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**NOTE**

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From: General Secretariat of the Council  
To: Delegations

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Subject: Values of the Union - Hungary - Article 7(1) TEU Reasoned Proposal -  
Report on the hearing held by the Council on 18 November 2022

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As provided for in 10641/2/19 REV2 (paragraph 23 of the annex), delegations will find in the annex the formal report on the hearing of Hungary, held on 18 November 2022 in accordance with Article 7(1) TEU.

On 18 November 2022, the Council heard Hungary in accordance with Article 7(1) TEU. The hearing was conducted during the meeting of the General Affairs Council and lasted approximately two hours.

In line with the standard modalities for hearings under Article 7(1) TEU (10641/2/19 REV2), the substantive scope of the issues to be covered by the hearing was agreed by Coreper on 4 November 2022 (14124/22). The hearing covered all the topics included in the European Parliament's reasoned proposal of 12 September 2018.

At the start of the hearing, the Presidency reminded participants that the hearing would be conducted in accordance with the standard modalities (10641/2/19 REV2).

The Hungarian delegation was then given the floor to make its initial remarks. The delegation presented the remedial measures – mainly concerning anti-corruption policies, public procurement and the prevention of conflicts of interest – that the Hungarian government had undertaken to adopt in the framework of the budget conditionality procedure<sup>1</sup>. The delegation also presented proposals for reforms of the judicial system.

The Commission was then given the floor and made its remarks, touching upon several of the issues highlighted in the European Parliament's reasoned proposal.

Afterwards, 15 delegations put questions to Hungary: AT, BE, DE, DK, EE, ES, FI, FR (also speaking on behalf of DE), IE, LU (also speaking on behalf of BE and NL), NL, PT, SI, SK and SE.

Those questions concerned:

- academic freedom;
- media pluralism and freedom of expression, including the independence of the Media Council and the protection of journalists;
- discrimination against LGBTIQ persons;

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<sup>1</sup> Regulation (EU, Euratom) 2020/2092

- the primacy of EU law, the implementation of the judgments of the Court of Justice and the possibility for Hungarian judges to request preliminary rulings from the Court of Justice;
- the implementation of judgments of the European Court of Human Rights;
- the independence of the judiciary and proposals for reforms of the National Judicial Council;
- effective access to the right to asylum;
- government-funded campaigns against EU sanctions in response to Russia's invasion of Ukraine, in relation with the compliance with EU values;
- the functioning of the newly created Integrity Authority;
- freedom of association and controls on the financing of NGOs;
- respect for municipal and local authorities.

The Hungarian delegation was given the opportunity to respond to the Commission's remarks and to provide detailed answers to each question put by the other delegations.

In particular, the Hungarian delegation stated that the judgment of the Court of Justice on academic freedom had been implemented and that the current rules on the activities of foreign universities, inspired by similar legislation in other Member States, were fully in line with EU law. The delegation further stated that public interest asset management foundations would be subject to reinforced controls.

The Hungarian delegation stated that in Hungary there was media pluralism. The delegation also maintained that the media scene was free from intimidation, with no chilling effect on journalists. The delegation further stated that the allocation of state-funded advertisement was made by private agencies and was therefore not based on political guidance, but rather on neutral methods, aimed at maximising the audience reached and cost-effectiveness. The delegation maintained that the complete systemic independence of the Hungarian Media Council was ensured, since it reported only to the parliament and its members were appointed by a two-thirds majority, under a nine-year, non-renewable mandate. The delegation further stated that the non-renewal of the Klubradio licence had been based on a decision by the independent Media Council and was subsequently upheld by a court ruling, with no competence for the government to intervene in this process.

The Hungarian delegation stated that the Hungarian government enforced a zero-tolerance policy against discrimination and that gender identity and sexual orientation were included in that policy. The delegation maintained that access to certain content was to be regulated for children, in view of ensuring specific protection and care for children, and that it remained the right of parents to determine how their children were educated.

The Hungarian delegation stated that full freedom for judges to request preliminary rulings from the Court of Justice would be ensured through specific legislation, in order to remove all obstacles. The delegation maintained that those obstacles were only theoretical and had never produced a chilling effect on judges. The delegation further stated that it was fully committed to implementing rulings by the Court of Justice.

The Hungarian delegation stated that it was fully committed to implementing rulings by the European Court of Human Rights and that its timeline for implementation was in line with the average for Council of Europe members.

The Hungarian delegation stated that upcoming reforms would strengthen the role of the National Judicial Council in the appointment of judges, its budgetary autonomy and its overall powers, and would provide it with legal personality.

The Hungarian delegation stated that the rights of asylum seekers were fully respected. The delegation further stated that the decisions of the Court of Justice were being implemented, with detailed measures being communicated to the Commission, and that humanitarian support by NGOs was not penalised.

The Hungarian delegation stated that campaigns against EU sanctions in response to Russia's invasion of Ukraine had no relation with the rule of law and that the free exchange of opinions had to be ensured.

The Hungarian delegation stated that the Integrity Authority would receive adequate funding, since it would autonomously submit its own budget to the government, who would then have to forward it to the parliament without being able to amend it.

The Hungarian delegation stated that freedom of association was ensured in Hungary and that the issue of the transparency law on the financing of NGOs had been resolved, by fully implementing the judgment of the Court of Justice. The delegation further stated that the Court of Justice had recognised transparency of funding as a legitimate objective and that, as a consequence, in compliance with that ruling, the State Audit Office carried out audits on some NGOs, based on objective criteria.

The Hungarian delegation stated that arrangements concerning local authorities varied from Member State to Member State, and that in Hungary the decision-making powers of local authorities were not impacted by governmental decisions. The delegation further stated that reforms of local taxes were part of a process whereby all branches of government had to contribute to addressing the current crisis.

After questions and answers, the Hungarian delegation presented its closing comments.

The Presidency concluded the hearing by stating that the General Affairs Council would remain seized of this matter.