

Subject: Input of the Integrity Authority of Hungary (IA or Authority) to the information letter to be sent to the European Commission by March 16, 2026, 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.

- **Cooperation with EPPO:**

The Authority has faced repeated criticism from the Prosecution Service regarding its cooperation and information sharing practices. The Authority maintains that cooperation with the EPPO falls within its statutory mandate but, given the lack of standard safeguards for anticorruption bodies, sought clarification from the Ministry of Foreign Affairs and Trade and the Ministry of Justice. Despite multiple approaches, no substantive response has been received from either ministry to date.

- **EU-funded project under TSI 2025:**

The project has progressed to Output 2, with the OECD currently assessing the Authority's IT infrastructure, workflows, and digital-skills needs to inform a new Digital Strategy.

As part of this work, an OECD mission took place in Budapest on 19–22 January. With OECD support, further contacts have been established with key Hungarian institutions to facilitate data access and gather expert input on the Authority's indicators and risk-assessment methodology. As highlighted previously, data access continues to pose a critical challenge, both for the project's future progress and for the effective execution of the Authority's mandate.

- **Decision of the Public Arbitration Board and the curtailment of the Authority's right to initiative:**

The Authority's right of initiative was effectively curtailed when the Public Procurement Arbitration Board rejected its motions concerning the DKÜ Zrt.'s large-scale "SRVT24" framework agreement procurement involving European Union funds. The Authority will be challenging this decision in court.

- **Status of IA's contractual and legal obligations with NISZ Zrt.:**

The Integrity Authority has terminated its cooperation and all remaining contractual service arrangements with NISZ Zrt. by the end of 2025.

- **Investigations and whistle-blower reports:**

Between 1 January 2025 and 31 December 2025, the Integrity Authority received a 164 whistleblower reports, of which 68 fell within its mandate.

As a result, 15 investigations were opened, and in one case, the Authority initiated an administrative audit.

In the same period, the Authority initiated a total of 14 administrative audits.

As of 31 December 2025, 37 investigation procedures were ongoing.

The Authority participated in seven on-site investigative actions, and initiated proceedings before the Public Procurement Arbitration Board (PPAB) 34 times, bringing 11 administrative appeals against PPAB decisions.

In 12 of the 19 investigations closed within this period, the Authority invited the respective Managing Authority to initiate an irregularity procedure 36 times.

- **Anti-Corruption Task Force (ACTF):**

Following the appointment of two new civil society members, the Anti-Corruption Task Force now includes 10 governmental and 9 non-governmental members. The seat of Dr. László Fázsi, who resigned on 2 March 2026, is currently vacant. The procedure to appoint his replacement will be published before the formal selection process begins.

In preparing its thematic report on education and awareness-raising, the Expert Committee held two meetings (28 January and 2 February 2026), ultimately approving the draft unanimously. The ACTF adopted the thematic report on 17 February 2026, supported by improved procedures, an updated Work Plan, and strengthened Secretariat coordination, which have all contributed to higher member engagement. The ACTF held another plenary on 2 March 2026, at which it successfully adopted the full text of its annual report.

Detailed responses

1. Cooperations

Cooperation agreements with Hungarian state bodies, professional institutions and international organizations

The Authority has entered into cooperation agreements with the following organizations:

- State Audit Office of Hungary
- Directorate of Internal Audit and Integrity
- Hungarian Competition Authority
- The Directorate-General for Public Procurement
- Hungarian State Treasury
- National Tax and Customs Administration
- The National Authority for Data Protection and Freedom of Information
- Ludovika University of Public Service
- The National Office for the Judiciary
- Directorate General for Audit of European Funds

Ongoing negotiations:

- European Public Prosecutor's Office

The Authority has been subject to repeated criticism by the Prosecution Service concerning its cooperation activities and has been challenged with regard to its information-sharing practices. The Authority maintains that entering into a cooperation agreement with the European Public Prosecutor's Office (EPPO) and continuing the established practice of cooperation fall within its statutory mandate.

At the same time, in the absence of the legal and institutional safeguards typically afforded to anti-corruption authorities, the Authority considers it appropriate to seek consultation with the competent governmental bodies. In particular, consultations were initiated with the Ministry of Foreign Affairs and Trade - for the purpose of determining whether the envisaged agreement would qualify as an international treaty-, as well as with the Ministry of Justice. Both ministries have been approached on several occasions; however, no substantive response has been received to date.

- The Public Procurement Authority

The process is still ongoing, as the parties are currently agreeing on a date for an in-person meeting to work out the details of the cooperation agreement. This is the second attempt to conclude a cooperation agreement between the two institutions.

Abandoned agreements due to lack of response from other party

- The Prosecution Service of Hungary
- MBH Bank

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 summary report, finalizing Output 1 of the project was approved by the project's Advisory Group.
- The project has arrived in Output 2 of its implementation phase, whereby colleagues from the OECD are currently examining the IT infrastructure of the Authority, alongside its processes and upscaling opportunities for skills and digitalization, to be able to propose a new Digital Strategy for IA. For this work, OECD colleagues have conducted a mission in Budapest, between 19-22 of January.
- With the support of the OECD, additional contacts have been established with various Hungarian state bodies and professional institutions. These engagements aim to facilitate data access and gather expert feedback on the Authority's indicator list and risk-assessment methodology.
- As underlined in the previous report, data access remains a crucial challenge, both in terms of the project's future success and trajectory, and for the overall effectiveness of the Integrity Authority's mandate.

IAACA Europe 2026 – the 1st European Regional Conference

- The Integrity Authority, together with the Greek *National Transparency Authority* (NTA) and the *Italian National Anti-Corruption Authority* (ANAC), will host the first

European Regional Conference of the International Association of Anti-Corruption Authorities (IAACA) in Budapest between 13–15 May 2026. Preparations for this event are currently underway.

2. The Authority’s mandate regarding the right to data request and the right to initiative: legislative hurdles and related judicial proceedings

As part of its investigation procedure, the Authority may request any person or organisation concerned in a particular case to provide information relating to its functions and powers.

If these person or organizations comply with the Authority's requests for data and/or information, they send their responses to it within the specified deadline (being 15 days on average).

However, a number of cases occur when the organisation concerned does not comply with the Authority’s request and hence no response is provided.

In reaction, the Authority referred two cases to the court due to the refusal to provide data.

- i. During one of them, the Authority carried out an investigation procedure under Act XXVII of 2022 on the control of the use of European Union budget funds, during which it made a data request to the beneficiary of the EU project, being a ministry in this case.

Despite repeated requests for information, the Ministry did not provide the requested documents and data, claiming that the data in question were not necessary for the Authority's investigation procedure.

In reaction, the Authority brought an administrative court action against the Ministry, whereby it claimed that the latter had failed to fulfil its obligation under administrative law to comply with the Authority's request for information. The statement of claim contained a detailed legal argument that the request for data established an administrative relationship between the Authority and the Ministry and that an administrative court action was therefore justified.

The court rejected the statement of claim. In its reasoning, the court explained that the Authority's investigation procedure is not an administrative procedure and therefore the failure to comply with a request for information made in the investigation procedure cannot be the subject of an administrative court action.

The Authority appealed against the first instance order. The court of second instance upheld the first instance order by order of 17 October 2024. It agreed that no action for failure to act could be brought in relation to the Authority's request

for data. It held that the Authority's request for data could not be enforced and that there was no legal remedy for failure to comply.

Based on the reasoning of the court of second instance, it can be concluded that, in the case of a request for data by the Authority, the requested body may examine the procedure and the legal provision under which the request was made. If the Authority makes a request for data to the requested body pursuant to Section 18(1) of the Act, no action for failure to act may be brought.

It should be emphasized that the Authority's request under Section 18(2) of the Act and the action for failure to act only indirectly enable it to enforce compliance with the data request.

- ii. The Authority also carried out an investigation procedure under Act XXVII of 2022 on the control of the use of European Union budget funds, during which it made a data request in order to obtain certain information from the personal and address register.

The Minister of Energy refused the request, claiming that the Authority is not entitled to request data under the Act on Personal Data and Address Registration.

The Authority filed a statement of claim against the decision, arguing that the requested organization was obliged to comply with the data request pursuant to Section 18(6) of the Eufetv.

The court has not yet issued a ruling in the case.

The authority not only faced obstacles in enforcing its lawful data requests, but its right of initiative was also effectively curtailed, preventing it from initiating legislative proceedings in accordance with its mandate.

The DKÜ Zrt. (Digital Governmental Agency Ltd.), acting as a central purchasing body, initiated an open public procurement procedure for the conclusion of framework agreements with a total maximum value of HUF 390 billion. The purpose of the “Procurement of Servers and Storage Devices (SRVT24)” procedure was to ensure the IT procurement needs of organisations subject to the centralised public procurement system.

The DKÜ Zrt. expressly stated that the procedure falls within the scope of the control rules applicable to the use of European Union funds and, accordingly, requested an ex-ante review, as a result of which it received a supportive certificate. The procurement documentation also stipulated at several points that specific procurements implemented under the framework agreements to be concluded could be financed from EU funds.

In light of suspected infringements of public procurement law identified during its official inspection, the Integrity Authority initiated proceedings before the Public Procurement Arbitration Board, seeking the establishment of infringements and the imposition of legal consequences.

The Public Procurement Arbitration Board rejected the motions by its decisions No. D.55/4/2026 and D.56/4/2026.

According to the decisions of the Arbitration Board, the Integrity Authority does not have the right to initiate proceedings in relation to public procurement procedures aimed at the conclusion of framework agreements, as no direct use of EU funds takes place in such procedures; EU funding may arise only in the course of specific individual procurements implemented under the framework agreements.

In the view of the Integrity Authority, this interpretation unduly restricts its right of initiative, as well as its statutory duties and competences as provided for in the Public Procurement Act (Act CXLIII of 2015 on Public Procurements) and the Act on the Use of European Union Funds (Act XXVII of 2022).

Pursuant to the legislation on the protection of EU funds – in particular the Act on the Use of European Union Funds – the Integrity Authority is entitled to take action in connection with any public procurement procedure that carries the possibility of the use of EU funding. The framework agreements in question were expressly launched by the DKÜ Zrt. with the objective of enabling procurements financed from EU funds.

A framework agreement procedure constitutes a single, unified procedure, the two stages of which cannot be separated: the first stage concerns the conclusion of the framework agreement itself, while the second stage serves the implementation of individual procurement needs. The contracting authorities' procurement needs are realised jointly through these two stages. If the Authority were not entitled to initiate proceedings in relation to the first stage – the conclusion of the framework agreement – it would subsequently be precluded from challenging whether the DKÜ Zrt. had lawfully concluded the framework agreements with the participating economic operators.

For years, the Integrity Authority has devoted particular attention to examining the public procurement practice of central purchasing bodies and framework agreement systems, in view of their outstanding significance and role in the public procurement market. It has issued numerous recommendations in this field in order to strengthen lawful operation.

If the Integrity Authority were unable to exercise its ex officio right of initiative in this relevant area, this would materially limit the effectiveness of its supervisory activities and weaken the protection of EU funds.

Accordingly, within the statutory deadline, the Integrity Authority will initiate judicial review proceedings against the decisions of the Public Procurement Arbitration Board.

3. Status of IA's contractual and legal obligations with NISZ Zrt.

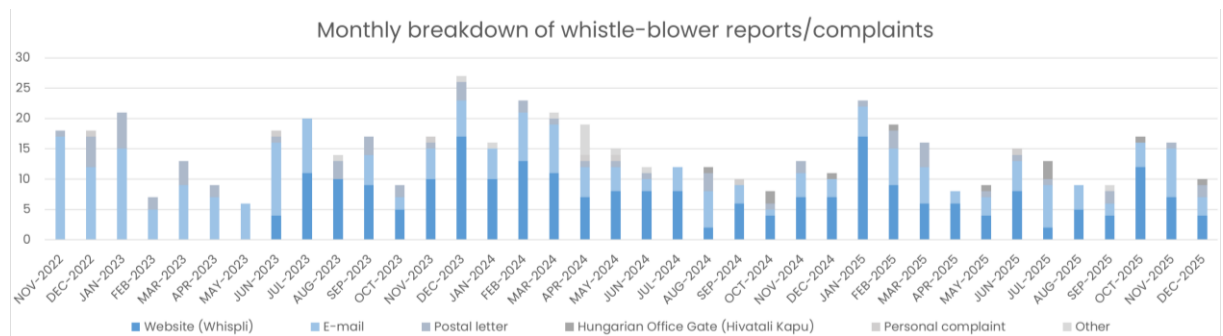
The Integrity Authority has terminated its cooperation and any remaining contractual relationship for services with *NISZ Zrt.*, by the end of 2025.

4. Investigations and whistle-blower reports

During the period from 1 January 2025 to 31 December 2025, the Authority received a total of 164 whistleblower reports through its reporting channels. Of this, 84 were submitted via the online whistleblower platform, 55 by direct email, and 25 from other sources. Out of the total number of whistleblower reports received, 68 of them (41% of the total) concerned EU funds, whereby a preliminary investigation was initiated (the remaining 96 reports were outside the Authority's scope).

Of the 68 reports which concerned EU funds, the Authority initiated a full-scope investigation in 15 cases and an administrative audit in one case.

Of the remaining 52 whistleblower reports, as of 31 December 2025, six were still under investigation, while in 46 cases the Authority concluded that the information provided did not warrant the initiation of a full-scope investigation.



As of 31 December 2025, 37 investigation procedures were ongoing.

During the period from 1 January 2025 to 31 December 2025, the Authority participated in seven on-site investigative actions together with the competent managing authority.

In the same period, the Authority initiated proceedings before the Public Procurement Arbitration Board (PPAB) in 34 cases and lodged 11 administrative appeals against decisions of the PPAB.

Among the 19 investigations concluded during this period, on 12 instances the Authority invited the respective Managing Authority to initiate an irregularity procedure, amounting to a total of 36 such invitations.

Out of the 36 irregularity procedures:

- In three cases, the Managing Authority informed the Integrity Authority that an irregularity procedure had been closed with the result “irregularity occurred”, and that the respective grant agreement had been withdrawn.
- In six cases, the Managing Authority informed the Integrity Authority that an irregularity procedure had been closed with the result “irregularity occurred”, and that a financial correction had been applied to the grant amount.
- In one case, the Managing Authority informed the Integrity Authority that an irregularity procedure had been initiated, however not all instances of suspected irregularities identified by the Integrity Authority in its report were included in the proceeding. Consequently, the Integrity Authority sent two follow-up letters to the Managing Authority, requesting that these additional suspected irregularities also be incorporated into the procedure.
- In three cases, the Managing Authority informed the Integrity Authority that an irregularity procedure had been initiated; however, it was subsequently suspended pending the decisions of the competent authorities (e.g. Public Procurement Arbitration Board).
- In 15 cases, the Managing Authority initiated an irregularity procedure; however, no results have been communicated to the Integrity Authority to date.
- In eight cases, the Integrity Authority initiated an irregularity procedure by the end of the year; however, no response had been received from the Managing Authority.

During the period from 1 January to 31 December 2025, the Authority initiated a total of 14 administrative audits.

During the period from 1 January to 31 December 2025, the Authority filed three complaints with the Hungarian Competition Authority. In one case, the report has not yet been assessed, and in another case, it was rejected with no possibility of appeal against the decision.

In the third case, the Competition Authority rejected the report, which was subject to administrative litigation.

The Authority filed a statement of claim against the decision. In its judgment of the Budapest-Capital Regional Court (case number: 105.K.703.929/2025/11.) annulled the decision and ordered the Competition Authority to conduct the proceedings.

During the period from 1 January to 31 December 2025, the Authority filed four crime reports with the investigating authority. In three cases, an investigation was ordered, and in one case, the Authority did not receive notification of the decision on the crime report.

5. Anti-Corruption Task Force (ACTF)

Following the accession of two new civil society members, the Anti-Corruption Task Force currently consists of 10 governmental and 9 non-governmental members. The seat of Dr. László Fázsi – a non-governmental member who resigned as of 2 March 2026 – has become vacant. The procedure to appoint his replacement will be published, after which the formal process to fill the position will commence.

During the preparation of the thematic report on education and awareness-raising, two expert committee meetings were held in 2026 (on January 28 and February 2), during which the members discussed the draft thematic report in detail.

At the meeting on February 2, 2026, the Expert Committee approved the draft with nine votes in favor, no votes against, and no abstentions, submitting it to the full ACTF plenary.

The ACTF approved the thematic report on February 17, 2026. The work processes set out in the new Rules of Procedure, the Work Plan adopted by the Task Force (covering the period up to March 15, 2026), and the strengthened coordination role of the Secretariat contributed significantly to the efficiency of the preparation and decision-making process. This is reflected in the increased activity of the members and their growing participation in the meetings of the Expert Committee.

On February 17, 2026, the Anti-Corruption Task Force held a plenary meeting, during which it adopted the second part of its annual report, a thematic report entitled “***The role of education and awareness-raising in preventing corruption risks and acts.***” The thematic report and the Task Force's recommendations on integrity education and awareness-raising are publicly available on the Task Force's website. The next plenary meeting of ACTF took place on March 2, 2026, where the full text of the annual report was successfully adopted.

The process of preparing the report was substantially strengthened by amendments to the Rules of Procedure of the ACTF. The changes to the Rules of Procedure made it possible to establish a system of thematic reports, institutionalize the meetings of the Expert Committee, and strengthen the coordinating and professional role of the Secretariat. According to the Rules of Procedure of the ACTF, the annual report shall include: a summary of the Task Force's activities in the reporting year; the thematic reports and recommendations adopted by the Task Force in the reporting year; and a follow-up on the implementation of previous recommendations made by the Task Force.

6. Status of the Ad Hoc Report on the Central Public Procurement System

The Authority's Board of Directors approved the report concerning the central purchasing bodies on February 10, 2026.

As underlined in page 7 of our previous information letter sent to the European Commission, "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."

7. Headcount and HR matters

The organisation currently employs 136 staff members, with plans to increase headcount to approximately 180–200 employees by the end of the year. Continuous growth is pursued in a deliberate and value-driven manner, with a strong emphasis on attracting outstanding professionals who not only contribute high-level expertise but also demonstrate commitment, integrity, and a service-oriented mindset in support of the Authority's mission.

Beyond recruitment, HR activities focus on the development of leadership capabilities, the strengthening of performance management practices, and the continuous enhancement of employees' skills and professional knowledge. Key priorities also include digitalisation, as well as the definition, standardisation, and efficiency improvement of operational processes. In parallel, increasing attention is devoted to succession planning, organisational culture development, the reinforcement of employee engagement, and the effective support of change management initiatives.

8. Register of economic operators excluded from public procurement procedures

Following the entry into force of the legislative amendments on 1 January 2026, the Authority initiated the necessary consultations with the competent bodies in order to

ensure the operational launch of the register. The timely commencement of the register's operation, however, is contingent upon inter-institutional cooperation and the establishment of legally compliant data-transfer mechanisms.

Consultations were held on 27 January 2026 with the National Tax and Customs Administration (responsible for the register of sole proprietors and the beneficial ownership register), and on 30 January 2026 with the Ministry of Justice (responsible for the company register). While it was confirmed that an IT connection exists between certain institutions, significant outstanding issues remain concerning the volume of data to be transmitted and the anticipated frequency of data requests. These factors give rise to further technical, cybersecurity, and legal compliance considerations.

In view of these outstanding matters, a coordinated joint meeting involving all authorities responsible for the relevant registers is necessary. The Authority will also initiate consultations with the Minister for Energy, who exercises competence over the personal and address register, as access to this dataset constitutes an essential precondition for the system's comprehensive functionality.

It should be noted that the Authority's ability to proceed is dependent on the clarification and agreement of the lawful method of data transfer by the competent bodies. Once the applicable data-transfer framework is formally determined in compliance with the relevant legal provisions, the procedures prescribed by Act LXIX of 2024 on the Cybersecurity of Hungary may be carried out and the system formally implemented.

Until these inter-institutional and technical prerequisites are fulfilled, full operational deployment of the register cannot be completed.