



Adoption: 25 September 2020 Publication: 17 November 2020 Public GrecoRC4(2020)10

# FOURTH EVALUATION ROUND

Corruption prevention in respect of members of parliament, judges and prosecutors

SECOND INTERIM COMPLIANCE REPORT HUNGARY

Adopted by GRECO at its 85th Plenary Meeting (Strasbourg, 21-25 September 2020)

Directorate General I Human Rights and Rule of Law Information Society and Action against Crime Directorate

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## I. INTRODUCTION

- 1. The <u>Fourth Evaluation Round Report on Hungary</u> was adopted by GRECO at its 67th Plenary Meeting (27 March 2015) and made public on 22 July 2015, following authorisation by Hungary. GRECO's Fourth Evaluation Round deals with "Corruption Prevention in respect of Members of Parliament, Judges and Prosecutors".
- 2. As required by GRECO's Rules of Procedure, the Hungarian authorities submitted a Situation Report containing information on measures taken to implement the recommendations. In the <u>Compliance Report</u>, adopted by GRECO at its 76th plenary meeting (23 June 2017) and made public on 1 August 2019, it was concluded that Hungary had implemented satisfactorily or dealt in a satisfactory manner only five of the 18 recommendations contained in the Fourth Round Evaluation Report (recommendations vii, ix, xi, xiii and xviii). In the light of these results, GRECO also concluded that the overall low level of compliance with the recommendations was "globally unsatisfactory" within the meaning of Rule 31, paragraph 8.3 of its Rules of Procedure. It therefore decided to apply Rule 32, paragraph 2.i) in respect of members not in compliance with the recommendations contained in the mutual evaluation report and called on the Head of the Hungarian delegation to submit a report on progress in implementing the pending recommendations.
- 3. In the Interim Compliance Report, adopted by GRECO at its 81st Plenary Meeting (7 December 2018) and made public on 1 August 2019, it was concluded that Hungary had still only implemented satisfactorily or dealt with in a satisfactory manner five of the 18 recommendations contained in the Fourth Round Evaluation Report. In light of these results, GRECO also concluded that the overall low level of compliance with the recommendations remained "globally unsatisfactory" within the meaning of Rule 31, paragraph 8.3 of its Rules of Procedure. In accordance with Rule 32, paragraph 2 subparagraph (ii), GRECO instructed its President to send a letter – with a Copy to the President of the Statutory Committee – to the Head of Delegation of Hungary, drawing his attention to the need to take determined action with a view to achieving tangible progress as soon as possible.
- 4. In addition, given the lack of information provided and the lack of progress in implementing the recommendations, in accordance with Rule 32, paragraph 2(iii), GRECO also requested the authorities of Hungary to receive a high-level mission in order to discuss on the spot with all stakeholders concerned ways to expedite the legislative and policy changes highlighted in the Interim Compliance Report. This high-level mission took place on 1 March 2019, at which the GRECO delegation<sup>1</sup> met with the State Secretary for Cooperation in European and International Justice Affairs at the Ministry of Justice, János Bóka, the Prosecutor General, Péter Polt, and the President of the National Judicial Council Judit Fatalin, as well as representatives of the National Office for the Judiciary and members of the Hungarian Delegation to the Parliamentary Assembly to the Council of Europe. During the visit, it was noted with regret that almost four years after the adoption of GRECO's Fourth Round Evaluation Report, only few of GRECO's recommendations had been implemented and that at the time none of its adopted compliance reports had been made public. In July 2019, authorisation to publish the Compliance and Interim Compliance Report was received, which led to the publication of these reports on 1 August 2019.
- 5. Finally, pursuant to Rule 32 2. (i) of the Rules of Procedure, GRECO requested the Head of the Hungarian delegation to provide a report on the progress in implementing the pending recommendations (i.e. recommendations i to vi, viii, x, xii and xiv to xvii) as soon as possible, but at the latest by 31 December 2019. This information

<sup>&</sup>lt;sup>1</sup> The GRECO delegation comprised the President of GRECO, the Council of Europe Director of Information Society and Action Against Crime, the Head of the Austrian Delegation to GRECO, GRECO's Executive Secretary and a member of the GRECO Secretariat.

was only received on 28 January 2020 and forms the basis of this Second Interim Compliance Report.

- 6. This Second Interim Compliance Report assesses the implementation of the 13 pending recommendations (i.e. recommendations i to vi, viii, x, xii and xiv to xvii) since the adoption of the previous Interim Report and provides and overall assessment of Hungary's level of compliance with these recommendations.
- 7. GRECO selected Austria and Romania to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Christian MANQUET on behalf of Austria and Mr Sorin TANESE on behalf of Romania. They were assisted by GRECO's Secretariat in drawing up this Second Interim Compliance Report.

## II. <u>ANALYSIS</u>

*Corruption prevention in respect of members of parliament* 

#### Recommendations i-v.

- 8. GRECO recommended:
  - (i) to ensure that all legislative proposals are processed with an adequate level of transparency and consultation and, (ii) that rules be introduced for members of parliament on how to interact with lobbyists and other third parties seeking to influence the parliamentary process; (recommendation i)
  - that a code of ethics/conduct for members of parliament be adopted, including in respect of their staff as appropriate – covering various situations of conflicts of interest (gifts and other advantages, third party contacts, lobbyists, accessory activities, post-employment situations, etc.) and that it be complemented by practical measures for its implementation, such as dedicated training and counselling; (recommendation ii)
  - that a requirement of ad hoc disclosure be introduced for members of parliament for situations of personal conflicts of interest which may emerge during the parliamentary proceedings and that rules for such situations be developed; (recommendation iii)
  - to ensure (i) that the obligation upon members of parliament to disclose outside occupations and activities of a non-financial character are applied in practice; and (ii) that all declarations as submitted follow a format, which allows for adequate public scrutiny over time, preferably by using electronic means; (recommendation iv)
  - that appropriate measures be taken in order to ensure that the procedures of lifting the immunity of parliamentarians do not hamper criminal investigations in respect of members of parliament suspected of having committed corruption related offences; (recommendation v)
- 9. <u>GRECO</u> recalls that these five recommendations were not implemented in the Interim Compliance Report. Initially, in the Compliance Report, GRECO welcomed that a step towards implementation of some parts of recommendations i, ii, iii and iv was initiated with the preparation of guidelines on rules of conduct. These guidelines had the potential of addressing various elements of the pending recommendations,

specifically as regards recommendation i (on interactions with lobbyists), recommendation ii (on a code of conduct), iii (on ad-hoc disclosure of conflicts of interest) and recommendation iv (on disclosure of outside activities of a non-financial character. However, as no concrete results had been achieved in this respect and additionally no further information had been provided on the other relevant parts of recommendation i and iv, and recommendation vi as a whole, GRECO ultimately concluded that recommendations i, ii, iii and iv were not implemented. As regards recommendation v, GRECO took note of information on the balanced composition of MPs in the Parliamentary Committee in charge of decisions on lifting the immunity of MPs (which would ensure impartiality) and the decisions taken on lifting the immunities of MPs within a short period of time. However, GRECO found that the procedure itself might prevent law enforcement agencies from carrying out investigations and could pose obstacles for the timely gathering of evidence. As no new substantial information had been provided on the measures taken in this regard, GRECO concluded that recommendation v was not implemented. Subsequently, in the Interim Compliance report, the Hungarian authorities reported that no further progress had been made regarding recommendations i-v.

- 10. <u>The authorities</u> now report that no further progress has been made regarding recommendations i-v, while stressing that Parliament alone is responsible for the implementation of these recommendations on the basis of the principle of separation of powers and its autonomy.
- 11. GRECO takes note of the position by the authorities. It recalls that all recommendations are addressed to Hungary for action by the relevant authorities of the country. It regrets that no further action has been taken by the Hungarian Parliament to address the issues outlined in recommendations i-v above.
- 12. <u>GRECO concludes that recommendations i-v remain not implemented.</u>

#### Recommendation vi

- 13. GRECO recommended that appropriate measures be taken to ensure effective supervision and enforcement of the existing and yet to be established rules on the conduct, conflicts of interest and interest declarations of members of parliament and that adequate and proportionate sanctions be introduced to that end.
- 14. <u>GRECO</u> recalls that this recommendation was not implemented in the Interim Compliance Report. GRECO noted in the Compliance Report that the general information provided by the authorities did not refer to measures to ensure effective supervision and enforcement of the rules of conduct of MPs. As no further progress was reported in the Interim Compliance report, the recommendation remained not implemented.
- 15. <u>The authorities</u> now report in addition to what is stated in paragraph 10 above that, on 10 December 2019, the Parliament adopted amendments to Act XXXVI of 2012 on the National Assembly. These amendments (which entered into force on 1 February 2020) list the rights an MP may not exercise in the event of a potential conflict of interest listed in sections 80, 84-86 or 88 of the Act on the National Assembly (i.e. incompatible side-occupations and certain activities of an economic character), for reasons of legal certainty. In such situations, an MP is not entitled to his/her remuneration as MP, for as long as s/he has not resolved this situation.<sup>2</sup> It is furthermore stipulated that the MP in question is to immediately inform the Speaker

 $<sup>^{2}</sup>$  However, if the resolution of the incompatibility or conflict of interest falls within the powers of another entity, only an MP's right to vote will be restricted.

of any of the potential conflicts of interest or incompatibilities listed in the Act on the National Assembly during his/her term in office in the parliamentary term, instead of within thirty days as it has been so far.

- 16. <u>GRECO</u> takes note of the amendments to Act XXXVI of 2012 on the National Assembly. It welcomes that the provisions dealing with incompatibilities and certain potential conflicts of interests have been made more operational by providing for clearer consequences in cases these matters are not resolved by the MP in question. As such it deals with one element of the criticism expressed by GRECO in its Evaluation Report. However, the wider issue of deficiencies in the supervision carried out by the Committee on Immunity, Incompatibility and Mandate Control (as well as the reliance on public scrutiny) and the lack of proportionality of sanctions, as outlined in the Evaluation Report, remains unaddressed. As such, GRECO cannot consider that this recommendation has been fully implemented.
- 17. <u>GRECO concludes that recommendation vi has been partly implemented.</u>

*Corruption prevention in respect of judges* 

#### **Recommendation viii**

- 18. GRECO recommended that the powers of the President of the National Judicial Office to intervene in the process of appointing and promoting candidates for judicial positions be reviewed in favour of a procedure where the National Judicial Council is given a stronger role.
- 19. <u>GRECO</u> recalls that this recommendation was not implemented in the Interim Compliance Report. In the Compliance Report, GRECO took note of the information provided pointing out that the President of the National Judicial Office (PNJO) does not have the most important role in the process of appointing candidates for judicial positions, that in case the PNJO wishes to change the order of appointment among the three candidates listed by a judicial council the National Judicial Council (NJC) has to give its consent and that the PNJO can only declare an appointment procedure unsuccessful for reasons provided in section 20 of Act CLXII of 2011 on the Legal Status and Remuneration of Judges (ALSRJ). GRECO however found that this information was for the most part already noted in the Evaluation report and in any case did not remedy its findings that it would be advisable that the NJC, as the highest collective body of the judiciary, be given the final say on recommendations for appointment. No further progress was reported as regards this recommendation for the Interim Compliance Report and the recommendation therefore remained not implemented.
- The authorities recall that it is an important task of the PNJO to make 20. recommendations to the President of the Republic for the appointment and dismissals of judges. To this end, the Court Administration Act and the Act on the Legal Status and Remuneration of Judges contain a series of checks and guarantees which ensure that the decisions of the PNJO fulfilling the requirements of the general principles governing the functioning of the courts. The assessment of applications to a judicial position is a complex procedure with many stakeholders. The rules of the process guarantee that whenever a candidate is appointed or promoted, elected bodies of judges have a role. It is either a local judicial council determining the ranking of applicants or the National Judicial Council (NJC) giving prior consent to the selection by the PNJO of the second or third-ranked candidate. In practice, the NJC regularly uses its "right to veto" (i.e. withholding consent). Furthermore, the authorities outline that unsuccessful applicants can challenge (to the PNJO or the Supreme Court, depending on where the vacancy notice was published) the outcome of the selection process within a period of 15 days of the decision on the appointment of the

successful applicant. Such complaints are decided on by the Budapest Metropolitan Court in a specific procedure, independent from any other authority. Finally, the authorities emphasise that the selection procedure may be considered unsuccessful only on the basis of objective criteria set out in Act CLXII of 2011 on the Legal Status and Remuneration of Judges and cannot depend on any discretionary decision.

- 21. <u>GRECO</u> takes note of the information provided, which for a large part has already been noted in the Evaluation Report (and repeated in the Compliance Report). The Evaluation Report already acknowledged that the involvement of the PNJO was to some extent balanced by the supervisory function of the NJC (noting in this context also the right of "veto" of the NJC) and that the PNJO could only declare a selection procedure unsuccessful for certain very specific reasons. As has already been indicated in the Compliance Report, this information does not remedy GRECO's findings that it would be advisable that the NJC, as the highest collective body of the judiciary, be given the final say on appointment recommendations.<sup>3</sup> As no further steps seem to have been taken in this regard, GRECO can only conclude that this recommendation remains not implemented.
- 22. <u>GRECO concludes that recommendation viii remains not implemented.</u>

#### **Recommendation x**

- 23. GRECO recommended that the power of the President of the National Judicial Office to re-assign ordinary judges without their consent be reduced to a minimum in time and only for precise and particular reasons of a temporary character.
- 24. <u>GRECO</u> recalls that this recommendation was not implemented in the Interim Compliance Report. In the Compliance Report, GRECO had already taken note of the information provided, inter alia that judges can contest their temporary reassignment before a court, that the PNJO has not re-assigned any judge without his/her consent since 2012 and that in order to harmonise the practice of temporary secondment, the drafting of an internal regulation started in 2016. GRECO however did not find that this information could lead it to a different finding than the one in the Evaluation Report that it should not be possible to transfer so often given that the irremovability of judges is an important feature of their independence. In the Interim Compliance Report, it was reported that no further progress had been made towards this recommendation and the recommendation therefore remained not implemented.
- 25. <u>The authorities</u> now report as regards the transfer of judges that the PNJO can only transfer a judge to another post if s/he has successfully applied to an empty judicial position in the other court in question or if the Parliament has decided to abolish the court where a judge works or to substantially reduce its territory (and it is not possible to employ the judge at that court anymore). In the latter cases, the PNJO offers the judge a choice between empty positions at other courts at the same level, from which a judge can choose within eight working days. If there are no such positions to be offered or the judge does not make a choice, the PNJO can transfer the judge to another court at the same level (or a maximum of one level lower). Judicial review of such a decision by the PNJO can be lodged with the Labour and Administrative Court.
- 26. The authorities also submit that a judge can only be seconded to another court to guarantee the even distribution of the workload between courts or support the development of his/her professional skills. Without his/her consent a judge can only be seconded to guarantee the even distribution of workload between courts for one

<sup>&</sup>lt;sup>3</sup> Information received during the High-Level Visit in March 2019, in particular as regards procedures in which no decision is taken on the list of applicants submitted to the PNJO, only confirms its earlier findings.

year within a three-year period. All secondments are to be decided on with due consideration to a judge's reasonable interest, but certain judges (e.g. those who have a child under the age of three) may not be seconded at all without their consent. If a judge is seconded without his/her consent, s/he can lodge an appeal against this decision with a labour court. Seconded judges are entitled to certain benefits, depending on the nature of the secondment, such as daily meal allowances, reimbursement of transportation costs and/or a housing allowance. The authorities furthermore indicate that the fundamental right to a fair and public hearing within a reasonable time cannot be achieved without a certain flexibility in the allocation of cases and secondment of judges. Finally, the authorities emphasise that no judge has been seconded without his/her consent since 2012.

- 27. <u>GRECO</u> takes note of the information provided, which for the part on secondment has largely already been reflected in the Evaluation Report and Compliance Report. While it understands that secondments may in certain circumstances be necessary to improve the efficiency of court proceedings, GRECO maintains the view, as expressed in the Evaluation and Compliance Report, that it should not be possible to reassign a judge without his/her consent as often (every three years for up to one year) given that the irremovability of judges is an important feature of their independence.<sup>4</sup>
- 28. <u>GRECO concludes that recommendation x remains not implemented.</u>

#### Recommendation xii

- 29. *GRECO recommended that the immunity of ordinary judges be limited to activities relating to their participation in the administration of justice ("functional immunity").*
- 30. <u>GRECO</u> recalls that this recommendation was not implemented in the Interim Compliance Report. In the Compliance Report, GRECO had already taken note of the National Judicial Office that it was necessary to maintain the immunity of judges as it was in order to protect judges from harassment through unfounded accusations and that similarly the authorities did not see a need to limit this to functional immunity. GRECO recalled that a number of judges met on-site interpreted the immunity protection as a privilege of an honourable character rather than a necessary protection and, in line with GRECO practice, underlined that "functional immunity" appeared sufficient to protect judges from inappropriate disturbance in carrying out their duties. No progress was reported at the time of the Interim Compliance Report and the recommendation therefore remained not implemented.
- 31. <u>The authorities</u> reiterate that, in order to ensure the highest possible level of independence of judges, it is necessary to maintain the immunity of judges in its current form in order to protect judges and the judiciary from harassment through unfounded accusations, including from persons initiating private prosecutions against judges for alleged minor offenses. Furthermore, the authorities emphasise that a reduction in the scope of immunity implies an increase in the number of malicious actions brought by clients against judges in order to delay proceedings.
- 32. <u>GRECO</u> takes note of the information provided. In light of the reasoning provided already in the Evaluation Report, it reiterates its regret that the immunity provided to judges has not been limited to functional immunity, especially in relation to offences which are subject to public prosecution.
- 33. <u>GRECO concludes that recommendation xii remains not implemented</u>.

<sup>&</sup>lt;sup>4</sup> See in this respect also the Opinion (CDL-AD(2012)20) of the Venice Commission on the Cardinal Acts on the Judiciary (as amended following the adoption of opinion CDL-AD(2012)001), para. 54 and further.

#### *Corruption prevention in respect of prosecutors*

#### Recommendation xiv.

- 34. GRECO recommended that i) the possibility to re-elect the Prosecutor General be reconsidered and ii) the possibility to maintain the Prosecutor General in office after the expiry of his/her mandate by a minority blocking of the election in Parliament of a successor be reviewed by the Hungarian authorities.
- 35. <u>GRECO</u> recalls that this recommendation was partly implemented at the time of the adoption of the Interim Compliance Report. At the time of the adoption of the Compliance Report consideration of the first part of the recommendation had duly taken place, but the second part of the recommendation had not been subject to any review by the Hungarian authorities. No further progress had been reported for the Interim Compliance Report and the recommendation remained partly implemented.
- 36. <u>The authorities</u> highlight as regards the second part of the recommendation that the Evaluation Report merely recommends further steps to prevent a hypothetical scenario from occurring. However, it is essential for the proper functioning of the prosecution service that the Prosecutor General's position is filled even during the transitional period, until the required majority is formed. This majority guarantees the independence of the Prosecutor General and protects the separation of powers. In addition, the authorities submit that prolongation of mandates of judicial positions until a new mandate is filled is a common practice in the European justice systems.
- 37. <u>GRECO</u> takes note of the information provided by the Hungarian authorities, but cannot on this basis say that steps have been taken to review the possibility to maintain the Prosecutor General in office after the expiry of his/her mandate.
- 38. <u>GRECO concludes that recommendation xiv remains partly implemented</u>.

#### **Recommendation xv.**

- 39. *GRECO recommended that the removal of cases from subordinate prosecutors be guided by strict criteria and that such decisions are to be justified in writing.*
- 40. <u>GRECO</u> recalls that this recommendation was partly implemented in the Interim Compliance Report. Before this, at the stage of the Compliance Report, GRECO had already been satisfied with the information provided as regards the second part of the recommendation on a new provision having been added to the Decree of the Prosecutor General No. 12/2012 (VI. 8) on the organisation of the Prosecution, prescribing that a brief reason for the removal of a criminal or administrative case from a prosecutor must be indicated in the case file. However, it was not provided with any information as to whether strict criteria had been put in place to avoid arbitrary decisions. For the Interim Compliance Report no further progress had been reported in implementing this recommendation and the recommendation remained partly implemented.
- 41. <u>The authorities</u> now stress that the basic guarantee against arbitrary decisions is provided by the Fundamental Law (Constitution) itself, which outlines that the Prosecutor General and the Prosecutor's Office are independent (Article 29). This is further elaborated in Article 3 (3) of the Act CLXIII of 2011 on the Prosecution Service, which states "that the Prosecutor General shall not be directly or indirectly instructed to make or alter any individual decision with a particular content". It is furthermore noted that a hierarchical system of the prosecutor service is accepted by the Venice Commission and is universal throughout Europe.

- 42. <u>GRECO</u> takes note of the information provided. It recalls that this recommendation does not deal with the independence of the prosecution service as such, nor with a hierarchical system of prosecution (which GRECO clearly accepts in its Evaluation Report), but rather addresses concrete situations in which a superior prosecutor takes over a case from a subordinate prosecutor, for example when a superior prosecutor is of the opinion that the handling prosecutor interprets the law incorrectly. Already in the Evaluation Report (paragraph 190), GRECO noted that there was a "logic for allowing such measures in a hierarchical system like the one in Hungary, in which the individual prosecutor is not independent", but that such decisions "ought to be guided by strict criteria".<sup>5</sup> As it does not seem that such criteria have now been adopted, GRECO cannot conclude that this recommendation has been fully complied with.
- 43. <u>GRECO concludes that recommendation xv remains partly implemented</u>.

## Recommendation xvi.

- 44. GRECO recommended that the immunity of public prosecutors be limited to activities relating to their participation in the administration of justice ("functional immunity").
- 45. <u>GRECO</u> recalls that this recommendation was not implemented at the time of the adoption of the Interim Compliance Report. In the Compliance Report, the authorities had already outlined that they considered it necessary to maintain the broad immunity of prosecutors in order to protect them from harassment by way of groundless accusations. No further progress was reported regarding this recommendation in the Interim Compliance Report.
- 46. <u>The authorities</u> reiterate their previous position that they consider the present regulation necessary to protect prosecutors from harassment of unfounded accusations.
- 47. <u>GRECO</u> recalls the reasons detailed in the Evaluation Report for limiting the immunity of prosecutors to functional immunity, in particular in order not to hinder an efficient enforcement of criminal provisions (referring also to Guiding Principle 6 of Resolution (97) 24 of the Committee of Ministers of the Council of Europe on the twenty guiding principles for the fight against corruption) and regrets against this background that no further measures have been taken to this end by the Hungarian authorities.
- 48. <u>GRECO concludes that recommendation xvi remains not implemented</u>.

#### Recommendation xvii.

- 49. GRECO recommended that disciplinary proceedings in respect of prosecutors be handled outside the immediate hierarchical structure of the Prosecution Service and in a way that provides for enhanced accountability and transparency.
- 50. <u>GRECO</u> recalls that this recommendation had been partly implemented in the Interim Compliance Report. An amendment to the Act CLXIV of 2011 on the Status of the Prosecutor General, Prosecutors and Other Prosecution Employees and the Prosecutor Career (ASPGPC) would enter into force on 1 January 2019 and would make the involvement of a disciplinary commissioner compulsory in all disciplinary proceedings. This disciplinary commissioner would be entrusted with investigating a breach of discipline (which would then followed by a decision on the merits of the

<sup>&</sup>lt;sup>5</sup> Similarly, the Venice Commission in its 2012 opinion on Act CLXIII of 2011 on the Prosecution Service and Act CLXIV of 2011 on the status of the prosecutor general, prosecutors and other prosecution employees and the prosecution career recommended that "there should be criteria for taking away cases from subordinate prosecutors" (CDL-AD(2012)008, para. 32).

case by the superior prosecutor, or – in the case of more severe disciplinary sanctions, such as the withdrawal of a salary step, a lower rank or dismissal – the Prosecutor General). While welcoming this amendment, GRECO found that it would appear that the role of the disciplinary commissioner remains limited to investigating the case, with the superior prosecutor still leading the overall procedure. In GRECO's view, the direct superior prosecutor would need to be excluded from dealing with disciplinary proceedings in a way that provides for enhanced accountability and transparency (for example, by a collective impartial body, such as a Prosecutors' Council, as advised in the Evaluation Report).

- 51. <u>The authorities</u> now report on the entry into force of the abovementioned amendment to the ASPGPC. It is explained that the disciplinary commissioner to be appointed cannot be someone in a hierarchical relationship to the persons under investigation. S/he must clarify all circumstances necessary to establish the facts of the disciplinary case and to this end hear the prosecutor under investigation, hear witnesses and carry out other forms of evidence gathering. Furthermore, the legislation allows for objection to potential bias on the side of the disciplinary commissioner or the person taking the decision if their impartiality cannot be expected during proceedings.<sup>6</sup> The decision taken in a disciplinary proceeding can be appealed to a court.
- 52. <u>GRECO</u> welcomes the entry into force of the amendment to the ASPGPC, with which clearly improvements have been made to the disciplinary process, in particular by envisaging the mandatory involvement of a disciplinary commissioner to carry out the investigation. Having said that, GRECO remains concerned that it is still the direct superior prosecutor who decides on the merits of the case, rather than an impartial body. Objections filed on the ground of bias also appear to be handled within the immediate hierarchical structure (and in cases where the Prosecutor General him/herself would decide the case on merit, s/he would also decide on the objection of bias made against him/her). As such, while improvements have clearly been made, GRECO cannot yet say that disciplinary proceedings are now handled outside the immediate hierarchical structure of the Prosecution Service in a way that provides for enhanced accountability and transparency, as required by the recommendation. The involvement of the immediate superior prosecutor is particularly striking in this respect.
- 53. <u>GRECO concludes that recommendation xvii remains partly implemented</u>.

## III. CONCLUSIONS

- 54. In view of the foregoing, GRECO concludes that Hungary has still only implemented satisfactorily or dealt in a satisfactory manner five of the eighteen recommendations contained in the Fourth Round Evaluation Report. With the exception of a step forward in respect of the implementation recommendation vi, leading to the conclusion that this recommendation has been partly implemented, Hungary remains at the same level of implementation as in the previous Interim Compliance Report.
- 55. More specifically, recommendations vii, ix, xi, xiii and xviii had been considered implemented satisfactory or dealt with in a satisfactory manner in the Fourth Round Compliance Report on Hungary. Of the thirteen remaining pending recommendations, four recommendations have now been partly implemented and nine recommendations remain non-implemented.

<sup>&</sup>lt;sup>6</sup> Pursuant to Section 92 of the ASPGPC, an objection filed against the potential bias of a disciplinary commissioner is decided on by the person exercising disciplinary power, with a superior prosecutor deciding on objections filed against the potential bias of the prosecutor deciding the case on merit. If it is the Prosecutor General deciding the case on merit, s/he would however also decide on the objection of potential bias brought against him/her.

- 56. GRECO welcomes the amendments to the Act on the National Assembly to make the provisions prohibiting or restricting MPs to engage in certain activities more operational by providing for clearer consequences in case these matters are not resolved by the MP in question (recommendation vi). However, more determined measures remain necessary to improve the current integrity framework of Parliament, in particular to improve the level of transparency and consultation in the legislative process (including the introduction of rules on interactions with lobbyists), to adopt a code of conduct for members of parliament (covering in particular various situations that could lead to a conflict of interest), to further develop rules obliging MPs to disclose in an *ad-hoc* manner potential conflicts between their parliamentary work and their private interests, to ensure a uniform format of asset declarations and to review the broad immunity enjoyed by MPs as well as to ensure the effective supervision and enforcement of rules of conduct, conflict of interest and asset declarations (notwithstanding the step that has been taken, as mentioned above, to make certain provisions more operational).
- 57. As regards judges, no further progress has been reported regarding the three remaining non-implemented recommendations. GRECO's findings on the powers of the President of the National Judicial Office (both as regards the process of appointing or promoting candidates for judicial positions and the process of re-assigning judges) remain of special significance, as also confirmed by information it received during the High-Level Visit on 1 March 2019.
- 58. As regards prosecutors, GRECO welcomes the entry into force of legislative amendments making the involvement of a disciplinary commissioner compulsory in disciplinary proceedings. However, as disciplinary proceedings are still not handled outside the direct hierarchical structure, GRECO cannot say that recommendation xvii has now been complied with. Furthermore, no progress has been achieved regarding the prolongation of the term of the Prosecutor General, the broad immunity enjoyed by prosecutors and the development of criteria to guide the removal of cases from subordinate prosecutors.
- 59. GRECO concludes that the overall low level of compliance with the recommendations remains "globally unsatisfactory" in the meaning of Rule 31 revised, paragraph 8.3 of the Rules of Procedure.
- 60. Pursuant to Rule 32 2. (i) of the Rules of Procedure, GRECO requests the Head of the Hungarian delegation to provide a report on the progress in implementing the pending recommendations (i.e. recommendations i to vi, viii, x, xii and xiv to xvii) as soon as possible, but at the latest by 30 September 2021.
- 61. In accordance with Rule 32, paragraph 2 subparagraph (ii b), GRECO invites the President of the Statutory Committee to send a <u>letter</u> the Permanent Representative of Hungary to the Council of Europe, drawing his/her attention to non-compliance with the relevant recommendations.
- 62. Finally, GRECO invites the authorities of Hungary to authorise, as soon as possible, the publication of the present report, to translate it into the national language and to make this translation public.