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From:	General Secretariat of the Council
On:	9 July 2021
To:	Delegations

Subject:	Values of the Union - Hungary - Article 7(1) TEU Reasoned Proposal - Report on the hearing held by the Council on 22 June 2021
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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 22 June 2021, in accordance with Article 7(1) TEU.

On 22 June 2021, 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 referred to in 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 9 June 2021 (9295/21). 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 Presidency also indicated that, due to the COVID-19 situation and the specific social distancing measures, the number of persons present in the Council meeting room needed to be limited.

The Hungarian delegation was then given the floor to make its introductory general comments. Subsequently, the delegation presented its initial remarks on the handling of the Article 7(1) TEU procedure itself as well as on certain topics of the reasoned proposal: the right to equal treatment, freedom of expression and the rights of persons belonging to minorities.

The Commission was then given the floor and presented its remarks.

Afterwards, 12 delegations intervened to put questions to Hungary: AT, BE, DE, DK, EL, ES, FI, FR (also speaking on behalf of DE), IE, IT, NL and SE.

Those questions concerned:

- the new Hungarian bill of 15 June 2021 providing for more severe action against paedophile offenders and amending certain Acts for the protection of children, and its possible effects on the right to equal treatment, the rights of children and of persons belonging to minorities, especially LGBTIQ persons, as well as the risks posed to freedom of expression;

- media pluralism and freedom of expression, and how Hungary intended to address concerns in this area; the refusal to renew the licence of the independent radio station Klubradio, and the subsequent infringement procedure launched by the Commission on 9 June 2021;
- judicial independence, the role of the National Judicial Council and the general system of checks and balances in Hungary; the appointment of a new president of the Supreme Court (Kúria); the concentration of powers and the extension of political influence over the judiciary;
- corruption, and how Hungary intended to implement the Group of States against Corruption (GRECO) recommendations on conflicts of interest and the monitoring of political campaign funding and expenses, in particular with a view to the general elections in the country in 2022;
- academic freedom, the expulsion of the Central European University and the scope for foreign universities to operate in Hungary; the transfer of control over universities from the state to foundations, with board members selected for life, and possible conflicts of interest and effects on higher education;

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

In particular, the Hungarian delegation stated that the new bill of 15 June 2021 was intended to protect children from external interference, to promote an independent choice of education by parents in accordance with Article 14 of the EU Charter of Fundamental Rights, and to ensure the preservation of the traditional values of Hungarian society. The delegation expressed the view that the bill did not undermine the rights of persons belonging to minorities, nor did it infringe respect for human dignity, which remained fully protected.

The Hungarian delegation stated that the non-renewal of the Klubradio licence had been based on a decision by the independent Hungarian Media Council, which had subsequently been upheld by a court ruling of 9 February 2020. The delegation further stated that the Hungarian government had no competence to intervene in this process, which had been conducted in a fair and independent manner. Furthermore, the delegation was of the view that in Hungary there was a diverse media landscape, reflecting the various opinions, and that media pluralism was a market problem rather than a rule of law issue.

The Hungarian delegation stated that independence of the judiciary was guaranteed and that strict rules were in place to prevent political interference, including a ban on judges being members of a political party. The delegation considered that the appointment of the new President of the Supreme Court was both legal and legitimate. The delegation stated that, despite the negative opinion of the National Council for the Judiciary, the new President of the Supreme Court fulfilled both legal and professional requirements, and had the necessary experience and knowledge to hold that position.

The Hungarian delegation stated that political parties were subject to strict rules to prevent corruption and conflicts of interest. The delegation also stated that they had an obligation to publish their financial statements, which were then reviewed by the State Audit Office. The delegation further stated that there were also strict transparency rules on political campaigning and funding. Regarding the amendment to the electoral law of 15 December 2020 providing for a higher threshold of candidates for political parties to form an electoral list, the delegation expressed the view that this had been at the request of one of the opposition political parties.

The Hungarian delegation stated that the reforms introduced in the academic sector contributed to the modernisation of universities and sought to protect academic freedom. In particular, the new rules in place regarding third-country universities aimed to ensure that there was real academic activity in the third country of origin and to guarantee safe competition and recognised diplomas. Moreover, the delegation stated that several rules applied to prevent conflicts of interest in higher education, including public procurement rules and an obligation to guarantee access to information, in full compliance with EU legislation and standards.

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

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