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EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW
(VENICE COMMISSION)

HUNGARY

LAW

**ON THE TRANSPARENCY
OF ORGANISATIONS RECEIVING SUPPORT
FROM ABROAD**

ADOPTED ON 13 JUNE 2017

This translation is produced for informative purposes only.

Act... of 2017

on the transparency of organisations receiving support from abroad

The National Assembly,
duly respecting that organisations established under the freedom of association are the manifestation of social self-organisation and their operation contributes to democratic oversight and to the public debate on public affairs, and that such organisations have a determining role in the shaping of public opinion,
emphasising that – having regard to the social role of associations and foundations – the transparency of such associations and foundations is of great public interest,
recognising that the support provided by unknown foreign sources to organisations established under the freedom of association may be capable of being used by foreign interest groups to promote – through the social influence of these organisations – their own interests instead of community objectives in Hungary's political and social life; and taking into account that this may pose a threat to Hungary's political and economic interests and the uninfluenced operation of institutions established by law, and
contributing to the international efforts to combat money laundering,
adopts the following Act:

Section 1

(1) For the purposes of this Act, those associations and foundations that receive the allocations defined in paragraph (2) shall qualify as organisations receiving support from abroad (hereinafter: 'organisation receiving support from abroad').

(2) Within the meaning of this Act, allocations of money or other assets originating either directly or indirectly from abroad shall be considered, regardless of their legal title, as support, provided that such allocations – calculated separately or cumulatively – reach twice the amount specified in Section 6(1) b) of **Act LIII of 2017** on the Prevention and Combating of Money Laundering and Terrorist Financing (hereinafter: 'Pmt.') in a given fiscal year.

(3) The amount of support referred to in paragraph (2) shall not include any of the grants received by the association or foundation, as per specific legislation, from the European Union through a budgetary organ.

(4) This Act shall not apply to:

- a) associations and foundations that do not qualify as non-governmental organisations;
- b) associations that fall within the scope of Act I of 2004 on Sports;
- c) organisations that perform religious activities;

d) national minority organisations and associations under Act CLXXIX of 2011 on the rights of national minorities and to foundations performing, under their instrument of incorporation, the protection and representation of the interest of a certain national minority, or activities directly connected to the cultural autonomy of a national minority.

Section 2

(1) An association or foundation referred to in Section 1(1) shall, within 15 days, notify that it has become an organisation receiving support from abroad as soon as the amount of allocations it has received in the reference year reaches twice the amount specified in Section 6(1) *b*) of the Pmt.

(2) The organisation receiving support from abroad shall send the notification referred to in paragraph (1) to the regional court with jurisdiction over its registered seat (hereinafter: 'registering court') with the data content specified in Annex 1. The registering court shall attach the notification to the records of the association or foundation in the register of non-governmental and other organisations that do not qualify as companies (hereinafter: 'Register') and shall register the association or foundation as an organisation receiving support from abroad.

(3) Applying the rules specified in paragraph (1) as appropriate, organisations receiving support from abroad shall notify the registering court of the support received in the previous year by providing the data specified in Annex 1 along with their report. **In the notification, supports received from the same supporter**

a) that do not amount to HUF 500 000 in the given year, shall be indicated in accordance with the data content laid down in Part II A) of Annex I

b) that amount to at least HUF 500 000 in the given year, shall be indicated in accordance with the data content laid down in Part II B) of Annex I.

(4) The registering court shall, by the 15th day of each month, send to the minister responsible for managing the Civil Information Portal (Civil Információs Portál) the names, registered seats and tax identification numbers of all the associations and foundations in respect of which the court entered into the Register, in the preceding month, the fact that they qualify as an organisation receiving support from abroad. The minister responsible for managing the Civil Information Portal shall publish without delay the received data enabling public access free of charge on the electronic interface dedicated to the purpose.

(5) After filing the notice referred to in paragraph (1), the organisation receiving support from abroad shall, without delay, publish on its webpage, in press products it issues as referred to in the Act on the freedom of the press and the fundamental rules of media content, and in its other publications the fact that it qualifies as an organisation receiving support from abroad pursuant to this Act.

(6) The organisation receiving support from abroad shall be bound by the obligation specified in paragraph (5) as long as it qualifies as an organisation receiving support from abroad.

Section 3

(1) If an association or foundation fails to comply with its obligations under this Act, the prosecutor shall – after becoming aware of this fact – give a notice to the association or foundation to comply with its obligations pursuant to this Act within 30 days of the communication of the notice, following the rules applicable to the prosecutor.

(2) If the organisation receiving support from abroad fails to comply with its obligation specified in the prosecutor's notice, the prosecutor shall call upon it again to comply with its obligations pursuant to this Act within 15 days. If the organisation receiving support from abroad continues to fail to comply, the prosecutor shall, within 15 days after the expiry of the above deadline, initiate at the registering court the imposition of a fine under Section 37(2) of Act CLXXXI of 2011 on the court registration of non-governmental organisations and related procedural rules.

(3) After the repeated notice under paragraph (2), the prosecutor shall proceed appropriately applying the rules specified in Act CLXXV of 2011 on the right of association, non-profit status, and the operation and funding of civil society organisations and Act CLXXXI of 2011 on the court registration of non-governmental organisations and related procedural rules and taking into account the obligation of proportionality.

Section 4

(1) If the money or other assets allocated from abroad to an organisation receiving support from abroad fail to reach twice the amount specified in Section 6 (1) b) of the Pmt. **in the year following the fiscal year specified in Section 2 (3)**, then the association or foundation shall no longer qualify as an organisation receiving support from abroad, and – applying the rules on notification as appropriate – it shall make a notification of this fact within 30 days after adopting its annual report for the year when this circumstance occurs. **The registering court, by applying Section 2 (4), shall send this fact to the minister responsible for managing the Civil Information Portal, who shall, without delay, delete from the website created for this purpose the data of the organisation concerned.**

(2) After the notification specified in Section (1), the registering court shall, without delay, delete from the Register the indication according to which the association or foundation is an organisation receiving support from abroad.

Section 5

This Act shall enter into force on the eighth day following its promulgation.

Section 6

The following point h) shall be added to Section 94 (1) of Act CLXXXI of 2011 on the court registration of non-governmental organisations and related procedural rules:

(In addition to the provisions of Section 91, in the case of foundations, the register shall contain also the following data:)

“h) the fact that the foundation shall be considered an organisation receiving support from abroad under Act ... of 2017 on the transparency of organisations receiving support from abroad.”

(2) The following point e) shall be added to Section 95 of Act CLXXXI of 2011 on the court registration of non-governmental organisations and related procedural rules:

(In addition to the provisions of Section 91, in the case of associations, the register shall contain also the following data:)

“e) the fact that the association shall be considered an organisation receiving support from abroad under Act ... of 2017 on the transparency of organisations receiving support from abroad.”

Section 7

The following paragraph (3) shall be added to Section 9/A of Act CCVI of 2011 on the Right to Freedom of Conscience and Religion and the Legal Status of Churches, Denominations and Religious Communities:

“(3) Act ... of 2017 on the Transparency of Organisations Receiving Support from Abroad shall not apply to organisations that perform religious activities.”

Annex 1 to Act ... of 2017

The data content of the notification on the fact that an organisation becomes an organisation receiving support from abroad

Reference year:

I. Data on the organisation receiving support from abroad

Name of the organisation:

Registered seat of the organisation:

Registration number of the organisation:

II. Support received from abroad

Support received from abroad (total):

A) Supports received from abroad not amounting to the threshold specified in Section 2 (3) (total):

1. allocations of money (total):

2. allocations of other assets:

3. number of supporters under point A) (total):

B) Supports received from abroad amounting at least the threshold specified in Section 2 (3) (total):

Details of the support received from abroad: [indication of amount per transaction, with the exact indication of the source (for natural persons: name, country, city; in other cases: name, registered seat)]:

- 1.
- 2.
- 3.
- ...