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Second Evaluation Round

Compliance Report on Hungary

Adopted by GRECO
at its 37th Plenary Meeting
(Strasbourg, 31 March-4 April 2008)

I. INTRODUCTION

1. GRECO adopted the Second Round Evaluation Report on Hungary at its 27th Plenary Meeting (Strasbourg, 6-10 March 2006). This report (Greco Eval II Rep (2005) 5E) was made public by GRECO, following authorisation by the authorities of Hungary, on 16 May 2006.
2. In accordance with Rule 30.2 of GRECO's Rules of Procedure, the authorities of Hungary submitted their Situation Report (RS-report) on the measures taken to implement the recommendations on 24 September 2007 and 5 February 2008.
3. At its 26th Plenary Meeting (5-9 December 2005), GRECO selected, in accordance with Rule 31.1 of its Rules of Procedure, Greece and Turkey to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Dimitrios GIZIS on behalf of Greece and Mr Alparslan CALISKAN on behalf of Turkey. The Rapporteurs were assisted by the GRECO Secretariat in drafting the Compliance Report (RC-Report).
4. The objective of the RC-Report is to assess the measures taken by the authorities of Hungary to comply with the recommendations contained in the Evaluation Report.

II. ANALYSIS

5. It was recalled that GRECO in its Evaluation Report addressed 12 recommendations to Hungary. Compliance with these recommendations is dealt with below.

Recommendation i.

6. *GRECO recommended to provide specialised training for prosecutors and police officers with a view to making full use of all means available aiming at identifying, seizing and confiscating proceeds of corruption.*
7. The authorities of Hungary indicate that, following the Second Round Evaluation Report, the Ministry of Justice and Law Enforcement contacted the prosecution services and the police authorities with a view to enhancing special training in corruption matters, including the use of provisional measures and confiscation. As a result, a large number of specialised seminars and training events were held in the years 2005-2007, designed to provide guidance to law enforcement authorities on different procedural and practical aspects of financial investigations (including the use of seizure and confiscation) performed in connection with corruption offences, as well as money laundering and other financial crimes (e.g. vocational training courses on economic crime organised in the training centre of Balatonlelle in 2005 and 2006, which were attended by a total of 65 prosecutors; initial and ongoing training courses for members of the police, including those officials working at local and regional levels, and the Financial Intelligence Unit on the uncovering and investigation of economic crimes; international seminars attended by both prosecutors and police officials aimed at the sharing of practical experience in corruption cases etc). According to the statistics gathered by the police, in 2007, a total of 1.4 billion HUF (5.3 MEUR) were seized/confiscated in relation to corruption cases.
8. Furthermore, the Ministry of Justice and Law Enforcement, in the framework of its supervisory responsibilities with respect to law enforcement authorities and its key role in coordinating and implementing anti-corruption activities, has organised a number of conferences in this area, which targeted not only law enforcement authorities, but also members of the judiciary and legal

practitioners (e.g. annually held "Kriminálexpo", 2006 "Budapest Forum" including *inter alia* a specific seminar for experts of Western Balkan countries to share good practice in the fight against corruption, 2007 Conference on "Theoretical and Practical Means in the Fight against Corruption" etc).

9. Finally, the authorities underline that the provision of specialised training will continue to be emphasised in the future, in Hungary, since the Draft Anti-Corruption Strategy and its Action Plan (2008–2014), which is expected to be adopted during the first half of 2008, envisage the organisation of further regular training courses on corruption matters (including, but not limited to, the topics of financial investigations, money laundering etc).
10. GRECO welcomes the reported activities with regard to specialised training of prosecutors and police officers to further promote the use of available tools in financial investigations of corruption-related offences, such as seizure and confiscation. It also takes note of the declared intention of the authorities to pursue their efforts to provide targeted training to law enforcement authorities on corruption-related issues, as envisaged in the Draft Anti-Corruption Strategy and its Action Plan.
11. GRECO concludes that recommendation i has been implemented satisfactorily.

Recommendation ii.

12. *GRECO recommended that the Anti Money Laundering Department enhances the knowledge of the bodies/persons obliged to report suspicious transactions with a view to improving the quality of their reports, including by providing feedback on suspicious transactions reports to the extent possible.*
13. The authorities of Hungary report that the Anti Money Laundering Department, which served as the Financial Intelligence Unit at the time of the adoption of the Second Round Evaluation Report¹, has organised a series of training and awareness-raising activities for the different service providers on their reporting obligations with a view to enhancing the quality of their suspicious transactions reports (STRs), e.g. annual conferences – held in June 2006 and April 2007 so far – to raise awareness on detection of money laundering cases, targeted presentations to the National Bar and Chamber of Notaries (2006), a conference for the banking industry on anti-money laundering and matters related to the financing of terrorism matters (2006) etc. In the framework of such activities, the FIU is said to share its knowledge and experience in dealing with STRs: it identifies common deficiencies in the reports received in order to prevent their potential recurrence in the future. Likewise, the FIU assists the Hungarian Financial Supervisory Authority in its task to develop guidelines to service providers on the detection and reporting of suspicious transactions. Moreover, an Anti Money Laundering Action Plan², was adopted following the IMF/MONEYVAL recommendations, which includes *inter alia*, a specific chapter on training and consultation measures aimed at ensuring an ongoing dialogue and feedback process with the different categories of entities/professionals with an obligation to report unusual or suspicious transactions. In this context, for example, consultations are held on an annual basis between the FIU and the larger reporting bodies (e.g. banks, financial services, insurance companies etc). From a practical perspective, the improved communication and feedback mechanisms developed

¹ In December 2007, a new Anti Money Laundering Act entered into force in order to transpose the EU Third Money Laundering Directive (Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing). The FIU activities were transferred to the Customs and Finance Guards.

² Government Resolution No. 2221/2005 (X.17) Korm.

between the FIU and the relevant service providers have resulted in a better quality of the STRs filed by the latter, which led to money laundering-related investigations in 65% of the cases.

14. GRECO concludes that recommendation ii has been implemented satisfactorily.

Recommendation iii.

15. *GRECO recommended that as the Advisory Board for Corruption-free Public Life develops an Action Plan against Corruption, the good practices already implemented on the basis of the existing sectoral anti-corruption programmes are taken into account. It recommended further that the Board co-ordinates the anti-corruption activities developed by other Governmental bodies and provides greater publicity of the measures taken in public administration to combat corruption.*
16. The authorities of Hungary state that, in 2007, as part of the efforts to make the fight against corruption more effective, the Ministry of Justice and Law Enforcement carried out an internal reorganisation of its responsibilities in this area, as follows:
- The Department for Criminal Law Legislation and Enforcement keeps its responsibility for the preparation of the relevant legislative acts;
 - The Strategic Planning Unit (former Strategic Unit) coordinates the governmental activities in this field, including the development of an anti-corruption strategy. It also serves as Secretariat for the Anti-Corruption Coordination Board;
 - The Anti-Corruption Coordination Board (former Advisory Board for Corruption-free Public Life) provides advice to the Government on anti-corruption measures (e.g. analysis of the risks of corruption, recommendations for more effective anti-corruption means, co-ordination of anti-corruption activities developed by other Governmental bodies, monitoring implementation of strategic documents etc). Its broad composition, including both members of different governmental bodies as well as representatives from civil society (e.g. university researchers, Transparency International etc), is aimed at achieving an adequate level of public involvement, consensus and coordination in the fight against corruption. The Anti-Corruption Board holds meetings on a monthly basis; the Minister of Justice himself chairs these meetings, thus giving the necessary authority to the Board. The work of the Board is further assisted by three Working Groups on Economic Policy, Transparency and Law Enforcement (each of these groups is composed of governmental and non-governmental experts in the concerned areas).
17. On 18 June 2007, a new strategic approach in the fight against corruption was introduced through Government Resolution No. 1037/2007 (VI.18), including timeframes and responsibilities to ensure progress in the implementation of a comprehensive anti-corruption policy, as well as in order to meet the international obligations to which Hungary is subject in this area of concern (i.e. GRECO, OECD and UN). The aforementioned Resolution is meant to strengthen the role of the Anti-Corruption Coordination Board, as well as the development of a strategic roadmap, which prioritises the development of preventive measures (to complement the existing repressive legal framework) and defines long-term objectives, as well as short-term action programmes to tackle corruption. In this context, an Anti-Corruption Strategy and an Action Plan (2008-2014) were prepared by the Ministry of Justice and Law Enforcement; it has already been approved by the Anti-Corruption Coordination Board and is now awaiting its formal adoption by the Government during the first half of 2008.
18. As far as publicity of the measures taken in public administration to combat corruption is concerned, a booklet (in Hungarian and English) on the fight against corruption, and the

accomplishments made in the field, was published in the spring of 2006. Moreover, the website of the Ministry of Justice and Law Enforcement gathers information concerning anti-corruption policy documents, agendas and background materials on the work of the Anti-Corruption Board, etc. In addition, the Draft Anti-Corruption Strategy specifically points at the need to launch a wide public awareness-raising campaign following its adoption; some of the activities envisaged include: launching of a bilingual (Hungarian/English) website on anti-corruption measures developed by the Government, strengthened communication channels with the media on relevant anti-corruption legislation/policy adopted, information to foreign consulates/commercial offices on domestic regulations against corruption, etc .

19. GRECO takes note of the internal reorganisation within the Ministry of Justice and Law Enforcement geared at providing a more effective and articulated approach in the fight against corruption. GRECO notes however, that this is yet another institutional reorganisation and recalls the concerns already expressed in the Second Round Evaluation Report (paragraph 54) pointing at delays in the adoption of anti-corruption instruments already at the time of the GET's visit. Nevertheless, it would appear that, with this new reorganisation, the authorities have established an institutional framework aimed at guaranteeing greater coordination of anti-corruption activities (including those measures already developed by other Governmental bodies in this area), in line with the recommendation.
20. With regard to publicity of the measures taken in public administration to combat corruption, GRECO welcomes the issuing of a booklet on the fight against corruption. Moreover, the involvement of different professionals, academics and representatives of civic organisations in the work of the Anti-Corruption Coordination Board, and thus in the development of key documents in the fight against corruption, is also a step to keep the public informed of ongoing governmental initiatives in this area. GRECO further hopes that the efforts already taken as well as the objectives set by the authorities to combat corruption are effectively conveyed to the public at large, as envisaged in the Draft Anti-Corruption Strategy. Finally, GRECO encourages the authorities to adopt the Draft Anti-Corruption Strategy as soon as possible in order to move from the rather lengthy strategic planning stage to effective implementation in practice of the newly envisaged anti-corruption measures. In this respect, GRECO can only welcome the establishment of clear deadlines and responsibilities (as in Government Resolution No. 1037/2007) to prevent the risk of further delays in implementation.
21. GRECO concludes that recommendation iii has been dealt with in a satisfactory manner.

Recommendation iv.

22. *GRECO recommended to provide appropriate training to public officials on the implementation of freedom of information legislation and to raise the general public's awareness of their right of access to information.*
23. The authorities of Hungary indicate that the enactment of the Act on Freedom of Electronic Information was followed by guidance on the implementation of its provisions. In particular, a Circular of the Prime Minister's Office was addressed to the different ministries and provided details on the types of data and draft legislation to be made public under the aforementioned Act, as well as the manner and period of time in which the information is to appear on the relevant websites. In addition, since the Act envisages the publicity of court judgments, specific guidelines

were provided to judges³. Furthermore, a press conference, which reportedly led to a large media coverage, was organised to familiarise the public with their access to electronic information rights emanating from the Act.

24. Concerning implementation of the Act LXIII of 1992 on the Protection of Personal Data and the Disclosure of Information of Public Interest, the Data Protection Commissioner of Hungary, has issued a number of position papers in the last two years clarifying the notion of “data of public interest”, which is subject to disclosure obligations; further interpretation of the latter concept has been developed via court rulings (e.g. concerning data on tenders from the Radio and Television Commission and Broadcasting Fund, Gripen-case, etc). The 2006 Report of the Data Protection Commissioner registered a total of 169 citizens’ complaints concerning access to information; the aforementioned report acknowledges that one of the reasons for this high figure relates to the fact that citizens are becoming increasingly assertive in this field.
25. GRECO takes note of the measures reported to inform the responsible officials and the public at large concerning the Act on Freedom of Electronic Information. While these are positive developments, GRECO notes that they only refer to one piece of freedom of information legislation. Moreover, GRECO recalls the doubts expressed in the Second Round Evaluation Report (paragraph 56) as to full implementation in practice of the legal framework on access to information (composed of, but not limited to, access to electronic information), i.e. resistance of public officials to implement transparency provisions in those areas where there appears to be a conflict between the obligation to disclose data of public interest and the protection of business secrets, and significant number of citizens’ complaints (a total of 169) received by the Data Protection Commissioner concerning access to information. These concerns appear still to be prevalent as suggested by the reported interpretative decisions (court rulings and relevant Data Protection Commissioner positions) dealing with public officials’ denials of citizens’ requests for data of public interest. For those reasons, GRECO is of the firm opinion that more convincing efforts need to be undertaken in this area in order to fully meet this recommendation.
26. GRECO concludes that recommendation iv has been partly implemented.

Recommendation v.

27. *GRECO recommended to introduce as soon as possible the model Code of Conduct for Civil Servants for the development of consistent standards for ethical behaviour throughout public administration, to widely disseminate it among public officials and the general public, and to provide the officials concerned with appropriate training on a permanent basis.*
28. The authorities of Hungary indicate that the Draft Code of Conduct is undergoing its final adoption stages: it is to be discussed by the Government during the first half of 2008 and subsequently passed to corporations and trade unions (at central and local levels) for further consultation. In the meantime, training on ethical principles, including practical examples on how to address risks of corruption, has reportedly been launched at regional and local levels to respond to GRECO’s recommendation.
29. GRECO acknowledges that certain steps have been taken to meet the recommendation: the drafting/adoption process of the Code of Conduct has progressed and training on ethical principles is being provided to public officials at local and regional levels. Nevertheless, GRECO

³ Decision No. 3 of the National Judicial Council on the Internal Rules concerning Implementation of the Act on Freedom of Electronic Information (2007).

urges the authorities to proceed swiftly with the adoption of the Draft Code of Conduct and subsequently with the dissemination and training activities recommended.

30. GRECO concludes that recommendation v has been partly implemented.

Recommendation vi.

31. *GRECO recommended that, as the Ministry of the Interior develops the model Code of Conduct for Civil Servants, clear guidance is provided with respect to seeking or receiving gifts.*
32. The authorities of Hungary report that the Draft Code of Conduct for Civil Servants refers to the prohibition to seek or receive – directly or indirectly – any benefit, present or advantage, which may influence his/her impartiality, judgment or performance of a public act; infringements of the ethical standards contained in the Draft Code of Conduct are punished by sanctions ranging from reprimand to withdrawal from managerial positions. Further guidance is to be developed to supplement the absolute ban on gifts.
33. GRECO takes note of the absolute bans on gifts included in the Draft Code of Conduct for Civil Servants, which mirrors the criminal provisions on bribery. In this context, an explicit connection between the relevant provision in the Draft Code of Conduct on gifts and the corresponding obligations (including their associated penalties) in the Criminal Code concerning bribery would be desirable. Moreover, GRECO recalls that the Second Round Evaluation Report (paragraph 59) referred to the shortcomings encountered in practice with respect to the giving and acceptance of gifts, in particular regarding “gratuity money” (voluntary retribution provided by a citizen upon receipt of a public service). In addition, GRECO takes the view that there may well indeed be grey areas, e.g. in the case of hospitality or symbolic gifts, where further guidance on the attitude to be adopted by public officials when confronted with this type of situations would be needed to complement the existing absolute ban on gifts. In this connection, GRECO notes that the authorities are intending to develop targeted guidance on gifts (which would supplement the absolute ban included in the Draft Code of Conduct) and looks forward to further information concerning the effective materialisation of the reported plans.
34. GRECO concludes that recommendation vi has not been implemented.

Recommendation vii.

35. *GRECO recommended to introduce clear rules/guidelines for situations where public officials move to the private sector, in order to avoid instances of conflicting interests.*
36. The authorities of Hungary stress that the Draft Code of Conduct for Civil Servants comprises provisions, under the principles of impartiality and incompatibility, concerning conflicts of interest, including limitations on engaging in additional employment during public service and a general ban on using the information/knowledge acquired in the official's former position to the disadvantage of the public interest. The introduction of further rules in this particular area is to be considered in the framework of the review of Act No. XXIII on the Legal Status of Civil Servants.
37. GRECO takes note of the information provided; this information clearly shows that the movement of public officials to the private sector is not sufficiently addressed in the current Draft Code of Conduct for Civil Servants which refers to incompatibilities restrictions (most of which were already in place at the time of the adoption of the Second Evaluation Round Report) in a very

general manner. Consequently, GRECO can only urge the authorities to further develop more detailed, and therefore, clear rules/guidelines in this area.

38. GRECO concludes that recommendation vii has not been implemented.

Recommendation viii.

39. *GRECO recommended to establish clear guidelines and training for civil servants concerning the reporting of suspicions of corruption.*
40. The authorities of Hungary report that training on ethical principles, including practical examples on how to address risks of corruption, has been launched at central, regional and local levels in order to address the GRECO recommendation (641 and 984 officials were trained in 2006 and 2007, respectively; in 2008, the training of another 700-1000 civil servants is underway). Moreover, Government Resolution No. 2020/2008, which was adopted in February 2008, establishes a comprehensive anti-corruption training programme for managerial positions covering the period 2008-2010 (including chapters on the detection of corruption at work place, approaches to address conflicts of interest, etc). Finally, the Draft Code of Conduct for Civil Servants includes further provisions (in addition to those included in the Criminal Code and the Code of Criminal Procedure) concerning the reporting of corruption (i.e. obligation to report suspicions to the hierarchical superior).
41. GRECO takes note of the training sessions developed so far (and scheduled to take place) on ethical principles, which target civil servants at the different levels of Government (central/local), with managerial and non-managerial tasks. However, on the basis of the information provided, GRECO is not in a position to assess to what extent the issue of reporting corruption was sufficiently dealt with in the reported training sessions. Furthermore, GRECO is of the opinion that the provisions included in the Draft Code of Conduct are of a fairly general character and cannot be considered a sufficient basis for providing meaningful guidance for the conduct of public officials in terms of their reporting obligation (e.g. course of action to be taken when signalling suspicions of corruption and the available protection mechanisms etc).
42. GRECO concludes that recommendation viii has been partly implemented.

Recommendation ix.

43. *GRECO recommended to consider strengthening the controlling functions of the courts in charge of the registration of legal persons regarding (a) the identity of the owners of legal persons; (b) certain legal restrictions in place to ensure effective responsibility of the owners of legal persons; and (c) legal limitations on exercising executive functions.*
44. The authorities of Hungary state that the control performed for registration purposes has been strengthened. In this context, Act LXIV of 2007 on Acts Necessary to Reinforce the Security of Legal Transactions provides the basis for an *ex ante* type of control, which takes place before registration and where lawyers are expected to play a key role in the verification of the data (identity of the owners of legal persons, certificates and other kinds of official documentation – including professional bans, criminal records) submitted by their clients. Furthermore, the Court of Registration performs material checks, in addition to the formal verification of the relevant documents provided for registration aims (e.g. checks on registered address, domicile of the company's representative etc). Moreover, pursuant to Act V of 2006 on Public Company

Information, Company Registration and Winding-up Proceedings, provisions have been introduced to ensure effective responsibility of the owners of legal persons. In particular, the Court of Registration is now entitled to establish, at the request of a company's creditor, the liability of the majority shareholder (including in the case of limited liability companies), provided that the company was deregistered after leaving unpaid debts of an amount exceeding 50% of its own capital, unless the aforementioned shareholder proves that the company was solvent at the time of the transfer of the business share, or if the company was insolvent but the shareholder acted in good faith upon the transfer.

45. GRECO welcomes the consideration given by the authorities to recommendation ix. It would appear that the type of control performed in the context of registration has in fact been strengthened. In this context, procedures have been introduced to enable not only a formal check of whether the required documents have been submitted, but also a material verification of the correctness of the information provided at the time of registration.
46. GRECO concludes that recommendation ix has been implemented satisfactorily.

Recommendation x.

47. *GRECO recommended that efforts should be made to ensure that applicability of corporate criminal liability cannot be circumvented by institutional changes occurred after the commission of the criminal offence.*
48. The authorities of Hungary claim that safeguards are already in place to ensure that the applicability of corporate criminal liability is not circumvented by institutional changes occurring after the commission of the offence. In this connection, the authorities stress that, even if a legal person changes its form, the physical person triggering the liability would be subject to sanctions, including exclusion from public tenders and professional bans, which would preclude that person from being vested with executive or leading positions within a legal person for a certain period of time. In addition, amendments to legislation are currently being drafted to prohibit the transformation (through merges or scissions) of the relevant companies against which criminal proceedings are opened.
49. GRECO takes note of the measures reported by the authorities, which largely focus on the range of sanctions that could be imposed on the responsible natural person in a legal person for the criminal offences committed by the latter. In this connection, GRECO recalls that Article 19 of the Criminal Law Convention on Corruption (ETS 173) provides for sanctions for both the responsible natural person as well as for the legal person committing the offence (corporate liability does not exclude individual liability nor vice versa). Moreover, GRECO recalls that it remained doubtful in the Second Round Evaluation Report whether legal persons could escape their liability in the event of institutional changes, e.g. mergers or scissions, occurring after the commission of the criminal offence. GRECO is pleased to note that legislative amendments are now underway to address this area of concern. However, in the absence of precise information on the content and (drafting/adoption) status of the amendments reported, GRECO is not in a position to assess whether the efforts undertaken will effectively meet the aim of recommendation x .
50. GRECO concludes that recommendation x has been partly implemented.

Recommendation xi.

51. *GRECO recommended to ensure that investigating, prosecuting and adjudicating authorities are given the necessary training in order to fully apply the existing provisions on corporate criminal liability.*
52. The authorities of Hungary report that the National Judicial Academy has decided to develop regular training for the members of the judiciary on the issue of corruption, including specific modules on criminal liability of legal persons. In this context, training materials are currently being prepared with the assistance of Transparency International. It is expected that the first 3-day training will take place in October 2008; a total of 63 judges have already registered. Likewise, training materials have been prepared by the Division for the Protection of the Economy, under the National Investigation Office, to provide guidance to police officers (both at regional and local level) on corporate criminal liability. The first training course on this issue was held in September 2007 and was attended by representatives of the Division from the Protection of the Economy, the Anti-Corruption Unit and the County Police Headquarters. Finally, a total of 60 prosecutors attended in April and October 2007 vocational training courses on corporate criminal liability; further seminars are scheduled in 2008.
53. GRECO takes note of the positive developments reported to provide training to investigating, prosecuting and adjudicating authorities on corporate criminal liability. As regards the effective implementation of the recommended training sessions, the Hungarian authorities may wish to provide additional information to GRECO (in particular, with respect to the planned training of judges which has not yet been launched).
54. GRECO concludes that recommendation xi has been dealt with in a satisfactory manner.

Recommendation xii.

55. *GRECO recommended 1) the introduction of appropriate measures, such as specific training, in order to make auditors, accountants and legal professionals increasingly aware of their role concerning the detection and reporting of suspicious transactions; 2) the development of an adequate risk analysis in order to improve the effectiveness of the control performed by the Anti Money Laundering Department concerning implementation of the anti-money laundering framework by service providers without State or professional supervision.*
56. The authorities of Hungary stress that the Anti Money Laundering Department has provided targeted presentations to auditors, accountants and legal professionals on their obligations regarding the detection and reporting of suspicious transactions and the procedure and manner in which their reports are to be filed (see also paragraph 13).
57. For those service providers without State or professional supervision (e.g. accountants), the Financial Intelligence Unit (FIU) has raised the level of on-site inspections (performed to verify that such service providers have developed their own internal rules to comply with their anti-money laundering obligations) with the assistance of the regional police headquarters. Over the last two years, a total of 241 and 310 on-site visits respectively have been carried out. Furthermore, criteria have been developed in a more uniform manner with regard to the questions to be raised and the areas for inspection. Finally, a new IT system is being set up within the FIU, designed to facilitate in the future the development of risk assessments with a view to better determining criteria to select service providers undergoing on-site inspections.

58. GRECO welcomes the measures reported to make auditors, accountants and legal professionals increasingly aware of their role concerning the detection and reporting of suspicious transactions. With respect to the improvement of the effectiveness of the control performed by the FIU on service providers without State or professional supervision, GRECO notes that although a risk-based type of control is not yet in place, efforts have been made by the authorities to meet the purpose of the recommendation. In particular, the supervision exercised by the FIU in this area has been strengthened with the assistance of the regional police headquarters, which has resulted in a larger number of on-site inspections being carried out. Moreover, the ongoing development of an IT tool enabling the identification in the future of risk-assessment methodologies to determine the selection criteria for on-site inspections of service providers is a promising step; GRECO encourages Hungary to continue its efforts in this respect.
59. GRECO concludes that recommendation xii has been dealt with in a satisfactory manner.

III. CONCLUSIONS

60. **In view of the above, GRECO concludes that Hungary has implemented satisfactorily or dealt with in a satisfactory manner half of the recommendations contained in the Second Round Evaluation Report.** Recommendations i, ii, and ix have been implemented satisfactorily and recommendations iii, xi and xii have been dealt with in a satisfactory manner. Recommendations iv, v, viii and x have been partly implemented and recommendations vi and vii have not been implemented.
61. Hungary has made efforts to strengthen the anti-money laundering preventive system by *inter alia* improving the awareness of, and feedback to, the different bodies/persons obliged to report suspicious transactions. Likewise, a reform process of the anti-corruption policy is underway to provide a more effective and articulated approach in this field. A number of important steps have been taken to this end, including the preparation of a new Anti-Corruption Strategy for the period of 2008-2014, a reorganisation of tasks within the Ministry of Justice and Law Enforcement (which has the main responsibility for coordinating and implementing anti-corruption activities), the ongoing development of a Code of Ethics for civil servants, etc. In this context, GRECO urges the authorities to pursue vigorously the different initiatives underway, so that plans become implemented measures as soon as possible. In the meantime, additional measures to prevent corruption in public administration still need to be introduced, in particular, by developing meaningful guidance for public officials with respect to the acceptance of gifts, situations of conflicts of interest (including moving to the private sector) and procedures for reporting suspicions of corruption. Further efforts are also required to ensure that corporate criminal liability is not circumvented in practice.
62. GRECO invites the Head of the Hungarian delegation to submit additional information regarding the implementation of recommendations iv, v, vi, vii, viii and x by 31 October 2009.
63. Finally, GRECO invites the authorities of Hungary to authorise, as soon as possible, the publication of the report; to translate the report into the national language and to make this translation public.