

**THEMATIC COMPILATION OF RELEVANT INFORMATION SUBMITTED BY
HUNGARY
ARTICLE 7, PARAGRAPH 4 UNCAC
CONFLICT OF INTEREST**

HUNGARY (NINTH MEETING)

1. Measures taken by Hungary to prevent and manage conflicts of interests

Conflicts of interest regulations concerning public officials are included in two legal acts. Rules concerning government officials and state officials are stipulated by the Act 199 of 2011 on government officials and state officials (Kttv.) and concerning law enforcement officials (police, prison guards, excise officers and disaster recovery staff) the relevant rules are stipulated by the Act 42 of 2015 on service status of the members of law enforcement agencies (Hszt.). Like all other legal acts, the above mentioned regulations were published in the Hungarian Gazette (official journal of the state) and are available online in the National Legal Repertory (www.njt.hu).

Regulations of Kttv. cover all outside activities of public officials covering both the matter of political and economic conflicts of interests.

The Hszt. also covers political and economic conflicts of interest stipulating rules similar to those of Kttv. in relation to second employment, membership and leading positions in legal entities, and the termination of conflicts of interest.

§. 85. para (4) point c) of the Kttv. – as a general rule – prohibits the holding of executive positions in corporations or in their supervisory boards. However, the following exceptions are allowed:

- if the majority of the company is owned by a local municipality or another public body;
- if the company is directly or indirectly owned by one or more state founder(s) or their organisations ;or by public foundations; or any organisation not regulated by the State Budget
- if the company is in the status of permanent state ownership;
- if the company is in state ownership, which is delegated by shares guaranteeing special rights
- if there is at least 50% of direct or indirect state influence in the company.

In cases of conflicts of interest the public official is legally obliged to terminate the cause of the conflicts of interest and has no other option, provided their wish to keep their public office. In case of the existence of any conflict of interests or if any situation causes a conflict of interests regarding the holding of the public office, the public official is obliged to immediately report it to their superiors. The employer then is obliged to instruct the termination of the cause for the public official. The omission of the termination of the conflict of interests entails labour law sanctions. In case of the conflict of interests is not terminated within 30 days after its notification to the public official, the legal relation of the public officer ceases.

All applicants for vacant positions in the public service have to officially declare written, that

there is no conflicts of interest related to him/her. The units of the different state agencies responsible for human resources provide information and assistance on the regulations and relevant procedural rules of conflicts of interest for the newcomers and those working for any state institution. It also has to be highlighted, that both the Code of Ethics of the Hungarian Government Officers and State Officers Corps (<https://mkk.org.hu/hivatassetika>) and the Code of Ethics of the Law Enforcement (http://www.rendvedelmikar.hu/letoltes/document/document_108.pdf) contain obligatory regulations for all public officials, and the topic of conflicts of interest is handled as a profession-ethic question.

The main pillars of internal procedures of the public authorities are (1) preventive measures of conflict of interests prior to contracting, (2) the elimination of conflicts during the application procedure, (3) the procedure of conflict of interests and the application of sanctions, in case if the conflict of interests is established under the period of the existence of the legal relation.

The establishment of the legal relation of public officials is based either on a call for applications or on an invitation. In case of the call for applications is released – in the vast majority of the cases – it is being managed through the Government Human Resources Service (in Hungarian Kormányzati Személyügyi Szolgáltató) and Public Sector Training Centre (in Hungarian Közigazgatási Képzési Központ) by the employer. The call is based on a so called “job-map”, which provides information regarding the possible causes of conflicts of interest both for the employer and to the applicant. This can be clarified in the next phase of the application procedure, which is the personal interview.

In case of the appointment of the official is based on invitation, a personal interview is not carried out. In these cases, the invitee is informed about matters related to conflicts of interest by the head of the HR unit.

The notification of conflict of interest and its sanctioning is a basic right of the employer, which is practiced by the executive exercising the rights of the employer at the given organisation.

The Ministry of Interior delivered a complex analysis of different job responsibilities within the public sector and based on this, a research is in process at the National University of Public Service concerning the different corruption risks associated with different jobs. Therefore, information relating to the conflict of interest between the interest and activities of a public official and the particular government process will be available after the finalisation of the research.

Strengthening transparency of the public service is one of the tasks of the National Authority of Data Protection and Freedom of Information (in Hungarian Nemzeti Adatvédelmi és Információszabadság Hatóság), which supports public transparency through publishing resolutions on individual cases and annual general reports. On the personal level, Corps of Government Officials and State Official and the Corps of Law Enforcement supports legal and ethical operation.

After the termination of the legal relation of the public officials, there is no time limitation on the employment in certain jobs and positions in the Hungarian legal system.

2. Challenges and need for development

The further training of the way of thinking and awareness raising of public officials is an important way of development, both in relation to conflict of interest and also to any other work ethic topics. In this regard, the events of the National Protective Service (in Hungarian Nemzeti Védelmi Szolgálat) can be mentioned, that provided awareness raising and practical information on integrity development and matters related to professional ethics during 2017. There were local and county level executives and government officials among the participating professionals. The trainings will be continued in 2018, as well.

3. Technical assistance

Based on the above, it can be noticed, that matters of the conflict of interests in Hungary are regulated on a high level, has established legal procedures and therefore, specific external technical assistance is not requested for its further development. However, information sharing and knowledge transfer would be highly appreciated in the form of professional meetings and presentations within the framework of capacity building.