remedial measures adopted in 2022, Hungary committed to strengthen cooperation with the European Anti-Fraud Office ('OLAF') by designating a competent national authority to assist OLAF when carrying out on-the-spot checks and when an economic operator subject to those checks refuses to cooperate. Hungary also committed to introduce a dissuasive financial-type sanction to be imposed in case an economic operator refuses to cooperate with OLAF for the purposes of OLAF's on-the-spot checks and inspections. In the Council Implementing Decision, the Council considered that Hungary had fulfilled its commitments for this remedial measure[198].

(166) By its Written Notification, Hungary submitted that, as no additional weaknesses or shortcomings were or have been identified in relation to this remedial measure, it should remain considered fulfilled: the National Tax and Customs Administration continues to be the competent national authority to assist OLAF when carrying out on-the-spot checks in Hungary, with rules enabling OLAF to effectively carry out its on-the-spot checks and different types of inspections, in particular by ensuring enforcement like taking things away on the spot, request information, identify check and entering permissions in order to safeguard evidence. Already in 2022, Hungary had introduced a dissuasive financial type of sanction in case an economic operator refuses to cooperate with OLAF for the purposes of the on-the-spot checks and inspections[199].

(167) Based on the Commission's assessment, the Council considers that Hungary fulfilled this remedial measure.

2.17. The adoption of a legislative act ensuring enhanced transparency of public spending

(168) As part of the remedial measures adopted in 2022, Hungary committed to adopt by 31 October 2022 a legislative act ensuring enhanced transparency of public spending

[197] Written Notification, page 222 and Annex 15.11 to the Written Notification, EUTAF Report on the ARACHNE Assessment. The scope of the audit regards the following programmes and instruments: DIMOP Plus, EFOP Plus, GINOP Plus, IKOP Plus, KEHOP Plus, MAHOP Plus, TOP Plus, VOP Plus, BBA Plus, HAVE Plus, MMIA Plus, Recovery and Resilience Facility.

[198] Council Implementing Decision, recital 53.

[199] Written Notification, pages 225-227.

by setting out an obligation for all public bodies to proactively publish a pre-defined set of information on the use of public funds into a central register[200], to be accessible free of charge.

(169) The Council Implementing Decision found that Hungary had taken the relevant Key Implementation Steps, despite a delay in their implementation. However, a weakness remained in the regulatory framework undermining its effectiveness, namely the lack of an obligation for all contracting authorities to publish information in the absence of data on the 'responsible body' for public expenditure, contracting authority or service providers, suppliers, and capacity providers in the minimum set of data to be uploaded in the central register[201].

(170) By its Written Notification, Hungary submitted that legislative amendments addressed the two weaknesses identified in the Council Implementing Decision, namely (i) the personal scope of the entities publishing data on the platform of Central Information Public Data Register and the (ii) minimum data sets available[202].

(171) First, Section 37/C (1) of Act CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information ('Freedom of Information Act') as amended by the Omnibus Act, expanded the personal scope for publication to extensively cover bodies carrying out public duties (covering at least legal persons included in the treasury register, publicly owned economic operators, and foundations established by them, asset management foundations established by the state, PITs and legal persons established or maintained by them, the HUN-REN Research Network).

(172) Second, Section 37/C (3) of the Freedom of Information Act as amended by the Omnibus Act expands the categories of data for publication on the platform of the Central Information Public Data Register, in line with the original commitments.

(173) In line with the commitment that data sets are published in the central register in an open, interoperable and machine-readable format, allowing bulk download and data to be sorted, searched, extracted, compared and reused[203], Section 37/C (1) of the Freedom of Information Act has been amended by Section 27(1) of the Omnibus Act and entered into force on 26 August 2026. On 31 August 2026, Hungary also completed the development of the functionalities of the register[204].

(174) Therefore, based on the Commission's assessment, the Council considers that Hungary has fulfilled the commitments undertaken under this remedial measure.

2.18. Participation in the enhanced cooperation on the establishment of EPPO

(175) In addition to reporting on the fulfilment of the remedial measures adopted in 2022, by its Written Notification Hungary referred to its notification to the Commission, on 29 May 2026, of its intention to participate in the enhanced cooperation on the establishment of EPPO. Hungary requested Regulation (EU) 2017/1939 to apply in Hungary with regard to offences within the competence of the EPPO committed before Hungary had joined the enhanced cooperation, on or after 1 June 2021, the date on which the EPPO assumed its investigative and prosecutorial tasks.

---

200 Council Implementing Decision, recital 54.

201 Ibid.

202 Written Notification, pages 228-246; Annex 17.2 to the Written Notification, Government Decree No. 128/2026 (25 August) Official Gazette No. 117 of 2026.

203 Sections 33(1) and 37(c) of the Freedom of Information Act as amended by Section 27(1) of the Omnibus Act.

204 The register is available at https://kif.gov.hu/.

(176) By its Decision (EU) 2026/1701 of 10 July 2026, the Commission confirmed Hungary's participation in the enhanced cooperation on the establishment of the EPPO and that Regulation (EU) 2017/1939 shall apply in Hungary with regard to any offence within the competence of the EPPO committed after 1 June 2021[205].

(177) By its Written Notification, Hungary submitted that its recent accession to the EPPO, in combination with the remedial measure amending the special criminal procedure described above under Section 2.5., significantly contributes to addressing the weaknesses identified in the Council Implementing Decision in relation to the effectiveness of prosecutorial action, with specific regard to the effective investigation and prosecution of corruption-related offences and criminal offences affecting the Union's financial interests, as well as the need to strengthen the fight against corruption[206]. Participation in the EPPO should be considered as an additional remedial measure taken to address in a cross-cutting fashion the deficiencies identified in the Council Implementing Decision. Hungary is currently establishing the national legal and institutional framework for its participation in the EPPO.

(178) Based on the Commission's assessment, the Council considers that participation in the EPPO is a remedial measure of a central nature that strengthens further the effectiveness of the investigation and prosecution of criminal offences against the financial interests of the Union in Hungary and thereby contributes in a horizontal manner to the protection of the Union budget.

2.19. Reinforcing integrity, transparency and competitiveness in the public procurement market

(179) In addition to reporting on the fulfilment of the remedial measures adopted in 2022, by its Written Notification Hungary submitted the adoption of several amendments to the Act of Public Procurement to (i) increase competition and transparency procedures, and (ii) tackle risks of corruption and conflicts of interest in the field of public procurement[207].

(180) Pursuant to the amendments, contracting authorities are now required to publish annually data on contract performance, to make the procurement documents available together with the notice launching the procedure without requiring prior registration in the EPS[208], and, in the case of concessions, to record in writing and publish the results of the preliminary market survey, the calculations relating to the return on the concessionaire's investment, and the measures taken to safeguard competition[209].

(181) New regulatory measures to prevent corruption include the exclusion from procurement procedures of economic operators that do not qualify as 'transparent economic operators' as defined by Section 3, point 10a of the Public Procurement Act as amended by Section 78 of the Omnibus Act[210], the express possibility for contracting authorities to lay down anti-corruption conditions relating to the

---

205 Commission Decision (EU) 2026/1701 of 10 July 2026 confirming the participation of Hungary in the enhanced cooperation on the establishment of the European Public Prosecutor's Office, OJ L, 2026/1701, 13.7.2026, ELI: http://data.europa.eu/eli/dec/2026/1701/oj. See also Annex 18.3 to the Written Notification, Government's Decision No. 1142/2026 (14 May) Official Gazette No. 47 of 2026.

206 Council Implementing Decision, recitals 44-46.

207 Sections 78 to 97 and Section 181 of the Omnibus Act amending the Act on Public Procurement.

208 Section 39 of the Act on Public Procurement, as amended by Section 81 of the Omnibus Act.

209 Section 120(4) of the Act on Public Procurement as amended by Section 85 of the Omnibus Act.

210 See also sub-point (kb) of Section 62(1)(k) of the Act on Public Procurement, prohibiting from taking part in a public procurement procedure an economic operator that "does not qualify as a transparent economic operator", as amended by Section 83 of the Omnibus Act.

performance of contracts[211], and the mandatory inclusion of a contractual clause requiring the successful tenderer to cooperate in mitigating the risks of corruption offences[212].

(182) The amended rules on conflicts of interest establish a presumption of such a conflict where a person acting on behalf of a contracting authority is a beneficial owner of an economic operator participating in the procedure and provide that relatives of the high-ranking officials referred to in the Public Procurement Act are to be considered as being in a situation of conflict of interest[213].

(183) Based on the Commission's assessment, the Council considers that the amendments brought to the public procurement framework are positive measures to effectively enhance transparency and competition in public procurement in Hungary and to further strengthen the general anti-corruption legal framework in Hungary.

2.20. Rules ensuring the transparency of beneficial owners of entities and clarifying the use of public subsidies

(184) In addition to reporting on the fulfilment of the remedial measures adopted in 2022, by its Written Notification Hungary submitted the adoption of new rules to further reinforce the protection of the financial interests of the Union and of the EU budget by ensuring the transparency of beneficial owners and clarifying the use of public funds[214].

(185) In this regard, the Omnibus Act amended several provisions in other acts to: (i) revise the definition of beneficial owner to include specific provisions on private investment funds having the obligation to communicate their beneficial owner in line with Regulation (EU) 2024/1624[215]; (ii) include journalists and civil society organisations in the list of natural or legal persons deemed to have a legitimate interest in accessing beneficial ownership data, with civil society organisations in particular to have an *ex lege* legitimate interest in accessing the beneficial ownership information[216]; (iii) ensure that bodies responsible for the management and control of Union funds in Hungary have the possibility to gather information on and verify the beneficial owners of private equity funds from at least 1 February 2020[217]; (iv) clarify and extend the scope of application of such rules for public officials and entities[218].

---

211 Section 132(1), (4) and (5) of the Act on Public Procurement as amended by Section 87 of the Omnibus Act.

212 Section 136(1), point (c) of the Act on Public Procurement Act as amended by Section 88 of the Omnibus Act.

213 Sections 25(5)(b) and 25(6) of the Act on Public Procurement Act as amended by Section 80 of the Omnibus Act.

214 Written Notification, pages 271-273. Annex 20.1 to the Written Notification, Consolidated Version of Act XLIII of 2021, BO Registry Act in force as of 31 July 2026.

215 Section 101 (2)-(3) of the Omnibus Act amended Section 3 point 38. g) and 48 of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing. See also Section 1 (1) point 30 and Section 1 (2) of the Act XLIII of 2021 on the Establishment and Operation of the Data Reporting Framework Related to the Identification Duties of Financial and Other Service Providers.

216 Sections 145 (1) and (3) of the Omnibus Act amended Section 8 of the Act XLIII of 2021 on the Establishment and Operation of the Data Reporting Framework Related to the Identification Duties of Financial and Other Service Providers.

217 Section 146 of the Omnibus Act amended Section 26/C of the Act XLIII of 2021 on the Establishment and Operation of the Data Reporting Framework Related to the Identification Duties of Financial and Other Service Providers.

218 Sections 9-12 of the Omnibus Act amended provisions of the Act CLXXXI of 2007 on the transparency of subsidies provided from public funds.

(186) Based on the Commission's assessment, the Council considers that this remedial measure further strengthens transparency and the anti-corruption legal framework with regards to the use of Union funds in Hungary.

3. CONCLUSIONS

(187) In view of the above elements and analysis, and on the basis of the Commission's assessment, the Council considers that Hungary has taken a number of steps to fulfil the remedial measures it adopted in 2022 and to address the important weaknesses, risks and shortcomings that remained in a number of remedial measures.

(188) Hungary submitted evidence to demonstrate the fulfilment of those remedial measures that have a horizontal, structural and systemic nature and are of central importance to remedy the systemic breaches of the principles of the rule of law concerning public procurement, the effectiveness of prosecutorial action and the fight against corruption (see Sections 2.2, 2.4 and 2.5 above).

(189) Hungary also adopted new remedial measures of a similar central importance, given their repercussions across the areas affected by the breaches of the principles of the rule of law and the related Union funding at risk. In particular, Hungary's participation to the EPPO enhances the effective investigation and prosecutorial action as regards criminal offences affecting the financial interests of the Union, and thereby contributes to the protection of the Union budget in a cross-cutting fashion[219]. The fact that, following the request from Hungary, the Commission decided that Regulation (EU) 2017/1939 shall apply in Hungary as regards offences committed on or after 1 June 2021 means that EPPO investigations can cover the whole period since the adoption of the measures by the Council in 2022. Additionally, the new rules on beneficial ownership support the fight against corruption through enhanced accountability standards allowing for public scrutiny[220].

(190) Furthermore, with the remedial measures now in place, Hungary has taken decisive steps to enhance transparency and competition in public procurement through a number of coordinated and targeted actions, both in the continued implementation of certain remedial measures over the past years[221] and new steps undertaken with the latest reform of the Public Procurement Act[222].

(191) This is also the approach Hungary followed as regards the previously identified shortcomings of the national regulatory framework on PITs, which was amended to not only address risks of conflicts of interest, but to progressively terminate PITs altogether.

(192) While a few measures fell short of meeting in their entirety the commitments and goals originally envisaged[223], in many instances, Hungary went beyond what it undertook to do in 2022. In particular, the asset declaration system now in place gives

---

219 See Section 2.18.

220 See Section 2.20.

221 See, for instance, the continued low rate of single bids in tender procedures financed from Union funds (Section 2.7), the development and continued use of the single bid reporting tool, the Electronic Public Procurement System (Sections 2.9, 2.10 and 2.11), adoption of an action plan to increase the level of competition in public procurement and its periodical revisions (Section 2.12).

222 See Section 2.19.

223 See especially the National Anti-Corruption Strategy and related Action Plan (Section 2.4); reducing the share of tender procedures with single bids financed from the national budget (Section 2.8); and the support scheme for compensating the costs associated with participating in public procurement of micro, small and medium-sized enterprises (Section 2.14).

significantly more extensive verification powers to the Integrity Authority and extends obligations for submitting an asset declaration as well as sanctions for failure to comply with them, originally only envisaged for a smaller group of people, to a vast range of high-risk officials. The powers of the Integrity Authority have also been strengthened in other instances, notably as regards access to data, which is crucial for it to effectively carry out its oversight tasks. These additional commitments, together with the new remedial measures, better and effectively serve the purpose that specific punctual remedial measures were trying to achieve.

(193) As a consequence, in light of the assessment carried out above, it should be concluded that the remedial measures notified by Hungary, considered as a whole, as adopted and in view of their details, effectively remedy the identified breaches of the principles of the rule of law and protect the Union budget.

(194) The Council considers, therefore, that the conditions laid down in Article 4 of the Conditionality Regulation are no longer fulfilled and that the measures adopted by the Council Implementing Decision should be lifted pursuant to Article 7(2) of the same Regulation. Consequently, reporting obligations linked to Article 5(2) of the Conditionality Regulation and to the implementation of the remedial measures should also cease,

HAS ADOPTED THIS DECISION:

Article 1

The conditions set out in Article 4(1) of Regulation (EU, Euratom) 2020/2092 for the adoption of appropriate measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary are no longer fulfilled.

Article 2

Pursuant to Article 7(2) of Regulation (EU, Euratom) 2020/2092, the measures laid down in Article 2 of Council Implementing Decision (EU) 2022/2056 of 15 December 2022 are lifted.

Article 3

Article 3 of Council Implementing Decision (EU) 2022/2056 of 15 December 2022 shall cease to apply with effect from the date of notification of this Decision.

Article 4

This Decision is addressed to Hungary and shall take effect on the day of its notification.

Done at Brussels,

For the Council
The President