

Subject: Input of the Integrity Authority of Hungary (IA or Authority) to the information letter to be sent to the European Commission by September 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 was finalized and published on the 30th of 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 31 August 2025, the Authority received 112 whistle-blower reports, of which 57 fell within its mandate. Seven investigations were launched, whereby in 1 case the Authority initiated an administrative audit. Out of the remaining notifications, 26 were still being investigated, meanwhile 31 investigations were ongoing by end-August. The Authority participated in 6 on-site investigative acts, reported suspected violations in 3 cases, initiated 23 proceedings before the Public Procurement Arbitration Board, filed 11 administrative appeals, and launched 7 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 August 2025, it had largely established its own IT infrastructure and plans to fully migrate remaining systems by Q4.
- **Headcount and HR matters:** Staff number stands at 115, with a target of 150 in 2025. 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 additional management challenges.
- **Anti-Corruption Task Force (ACTF)**

Following the non-adoption of the ACTF's annual report for 2024, in the course of its meeting held on 28 May 2025, the ACTF's President launched a comprehensive review of the ACTF's operation. In June 2025 the members were requested to populate a questionnaire regarding their experiences and to provide proposals. The Secretariat has drafted a report summarizing the survey results, which is planned to be discussed at the ACTF's upcoming meeting in September 2025. The report lays out recommendations on potential changes for ACTF's working methods that can be implemented within its legal mandate in force. Yet again, as mentioned in previous inputs of the Integrity Authority, addressing the ACTF's underlying legal and operational challenges in a sustainable manner will require an initiative to revise the law by 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.
- The draft cooperation agreement with MBH Bank has been finalized by the Integrity Authority. The cooperation agreement with the Directorate General for Auditing European Funds has been concluded, which provides for the exchange of information and experience between the contracting parties.
- 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: the review regarding the Authority's first two years was finished 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.
 - The next IAACA Annual Conference and ExCo 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 detailed project plan is currently being finalised in collaboration with the OECD and the European Commission's Reform and Investment Task Force (SG REFORM).
- To ensure the project's successful launch, a technical kick-off event and a public kick-off conference will be held, both scheduled for September.
- **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.
 - The MoU with ICAC will be signed in September 2025.
 - EPPO has invited the IA for a study visit in 2025, which may coincide with the signing of the MoU.
- **Annual ENPE conference:**
 - This year, the Integrity Authority received the exceptional honor to host the annual European Network for Public Ethics (ENPE) conference, to be held on the 16-17th of October, in Budapest.
 - The conference will explore the theme "From Policy to Practice: Effective Conflict of Interest Control and Oversight to Combat Corruption," aiming to bring together leading public experts, practitioners, and policymakers from across Europe to share best practices and innovative approaches. Preparations for this landmark event are already underway.
- **2025 Helsinki OLAF Conference:**
 - At the 2025 Helsinki OLAF Conference, held at Aalto University in Espoo, Finland on June 11-12, our Head of AI and Development delivered a presentation and participated in the panel discussion on Artificial Intelligence in administrative investigations, joining leading anti-fraud experts from across the European Union to explore emerging risks and future strategies for EU fraud prevention.

2. Reports published by the Authority

The Authority has prepared the **Ad Hoc Report on the Central Public Procurement System**, which has been submitted to the Directorate for review. The formal adoption of the report is set to take place on the week of the 15th of September.

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

3. Headcount and resources

Over the past years, the Authority has experienced steady headcount growth aligned with its increasing level of professional activities. The current size has justified the introduction of a dedicated recruitment function, increasing the speed and quality of recruitment and selection efforts supporting the workforce's expansion as planned. As of September 2025, the headcount of the Authority reached 115 employees. The planned number of employees for this year is around 150, giving priority to professional headcount increase followed by operational/support staff based on best in practice efficiency KPIs.

4. Register of economic operators excluded from public procurement procedures

In Q3 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 sent its legal opinion to the Ministry and initiated cooperation to develop the necessary legal framework, as well as making specific proposals. The initiative was registered by the Codification Department of the Ministry of Justice.

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.

When it was established, the Authority had a contract with NISZ Zrt. for 16 services, the volume of which decreased to a total of 4 services by Q3 2025 thanks to the development of services using its own resources, the commissioning and operation of our own IT infrastructure, and the fact that, apart from the printers in use, all NISZ-owned equipment (workstations, network devices, Wi-Fi APs) was returned to the service provider by the Integrity Authority in May 2025.

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 end of 2025, when 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).

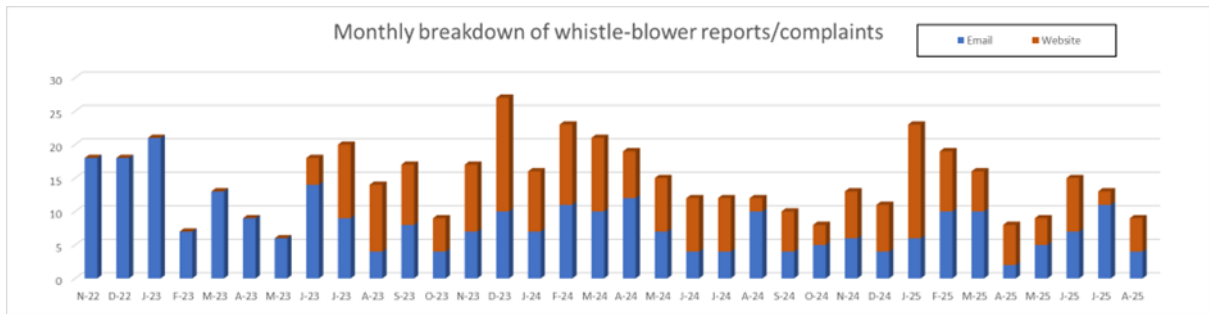
Following the technical phase-out of the services, the Authority will also initiate the contractual and legal/regulatory termination of the services at DMÜ Zrt., which supervises NISZ Zrt.

6. Whistle-blower reports and investigations

The Authority received 112 whistle-blower reports through its platform in the period between 1 January 2025 and 31 August 2025, 55 via direct email and 57 through its online whistle-blower platform. Out of the total number of whistle-blower reports received, 57 notifications (51% of the total) concerned EU funds and therefore fell within the Authority's scope (the remaining 55 were outside the Authority's scope). Out of the 57 reports falling within scope of the Authority, in 7 cases an investigation was initiated, and in 1 case the Authority initiated an administrative audit.

Of the remaining 45 notifications, 26 are still being investigated, and in 19 cases the Authority concluded that based on the information provided in the notification there were no grounds to open an investigation.¹

¹ A further 4 whistle-blower reports were merged with an ongoing investigation as their content was the same as the subject/scope of an ongoing investigation.



31 investigation procedures were ongoing as of 31 August 2025. In the period between 1 January 2025 and 31 August 2025, the Authority participated in 6 on-site investigative acts with the competent managing authority. Based on the concluded investigation procedures in the period between 1 January 2025 and 31 August 2025, the Authority reported suspected criminal violation or irregularity in 3 cases.

In 8 of the 13 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 31 August 2025, the Authority initiated proceedings before the Public Procurement Arbitration Board (PPAB) in 23 cases. In this period, the Authority brought 11 administrative appeals against the decisions of the PPAB and initiated 7 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.

Following the non-adoption of the ACTF's annual report for 2024, in the course of its meeting held on 28 May 2025, the ACTF's President launched a comprehensive review of the ACTF's operation. In June 2025 the members were requested to populate a questionnaire regarding their experiences and to provide proposals. The Secretariat has drafted a report summarizing the survey results, which is planned to be discussed at the ACTF's upcoming meeting in September 2025. The report lays out recommendations on potential changes for the ACTF's working methods that can be implemented within its legal mandate in force. Yet again, as mentioned in previous inputs of the Integrity Authority, addressing the ACTF's underlying legal and operational challenges in a sustainable manner will require an initiative to revise the law by the Commission.

8. Report of the Eligibility Committee

The Eligibility Committee has prepared its report with regard to Section 72 of the Act XXVII of 2022 on the control of the use of European Union budget funds, which stipulates that the functioning of the Authority and its Directorate shall be reviewed two years after the appointment of the members of the Directorate, in close cooperation and consultation with international organizations. In the view of the Authority, the review did not fully adhere to the relevant legal provisions, nor did it meet the requirements of professionalism or transparency. The Authority formally recorded its objections during the course of the review process.

In addition, the Authority submitted detailed critical comments regarding the draft report, raising, *inter alia*, concerns about the applicability of the methodology cited in the document and the appropriateness of the procedural approach based on that methodology. It also noted the absence of evidence-based justification, the inclusion of inaccurate data, as well as statements that were legally unsubstantiated and of a subjective nature.

From the Authority's perspective, the report falls short of established professional, legal, ethical, and methodological standards. It lacks comprehensive factual substantiation for its claims, does not demonstrate rigorous legal interpretation, fails to ensure objectivity or reflect relevant international best practices, and does not offer sufficiently well-founded or carefully considered recommendations. At the same time, it can be concluded that clarification and supplementation of the legal provisions applicable to both the Authority and the Eligibility Committee may become necessary.