

Act no. ... of 2017

on the Transparency of Organisations Receiving Foreign Funds

The National Assembly

respecting that organisations established based on the freedom of association are the manifestations of self-organisation in society, and their operation contributes to democratic checks and balances and to the open debate on public affairs, furthermore taking into consideration that these organisations have a decisive role in forming of public opinion;

emphasising that the transparency of these organisations is of special public interest due to the societal engagement of associations and foundations;

recognising that funding from unknown foreign sources to organisations established based on the freedom of association might enable foreign interest groups to enforce their own interests instead of public interest in the political and social life of Hungary, through the societal influence of these organisations, and with respect to the fact that this may endanger the political, economic interests of the country as well as the operation of statutory institutions without undue influence,

and

contributing to the international fight against money laundering,

adopts the following Act:

Article 1

(1) With respect to the application of this Act, associations and foundations which receive funding specified in paragraph (2), shall be regarded as organisations receiving foreign funds (hereinafter these organisations together shall be referred to as: organisations receiving foreign funding).

(2) For the purposes of this Act, regardless of its legal title, any financial or other economic support originating directly or indirectly from abroad which, individually or in total, reaches twice the amount specified in Article 6 paragraph (1) (b) of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing (hereinafter referred to as: Act on Money Laundering) in a year, shall be regarded as financial support.

(3) Funds from the European Union paid to an association or a foundation through a budgetary institution according to separate law shall not be taken into account for the amount of the funds specified in paragraph (2).

(4) This Act shall not apply to:

- a) associations and foundations which are not regarded as civil society organisations;
- b) associations under the scope of Act I of 2004 on Sports;
- c) associations pursuing religious activities;
- d) ethnic minority organisations and ethnic minority associations as per Act CLXXIX of 2011, as well as the foundations that are, based on their deed of foundation, engaged in activities directly related to the protection and representation of the interests of a given ethnic minority or to the cultural autonomy of the ethnic minority.

Article 2

(1) If the sum of funding received reaches twice the amount specified in Article 6 paragraph (1) (b) of the Act on Money Laundering, the association or foundation under Article 1 paragraph (1) shall declare, within 15 days, that it has become an organisation receiving foreign funds.

(2) The organisation receiving foreign funds shall submit the declaration under paragraph (1) to the Regional Court competent according to its registered address (hereinafter referred to as: Registering Court), with the data content set forth in Annex no. 1. The Registering Court shall attach the declaration to the data of the association or foundation concerned in the register of civil society organisations and other organisations not regarded as companies (hereinafter referred to as: Register), and register the association or foundation as an organisation receiving foreign funds.

(3) In accordance with the provisions specified in paragraph (1) as appropriate, simultaneously with the report, the organisation receiving foreign funds shall declare the support received in the previous year, with the data content specified in Annex no. 1. In the declaration

- a) if the support received for the year under review is below HUF 500 000 per donor, it shall be indicated with the data content as per Section A) of Part II of Annex no. 1,
- b) if the support received for the year under review reaches or exceeds HUF 500 000 per donor, it shall be indicated with the data content as per Section B) of Part II of Annex no. 1.

(4) The Registering Court shall send the names, registered addresses and tax numbers of the associations and foundations which in the previous month were registered as organisations receiving foreign funds in the Register to the Minister responsible for the management of the Civil Information Portal until the 15th day of each month. The Minister responsible for the management of the Civil Information Portal shall, without delay, publish these data on the electronic platform developed for this purpose, which will be available free of charge.

(5) The organisation receiving foreign funds, following the declaration under paragraph (1), shall publish on its website, without delay, and shall indicate on its press products falling under the scope of the Act on the Freedom of the Press and the Fundamental Rules of Media Content and on any other publications that it to be regarded as an organisation receiving foreign funds under this Act.

(6) The organisation receiving foreign funds is subject to the obligation in paragraph (5) as long as it is considered an organisation receiving foreign funds under this Act.

Article 3

(1) If the association or foundation does not fulfil its obligation under this Act, after becoming aware of this fact, the public prosecutor shall call on the association or foundation, in accordance with the applicable rules, to fulfil this obligation within 30 days following the communication of this call.

(2) If the organisation receiving foreign funds does not fulfil its obligation specified in the public prosecutor's call, the public prosecutor shall send a repeated call to the organisation to fulfil its obligations under this Act, setting a 15-day deadline. Should this deadline pass without any result, within 15 days, the public prosecutor shall initiate with the Registering Court the imposition of a fine in accordance with Article 37 paragraph (2) of Act CLXXXI of 2011 on the Court Registration of Civil Society Organisations and the Related Rules of Procedure.

(3) The public prosecutor, after the repeated call as per paragraph (2), shall act in accordance with the provisions of 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 Civil Society Organisations and the Related Rules of Procedure, in line with the requirement of proportionality.

Article 4

(1) If the financial or other economic support received by the organisation receiving foreign funds does not reach the double of the sum specified in Article 6 (1) b) of the Act on Money Laundering in the year following the tax year as per Article 2 (3), the association or foundation will not be considered an organisation receiving foreign funds any longer; by application of the provisions on registration as appropriate, it shall declare this fact within 30 days from the adoption of the annual report after this condition is met. The registering court, by applying Article 2 (4), shall send this fact as well to the Minister responsible for the management of the Civil Information Portal, who in this case shall without delay delete the data of the concerned organisation from the electronic platform developed for this purpose.

(2) Upon receiving the declaration specified in paragraph (1), the Registering Court shall, without delay, delete from the Register the indication that the association or foundation is an organisation receiving foreign funds.

Article 5

This Act shall enter into force on the eighth day after it is promulgated.

Article 6

(1) Article 94 (1) of Act CLXXXI of 2011 on the Court Registration of Civil Society Organisations and the Related Rules of Procedure shall be supplemented with the following point h):

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

“h) the fact that it qualifies as an organisation receiving foreign funds as defined under Act no. ... of 2017 on the Transparency of Organisations Receiving Foreign Funds.”

(2) The following paragraph e) shall be added to Article 95 of Act CLXXXI of 2011 on the Court Registration of Civil Society Organisations and the Related Rules of Procedure:

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

“e) the fact that it qualifies as an organisation receiving foreign funds as defined under Act no. ... of 2017 on the Transparency of Organisations Receiving Foreign Funds.”

Article 7

Article 9/A of Act CCVI of 2011 on Freedom of Conscience and Religion and the Legal Status of Churches, Denominations and Religious Communities shall be supplemented with the following paragraph (3):

„(3) Act ... of 2017 on the Transparency of Organisations Supported from Abroad shall not be applied to organisations pursuing religious activities.”

**Data content of the declaration of an organisation becoming an organisation
receiving foreign funds**

Indication of the year under review:

I. Data relevant to the organisation receiving foreign funds

Name of the organisation:

Registered address:

Registration number:

II. Support from abroad

Total of support from abroad:

A) Total of the support originating from abroad, below the financial limit as per Article 2 (3):

1. financial support in total:

2. other pecuniary types of support:

3. Total number of donors falling under Section A):

B) Total of the support originating from abroad, reaching or exceeding the limit as per Article 2 (3):

Support from abroad in detail [indicating the sum per transaction, the exact source (in case of a natural person: name, country, city, in any other case: name, registered address)]:

1.

2.

3.

...