

ANNEX

Rule of law-related 'super milestones' for Hungary¹

N°.	Related Measure (Reform or Investment)	Name	Qualitative indicators (for milestones)	Description of each milestone and target	Basis*
160	C9.R1 Establishment of an Integrity Authority to reinforce the prevention, detection and correction of fraud, conflicts of interest and corruption as well as other illegalities and irregularities concerning the implementation of Union support	Setting up of an Integrity Authority	Start of activity of the Integrity Authority	<p>Setting up and entry into operation, before the submission of the first payment request under the recovery and resilience plan, of an Integrity Authority to reinforce the prevention, detection and correction of fraud, conflicts of interest and corruption as well as other illegalities and irregularities concerning the implementation of Union support in Hungary. It shall be guaranteed that the Integrity Authority has full independence. The Authority shall intervene in all cases where in its views competent authorities have not taken the necessary steps to prevent, detect and correct fraud, conflicts of interests, corruption and other illegalities or irregularities that may affect or seriously risk affecting the sound financial management of the European Union budget or the protection of the financial interests of the European Union. The Integrity Authority shall be a truly independent institution. The Integrity Authority and its staff shall neither seek nor take instructions from any other person or institution. The Integrity Authority shall be given an annual budget that is commensurate with its tasks and responsibilities, and it shall be responsible for managing its own budget without outside interference (as a separate chapter in the State budget).</p> <p>The budget allocation available for the Integrity Authority shall not be reduced during the fiscal year without the consent of the Integrity Authority.</p> <p>The work of the Integrity Authority shall be organised and managed by a board composed of a president and two vice-presidents. The three members of the board shall be appointed by the President of Hungary upon a nomination by the President of the State Audit Office for a non-renewable six-year term without the need for countersignature by any member of the Government based on their professional qualities, qualifications, extensive and undisputed experience and reputation (including internationally) in legal and financial matters concerning public procurement and anti-corruption, as well as their proven competence in those fields. The members of the board shall be selected following an open call for expression of interest on the basis of the binding opinion on the fulfilment of the eligibility of the candidates by an Eligibility Committee set up for this purpose. The Eligibility Committee shall be convened by the Director General of the EUTAF following an open call for expression of interest. It shall be composed of three independent persons with a background from recognised international institutions who shall have a sufficiently long, verifiable and relevant experience in the area of public procurement and/or anti-corruption activity. Members of the Eligibility Committee shall not have in the last five years: held elected political position or a political position in the Government, been employed by a political party or political foundation, or carried out voluntary or remunerated activity for such entities. Conflict of interests rules in line with the principles set out in Article 61 of Regulation (EU, Euratom) 2018/1046 shall apply to members of the eligibility committee for five years after the issuance of the binding opinion. The members of the Eligibility Committee shall publish their declaration of interests and assets and declare their absence of conflict of interest prior to starting their work in the Eligibility Committee.</p> <p>The members of the board shall not have in the last five years: held elected political position or a political position in the Government, been employed by a political party or political foundation, or carried out voluntary or remunerated activity for such entities. In addition, the members of the board shall not pursue any remunerated activities during their mandate working for the Integrity Authority (with the exception of academic activity and related publications), shall not have a controlling stake in a business entity, shall not be members of any political party or political foundation. A member of the board shall only be dismissed in case of a conflict of interest following their appointment or in case a final criminal</p>	Remedial action i.

¹ Annex to [Proposal for a Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Hungary](#), SWD(2022)0686, p. 87.



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				<p>judgment is issued against them for issues that relate to the work of the Integrity Authority or affect the independence and impartiality of the member concerned.</p> <p>The president of the Integrity Authority shall also act as an ex officio member of the Public Procurement Council and as the chair of the Anti-corruption Task Force (milestone 166).</p> <p>The president of the Integrity Authority shall exercise the employer's rights over the staff of the Authority, which shall at least comprise 50 FTEs. Staff shall be selected by the board based on professional merit.</p> <p>The Integrity Authority shall be endowed with extensive powers, including the following: (i) the power to instruct contracting authorities to suspend a procurement procedure (for a maximum of two months); (ii) the power to request administrative investigative bodies to carry out investigations on its behalf; (iii) the power to recommend the exclusion of specific economic operators from Union funding for a certain period of time; (iv) the power to instruct relevant national authorities or bodies to carry out their supervisory or control functions, in particular as regards procedures to verify conflicts of interest declarations and suspicions in relation to the management of Union funds; (v) the right to request access to all relevant files, including on ongoing or upcoming public procurement procedures; (vi) the power to recommend contracting authorities to use a specific procedure in a specific procurement or in a category of procurement procedures; (vii) the right to initiate procedures before the relevant national authorities or bodies with the aim of establishing suspected illegalities or irregularities; (viii) the exclusive competence to verify asset declarations of persons who fall under the scope of Section 183 of Act CXXV of 2018 (including the Prime Minister, ministers, state secretaries, political director of the Prime Minister), the power to directly verify public asset declarations of all high-risk officials (including the President, members of Parliament, heads of central executive authorities, other political officials, staff of private offices of political officials, regional governors, mayors of large cities, judges, prosecutors, members of the judicial and prosecutorial governance bodies, anti-corruption investigators and senior executives of state-owned enterprises), and for non-public asset declarations of high-risk officials at least the power to request the competent bodies to carry out the verification of those declarations and obtain the result of that verification, as of 31 March 2023; (ix) the right to have access to all relevant databases and registries for the purposes of verifying asset declarations in accordance with data protection and privacy regulations; (x) the right to initiate asset declaration verification procedures upon own-initiative, complaint and suspicion; (xi) the right to request the judicial review of all decisions of authorities concerning public procurement procedures that involve any Union support and may be subject to judicial review; (xii) the right to initiate the proceedings of the Public Procurement Arbitration Board; (xiii) the right to challenge the inaction of an authority concerned in court in accordance with Section 15(2) and 25 of Act CL of 2016 on General Administrative Code. It shall be guaranteed that the Integrity Authority shall have access to all information, databases and registries required to carry out its tasks related to public procurements, cases of suspected corruption, including the verification of asset declarations, fraud and conflict of interest involving any Union support in any way. Legal provisions shall ensure that the authorities concerned by an information request or instruction of the Integrity Authority shall act within a reasonable period of time, not exceeding 60 calendar days.</p> <p>The Integrity Authority shall act either on its own initiative based on available information or on the basis of complaints or reports it receives. The Integrity Authority shall establish a whistle-blower interface where anonymous and confidential communication may be conducted. The Integrity Authority shall set up, update and operate a register of economic operators concerned by a final judgment of the court or a final administrative decision excluding those economic operators from public procurement procedures. The Integrity Authority shall be obliged to report suspected cases of fraud, corruption, conflict of interest or any other irregularities and illegalities to the relevant national authorities and, where applicable, to OLAF.</p> <p>The Integrity Authority shall have unequivocal and unlimited powers to continue to exercise its powers even in cases where the affected projects or procedures initially envisaged for Union support were subsequently withdrawn from Union support.</p>	

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166	C9.R2 Establishment of an Anti-Corruption Task Force to monitor and review the measures taken in Hungary to prevent, detect, prosecute and sanction corruption	Establishment of an Anti-corruption Task Force	The Anti-corruption Task Force shall be established and hold its first meeting	<p>Before the submission of the first payment request under the recovery and resilience plan, an Anti-corruption Task Force shall be established and it shall hold its first meeting.</p> <p>The tasks of the Anti-corruption Task Force shall be the following: (a) examine the existing anti-corruption measures and elaborate proposals concerning the improvement of detection, investigation, prosecution and sanctioning of corrupt practices and other practices such as nepotism, favouritism or 'revolving doors' between the public and private sectors; (b) put forward proposals for measures to (i) improve corruption prevention and detection (including the effective use of all available corruption prevention and detection tools), (ii) improve the flow of information between administrative and control authorities of the state and criminal investigation authorities; (c) assess how its previous proposals were followed-up and implemented; (d) prepare an annual report and send it to the Government by 15 March each year. That report shall (i) analyse the risks and trends of corruption and corrupt practices, (ii) propose effective countermeasures and best practices for the prevention, detection and sanctioning corruption risks and corruption types, assessing their effective implementation, (iii) assess how its previous proposals were followed up and implemented in relevant legislative and non-legislative initiatives and government programmes. The applicable rules shall ensure that the Government shall discuss the report of the Anti-corruption Task Force and the proposals included therein within two months and that, if it does not decide to implement a proposal of the Anti-corruption Task Force, it shall provide the chair of the Anti-corruption Task Force with a detailed reasoning for its decision.</p> <p>Relevant non-governmental actors active in the field of anti-corruption shall be involved in the activities of the Anti-corruption Task Force and their full, structured and effective participation shall be ensured. It shall be ensured that such members are demonstrably independent from the government, public authorities, political parties and business interests, have proven expertise and sufficiently long verifiable professional activity in one or more of the following fields: anti-corruption, transparency, access to public information, protection of human rights, public procurement procedures, law enforcement related to those topics. Non-governmental members of the Anti-corruption Task Force shall be selected based on an open call for applications by the board of the Integrity Authority and following the binding opinion regarding the eligibility of the candidates by the eligibility committee referred to in milestone 160. That selection shall be based on an open, transparent, non-discriminatory selection process and objective criteria related to the candidates' expertise and merit.</p> <p>It shall be ensured that the number of non-governmental members shall amount to 50% of the members of the Anti-corruption Task Force (the chair excluded), or, if this cannot be ensured, that the share of votes of non-governmental members is modulated to achieve 50% of the total of votes (excluding the chair). The president of the Integrity Authority (referred to in milestone 160) shall act as the chair of the Anti-corruption Task Force. At the same time, the members of the Task Force shall not interfere with the work of the Integrity Authority or have access to its work. Public authorities shall ensure that they are represented by sufficiently high-level competent persons in the Anti-corruption Task Force.</p> <p>The task force shall meet at least twice a year and make decisions by a simple majority of votes cast. The minutes of its meetings shall be made publicly available on the website for the Anti-corruption Task Force along with written contributions and observations sent by its members before or after its meetings requested to be attached to the minutes of the meeting. The Anti-corruption Task Force shall adopt its own rules of procedures on a proposal by its chair at its first meeting. For the purposes of the work of this Anti-corruption Task Force, corruption shall be understood as defined by Article 4(2) Directive (EU) 2017/1371, the offences under Chapter III of the United Nations Convention Against Corruption, the criminal offences set out in Chapter XXVII of Act C of 2012 on the Criminal Code as well as other practices such as nepotism, cronyism or revolving doors between the public and the private sectors. The Anti-corruption Task Force shall also take into account situations of conflicts of interest as defined by Article 61(a) of Regulation (EU, Euratom) 2018/1046 and Article 24 of Directive 2014/24/EU, as complemented by the Commission Guidance on the avoidance and management of conflicts of interest under the Financial Regulation (C/2021/2119), and by relevant national provisions.</p> <p>The milestone shall be reached when the Anti-corruption Task Force is established in line with the above requirements, it holds its first meeting and the minutes of that meeting are published on the website for the Anti-corruption Task Force.</p>	Remedial action ii.

N°.	Related Measure (Reform or Investment)	Name	Qualitative indicators (for milestones)	Description of each milestone and target	Basis*
169	C9.R3 Introduction of a specific procedure in the case of special crimes related to the exercise of public authority or the management of public property ('judicial review')	Introduction of a specific procedure in the case of special crimes related to the exercise of public authority or the management of public property	Provision in the amendment of Act XC of 2017 on the Code of Criminal Procedure indicating entry into force and start of application	<p>Before the submission of the first payment request under the recovery and resilience plan, an amendment of Act XC of 2017 on the Code of Criminal Procedure shall enter into force which shall be applicable as of 1 January 2023, also to (non time-barred) criminal offences committed before that date, following an ex ante review by the Constitutional Court, that shall:</p> <ul style="list-style-type: none"> - establish a procedure concerning corruption and corruption-related practices as defined in Article 4(2) of Directive (EU) 2017/1371 and in Chapter III of the United Nations Convention Against Corruption (i.e. all cases of bribery involving public officials as well as other cases of bribery with the exception of petty crimes, abuse of office with the exception of petty crimes, the aggravated cases of budget fraud, failure to comply with the supervisory or control obligation related to budget fraud, agreement restricting competition in a public procurement and concession procedure, more serious crimes against property – provided that the criminal offence is committed concerning national assets or assets managed by a public interest asset management foundation performing public duty or damages such assets. It shall be available for participation in a criminal organisation and money laundering if committed in relation to the above-mentioned crimes); - establish judicial review of the decision of the prosecution service or the investigating authority to dismiss a crime report or terminate the criminal proceedings by the investigating judge of the Buda Central District Court who shall have the authority to order the commencement or the continuation of criminal proceedings. Eventually following the motion for revision, if the decision to dismiss a crime report or terminate the criminal proceedings was set aside by the investigating judge, in case of a repeated termination of the procedure the possibility to file an indictment to the court of law shall be provided. The motion for revision shall have suspensory effect on coercive measures affecting assets. Following a repeated motion for revision, the investigating judge shall establish whether there is a person who can reasonably be suspected of having committed a crime. In that case, the procedure shall open the right to file an indictment to the competent court which shall decide on the merits of the case after having heard evidence. In cases where a motion for prosecution may be filed, a preliminary examination of the ground for the motion for prosecution by the trial court shall not be envisaged. The procedure may be triggered by anyone; natural persons and legal persons can file motions under this procedure with the exception of public authorities, however, the Integrity Authority (see milestone 160) shall have the right to file a motion for revision and a repeated motion for revision. The aggrieved party and the party reporting a crime shall have a privileged procedural position, with other parties having the possibility to trigger the procedure, following the publication of the pseudonymised decision not to open or to terminate the investigation, if the aggrieved party or the party reporting a crime has not done so. Legal representation shall be mandatory for all parties. The legal representative shall communicate by electronic means and the signature of the party shall not be required for acts within the procedure. The party filing a motion for prosecution shall not be obliged to appear in court in person. The Prosecutor General shall not have the possibility to lodge with the Kúria an extraordinary legal remedy on the ground of legality against judicial decisions handed down under the new procedure. <p>The existence of a decision dismissing a crime report or a decision terminating the proceedings, adopted before 1 January 2023 (related to crimes which are not time-barred due to the statute of limitations) shall not remove the obligation of the investigating authority or the prosecution service to adopt a new decision on the crime report under Section 379 of the Criminal Procedure Code, which decision may be subject to a motion for revision under the new procedure.</p> <p>All courts in Hungary hearing civil, administrative and criminal cases, including those relevant for the protection of the financial interests of the Union, shall comply with the requirements of independence, impartiality and being established by law in accordance with Article 19(1) of the Treaty on European Union and the relevant EU acquis.</p> <p>In addition, by 31 December 2022 a) the implementing regulations necessary for the application of the amendment shall enter into force, and b) the Buda Central District Court shall be allocated additional posts for at least two judges and two legal secretaries.</p>	Remedial action v.

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171	C9.R4 Strengthening rules related to asset declarations	Entry into force of legislative amendments extending the personal and material scope of asset declarations, while ensuring frequent disclosure	Provision in the legislative amendments indicating their entry into force and start of application	Before the submission of the first payment request under the recovery and resilience plan, legislative amendments shall enter into force and start being applied ensuring that (i) persons entrusted with senior political functions under Sections 183 and 184 of Act CXXV of 2018 on government administration and their relatives living in the same household with the persons concerned, as well as members of the National Assembly and their relatives living in the same household as the members concerned shall submit asset declarations for the first time under the new asset declaration rules by 31 January 2023 relating to the state on 31 December 2022; (ii) all individuals falling under the personal scope in point (i) shall be obliged to declare: revenues, real estate properties, other valuable properties (such as vehicles, vessels, valuable antiques, work of art, etc.), savings in bank deposits and cash, assets in stocks, securities and private equity funds, life insurance policies, trusts, and beneficial ownership of enterprises; (iii) that asset declarations shall be filed upon taking up duties, then annually thereafter and at the time of leaving the duties concerned.	<i>Remedial action iii.</i>
174	C9.R5 Ensuring the transparency of the use of public resources by public interest asset management foundations	Entry into force of an act ensuring effective oversight on how public interest asset management foundations performing public interest activity and legal persons established or maintained by them make use of Union support	Provision in the legislative act indicating the entry into force	Entry into force before the submission of the first payment request under the recovery and resilience plan of dedicated legislative amendments that shall: (i) explicitly designate public interest asset management foundations performing public interest activity and the legal persons established or maintained by them as contracting authorities within the meaning of Section 5 of Act CXLIII of 2005 on public procurement; (ii) ensure that public interest asset management foundations performing public interest activity and legal persons established or maintained by them as well as their staff, including the chairs and members of their boards and their supervisory boards, involved in the implementation of Union support in any capacity (either as final recipients, beneficiaries or intermediaries) shall be subject to the same requirements as those applicable for public entities and the legal entities managed by them in the Hungarian legislation concerning access to public information and audit and controls – including related to conflict of interest rules – in relation to their involvement in Union support; and (iii) ensure the full compliance of rules applicable to all individuals holding office or being employed by public interest asset management foundations performing public interest activity and the legal persons established or maintained by them with the provisions of Article 61 of Regulation (EU, Euratom) 2018/1046 and the instructions and practice set out in the Commission Notice on Guidance on the avoidance and management of conflict of interest under the Financial Regulation (2021/C 121/01) irrespective of their other activities and functions, including in the Hungarian government.	<i>Remedial action iv.</i>
175	C9.R6 Enhancing the transparency of public spending	Entry into force of a legislative act ensuring enhanced transparency of public spending	Entry into force of a legislative act ensuring enhanced transparency of public spending	Entry into force before the submission of the first payment request under the recovery and resilience plan of a legislative act setting out an obligation for all public bodies to proactively publish a pre-defined set of information on the use of public funds into a central register. The information shall be made available in a central register, which shall also provide information on sub-contractors, in line with the relevant methodology provided under milestone 197. The central register shall include unique identifiers of contracts in the Electronic Public Procurement System (EPS) (milestone 197) to allow data requesters to find related information on public procurement procedures in the EPS. The legislative act shall also establish clear procedures and rules for the publication of such data, including the deadline for and the form of publication. The sets of data to be uploaded shall be relevant, correct and defined on the basis of the principles of transparency and proportionality, and in accordance with applicable Union law. The minimum set of data to be uploaded in the central register shall include: (i) all data for which publication is already compulsory for transparency purposes, including the data published in the State aid transparency register; (ii) the form of public spending including its legal basis; (iii) the recipient's full legal name (for a legal person) or the recipient's first and last name (for natural persons); (iv) the value of the public spending; (v) whether the recipient is a natural or a legal person; (vi) a unique identifier for legal persons (VAT identification number or tax identification number where available or another unique identifier established at national level); (vii) contract details relating to the spending of public funds, including their nature and purpose (type of contract used, type of tender procedure used, contract value, date of signature, duration of contract, objective to be achieved, deliverable to be delivered under the contract); (viii) tender documentation relating to the spending of public funds, including their nature and purpose (estimated value, type of public procurement procedure, date of tendering, number of offers submitted, name of tenderers); (ix) the name of service providers, including the name	<i>Remedial action xvii.</i>

N°.	Related Measure (Reform or Investment)	Name	Qualitative indicators (for milestones)	Description of each milestone and target	Basis*
				<p>of subcontractors, suppliers, and capacity providers, in a free text format for historical data, and in a format processable by machine means for future public procurements; (x) the intended share of subcontractors if available, both for past and future public procurements; (xi) the public body responsible; (xii) the date when the funds were disbursed.</p> <p>The legislative act shall indicate that, in addition to the above, information indicating if the public funds involve (fully or partially) Union support above the national public procurement threshold shall also be made available in the central register. The legislative act shall also indicate that for procurement procedures started after 31 March 2023, such information shall be included in the register also for procedures involving Union support not exceeding the national public procurement thresholds.</p> <p>The legislative act shall ensure that data sets published in the central register shall be published in an open, interoperable and machine-readable format, which allows bulk download and data to be sorted, searched, extracted, compared and reused. It shall also indicate that access to the data shall be provided free of any charge and without the need to register.</p> <p>The legislative act shall include an obligation that public bodies update the data in the central register at least every two months (except for data directly available in the EPS which shall be updated in line with the frequency applicable to the EPS contract award notice database).</p> <p>Information concerning proof of performance and invoices shall continue to be made available upon requests for access to public information.</p> <p>The legislative framework shall ensure that the Government supervises the compliance with and enforces the obligations set out in the above legislative act and ensure that public bodies comply with their obligation to upload all relevant data in full and in a timely manner in the register.</p>	
195	C9.R10 Reducing the share of single-bid public procurement procedures	Setting up of a monitoring and reporting tool ("single-bid reporting tool") to monitor and report on public procurements closed with single-bids financed from Union support or from national resources in accordance with the Single Market Scoreboard methodology	The monitoring and reporting tool is fully functional and operational and its functionalities are verified to be in accordance with the methodology of the Single Market Scoreboard	<p>Before the submission of the first payment request under the Recovery and Resilience Plan, the ministry responsible for the public procurement system shall develop a new monitoring and reporting tool ("single-bid reporting tool") for separately measuring the share of procurement tender procedures closed with single bids – with an estimated value both above and below the EU public procurement thresholds – financed either from Union support or from national resources, or both, in accordance with the Single Market Scoreboard methodology.</p> <p>The milestone shall be considered fulfilled when a final audit report with an unqualified audit opinion by the audit authority (EUTAF) confirms that the monitoring and reporting tool is fully functional and operational, its functionalities are in accordance with the methodology of the Single Market Scoreboard and that data (with the exception of geographical indications) in the system used for the purposes of monitoring and reporting is accurate and complete, including for baseline values.</p>	Remedial actions vii., viii., ix.
197	C9.R11 Development of the Electronic Public Procurement System (EPS) to increase transparency	The EPS functions allowing the structured search and bulk export of contract award notice data are available to the public	The EPS upgraded with the new functionalities is fully operational and accessible by the public.	<p>The functions of the Electronic Public Procurement System (EPS) allowing the structured, machine-readable search (including by Boolean search operators) and bulk export of all contract award notice data with company identification numbers (including the names of each individual member of consortia and – in a free text format – also the names of sub-contractors) shall be made fully functional and operational before the submission of the first payment request under the recovery and resilience plan.</p> <p>Those search and export functions of the EPS shall allow for the gathering, filtering and comparison of data across contract award notices and related to different public procurement subject matters covering information from different types of contract award notices.</p>	Remedial action x.

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				<p>A regularly updated (at least quarterly) database shall be created and published in the EPS, containing information on all contract award notices of public procurement procedures in a structured form, which shall be fit to be processed by machine means. All economic operators in the database, including members of consortia, shall be identifiable by a unique identifier (tax number).</p> <p>The database shall be made available to the public. The published database shall be accessible and downloadable by anyone from the EPS homepage without registration and free of charge.</p> <p>The milestone shall be considered fulfilled when, following a trial run, the new functions are activated and the data is available and accessible to the public through the new functions on the EPS homepage.</p>	
198	C9.R11 Development of the Electronic Public Procurement System (EPS) to increase transparency	The EPS functions allowing the structured search and bulk export of all data related to subcontractors is available to the public	The EPS upgraded with the new functionality allowing the bulk export of all information related to subcontractors is fully operational and accessible by the public.	<p>The functions of the EPS allowing the bulk export and search possibility of all information related to sub-contractors is fully functioning and operational before the submission of the first payment request under the recovery and resilience plan.</p> <p>The milestone is reached once, following a trial run, the new function is activated and the data is available and accessible to the public through the new functions on the EPS homepage.</p>	<i>Remedial action x.</i>
200	C9.R12 Performance measurement framework for public procurements	Setting up of a performance measurement framework of public procurements	Adoption of a Government Decision on the setting up of a performance measurement framework assessing the efficiency and cost effectiveness of public procurements and the reasons for limited competition in the sectors most affected by low level of competition	<p>Adoption of a Government Decision before the submission of the first payment request under the recovery and resilience plan setting up a performance measurement framework to assess the efficiency and cost-effectiveness of public procurements with the effective involvement of independent non-governmental organisations and independent public procurement experts.</p> <p>The Decision shall establish at least (i) the selection criteria for the involvement of independent non-governmental organisations, which shall be the same as the ones set out under milestone 201; (ii) the selection criteria for independent public procurement experts; (iii) the respective tasks and roles of the selected non-governmental organisations and of the independent public procurement experts; (iv) a commitment for the annual publication of the results of the performance measurement framework; (v) minimum requirements concerning the content of the performance measurement framework.</p>	<i>Remedial action xi.</i>
201	C9.R12 Performance measurement framework for public procurements	Entry into operation of a performance measurement framework of public procurements	Entry into operation of a performance measurement framework assessing the efficiency and cost effectiveness of public procurements and the reasons for limited competition in the sectors most affected by low level of competition	<p>Entry into operation before the submission of the first payment request under the recovery and resilience plan of a performance measurement framework that shall be developed with the purpose to be used regularly, with the involvement of independent non-governmental organisations and independent public procurement experts to assess the efficiency, cost effectiveness of public procurements and the possible reasons for and effects of public procurement procedures resulting in single bids.</p> <p>The performance measurement framework shall enable in particular the annual analysis of (i) the level of unsuccessful public procurement processes and their reasons, (ii) the share (measured by reference to both number and value) of contracts that are entirely cancelled during contract execution, (iii) the share of occurrence of delays in contract completion, (iv) the share of occurrence of cost overruns (including their proportion and volume), (v) the share of awarded procurement contracts in which the whole life-cycle or life-cycle costing is explicitly taken into consideration, (vi) the share of successful participation of micro- and small enterprises in public procurements, considered across sectors and per sector concerned (based on CPV divisions and groups), (vii) the value of public procurement procedures with single bids financed from national resources and from Union support separately and/or both and how that value compares to the total value of public procurement procedures financed from national resources and Union support separately and/or both.</p>	<i>Remedial action xi.</i>

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				<p>The analysis shall be carried out by the responsible department of the ministry in charge of public procurement with the full and effective involvement of selected independent non-governmental organisations and independent public procurement experts. The result of that analysis shall be made publicly available by 28 February each year on the Electronic Public Procurement System (EPS) website. For the analysis of this and other matters of significance to the public procurement market, such as the type of public procurement procedure used, the performance measurement framework shall include the definition of relevant indicators and rely, to the extent relevant, on the data available in the single-bid reporting tool (milestone 195) and specifically analyse the services and products concerned, the sectors and contracting authorities concerned.</p> <p>The selection of independent non-governmental organisations shall be based on an open, transparent and non-discriminatory selection process based on objective criteria related to expertise and merit. Selection criteria shall relate to proven expertise, professional reputation and sufficiently long verifiable activity relevant to the field of public procurement, as well as independence from the influence of political parties.</p> <p>The milestone shall be considered fulfilled when the detailed documentation of the performance measurement framework and its annual use – in line with the above description – is accepted by the government, the related government decision entered into force and the performance measurement framework has been developed with the involvement of the selected independent non-governmental organisations and independent public procurement experts, and is fully operational.</p>	
213	C9.R15 Strengthening the role and powers of the National Judicial Council to counterbalance the powers of the President of the National Office for the Judiciary	Entry into force of legislative amendments to strengthen the role of the National Judicial Council while safeguarding its independence	Provision in the legislative amendments indicating their entry into force	<p>Before the submission of the first payment request under the recovery and resilience plan, legislative amendments shall enter into force and start being applied ensuring the strengthening of the role and powers of the National Judicial Council (NJC) to effectively counterbalance the powers of the President of the National Office for the Judiciary (NOJ).</p> <p>The legislative amendments shall:</p> <p>a) establish stronger powers for the NJC so that it can effectively exercise its constitutional role in supervising the central administration of courts, while maintaining the Council's independence based on its members being elected by judges.</p> <p>Regarding individual decisions, the legislative amendments shall ensure that the NJC shall give a motivated binding opinion on the following matters:</p> <ul style="list-style-type: none"> (i) the annulment, by the President of the NOJ, of appointment procedures for judicial and court executive positions where there is at least one eligible candidate who has been supported by the judges of the given court; (ii) the transfer of judges, including secondments, to another court by the President of the NOJ referred to in Sections 27, 27/A, 31 and 32 of Act CLXII of 2011, except for secondments to the NOJ; (iii) the removal, by the President of the NOJ, of judges without their consent from the pool of judges that hear special cases, including administrative cases; (iv) the suitability of candidates for the post of President and Vice-President of the NOJ, that can be proposed by the President of the Republic or the President of the NOJ, respectively; the suitability criteria, including independence, impartiality, probity and integrity, shall be determined by the law. The legislative amendments shall ensure that the candidates found unsuitable by the NJC shall have access to an accelerated judicial review before the competent court. 	<p><i>Rule of law report 2020</i> <i>Rule of law report 2021</i> <i>Rule of law report 2022</i> <i>CSR4 of 2019</i> <i>CSR4 of 2022</i></p>

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				<p>Regarding regulations, the legislative amendments shall ensure that the NJC shall give a motivated binding opinion on the following matters:</p> <ul style="list-style-type: none"> (i) the points system for the assessment of applications for judicial posts within the legislative framework; (ii) the detailed conditions for the award of bonuses and other benefits to judges and court executives; (iii) the rules relating to the training system for judges; (iv) the data sheet and methods for the assessment of the workload of judges, as well as the determination of the 'national workload for contentious and non-contentious proceedings broken down according to judicial level and case types', (v) the number of judicial posts in each court within the framework determined in the annual budget, including the Kúria, and their departments; <p>b) establish the right of the NJC to have access to all documents, information and data (including personal data) related to the administration of the courts. In addition, the legislative amendments shall provide that the NJC shall determine the structure of the biannual report of the President of the NOJ;</p> <p>c) endow the NJC with legal capacity and autonomy in disbursement of its budget, and ensure that the NJC has adequate resources, including staff and offices, to carry out its tasks in an effective manner. The legislative amendments shall also provide that, in order to carry out their tasks in the NJC, judges-members shall be entitled to be relieved from their adjudicating duties to the extent regional court (törvényszék) presidents are relieved from their adjudicating duties. The legislative amendments shall provide that judges-members of the NJC cannot be re-elected except for the next term of office, that judges-members of the NJC shall elect from among themselves the chairperson of the NJC, and that court presidents and vice-presidents as members of the NJC shall not participate in the deliberation and vote on matters relating to their administrative activities;</p> <p>d) establish the right for the NJC to seize the competent court and the Constitutional Court to defend its prerogatives and enforce its rights;</p> <p>e) establish an obligation to consult the NJC on legislative proposals affecting the justice system and the right to propose to the Government to initiate new legislation on the same matters;</p> <p>f) establish in the law non-discretionary rules on the designation of ad interim court presidents through a pre-set order of positions within a court as follows: (i) in the absence of a court president, the president's competences are exercised by the vice-president; (ii) in the absence of a vice-president, the president's competences are exercised by the head of a department of judges with the longest tenure as a judge; (iii) in the absence of a head of department, the president's competences are exercised by the presiding judge with the longest tenure as a judge;</p> <p>g) prohibit the reintegration, by the President of the NOJ, of judges, following their secondment, to a court instance higher than the court in which they adjudicated before their secondment.</p>	
214	C9.R16 Strengthening judicial independence of the Supreme Court (Kúria)	Entry into force of amendments to strengthen judicial independence of the Supreme Court	Adopted and effective amendments to the rules on the election of the Kúria President, the case allocation scheme, and the functioning of the Kúria	<p>Before the submission of the first payment request under the recovery and resilience plan:</p> <p>a) legislative amendments shall enter into force and start being applied, which shall amend the rules on the election of the Kúria President in order to ensure that: (i) the candidates have at least five years' experience as a judge; (ii) the Kúria President cannot be re-elected; (iii) the NJC gives a motivated binding opinion on the suitability of the candidates for the post of Kúria President that can be proposed by the President of the Republic. The suitability criteria, including independence, impartiality, probity and integrity, shall be determined by the law. The legislative amendments shall ensure that the candidates found unsuitable by the NJC shall have access to an accelerated judicial review before the competent court;</p>	Rule of law report 2021 Rule of law report 2022 CSR4 of 2022

N°.	Related Measure (Reform or Investment)	Name	Qualitative indicators (for milestones)	Description of each milestone and target	Basis*
				<p>b) legislative amendments, and other amendments, to the rules on the case allocation scheme of the Kúria shall enter into force and start being applied, which shall ensure that: (i) electronically filed cases be given a case number without human intervention; (ii) cases be allocated to chambers following pre-established, objective criteria; (iii) the bench hearing the case be composed following an algorithm prescribed in advance; (iv) the parties to proceedings be able to verify on the basis of the case file whether the rules on case allocation have been duly applied; (v) the judicial council of the Kúria and the departments of judges ('kollégium') concerned give a binding opinion on the case allocation scheme;</p> <p>c) legislative amendments shall enter into force and start being applied, which shall amend the rules on the functioning of the Kúria by</p> <ul style="list-style-type: none"> (i) establishing stronger powers for the judicial council of the Kúria and the departments of judges ('kollégium') concerned, ensuring, in particular, that they shall give a binding opinion on <ul style="list-style-type: none"> (a) candidates for the post of chairs and vice-chairs of departments of judges, presiding judges and the Secretary General of the Kúria; (b) secondments to the Kúria; (ii) removing the possibility for members of the Constitutional Court to become judges and then be appointed to the Kúria without following the normal application procedure, (iii) ensuring that the NJC gives a motivated binding opinion on the suitability of candidates for the post of Vice President of the Kúria that can be proposed by the Kúria President. The suitability criteria, including independence, impartiality, probity and integrity, shall be determined by the law. The legislative amendments shall ensure that candidates found unsuitable by the NJC shall have access to an accelerated judicial review before the competent court. (iv) ensuring that the strengthened powers of the NJC referred to in milestone 213 also apply in relation to the Kúria President when acting as appointing authority (in line with Act CLXII of 2011). 	
215	C9.R17 Removing obstacles to references for preliminary rulings to the Court of Justice of the European Union	Entry into force of legislative amendments to remove obstacles to references for preliminary rulings to the Court of Justice of the European Union	Provision in the legislative amendments indicating their entry into force	<p>Before the submission of the first payment request under the recovery and resilience plan, legislative amendments shall enter into force and start being applied ensuring that:</p> <ul style="list-style-type: none"> (i) Sections 666 et seq. of the Criminal Procedure Code are amended in order to remove the possibility for the Kúria to review the legality of the decision of a judge to make a preliminary reference to the Court of Justice of the European Union, and (ii) Section 490 of the Criminal Procedure Code on staying the proceedings is amended in order to remove any obstacle to a court to make a preliminary reference in line with Article 267 TFEU. 	<p><i>Rule of law report 2020</i> <i>Rule of law report 2022</i></p>
216	C9.R18 Reform regarding the review of final judgments by the Constitutional Court	Entry into force of legislative amendments to remove the possibility for public authorities to challenge final decisions before the Constitutional Court	Provision in the legislative amendments indicating their entry into force	<p>Before the submission of the first payment request under the recovery and resilience plan, legislative amendments shall enter into force and start being applied ensuring that the possibility, introduced in 2019 by amending Section 27 of Act CLI of 2011, for public authorities to challenge before the Constitutional Court final judicial decisions, is removed.</p>	<p><i>Rule of law report 2020</i> <i>CSR4 of 2022</i></p>

N°.	Related Measure (Reform or Investment)	Name	Qualitative indicators (for milestones)	Description of each milestone and target	Basis*
217	C9.R19 Reinforced legal provisions setting out implementation, monitoring, and audit and control arrangements to guarantee the sound use of Union support	Legal mandate for the implementation, audit and control of the recovery and resilience plan	Entry into force of the Government Decree on the roles and responsibilities of bodies involved in the implementation, audit and control of the Hungarian recovery and resilience plan	Entry into force of the Government Decree establishing the legal mandate for the bodies involved in the implementation, audit and control of the implementation of the recovery and resilience plan in Hungary before the submission of the first payment request under the recovery and resilience plan. The decree shall at least set out the roles and responsibilities of those bodies ensuring (a) the collection and reliability of data linked to and monitoring of the achievement of milestones and targets; (b) that detailed procedures are in place for the drawing up and reliability of management declarations, audit summaries and payment requests; (c) that the necessary procedures to collect and store data on final recipients, contractors, subcontractors, and beneficial owners in accordance with Article 22 of Regulation (EU) 2021/241 establishing the Recovery and Resilience Facility are in place; (d) that rules on conflict of interest apply to all staff involved in the implementation, including acts preparatory thereto, control (including to internal and external evaluators in public procurement procedures) and audit of the Recovery and Resilience Plan and to all final recipients, contracting authorities, contractors, sub-contractors, as well as consultancy firms involved in project preparation and implementation; (e) that conflict of interest rules explicitly address situations involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest that may be perceived as a conflict of interest in line with Article 61 of Regulation (EU, Euratom) 2018/1046 and the related Commission Notice ('Guidance on the avoidance and management of conflicts of interest under the Financial Regulation' [C 121/01]); (f) that all persons under point (d) shall be obliged to issue a declaration of their absence of conflict of interest on a case by case basis if they are involved in the decision making concerning individual projects (in particular decisions on eligibility, risk assessment, selection of projects, interim and final control procedures, irregularity management, and audit-related decisions), which shall be stored for at least 5 years; (g) that the veracity of conflict of interest declarations is regularly and effectively controlled and the results of those controls are stored for at least five years; (h) that regular and effective oversight of staff in sensitive positions (such as dealing with irregularity management, controls and risk-assessment) is set out and that the regular rotation of staff in those positions is ensured based on a methodology that shall start to be applied no later than 31 March 2023; (i) that bidders shall not participate in tenders in public procurement procedures in case conflict of interest relevant to them in that specific tender is established.	Remedial action vi.
218	C9.R19 Reinforced legal provisions setting out implementation, monitoring, and audit and control arrangements to guarantee the sound use of Union support	Amendment of the legal provisions relating to the implementation, monitoring, control and audit of the European Structural and Investment Funds and the funds under Regulation (EU) 2021/1060 in Hungary	Provision in the Government Decrees on the implementation, monitoring, control and audit of the European Structural and Investment Funds and the funds under Regulation (EU) 2021/1060 in Hungary indicating entry into force	Entry into force of the amendment of the Government Decrees regulating the implementation, monitoring, control and audit of the European Structural and Investment Funds under Regulation (EU) 1303/2013 and the funds under Regulation (EU) 2021/1060 in Hungary before the submission of the first payment request under the recovery and resilience plan. The amendments shall ensure at least the following: (a) introduction of rules and procedures making the prevention, detection and correction of conflict of interest more efficient; (b) that rules on conflict of interest apply to all staff involved in the implementation, including acts preparatory thereto, control (including to internal and external evaluators in public procurement procedures) and audit of the above mentioned funds and to all beneficiaries and final recipients, contracting authorities, contractors, sub-contractors, as well as consultancy firms involved in project preparation and implementation; (c) that conflict of interest rules explicitly address situations involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest that may be perceived as a conflict of interest in line with Article 61 of Regulation (EU, Euratom) 2018/1046 and the related Commission Notice ('Guidance on the avoidance and management of conflicts of interest under the Financial Regulation' [C 121/01]); (d) that all persons under point (b) shall be obliged to issue a declaration of their absence of conflict of interest on a case by case basis if they are involved in the decision making concerning individual projects (in particular decisions on eligibility, risk assessment, selection of projects, interim and final control procedures, irregularity management, and audit-related decisions), which shall be stored for at least five years; (e) that the veracity of conflict of interest declarations is regularly and effectively controlled and the results of those controls are stored for at least five years; (f) that regular and effective oversight of staff in sensitive positions (such as dealing with irregularity management, controls and risk-assessment) is set out and that the regular rotation of staff in those positions is ensured based on a methodology that shall start to be applied no later than 31 March 2023; (g) that bidders shall not participate in tenders in public procurement procedures in case conflict of interest relevant to them in that specific tender is established.	Remedial action vi.

N°.	Related Measure (Reform or Investment)	Name	Qualitative indicators (for milestones)	Description of each milestone and target	Basis*
219	C9.R19 Reinforced legal provisions setting out implementation, monitoring, and audit and control arrangements to guarantee the sound use of Union support	Adoption and start of application of guidelines to ensure the effective the prevention, detection and correction of conflict of interest for the staff of all bodies involved in the implementation, control and audit of Union support in Hungary	Start of application of detailed guidelines on conflict of interest	Before the submission of the first payment request under the recovery and resilience plan comprehensive guidelines ensuring the effective prevention, detection and correction of conflict of interest situations in line with Article 61 of Regulation (EU, Euratom) 2018/1046 and the related Commission Notice ('Guidance on the avoidance and management of conflicts of interest under the Financial Regulation' [C 121/01]) shall be adopted and start being applied. The guidelines shall set out detailed tasks and obligations for each of the bodies involved in the implementation, management and control of Union support ensuring the effective prevention, detection, control and correction of conflict of interest situations.	<i>Remedial action vi.</i>
220	C9.R20 An effective anti-fraud and anti-corruption strategy for the implementation, audit and control of Union support	Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support by drawing up and implementing an effective anti-fraud and anti-corruption strategy for Union support	Entry into force of an anti-fraud and anti-corruption strategy for Union support	The government shall adopt and bring into force before the submission of the first payment request under the recovery and resilience plan an anti-fraud and anti-corruption strategy for all Union support setting out the (i) detailed roles and responsibilities of the different entities involved in the implementation of any Union financial support in Hungary regarding the prevention, detection and correction of fraud, conflict of interest and corruption; (ii) the assessment of the main risks, factors and practices of fraud, conflict of interest and corruption; and ensuring that fraud and corruption is effectively prevented, detected and corrected.	<i>Remedial action vi.</i>
221	C9.R20 An effective anti-fraud and anti-corruption strategy for the implementation, audit and control of Union support	Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support by drawing up and implementing an effective action plan related to the anti-fraud and anti-corruption strategy for Union support	Entry into force of an action plan related to the anti-fraud and anti-corruption strategy for Union support	The government shall adopt and bring into force before the submission of the first payment request under the recovery and resilience plan an action plan related to the anti-fraud and anti-corruption strategy for all Union support setting out the detailed roles and responsibilities of the different entities involved in the implementation of any Union financial support in Hungary regarding the prevention, detection and correction of fraud or corruption. The action plan shall: (i) define clear and comprehensive actions assigned to each of the objectives set out in the anti-fraud and anti-corruption strategy; (ii) define clear deadlines for the implementation of each of the actions; (iii) assign each of the actions to a body responsible for effectively carrying it out; (iv) define specific, measurable and related indicators to measure progress in implementing each of the actions; (v) set out appropriate arrangements for the regular review of the actions in light of evidence.	<i>Remedial action vi.</i>

N°.	Related Measure (Reform or Investment)	Name	Qualitative indicators (for milestones)	Description of each milestone and target	Basis*
222	C9.R21 Full and effective use of the Arachne system for all Union support	Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support through appropriate arrangements ensuring the effective use of the Arachne risk-scoring tool	Start applying procedures ensuring the systematic use of the Arachne risk-scoring tool to effectively prevent and detect fraud, corruption, conflict of interest and other irregularities	<p>Before the submission of the first payment request under the recovery and resilience plan the Government shall approve and start applying procedures setting out the conditions for the systematic and extended use of all the functionalities of the Arachne risk-scoring tool in the implementation of the Hungarian recovery and resilience plan and any other support from the Union budget (including for Union support from the 2014-2020 budgetary period) to effectively prevent and detect conflict of interest, fraud, corruption, double funding and other irregularities.</p> <p>The procedures shall ensure that:</p> <p>(i) the relevant national authorities upload every two months into the Arachne system all data for the data fields set out in the applicable EU regulations related to the implementation of any Union support under any budgetary period. As regards the European Structural and Investment Funds of the 2014-2020 budgetary period, all data sets (including contract data on final recipients, detailed contractors/sub-contractors and expenses) that have been collected in the relevant period shall be uploaded into the Arachne system (with the exception that the upload of data concerning contract amendments and additions, information on experts involved in the performance of contracts and information on consortium partners shall start as of 31 January 2023);</p> <p>(ii) the relevant national authorities provide systematic, regular and effective follow-up to the risk-scoring generated by the Arachne system – including for the ex-ante verification of applicants – to effectively prevent and detect conflict of interest, fraud, corruption, double funding and other irregularities and those bodies shall be bound to take into account those risk-scoring results and ensuring that this is set out in the applicable national legislative acts and reflected in the applicable workflows, guidelines (to be issued and introduced by 30 November 2022) and decision-making process of those bodies; and</p> <p>(iii) the respective audit bodies in Hungary and in the relevant Commission services and control bodies have full access to the functionalities of the Arachne system for the purposes of their risk-assessment and to the data sets in the system. The milestone shall be considered fulfilled once the procedures – in line with the above requirements – are in place, binding on all authorities set out above and subject to their application in practice by those authorities.</p>	Remedial action xv.
223	C9.R21 Full and effective use of the Arachne system for all Union support	Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support by confirming the adequacy of the procedures on the systematic and effective use of the Arachne risk-scoring tool	Unqualified final audit report of EUTAF confirming the adequacy of procedures on the systematic and effective use of the Arachne risk-scoring tool and the completeness of data uploaded to Arachne	<p>Before the submission of the first payment request under the recovery and resilience plan:</p> <p>a) detailed and binding procedural guidelines shall be developed and start to be applied by all bodies listed in milestone 222 that set out the steps to be taken in case the Arachne system indicates risk;</p> <p>b) a final audit report with an unqualified audit opinion from the audit authority (EUTAF) shall confirm the appropriateness of the procedures set out in milestone 222 by verifying that (i) the procedures ensure the uploading of a complete set of information every two months; (ii) the data set out in the applicable Union law has actually been uploaded in its entirety in Arachne, and (iii) the National Authority, implementing bodies/managing authorities and intermediate bodies put in place appropriate arrangements to ensure the systematic, regular and effective follow-up of risk-scoring generated by the Arachne system (based on detailed procedural guidelines available to them).</p>	Remedial action xv.

N°.	Related Measure (Reform or Investment)	Name	Qualitative indicators (for milestones)	Description of each milestone and target	Basis*
224	C9.R22 Establishment of a Directorate of Internal Audit and Integrity to reinforce the control of conflicts of interest when implementing Union support	Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support through the setting up and full functioning of a new Directorate of Internal Audit and Integrity (DIAI)	A new Directorate of Internal Audit and Integrity (DIAI) set up in the ministry responsible for the implementation of Union support, is fully staffed, its rules of procedures and internal processes are in place and it is fully operational	<p>In order to strengthen the effectiveness of audit and control arrangements related to Union support and the effective implementation of the anti-fraud and anti-corruption strategy set out in milestone 220, a new Directorate of Internal Audit and Integrity (DIAI) shall be established by means of a law that shall enter into force, and the DIAI shall be fully staffed and shall be fully functional in the ministry responsible for the implementation of Union support before the submission of the first payment request under the recovery and resilience plan.</p> <p>The law shall ensure: (i) the full independence of the DIAI through appropriate guarantees (including concerning the nomination of its high-ranking staff, duration of their mandate without a possibility to dismiss them etc.); (ii) that the selection of staff of the DIAI shall be based on objective criteria developed in cooperation with the Integrity Authority (milestone 160) and that the Integrity Authority supervises the recruitment process; (iii) that the DIAI has appropriate competences to act in relation to any national authority or body involved in any manner in the implementation of Union support in Hungary; (iv) that upon request, the DIAI shall provide without delay full access to all conflict of interest declarations and to all its files to the Integrity Authority; (v) that appropriate rules of procedures and guidelines (including on the allocation and sequencing of cases in the DIAI) shall be put in place by 30 November 2022 regulating the institutional setup, working methods and procedures of the DIAI and the Integrity Authority is provided with sufficient guarantees that it can supervise the compliance with those rules of procedures and guidelines; (vi) that sufficient resources are allocated to the tasks necessary to be carried out by the DIAI; (vii) that the DIAI regularly controls (based on sampling and upon suspicion reports) the validity of conflict of interest declarations of all relevant staff involved in the implementation, including acts preparatory thereto, control (including to internal and external evaluators in public procurement procedures) of any Union support in Hungary as well as those of all final recipients, beneficiaries, recipients, contracting authorities, contractors, sub-contractors, as well as consultancy firms involved in project preparation and implementation (based on biennial control plans) and that information on those controls are stored for at least five years; (viii) that a page is created on the main page of the palyazat.gov.hu portal to allow for the anonymous reporting of any suspicion regarding conflict of interest in relation to persons involved in the implementation and control of Union support in Hungary; (ix) that the DIAI shall investigate the reported suspicions in a timely manner; (x) that the DIAI shall annually prepare a detailed report of its work to the Integrity Authority.</p> <p>The milestone shall be considered fulfilled when the law establishing the DIAI with at least the above requirements has entered into force, all positions of the DIAI have been filled and the Integrity Authority has not raised concerns with regard to the recruitment process, the necessary rules of procedures of the DIAI as well as the guidelines regulating its work have entered into force and the DIAI is fully operational and started its work.</p>	RRF Regulation Art. 22
225	C9.R23 Ensuring the capacity for the EUTAF to effectively carry out its tasks	Ensuring effective prevention, detection and correction of fraud and corruption in the implementation of Union support through appropriate capacity for EUTAF	Entry into force of legislative amendments to provide the necessary financial and human resources to the EUTAF	<p>Before the submission of the first payment request under the recovery and resilience plan, legislative amendments shall enter into force ensuring the necessary financial and human resources for the EUTAF to safeguard its independence and enable it to carry out its tasks in an effective and timely manner.</p> <p>The legislative amendments shall ensure that:</p> <ul style="list-style-type: none"> - The annual budget of the EUTAF shall be established on the basis of an initial proposal by the EUTAF and shall only be modified if publicly justified and shall not undermine the EUTAF's capacity to carry out its tasks in an effective and timely manner. - The remuneration of the head and staff of the EUTAF shall be set at 70% of the remuneration of the president and staff of the State Audit Office, respectively. - The head of the EUTAF shall have the same or similar powers to decide on the basic principles of salary policy and benefits, and working conditions as those applicable to the president of the State Audit Office. Any arrangement deviating from those applicable to the State Audit Office shall only be possible upon a written and duly justified proposal from the head of EUTAF. - The functional and professional independence of the EUTAF shall be maintained and the staff of EUTAF shall continue not to seek or accept instructions regarding its audit work. 	RRF Regulation Art. 22

N°.	Related Measure (Reform or Investment)	Name	Qualitative indicators (for milestones)	Description of each milestone and target	Basis*
226	C9.R24 Strengthening cooperation with OLAF to reinforce the detection of fraud related to the implementation of Union support	Designation of a national authority in charge with assisting OLAF with its on-the-spot checks in Hungary and the introduction of the possibility to levy financial sanctions on non-cooperating economic actors	Entry into force of a legislative amendment designating the competent authority and of a legislative amendment introducing the possibility to levy dissuasive financial sanctions on non-cooperating economic actors	<p>Entry into force before the submission of the first payment request under the recovery and resilience plan:</p> <p>(i) of an amendment to Act CXXII of 2010 on Nemzeti Adó- és Vámhivatal designating the National Tax and Customs Administration (Nemzeti Adó- és Vámhivatal, NAV) as the competent national authority to assist OLAF when carrying out on-the-spot checks in Hungary and when an economic operator subject to those checks refuses to cooperate. The amendment shall include a description of the procedure to follow. It shall also introduce the possibility of the presence of a finance guard at the request of OLAF. The finance guard shall enable OLAF to carry out its on-the-spot checks and inspections, in particular by ensuring enforcement in order to safeguard evidence as envisaged in Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96. This shall include the following types of intervention: (a) taking things away on the spot [Section 36/L of Act CXXII of 2010 on Nemzeti Adó- és Vámhivatal (hereinafter NAVtv.)], (b) request information [Section 36 of NAVtv.], (c) identity checking [Section 36/A of NAVtv.], (d) entering a place that does not qualify as a private residence [Section 36/G of NAVtv.], (e) protection of the scene [Section 36/I (1) of NAVtv.]. The amendment shall set out that if this assistance requires authorisation from a judicial authority, such authorisation shall be applied for by the national AFCOS (national anti-fraud coordination service) at least 72 hours in advance. Based on such authorisation, OLAF may request the presence of the finance guard in advance, if there is a risk of resistance to a planned on-the-spot check and inspection.</p> <p>(ii) of an amendment to Act XXIX of 2004 to introduce a dissuasive financial type of sanction to be imposed in case an economic operator refuses to cooperate with OLAF for the purposes of the on-the-spot checks and inspections.</p>	<i>Remedial action xvi.</i>
227	C9.R25 Effective implementation, control and audit of the Recovery and Resilience Plan and the protection of the financial interests of the Union	Monitoring system for the implementation of the Hungarian recovery and resilience plan	Audit report confirming the functionalities and operation of the repository system for the recovery and resilience plan	<p>A repository system for monitoring the implementation of the recovery and resilience plan shall be set up before the submission of the first payment request under the recovery and resilience plan.</p> <p>The system shall include at least the following functionalities:</p> <p>(a) collection of data and monitoring of the achievement of milestones and targets;</p> <p>(b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation.</p> <p>The access to this data shall be granted to all relevant national and European bodies for the purpose of audit and control. Data available in the repository system shall be made available in the Arachne system every two months to access the complete list of the RRF risk indicators.</p> <p>A final audit report from the audit authority (EUTAF) with an unqualified audit opinion shall confirm the functionalities of the repository system and that the system is fully functional and is in operation.</p>	<i>RRF Regulation Art. 22</i>
228	C9.R25 Effective implementation, control and audit of the Recovery and Resilience Plan and the protection of the financial interests of the Union	Ensuring effective audit of the implementation of the Hungarian recovery and resilience plan	Entry into force of an audit strategy by EUTAF for the recovery and resilience plan	Adoption and entry into force of an audit strategy for the audit authority (EUTAF), ensuring the effective audit of the implementation of the Recovery and Resilience Plan in accordance with internationally accepted audit standards before the submission of the first payment request under the recovery and resilience plan. The strategy shall at least set out the methodology and approach to risk assessment, the frequency and type of audits (such as systems- and project audits, desk-based and on-the-spot) to be carried out in the different implementation stages of the reforms and investment implemented under the recovery and resilience plan as well as the reliability of data supporting the achievement of milestones and targets.	<i>RRF Regulation Art. 22</i>

*author's addition

Rule of Law related milestones for Poland

Seq. N°	Related Measure (Reform or Investment)	Name	Qualitative indicators (for milestones)	Description of each milestone and target
F1G	F1.1 Reform strengthening the independence and impartiality of courts	Entry into force of a reform strengthening the independence and impartiality of courts	Provision in the legal act indicating the entry into force	<p>Entry into force of a reform, which shall:</p> <ul style="list-style-type: none"> a) in all cases relating to the judges, including the disciplinary and waiver of judicial immunity, determine the scope of jurisdiction of the Supreme Court Chamber, other than the existing Disciplinary Chamber, meeting the requirements ensuing from Article 19 paragraph 1 of the TEU. This shall ensure that the above-mentioned cases shall be examined by an independent and impartial court established by law, while the discretionary power to designate the disciplinary tribunal with jurisdiction at first instance in cases concerning judges of ordinary courts shall be circumscribed, b) clarify the scope of disciplinary liability of judges, by ensuring that the right of Polish courts to submit requests for preliminary rulings to the CJEU is not restricted. Such request shall not be grounds to initiate disciplinary proceedings against a judge, c) while the judges may still be held liable for professional misconduct, including obvious and gross violations of the law, determine that the content of judicial decisions is not classified as a disciplinary offence, d) ensure that initiation of the verification, within the court proceedings, whether a judge meets the requirements of being independent, impartial and 'being established by law', according to Article 19 of the TEU is possible for a competent court where a serious doubt arises on that point and that such verification is not classified as a disciplinary offence, e) strengthen procedural guarantees and powers of parties in disciplinary proceedings concerning judges, through <ul style="list-style-type: none"> (i) assuring that the disciplinary cases against judges of the ordinary courts are examined within a reasonable time, (ii) making more precise regulations on territorial jurisdiction of the courts examining the disciplinary cases to ensure that the relevant court can be directly determined in accordance with the legislative act; and (iii) ensuring that the appointment of a defence counsel in disciplinary proceedings concerning a judge is done within a reasonable timeframe, as well as providing time for substantive preparation of the defence counsel to perform their functions in the given proceedings. Simultaneously, the court shall suspend the course of proceedings in case of a duly justified absence of the accused judge or his or her defence counsel.
F2G	F1.2 Reform to remedy the situation of judges affected by the decisions of the Disciplinary Chamber of the Supreme Court in disciplinary cases and judicial immunity cases	Entry into force of a reform to remedy the situation of judges affected by the decisions of the Disciplinary Chamber of the Supreme Court in disciplinary cases and judicial immunity cases	Provision in the legal act indicating the entry into force	<p>Entry into force of a reform which shall ensure that judges affected by decisions of the Disciplinary Chamber of the Supreme Court have access to review proceedings of their cases. Such cases already decided by the Disciplinary Chamber shall be reviewed by a court that meets the requirements of Article 19 paragraph 1 of the TEU, in accordance with the rules to be adopted on the basis of Milestone F1G above. The legislative act shall set out that the first hearing of the court to adjudicate those cases shall take place within three months from receipt of the motion of the judge asking for a review, and that the cases shall be adjudicated within twelve months from receipt of such motion. The cases which are currently still pending before the Disciplinary Chamber shall be referred for further consideration to the court and in accordance with the rules determined within the above-mentioned proceedings.</p>