

ELNÖK

Ikt. szám: ELN/231-1/2025

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Tárgy: Hozzájárulás a kondicionalitási eljárásban tett vállalások végrehajtása tárgyában az Európai Bizottság számára küldendő következő negyedéves jelentés elkészítéséhez

Tisztelt Államtitkár Úr!

A 2025. november 6-án kelt EUM-EUHAT/1834/6/2025 iktatószámú levelét köszönettel megkaptam. Az európai uniós költségvetési források felhasználásának ellenőrzéséről szóló 2022. évi XXVII. törvényben meghatározott feladatok teljesítésének állására vonatkozó tájékoztatót jelen levelemhez mellékelve küldöm.

Az angol nyelvű tájékoztató anyagot a kondicionalitási eljárásban tett vállalások végrehajtása tárgyában, az Európai Bizottság számára küldendő következő negyedéves jelentéshez készítettük.

Budapest, 2025. december 8.

Üdvözlettel:

Biró Ferenc Pál
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Subject: Input of the Integrity Authority of Hungary (IA or Authority) to the information letter to be sent to the European Commission by December 16, 2025, on the fulfilment of commitments made under the conditionality procedure

Key Developments

This document provides an update on the IA's progress in fulfilling commitments under the EU conditionality procedure, with a focus on cooperations, investigations, and institutional developments.

- **Cooperations:** The Authority is progressing in building international partnerships and enhancing its analytical capabilities through EU-supported projects and global engagement. As outlined in previous progress reports, the Authority continues to operate within the existing legal framework, which currently limits progress in domestic cooperation. Any changes to this situation depend on decisions by the Government and the Commission regarding the legal background. We currently understand that any initiative to revise the law must originate from the Commission.
- **Annual Reports:**
 - The 2024 Annual Analytical Integrity Report was finalized and published on the 30th of June 2025.
 - The 2024 Annual Report of the Board of the Authority has been submitted to the Hungarian Parliament – which designated its Committee on Economic Affairs to adopt a resolution on the Report – and the European Commission and is publicly available online. However, the hearing has been repeatedly postponed and ultimately cancelled without an alternate date being set for the adoption of the Report, despite the Authority's repeated efforts to agree on a suitable timeframe with the Committee. The IA asserts it has fully complied with its legal obligations relative to submission and adoption of its Annual Report.
- **Reports & Investigations:**
 - Between 1 January and 31 October 2025, the Authority received 138 whistle-blower reports, of which 58 fell within its mandate. 14 investigations were launched, whereby in one case the Authority initiated an administrative audit. Out of the remaining notifications, 11 were still being investigated, meanwhile 35 investigation procedures were ongoing by end-October. The Authority participated in seven on-site investigative acts, reported suspected violations in four cases, initiated 24 proceedings before the Public Procurement Arbitration Board, filed 11 administrative appeals, and launched 12 administrative audits.

- **Register of Excluded Economic Operators:** The Integrity Authority has completed internal preparations and IT upgrades and is ready to carry out this mandate. The Authority's initiative has resulted in an amendment to the legislative framework, whereby from the 1st of January 2026, it should have access to the personal and address register, providing additional necessary data. The Authority will review whether all legal obstacles have been removed, with particular regard to the fact that neither the method nor the frequency of data transfer has been determined.
- **IT:** The IA completed its institutional transition from EUTAF and significantly reduced reliance on external IT services. By August 2025, it had largely established its own IT infrastructure and plans to fully migrate the remaining systems by the 31st of December 2025.
- **Headcount and HR matters:** Staff number stands at 128. HR efforts - in addition to recruitment - now focus on leadership, performance, and skills development. The January actions by the Prosecution service investigating the President present continuous additional management challenges.
- **Anti-Corruption Task Force (ACTF):** During the reporting period, the Anti-Corruption Task Force (ACTF) adopted reforms to improve transparency and efficiency, including new rules of procedure, an annual work plan, and a shift to ad hoc expert committees. It also proposed legislative changes to strengthen governance and formalize key memberships. Following recent appointments, the ACTF now operates at full capacity and will continue monitoring the implementation of its previous recommendations, while also working on thematic reports. Its first thematic report will address education and awareness-raising to prevent corruption, with drafting already underway.

Overall, the Authority continued to strengthen its institutional capacity, expand international cooperation, and develop advanced analytical tools. However, domestic legal and data access barriers persist. Legislative reforms remain essential to fully implement its mandate and effectively meet EU conditionality commitments.

Detailed Responses

1. Cooperations

Cooperation agreements with Hungarian state bodies and institutions

Cooperation agreements continue to be declarative in nature rather than substantive, failing to grant the Authority the necessary rights to obtain or exchange data. The Authority's founding legislation still restricts access to critical data necessary for investigations, such as banking, tax, and insurance records.

The following list details the most crucial databases to which the Authority requires access in order to effectively fulfil its legal mandate, but currently does not, or only partially has:

- The Development Policy Database and Information System (FAIR), within this framework the Digital Renewal Operational Programme (DIMOP) database
 - The Integrated Administration and Control System (IICR), within this framework the Rural Development Programme (VP) database
 - The Electronic Public Procurement System (EKR)
 - The Land Registry
 - The Register of Personal Data and Addresses
 - The Electronic Civil Registry
 - Business registry data
 - Criminal records
 - The Insolvency Register
 - Ultimate Beneficial Owner database
 - The Private Entrepreneur Register
 - The central database of asset declarations
- Regarding the Authority's ongoing TSI project, access to key databases, essential to carry out its work, represents a particularly crucial obstacle. Access to the necessary databases—providing the Authority with a comprehensive view of the entire Hungarian public procurement environment—will be a key success factor for the project. The OECD, as the implementing partner of the TSI project, has likewise identified data access as an essential element for the project's success.
 - Legislative amendments remain essential to clarify and expand the Authority's powers for effective operations and oversight.

Cooperations with professional organizations and institutions

The Authority has actively engaged with professional organizations to strengthen its operations:

- **Cooperation EPPO and OLAF:**
 - MoU was worked out with the European Public Prosecutor's Office (EPPO), similar to the one with OLAF, however, is not yet executed, as the Authority has faced criticism from the Prosecution Service of Hungary for sharing information with EPPO and OLAF. While the Integrity Authority has initiated consultations regarding this with the Prosecution Service, it has yet to receive a substantive response.
 - EPPO has invited the IA for a study visit, which is currently planned to take place during the first half of 2026.

- **Cooperation Independent Commission Against Corruption (Hong Kong SAR):**
 - The Authority has signed a memorandum of understanding (MoU) with the Independent Commission Against Corruption (ICAC) of Hong Kong in September 2025.

- **IAACA Membership & Leadership:**
 - At the IAACA General Meeting in February 2025, President Biró was elected to the Executive Committee (ExCo) for a three-year term. The next IAACA Annual Conference and Executive Committee Meeting will take place on December 13, 2025, in Doha, Qatar, held on the fringes of the 11th session of the Conference of the States Parties (COSP 11) to the United Nations Convention against Corruption.

- **EU-Funded Project under TSI 2025:**
 - The Authority's project "Development of the analytical capacities by introducing innovative data-driven systems to reduce irregularities related to the use of EU funds" was selected under the Technical Support Instrument (TSI) 2025. The initiative has been awarded an indicative grant of EUR 600,000 to be implemented over a 24-month period.
 - The project's technical kick-off event and a public kick-off conference were organized in September together with SG Reform and the OECD.
 - As previously underlined, data access is a critical underlying challenge, in terms of the project's future trajectory and success.
 - In order to receive an appropriate overview of the Hungarian public procurement system and to facilitate data access and future cooperation avenues, OECD colleagues have conducted stakeholder interviews in Budapest, between

October 14–16, coordinated by the Integrity Authority. Further follow-up interviews were scheduled for January 2026.

- Currently, the summary report finalizing Output 1 of the project is pending approval from the project’s Advisory Group.

- **Annual ENPE conference:**

- This year, the Integrity Authority received the exceptional honor to host the annual European Network for Public Ethics (ENPE) conference.
- The conference took place between the 16–17th of October, in Budapest. The event, which explored the theme “From Policy to Practice: Effective Conflict of Interest Control and Oversight to Combat Corruption,” was a great success, bringing together leading public experts, practitioners, and policymakers from across Europe to share best practices and innovative approaches.

- **The 24th EPAC/EACN Annual Conference and General Assembly**

- The Integrity Authority participated in the 24th Annual Conference and General Assembly of the European Partners Against Corruption (EPAC) and the European Contact Point Network Against Corruption (EACN). During the event, the Authority was able to demonstrate its agentic AI-system, “Vanda”, while also contributing to the adoption of the Hague Declaration, the conference’s concluding document.
- Additionally, President Biró participated in the High-Level Meeting of Police Oversight and Anti-Corruption Authorities on 24 November 2025 at the Eurojust premises in The Hague.

- **“Action against Corruption and Money Laundering in Europe” Start-up Conference of the Council of Europe’s Economic Crime and Cooperation Division**

- The conference took place in Strasbourg, between the 25–26th of November, and aimed to address technical cooperation projects between the invited institutions of beneficiary states.
- The Authority’s delegation shared technical assistance needs and cooperation priorities of the Authority in the fields of conflict-of-interest management, whistleblower protection and corruption risk management frameworks.

2. Reports and analyses prepared by the Authority

The Authority has prepared the **Analysis on the Activities of Central Public Procurement Bodies**, which was submitted to the Board for approval. On 17 September 2025, the Authority's Board decided to have the Analysis revised; no further board decision has yet been taken in relation to the report.

Act XXVII of 2022 on the supervision of the use of European Union budgetary funds does not contain provisions relative to publication of any of the Authorities work except for the Annual Integrity Report to be prepared by the Authority.

Due to the current lack of explicit legal provisions governing publication, and in light of ongoing discussions regarding the Authority's cooperation with EU institutions and the appropriate scope of dissemination of its work, as well as the fact that the Authority does not yet benefit from the full legal protections and rights generally afforded to such bodies, the Authority will defer the public release of this document until the relevant legal questions have been clarified and the statutory framework has been further specified.

On 30 June 2025, the Authority published its **Annual Analytical Integrity Report** for the 2024 calendar year on its website, pursuant to Act XXVII of 2022, followed by the finalization of its English translation in early September.

The **Integrity Report** dedicates a separate chapter to the overview of the state of market concentration, including the indicators of public procurement procedures and highlighting concentration outliers. One of the chapters focuses on the circumstances leading to low competition levels in public procurement procedures and identifies the risks to public procurement integrity, inherent in the rules governing competitive tendering, while also drawing attention to the potential consequences stemming from the transformation of the public procurement profession and to the detrimental impact a lack of proper expertise in the preparation of public procurement procedures may have on competition levels. The last main chapter presents the findings of the Authority's investigations from 2024, conducted within the scope of its functions and powers, coupled with the corresponding recommendations concerning the regulatory environment, monitoring mechanisms, and project implementation.

In July, following the online publication of the report, the Authority convened an extended session, complete with Q&As, for the three most popular online news outlets to present its Report and facilitate the dissemination of its findings.

The **Annual Report** of the IA's Board on its activities has been shared with the Hungarian Parliament and the European Commission, as well and is already available on the IA's [website](#) both in Hungarian and English.

3. Headcount and resources

Over the past years, the Authority has experienced steady headcount growth in line with its increasing level of professional activity. The current size has warranted the introduction of a dedicated recruitment function, increasing the speed and quality of recruitment and selection efforts supporting the planned expansion of the workforce. As of December 2025, the headcount of the Authority reached 128 employees.

4. Register of economic operators excluded from public procurement procedures

In Q3 2025, the Authority continued its work on establishing the register of businesses excluded from public procurement. A direct data link to the registration systems of other public bodies is essential for this purpose, and the IA has made progress in setting up and testing these connections.

The Authority also held consultations with the Ministry of Justice, which is responsible for the Business Register, to review the relevant provisions of the Eufetv. and the Act V of 2006 on Public Company Information, Company Registration and Winding-up Proceedings. During these discussions, the parties identified legal inconsistencies and obstacles that currently prevent full compliance with data-sharing requirements. Following the meeting, the Authority submitted its legal opinion to the Ministry and initiated cooperation to develop the necessary legal framework, including specific legislative proposals. The initiative was registered by the Codification Department of the Ministry of Justice, which subsequently gave rise to an amendment of the legislative framework. As of 1 January 2026, the Authority will have access to the personal and address register, thereby obtaining additional data necessary. The Authority will assess whether all legal obstacles have been eliminated, particularly given that neither the method nor the frequency of data transfer has been determined.

Additionally, the Authority has formally requested clarification from the Ministry of Justice regarding the conditions for issuing the government decree required under Section 69 (4) of the Eufetv., which could certify full access to the relevant registry data.

The Ministry of Justice has informed the Authority that the position of the Ministry of European Union Affairs is determinative. On this basis, the Authority has referred its questions to the Ministry of European Union Affairs.

5. Support of the Directorate General for Audit of European Funds

In line with Section 71 of Eufetv, the Directorate General for Audit of European Funds (EUTAF) provided secretarial and administrative support during the Authority's establishment. EUTAF also handled the Authority's financial and organisational tasks in line with public sector regulations on management, accounting, data provision, and operations. This support was provided for six months, after which the Authority became fully self-sufficient. The final settlement of services received from EUTAF was completed, with the final agreement signed on 25 March 2024 and costs reimbursed as required by law.

When it was established, the Authority had a contract with NISZ Zrt. for 16 services. By Q3 2025, this number had been reduced to four, thanks to the development of services using its own resources, the commissioning and operation of its own IT infrastructure, and the return in May 2025 of all NISZ-owned equipment (workstations, network devices, Wi-Fi APs) to the service provider, except for the printers still in use.

By the end of Q3 2025, the public procurement procedure for printing services and their full operation is expected to be completed (the bids received are currently being evaluated); and progress is also expected in relation to the migration of the "Forrás. NET" management system hosted in the NISZ Government Cloud to its own infrastructure and organizing its own operation. The contract related to the migration is currently being prepared, and the public procurement procedure for operation and support from January 1, 2026, is underway.

With regard to the IT, info communications and other services provided by NISZ Zrt., the complete separation is proceeding according to the Authority's plans, with the target date remaining the 31st of December of 2025, when the phase-out of the four services mentioned above (printing services, application operation of the "Forrás. Net" management system, archive document management system access services, backup web hosting service) could take place.

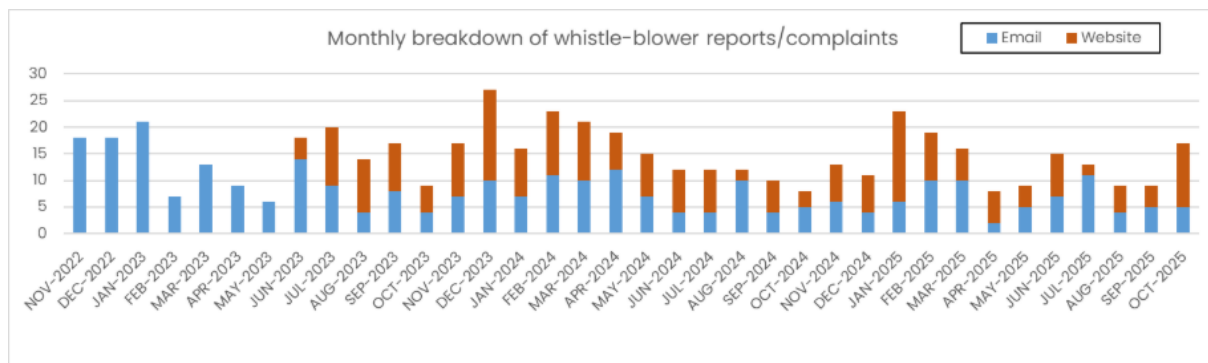
Following the technical phase-out of the services, the Authority will also initiate the contractual and legal/regulatory termination of the services at DMÜ Zrt., which supervises NISZ Zrt.

6. Whistle-blower reports and investigations

The Authority received 138 whistle-blower reports through its platform in the period between 1 January 2025 and 31 October 2025, 65 via direct email and 73 through its online whistle-blower platform. Out of the total number of whistle-blower reports received, 58 notifications (42% of the total) concerned EU funds and therefore fell within the Authority's scope (the remaining 80 were outside the Authority's scope). Out of the 58 reports falling within the

scope of the Authority, in 14 cases an investigation was initiated, and in one case the Authority initiated an administrative audit.

Of the remaining 43 notifications, 11 are still being investigated, and in 32 cases the Authority concluded that based on the information provided in the notification there were no grounds to open an investigation.



35 investigation procedures were ongoing as of 31 October 2025. In the period between 1 January 2025 and 31 October 2025, the Authority participated in 7 on-site investigative acts with the competent managing authority. Based on the concluded investigation procedures in the period between 1 January 2025 and 31 October 2025, the Authority reported suspected criminal violation or irregularity in 4 cases.

In 10 of the 15 investigations closed in this period, the Authority invited the managing authority concerned to open an irregularity procedure.

Out of these 10 irregularity procedures:

- In one case, the managing authority informed IA that the irregularity procedure was closed with the result „irregularity occurred“
- In three cases, the managing authority informed IA that the irregularity procedure was initiated, however it has been suspended until the competent authorities (e.g. Public Procurement Arbitration Board) have made their decisions
- In one case, the managing authority informed IA that the irregularity procedure was initiated, however not all cases of suspected irregularities that were considered to be irregularities by IA and were highlighted in IA’s report as such, are subject to this proceeding. Therefore, IA wrote two follow-up letters to the managing authority to include these suspected irregularities in the procedure as well
- In one case, where IA initiated the irregularity procedure in April 2025, the managing authority informed IA in July 2025 that the irregularity procedure was initiated, however no further information to date has been provided on the status of it

- In two cases, IA initiated the irregularity procedure in August 2025. The managing authority informed IA in September 2025 that the irregularity procedure was initiated, however no further information to date has been provided on the status of it
- In two cases, IA initiated the irregularity procedure in October 2025, hence no response was yet provided (the response is still within the deadline)

In all cases, the managing authority informed IA via official letter about the irregularity procedures.

In the period between 1 January 2025 and 31 October 2025, the Authority initiated proceedings before the Public Procurement Arbitration Board (PPAB) in 24 cases. In this period, the Authority brought 11 administrative appeals against the decisions of the PPAB and initiated 12 administrative audits.

7. Anti-Corruption Task Force (ACTF)

In the reporting period the Anti-corruption Task Force (ACTF) held two meetings with significant impact on its operation.

The ACTF, in the course of its meeting held on 18 September 2025, made the following underlying decisions:

- **Reforming Procedures:** The Task Force unanimously decided to reform its rules of procedure to ensure transparent decision-making. This includes formalizing consensus-seeking mechanisms, introducing virtual meetings, and creating an annual work plan with clear goals and deadlines.
- **Structural Changes:** To improve efficiency, permanent sub-groups will be replaced by ad hoc expert committees with specific, time-limited mandates. The Secretariat's role will be enhanced to provide more professional support in drafting documents and coordinating the work of these committees.
- **Reporting and Thematic Focus:** The group will now produce shorter, focused thematic reports with the support of the Secretariat on specific topics, which will form part of the main annual report.
- **Proposed Legislative Amendments:** The ACTF proposes legislative changes to ensure fair budgeting and remuneration for non-governmental members, introduce deputy positions from both governmental and civil sectors, revise civil members' procedural obligations for greater flexibility, and move the annual report deadline to May 15. It also recommends formal permanent membership for the National Data Protection Authority and Ministry for EU Affairs.

In line with the above decisions, on 4 November 2025 the ACTF adopted three key documents that shape its work: a new rule of procedure, a work plan covering the period until the publication of the next annual report, and a decision on the structure and main themes of the thematic report.

The main new features of the rules of procedure include that the ACTF:

- **considers international anti-corruption standards and best practices**, especially those set by the EU, OECD, Council of Europe, and UN, when carrying out its functions.
- **prepares specialized thematic reports, assigns ad hoc expert committees** as needed, and conducts analyses, makes recommendations, and shares examples of best practices. The drafting process emphasizes transparency, consultative drafting, and collaborative data collection through questionnaires and expert interviews.
- includes a summary of its activities for the year, the thematic reports and recommendations adopted on specific issues, and an update on the implementation of previous recommendations to its **annual report**.
- **handles debate and disagreement through formal consensus-seeking** and mediation procedures. If consensus cannot be reached, options include targeted consultations by a thematic committee, mediated negotiations by selected members, and separate decisions on non-contentious points while deferring disputed issues for further discussion. These structured approaches aim to ensure fair, transparent, and progressive resolution of debates within the ACTF.

Upon the ACTF's decision, the first thematic report will focus on **education and awareness-raising** to prevent corruption.

The **expert committee** held its first meeting on 15 October 2025. It outlined the thematic report's structure, agreed on a process involving internal and external data collection, practical case studies, and international comparisons, with members and stakeholders asked to provide relevant information and materials.

In the coming period, the Secretariat will actively assist the ACTF by preparing essential documents for the comprehensive thematic report and establishing a framework to monitor government actions taken in response to the Task Force's previous recommendations.

Following the resignation of a further civil member on 5 November 2025, which reduced the number of non-governmental members of the ACTF to eight, in an open call the Task Force has received two applications to the open positions. Upon the decision of the Directorate of the Integrity Authority of 26 November 2025 both applications were successful. Consequently, the Task Force can now resume operations with a full headcount. The two new members of the ACTF are the following:

Dr. Etelka Gregóczy is Head of Department and Associate Professor at the Public Finance Department of the National University of Public Service of Hungary, specializing in financial law and public finance integrity, and she has authored several textbooks and numerous

scholarly articles while also leading specialized postgraduate training programs. Katalin Ágnes Pályi is a doctoral student at the same university's Doctoral School of Public Administration Sciences and formerly worked at the State Audit Office of Hungary, where she helped prepare and conduct the annual Integrity Survey between 2011 and 2019.