

To: *Dr. Ákos Pálvölgyi*
Director

Sovereignty Protection Office

Budapest

Reference number: SZH-0193/2024.

Budapest, 8 July 2024.

Subject: Response to a request for information in the context of an individual investigation

Dear dr. Pálvölgyi,

Referring to the procedure above and in relation to the letter dated 18 June 2024, Transparency International Hungary Foundation informs the Sovereignty Protection Office of the following. Transparency International Hungary Foundation considers several provisions of Act LXXXVIII of 2023 on the Protection of National Sovereignty (hereinafter: the Sovereignty Protection Act) to be contrary to the Fundamental Law.

We are convinced that certain specific provisions of the Sovereignty Protection Act violate the fundamental right to freedom of expression and information under Article IX(1) of the Fundamental Law, the fundamental right to a fair process by public authorities under Article XXIV(1) of the Fundamental Law, the fundamental right to a fair trial under Article XXVIII(1) of the Fundamental Law and the fundamental right to an effective legal remedy under Article XXVIII(7) of the Fundamental Law. For this reason, Transparency International Hungary Foundation has filed a constitutional complaint under Section 26(2) of Act CLI of 2011 on the Constitutional Court, in which complaint we initiated that the Constitutional Court annul the provisions of Section 3(a)(aa)(ab)(ac), Section 6(1), Section 7(1)(2)(3)(4) and Section 8(1)(2) of the Sovereignty Protection Act with retroactive effect to the day the entry into force of these provisions.

Based on this conviction that the Sovereignty Protection Act is unconstitutional, Transparency International Hungary Foundation considers the establishment and operation of the Sovereignty Protection Office and the present procedure of the Sovereignty Protection Office to be incompatible with the Fundamental Law. Consequently, we are also convinced that Transparency International Hungary Foundation is not obliged to answer the questions raised by the Sovereignty Protection Office.

Nevertheless, Transparency International Hungary Foundation, as an organisation committed to transparency, wishes to react to the questions raised by the Sovereignty Protection Office. We hope that the statements below will help to dispel the perceived ambiguity regarding our operations as well as the ambiguity about the nature and substance of the legal requirements applicable to civil society organisations.

First of all, we would like to remind that Transparency International Hungary Foundation, as a civil society organisation with public benefit status, prepares and publishes its annual report and the annexes thereof every year in accordance with the provisions of Act CLXXV of 2011 on the right of association, public benefit status and the operation and support of civil society organisations. The reports allow a comprehensive understanding of the financial management and activities of Transparency International Hungary Foundation. Our reports, by our choice, go far beyond the statutory requirements and provide details of the organisation's activities, projects and their results, and the organisation's income, including the breakdown of income by donors. Thanks to this, the annual reports of Transparency International Hungary Foundation and the annexes thereof provide information on the organisation's finances, professional programmes and general conditions of its operation at a level of detail that goes

far beyond the legal obligations. Consequently, all the answers to your questions I/2. and I/4. as well as to questions III/2., III/5., III/6., III/8., III/10., III/11. and IV/1. can be found in the reports for the year or period concerned.

We would also like to emphasise that Transparency International Hungary Foundation has not concluded a grant contract with any organisation to which the Act CXCV of 2011 on Public Finance would be applicable, therefore our grant contracts are not subject to Act CXII of 2011 on the Right to Informational Self-Determination and Freedom of Information. Under the applicable legislation in force, contracts with our donors and the accounts and reports prepared for our donors are transactions between private parties, financed by private funds. Other than the parties involved in the performance of the contract concerned, access to these documents as well as to the applications and requests for such grants, and access to the various invoices and supporting documents proving the use of the grants, is restricted to bodies authorised to carry out checks under specific legal provisions. As the Sovereignty Protection Office does not have such authority, Transparency International Hungary Foundation, being a law-abiding organisation, is obliged to refuse to answer questions 9-13, questions I/1. and I/3., question II/1., questions III/1., III/4. and III/9., question V/5., as well as questions VI/4. and VI/6-8. Concerning the use of income from the 1 percent personal income tax designations, Transparency International Hungary Foundation also refuses to answer question No. 14 on sharing the documents submitted to the tax administration, as the Sovereignty Protection Office - in the absence of any relevant legal mandate - is not entitled to control the use of income from the 1 percent personal income tax designations.

In addition, may we point out the erroneous assumption of the Sovereignty Protection Office claiming that Transparency International Hungary Foundation has any professional output of public relevance, such as an analysis, study or presentation, which has not been made public. The results of the activities and projects of Transparency International Hungary Foundation, as well as all the information on the general operation of the organisation and its finances, are publicly available on our website. Accordingly, the answer to questions 1-3 and 5-8, question I/5. and questions V/1. and V/6. can be found on our website.

Some further questions concerning the specific projects and research results of Transparency International Hungary Foundation point to serious factual errors on the part of the Sovereignty Protection Office, and we take this opportunity to draw your attention to the following.

In relation to the Speak Up Europe whistleblower protection project, we would like to point out that Transparency International Hungary Foundation handles whistleblowers' data in compliance with applicable laws as well as the provisions of its own data protection and privacy policy. Transparency International Hungary Foundation refuses to answer any questions regarding the number of reports received from whistleblowers and the transmission of such reports, as these are treated as confidential client data in accordance with the applicable laws.

Regarding questions about support from the Open Society Foundation, please note that Transparency International Hungary Foundation does not provide support to any other person or organisation. We also point out that the Sovereignty Protection Office is wrong to assume that the "publicly expressed political aspirations", if any, of either the Open Society Foundation or any other donor would influence the implementation of the grant funded professional programmes of Transparency International Hungary Foundation. In view of this, the question of how Transparency International Hungary Foundation separates its operations and professional programmes from the publicly expressed "political aspirations" of the Open Society Foundation, is unintelligible.

Regarding the questions related to the Investigative Journalism Mentoring Programme we confirm that Transparency International Hungary Foundation selects the journalists to be

mentors on the basis of professional considerations, while the mentored participants in the programme are selected through a public tender. Except for the winner of the best article, the mentees do not receive any funding and will not be offered a study contract. The titles of the articles produced by the mentor-mentee pairs under the Investigative Journalism Mentoring Programme and where they are published are available on Transparency International Hungary Foundation's website and in its annual reports.

The answer to the questions concerning the parallel report submitted by civil society organisations in connection with the annual Rule of Law Report prepared by the European Commission, the so-called "civil society contribution", is also available on the Transparency International Hungary Foundation website and in its annual reports. However, the Sovereignty Protection Office wrongly assumes that companies are also involved in the preparation of the parallel report. The names of the organisations involved in the preparation of the civil society contribution and the extent of their involvement are available from the reports themselves. The civil society contribution is submitted via the dedicated section of the European Commission's website and the contents are discussed during the country visits of the European Commission's expert delegations. Further questions about the civil society contribution to the Commission's Rule of Law Report are unintelligible.

Questions related to the methodology and details of the process of preparation of the Corruption Perceptions Index also suggest a serious absence of knowledge on the part of the Sovereignty Protection Office. The answer to these questions can be found in the annual reports published by Transparency International Hungary Foundation on the current results of the Corruption Perceptions Index and on the corruption situation in Hungary. The reports are available on the Transparency International Hungary Foundation website and include information on where to find the detailed methodological guidelines. We recommend that the Sovereignty Protection Office study the methodology of the Corruption Perceptions Index, which makes it easy to see that questions VI/2., VI/3. and VI/5. are unintelligible. Particularly unprofessional and unrealistic is the assumption behind question VI/5. that the Netherlands' position in the Corruption Perceptions Index is in any way linked to the fact that the Dutch Embassy in Budapest provided a grant to Transparency International Hungary Foundation to prepare a report on the results of the Corruption Perceptions Index.

Similarly to the letter sent by the Sovereignty Protection Office, Transparency International Hungary Foundation is making this response public.

We kindly request that you acknowledge the response of Transparency International Hungary Foundation and we also confirm our availability to answer any further questions just as we have been earlier.

Sincerely,



Dr. József Péter Martijn
Managing Director