

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

Key Developments

This report 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.
- **Reports & Investigations:**
 - The 2024 Annual Analytical Integrity Report is currently in progress and is scheduled for publication by 30 June 2025. The IA Board's 2024 Annual Report has been submitted to the Hungarian Parliament and the European Commission and is available online; parliamentary adoption is pending.
 - Between 1 January and 30 April 2025, the Authority received 66 whistle-blower reports, of which 35 fell within its mandate. Two investigations were launched, while the review of 24 reports is in progress. A total of 27 investigations were ongoing by end-April, and 10 were closed—5 of which led to recommendations for irregularity procedures. The Authority participated in 3 on-site investigative acts, reported suspected violations in 2 cases, initiated 12 proceedings before the Public Procurement Arbitration Board, filed 2 administrative appeals, and launched 2 administrative audits.
- **Register of Excluded Economic Operators:** The Integrity Authority has completed internal preparations and IT upgrades, positioning itself to carry out this mandate. However, implementation remains dependent on necessary legal amendments. Affecting this change is beyond the Authority's control.
- **IT:** The IA completed its institutional transition from EUTAF and significantly reduced reliance on external IT services. By May 2025, it had largely established its own IT infrastructure and plans to fully migrate remaining systems by Q4.
- **Headcount and HR matters:** Staff numbers stand at 112, with a target of 150 in 2025. HR efforts now focus on leadership, performance, and skills development. The January

actions by the Prosecution service investigating the President present additional management challenges.

- **Anti-Corruption Task Force (ACTF):** The ACTF did not adopt an annual report for 2024, as both the members representing state bodies and those representing non-governmental actors submitted separate draft reports. Both drafts are published on the ACTF [website](#). There is an ongoing discussion regarding the future activities of ACTF. It is apparent though that various interpretations of the law exist (e.g. Is there a shadow report if no report is adopted, does the Authority and the Government need to publish, does the Authority need to formally inform the Government etc.). Again, addressing the legal challenges will require changes and/or clarifications to the law. We understand that any initiative to revise the law must originate from the Commission.

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 mandates and effectively meet EU conditionality commitments.

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 crucial data. The Authority's founding legislation still restricts access to critical data necessary for investigations, such as banking, tax, and insurance records.

- Cooperation agreements signed with several Hungarian government bodies continue to lack meaningful data sharing.
- Certain bodies have yet to respond positively to suggested cooperation.
- Although draft agreements with MBH Bank and the Directorate General for Auditing European Funds are currently under discussion and are still expected to be signed in 2025, the proceedings initiated by the Prosecutor's Office against the President of the IA continue to cast a shadow over cooperation efforts. Their impact remains evident.
- The Authority still does not have access to key databases that are essential to carry out its work.
- Legislative amendments remain essential to clarify and to expand the Authority's powers for effective operations and oversight.
- Operational Review: Authority's first two years still under review per Section 72 of Eufetv.

Cooperations with international organizations and institutions

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

- **IAACA Membership & Leadership:**

- The Authority has been a member of the International Association of Anti-Corruption Authorities (IAACA) since December 2024.
- At the IAACA General Meeting in February 2025, President Biró was elected to the Executive Committee (ExCo) for a three-year term.
- In April 2025, the Authority co-organised an IAACA webinar with the INTERPOL Global Complex for Innovation (IGCI) on leveraging AI and advanced technologies in anti-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 received an indicative grant of EUR 600,000 for a 24-month period.
- The detailed project plan is being finalised with support from the OECD and the European Commission's Reform and Investment Task Force (SG REFORM).

- **OECD PIAC Meeting:**

- In March 2025, the Authority participated in the bi-annual OECD PIAC (Working Party on Public Integrity and Anti-Corruption) meeting as a Hungarian delegate.
- The Authority's lead expert delivered a presentation on the use of data analytics and AI, titled "Harnessing Cutting-edge Technologies and Collaboration for a Holistic Fight Against Corruption."

- **Cooperations with EPPO and ICAC:**

- The Authority is preparing memorandums of understanding with the European Public Prosecutor's Office (EPPO) and the Independent Commission Against Corruption (ICAC) of Hong Kong.
- Both MoUs are expected to be finalised and signed in 2025.
- As part of the cooperation framework, ICAC has provided a one-week capacity-building training programme for the IA in Budapest in Q2 2025.
- EPPO has invited the IA for a study visit in 2025, which may coincide with the signing of the MoU.

2. Reports published by the Authority

In relation to the **Ad Hoc Report on the Central Public Procurement System**, the Authority initiated several inter-agency consultations to facilitate broader consensus with the central purchasing agencies prior to publishing the analysis. The draft report is scheduled to be submitted to the Board of the Integrity Authority in the coming weeks.

The **Annual Analytical Integrity Report** of the IA covering year 2024 is underway and will be published on the IA's [website](#) until 30 June 2025.

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. The Annual Report's adoption process by the Hungarian Parliament is still underway.

3. Headcount and resources

Over the past year, the Authority has experienced steady growth, with ongoing recruitment efforts supporting the workforce's expansion as planned. As of May 2025, the headcount of the Authority is 112 employees. The planned number of employees for this year is around 150. Besides headcount growth, this year Human Resources' focus is on Performance Management and Leadership development parallel with continuous professional competence development.

4. Register of economic operators excluded from public procurement procedures

In Q2 2025, the Authority continued to work on creating the register of businesses excluded from public procurement. A direct data link with other public bodies' registration systems is crucial for this, and the IA made progress in setting up and testing these links.

The Authority also held consultations with the Ministry of Justice, 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 the discussions, the parties identified legal inconsistencies and obstacles that currently prevent full compliance with data-sharing requirements. Following the meeting, the Authority will send its resulting legal position to the Ministry and initiate cooperation to develop the necessary legislative framework.

Additionally, the Authority is formally requesting 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.

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.

The Authority remains under contract with NISZ Zrt for a limited number of services; however, by the end of the first half of 2025, the volume of these services has been reduced to a fraction of the levels seen in 2023 and 2024. This is due to the Authority’s transition to its own IT infrastructure and the return of nearly all NISZ-owned equipment—including workstations, network devices, and Wi-Fi access points—in May 2025, with only the printers remaining in use.

By the end of Q3 2025, the Authority aims to fully discontinue printing services provided by NISZ Zrt. To this end, a preliminary market consultation has been conducted, with indicative offers expected by early June. A national public procurement procedure will follow.

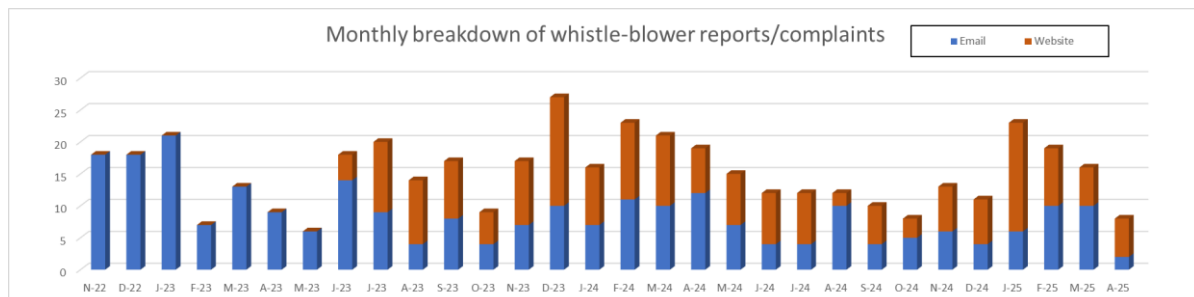
In Q4 2025, the Authority plans to migrate its financial management system, currently hosted in the NISZ Government Cloud, to its own infrastructure. The Authority will also discontinue services related to access to the archived document management system (KIR3).

Following the full technical disengagement, the Authority will initiate the termination of remaining contractual and legal obligations with NISZ Zrt, through its supervisory body, DMÜ Zrt.

6. Whistle-blower reports and investigations

The Authority received 66 whistle-blower reports through its platform in the period between 1 January 2025 and 30 April 2025, 28 via email and 38 through its online whistle-blower platform. Out of the total number of notifications received, 35 notifications (53% of the total) concerned EU funds and therefore fell within the Authority’s scope (the remaining 31 were outside the Authority’s scope). Out of the 35 reports falling within scope, in 2 cases an investigation was initiated.

Of the remaining 33 notifications, 24 were still being investigated, and in 9 cases the Authority concluded that based on the information provided in the notification there were no grounds to open an investigation.



27 investigation procedures were ongoing as of 30 April 2025. Until 30 April 2025, the Authority participated in 3 on-site investigative acts with the competent managing authority. Based on the concluded investigation procedures in the period between 1 January 2025 and 30 April 2025, the Authority reported suspected criminal violation or irregularity in 2 cases and closed 10 investigations.

In 5 of the 10 investigations closed in this period, the Authority invited the managing authority concerned to open an irregularity procedure. In the period between 1 January 2025 and 30 April 2025, the Authority initiated proceedings before the Public Procurement Arbitration Board (PPAB) in 12 cases. In this period, the Authority brought 2 administrative appeals against the decisions of the PPAB, and the Authority initiated 2 administrative audits.

7. Anti-Corruption Task Force (ACTF)

The ACTF did not adopt an annual report for 2024, as both the members representing state bodies and those representing non-governmental actors submitted separate draft reports for the meeting on 30 April 2025—just as they had for the meeting on 12 March 2024—and neither draft was accepted by the task force. In its Resolution 6/2025 (04.30.), ACTF rejected the draft report submitted by the members representing state bodies, and in its Resolution 7/2025 (04.30.), it rejected the draft report submitted by the members representing non-governmental actors. Both drafts are published on the ACTF [website](#). A comprehensive discussion has begun regarding the future activities of ACTF, including how to avoid a recurrence of the situation that arose this year with the failure to adopt the annual report for the first time.

As the Eufetv does not provide legal guidance for situations involving the rejection of draft reports, the President of the IA has informed the Minister of European Union Affairs of the ACTF's decisions and requested appropriate regulation to address the resulting legal uncertainty. In parallel, the President has also launched an evaluation process to assess the ACTF's functioning and outcomes. This review, beginning in June 2025, will include a survey of the members to gather their experiences and suggestions, culminating in a report with recommendations for potential reforms.

It is apparent though that various interpretations of the law exist (e.g. Is there a shadow report if no report is adopted, does the Authority and the Government need to publish, does the Authority need to formally inform the Government etc.). Again, addressing the legal challenges will require changes and/or clarifications to the law. We understand that any initiative to revise the law must originate from the Commission.

Following the resignation of a non-governmental member, an open call for a replacement was launched but concluded unsuccessfully on 31 March 2025. A new call has since been issued, with applications open until 15 June 2025.