Effective from 16 April 2026

Act CXXXIX of 2013

on the Magyar Nemzeti Bank

Pursuant to Articles 41 and 42 of the Fundamental Law, the Parliament hereby adopts the following Act on the Magyar Nemzeti Bank, its primary objectives, basic tasks, institutional, organisational, personal and financial independence and its operations, with a view to the definition of macro-prudential tasks and responsibilities, establishing the possibility for effective macro-prudential intervention, strengthening international macro-prudential cooperation and reinforcing supervision of and control over the system of financial intermediation:

PART ONE

Legal status, primary objective, tasks and organisation of the Magyar Nemzeti Bank

Chapter I

Legal status, primary objective and basic tasks of the Magyar Nemzeti Bank

1. Legal status and primary objective of the Magyar Nemzeti Bank

Article 1 (1) The Magyar Nemzeti Bank (hereinafter referred to as 'MNB') is a member of the European System of Central Banks and the European System of Financial Supervision.

(2) The MNB, and the members of its bodies shall be independent in carrying out their task and meeting their obligations conferred upon them by this Act, and shall neither seek nor take instructions from the government, or from the institutions, bodies and offices of the European Union, with the exception of the European Central Bank (hereinafter referred to as 'ECB') and the instances described in paragraph (3) below, or from the governments of Member States or any other organisation or political party. The government as well as all other organisation shall adhere to this principle and shall not attempt to influence the MNB and the members of its bodies in the course of the performance of their tasks.

(3) With a view to its membership in the European System of Financial Supervision, the MNB shall perform the tasks imposed on the MNB, arising out of the scope of the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Securities and Markets Authority, the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and the European Systemic Risk Board.

Article 2 The governor of the MNB shall be obliged to provide oral and written reports to the Parliament.

Article 3 (1) The primary objective of the MNB shall be to achieve and maintain price stability.

(2) Without prejudice to its primary objective, the MNB shall support the maintenance of the stability of the system of financial intermediation, the enhancement of its resilience, its sustainable contribution to economic growth; furthermore, the MNB shall support the government's economic policy and its policy related to environmental sustainability, using instruments at its disposal.

2. Basic and other tasks of the MNB

Article 4 (1) The MNB shall define and implement monetary policy.

(2) The MNB shall be entitled to issue banknotes and coins in the official currency of Hungary. Banknotes and coins – including collector banknotes and coins – issued by the MNB in the official currency of Hungary (hereinafter referred to collectively as 'banknotes and coins') shall be legal tender of Hungary.

(3) The MNB shall hold and manage official foreign exchange and gold reserves in order to preserve the external stability of the economy.

(4) The MNB shall conduct foreign exchange operations in relation to the management of foreign exchange reserves and the implementation of exchange rate policy.

(5) The MNB shall oversee payment and securities settlement systems, this shall include overseeing the operations of the system and of the organisation performing central counterparty activity, in order to ensure the sound and efficient operation of these systems and the smooth circulation of money. Within the scope of these powers and the legislative powers defined in Article 171(3), the MNB shall participate in the development of payment and securities settlement systems.

(6) The MNB shall collect and publish statistical information required for carrying out its tasks and of fulfilling the statistical reporting obligations towards the ECB as defined in Article 5 of Protocol (No 4) on the Statute of the European System of Central Banks and of the European Central Bank annexed to the Treaty on the Functioning of the European Union (hereinafter referred to as 'ESCB Statute').

(7) The MNB shall establish the macro-prudential policy for the stability of the entire system of financial intermediation, with the objective to enhance the resilience of the system of financial intermediation and to ensure its sustainable contribution to economic growth. To that end and within the limits specified in this Act, the MNB shall explore the business and economic risks threatening the system of financial intermediation as a whole, promote the prevention of the development of systemic risks and the reduction or elimination of the evolved systemic risks; furthermore, in the event of disturbances to the credit market it shall contribute to the balanced implementation of the function of the system of intermediation in financing the economy through stimulating lending and by restraining lending it in the event of excessive credit outflow.

(8) Within the scope of its powers defined in a separate Act, the MNB shall act as resolution authority.

(9) The MNB shall supervise the system of financial intermediation in order to

a) ensure the smooth, transparent and efficient functioning of the system of financial intermediation;

b) facilitate the prudent operation of the persons and organisations forming part of the system of financial intermediation and supervising the prudent exercise of owners' rights;

c) discover undesirable business and economic risks threatening individual financial organisations or individual sectors thereof, reducing or eliminating evolved specific or sectoral risks, and taking preventive measures with a view to ensuring the prudent operation of individual financial organisations;

d) protect the interests of users of the services provided by financial organisations and strengthening public confidence in the system of financial intermediation.

(10) The MNB shall settle disputes out of court – via the Financial Arbitration Board – between consumers and the entities or persons covered by the acts defined in Article 39 relating to the establishment and performance of legal relationships for the use of services.

(11) Tasks for the MNB shall be defined by acts or, in the context of the tasks listed in paragraph (9), by legal regulations adopted pursuant to the authorisation of an act. Such tasks of the MNB defined in acts or legal regulations adopted pursuant to the authorisation of acts shall comply with the basic tasks and responsibilities of the MNB as defined in this Act.

(12) The MNB shall have exclusive competence to perform the tasks defined in paragraphs (1) to (5) and in paragraph (9).

(13) The tasks specified in paragraphs (1) to (7) shall be the basic tasks of the MNB.

(14) Tasks other than the basic tasks are the other tasks of the MNB, which it shall only perform – in accordance with the provisions of legal regulations – without prejudice to the achievement of its primary objective and the performance of its core tasks, provided that this shall not prevent the performance of the tasks specified in Section 1(3) and (9).

(15) In performing the function provided for in Paragraph (8), adequate arrangements shall be in place to ensure operational independence of the department responsible for enforcement of resolution functions from other departments of the MNB, including that these functions must be performed under the direct control and supervision of the governor or any of the deputy governors of the MNB.

(16) With regard to the supervision of the system of financial intermediation, the MNB shall publish its clear, unambiguous and well-defined operational and strategic objectives, also having regard to its reporting obligations.

Chapter II

Organisation of the MNB

3. Legal status of the MNB

Article 5 (1) The MNB shall be a legal person functioning in a form of a company limited by shares. The seat of the MNB shall be in Budapest.

(2) The company name of the MNB need not be entered in the Register of Companies. The designation ‘company limited by shares’ need not be included in the company name of the MNB.

(3) The Statutes of the MNB shall be established by the shareholder and presented to the Parliament.

(4) The shares of MNB shall be owned by the State. The State as shareholder shall be represented by the minister in charge of public finances (hereinafter referred to as ‘minister’).

(5) The subscribed capital of the MNB is HUF 10,000,000,000 that is ten billion forints.

Article 6 (1) The shareholder shall decide in a Shareholder Resolution:

a) establish and amend the Statutes;

b) appoint and dismiss the auditor; and

c) establish the remuneration of the auditor.

(2) The executive board shall notify the shareholder on its decisions defined in Article 12(4) subsection *b)* by sending them.

Article 7 The provisions of the Act on Civil Code (hereinafter referred to as 'Ptk.') shall apply to the MNB with the exceptions laid down by this Act.

4. The bodies of the MNB

Article 8 The bodies of the MNB are:

a) the Monetary Council,

b) the Financial Stability Council,

c) the executive board and

d) the supervisory board.

5. The Monetary Council

Article 9 (1) For the tasks specified in this Article, the Monetary Council is the supreme decision-making body of the MNB.

The scope of competence of the Monetary Council shall include:

a) strategic decisions concerning the tasks defined in Article 4(1) to (4) and (6),

b) decisions under Article 20(1) within the scope of competence defined under subsection *a)*;

c) decisions relating to the tasks defined in Article 22(2) within the scope of competence defined under subsection *a)*;

d) definition of the strategic framework within which the Financial Stability Council makes its decisions, in respect of the tasks specified in Article 4(5) and (7) to (9).

e) establishing the rules of procedure of the Monetary Council, and

f) decisions on any other matter in the exclusive competence of the Monetary Council as defined by law.

(2) Meetings of the Monetary Council may be convened at any time deemed necessary, but a meeting shall be convened at least once a month

(3) The Monetary Council shall consist of at least five and at most eleven members. The aggregate number of the members of the Monetary Council defined in paragraph (4) subsections *a)* and *b)* shall be less than the number of the members defined in paragraph (4) subsection *c)*; and the number of the members specified under paragraph (4) subsection *c)* shall be less than twice of the aggregate number of the members defined in paragraph (4) subsections *a)* and *b)*. Members of the Monetary Council shall be the employees of the MNB during their term of office.

(4) The members of the Monetary Council are:

a) the governor of the MNB as chairman of the Monetary Council;

b) the deputy governors of the MNB; and

c) other members, elected by the Parliament for six years.

(5) Hungarian citizens with outstanding theoretical knowledge and practical professional expertise in issues related to monetary, financial or credit institution activities may be appointed or elected members of the Monetary Council.

(6) Any person recommended as a member of the Monetary Council shall attend a hearing of the Parliament's Standing Committee for Economic Affairs.

(7) Upon taking office, the members of the Monetary Council defined in paragraph (4) subsections *a)* and *b)* shall take an oath before the president of the republic; other members defined in paragraph (4) subsection *c)* shall take an oath before the Parliament.

(8) The mandate of a member of the Monetary Council pursuant to paragraph (4) subsection *c)* shall terminate upon:

a) expiration of the term of office;

b) resignation;

c) dismissal or

d) death.

(9) Resignations shall be submitted in writing to the president of the republic by members defined in paragraph (4) subsections *a)* and *b)*, and to the Speaker of the Parliament by members defined in Article (4) subsection *c)*. In the event of the resignation of a member of the Monetary Council, the mandate shall end on the date indicated in the letter of resignation following the date of the submission of such letter of resignation, or, in the absence thereof, upon receipt of the letter of resignation by the president of the republic in case of the members defined in paragraph (4) subsections *a)* and *b)*, or in case of the members defined in paragraph (4) subsection *c)* by the Speaker of the Parliament. A statement of acceptance shall not be required for the validity of the resignation of the member of the Monetary Council.

(10) The president of the republic shall dismiss members of the Monetary Council specified under paragraph (4) subsections *a)* and *b)*, and the Parliament shall dismiss members of the Monetary Council specified under paragraph (4) subsection *c)*)exclusively for reasons specified in Article 14.2 of the ESCB Statute.

(11) The Parliament's Standing Committee for Economic Affairs shall make a recommendation to the Parliament on the appointment or dismissal of members, as specified in paragraph (4) subsection *c)*.

(12) The proposal for dismissal pursuant to paragraph (11) shall be sent to the respective member of the Monetary Council, who may seek remedy at the Court of Public Administration and Labour, in accordance with the provisions of the labour code (hereinafter referred to as 'Mt.'). The right to seek remedy before the court on grounds of the provisions of the Mt. is without prejudice to the right of seeking legal remedy before the Court of Justice of the European Union as defined in Article 14.2 of the ESCB Statute.

(13) The proposal for dismissal pursuant to paragraph (11) may be submitted to the president of the republic in case of the members of the Monetary Council specified under paragraph (4) subsection *b)*, and to the Parliament in case of the members of the Monetary Council specified under paragraph (4) subsection *c)* following expiry of the deadline for filing an appeal, or – in the event of filing an appeal – after the court's decision establishing that the grounds for dismissal in Article 14.2 of the ESCB Statute are met takes legal effect.

(14) Each year the Monetary Council shall elect by a simple majority of the votes of those present a deputy chairman of the Monetary Council at its first meeting from amongst the deputy governors of the MNB. In the event that the mandate of the deputy chairman is terminated, the Monetary Council shall elect a new deputy chairman at its next meeting.

(15) The Monetary Council shall have a quorum if the majority of its members are present. The Monetary Council shall adopt its resolutions by a simple majority of the votes of the members present; in the event of a tied vote, the chairman of the Monetary Council, or in the absence of the chairman the deputy chairman shall have the casting vote.

(16) The chairman of the Monetary Council, or, in the absence of the chairman, the deputy chairman shall be entitled to disclose the position of the Monetary Council to the public.

6. The governor of the MNB

Article 10 (1) The head of the MNB shall be the governor.

(2) The prime minister shall make a proposal for the governor of the MNB to the president of the republic. The term of office of the governor of the MNB shall be six years. A person may hold the position of the governor of the MNB at most twice.

(3) The provisions of Article 9(5) to (10) shall also apply to the governor of the MNB.

(4) The governor of the MNB shall be dismissed by the president of the republic at the proposal of the prime minister, in accordance with the provisions defined in Article 9(10).

(5) The prime minister's proposal for dismissal pursuant to paragraph (4) shall be sent to the governor of the MNB, who may seek remedy before the court, in accordance with the rules defined in the Mt. The right to seek remedy before the court based on the provisions of the Mt. is without prejudice to the right of seeking legal remedy before the Court of Justice of the European Union as defined in Article 14.2 of the ESCB Statute.

(6) The proposal for dismissal may be submitted to the president of the republic following expiry of the deadline for filing an appeal or – in the event of an appeal – after the court's decision establishing that the grounds for dismissal defined in Article 14.2 of the ESCB Statute are met takes legal effect.

(7) The decision of the president of the republic to appoint and dismiss the governor of the MNB requires the countersignature of the prime minister.

(8) With the exception of the issuance of decrees, the deputy chairman of the Monetary Council shall substitute for the governor of the MNB in the event of his absence.

7. The deputy governors of the MNB

Article 11 (1) The MNB shall have at least two and at most four deputy governors. The prime minister shall make a proposal for the deputy governors to the president of the republic.

(2) The provisions of Article 9(5) to (10), (12) and (13) shall also apply to the deputy governors of the MNB, provided that the prime minister shall propose the dismissal of the deputy governors of the MNB by recommendation of the governor of the MNB.

(3) The decision of the president of the republic on the appointment and dismissal of the deputy governors of MNB requires the countersignature of the prime minister.

8. The executive board

Article 12 (1) The executive board shall be responsible for implementing the decisions of the Monetary Council in respect of the tasks defined in Article 4(1) to (4) and (6), and of the Financial Stability Council in respect of the tasks defined in Article 4(5) and (7) to (9) as well as for managing the operations of the MNB.

(2) The members of the executive board are:

a) the governor of the MNB as chairman of the executive board; and

b) the deputy governors of the MNB.

(3) The chairman shall act on behalf of the executive board.

(4) The scope of competence of the executive board shall include:

a) managing the implementation of the decisions of the Monetary Council and the Financial Stability Council;

b) establishing the accounting report of the MNB, issuing decisions on the payment of dividends according to Article 166(1a), and approving the draft year-by-year forecast of the preliminary level of the equity at the end of the previous year and its expected development, and approving the draft report to be sent to the shareholder on the management and the assets of the MNB;

c) approving matters related to the organisation and internal management of the MNB;

d) approving study plans and programs relating to the operation of the MNB and the performance of its tasks - including the costs of the development and operational plan;

e) managing the MNB's internal audit organisation in respect of tasks falling outside the scope of competence of the supervisory board, and discussing the observations and plans of the internal audit;

f) amending the collective agreement in respect of employment rights and obligations , the exercise and performance of such rights and obligations, and the associated procedures; and

g) adopting decisions relating to the provisions of Article 159.

(5) The Monetary Council may authorise the executive board to decide on any matter falling within its scope of competence. The executive board shall report to the Monetary Council on these decisions. Beyond the provisions defined in paragraph (4), the governor of the MNB may submit any matter within his scope of competence to the executive board for a decision.

(6) The executive board shall adopt its decisions by a simple majority of votes of the members present. In case of a tied vote, the chairman, or in his absence the member of the executive board designated by the chairman shall have the casting vote. The executive board shall have a quorum if at least two of its members are present.

(7) The governor of the MNB shall determine in his decree the person employed by the MNB and having executive powers as specified in the by-laws of the MNB or the MNB body that shall make decisions in the administrative procedures related to

a) the licensing and controlling of the production or the arrangement for the production of imitations of Hungarian legal tender in circulation and of banknotes and coins already withdrawn from circulation by the MNB, but still convertible to legal tender, under the MNB's scope of responsibilities set forth in Article 4(2),

b) the controlling of compliance with the provisions of the MNB Decree issued acting within the MNB's duties under Article 4(6).

(8) The executive board shall send the forecast defined in paragraph 4 subsection b) to the Fiscal Council and to the shareholder after its approval and no later than 30 April.

9. The Financial Stability Council

Article 13 (1) Among the cases within the MNB's competence, within the strategic framework defined by the Monetary Council, the Financial Stability Council – as the MNB's body within the meaning of Article 8 subsection *b)* – and the person or body determined in paragraph (11) shall act on behalf of the MNB in decision-making concerning the tasks specified in Article 4(5) and (7) to (9).

(2) Pursuant to paragraph (1), the Financial Stability Council shall

a) continuously monitor the stability of the system of financial intermediation as a whole and of the financial markets in order to maintain the stability of the system of financial intermediation as a whole,

b) take account of risk factors threatening the system of financial intermediation as a whole,

c) analyse the risks related to certain types of institutions or products or to the spread of these which may represent a threat to the system of financial intermediation as a whole,

d) monitor developments on international and European markets and risks which may represent a threat to the stability of the system of financial intermediation as a whole, and make a decision on the necessary measures within the strategic framework defined by the Monetary Council,

e) discuss strategic, regulatory and risk-related issues affecting the system of financial intermediation as a whole and issues opinions if necessary,

f) in situations threatening the stability of the system of financial intermediation as a whole, assess systemic risks and decide on the measures required to reduce or eliminate such risks,

g) as necessary, place on its agenda the recommendations, opinions and risk warnings of the European Systemic Risk Board relevant for the system of financial intermediation as a whole,

h) discuss the recommendations and decisions issued by the European Supervisory Authorities as needed, including decisions addressed to national supervisory authorities calling for specific measures in the event of serious jeopardy to the stability of the European financial system and express its opinion on the tasks arising from such decisions,

i) publish non-binding recommendations for the persons and bodies covered by the acts defined in Article 39 describing the grounds of jurisdictional principles followed by the MNB,

j) annually define the priority target areas of the MNB's control activities,

k) make decisions regarding the decisions ordering a resolution or implementing a resolution measure according to Article 4(8), as defined in a separate Act.

(3) The Financial Stability Council shall report periodically on its decisions to the Monetary Council.

(4) The Financial Stability Council shall be composed of at least three and at most ten members.

(5) The members of the Financial Stability Council are:

a) the governor of the MNB as its chairman,

b) the deputy governors supervising the tasks defined in Article 4(7) to (9),

c) managers designated by the governor of the MNB,

(6) The Financial Stability Council shall hold its meetings as needed, but at least every two months.

(7) The meeting of the Financial Stability Council shall be convened and chaired and its agenda shall be proposed by the chairman.

(8) The representative of the minister responsible for the regulation of the money, capital and insurance market and external attendees invited by the governor of the MNB shall participate in the meetings of the Financial Stability Council with the right of discussion.

(9) The Financial Stability Council shall have a quorum if the majority of its members eligible to vote are present. The Financial Stability Council shall make its decisions by a simple majority of the votes of the members present who are eligible to vote; in the event of a tied vote, the chairman shall have the casting vote. The decisions of the Financial Stability Council shall be signed by the chairman of the Financial Stability Council, or if the chairman is prevented from attending, by one of the deputy governors determined in paragraph (5) *b)*, as specified in the rules of procedure of the Financial Stability Council.

(9a) In the course of decision-making related to the functions specified in Section 4(9), only the deputy governor supervising the functions specified in Section 4(9), the manager appointed by the Governor of the MNB who reports to this deputy governor (hereinafter together: supervisory manager), and the Governor of the MNB shall have the right to vote.

(9b) The term of appointment of the supervisory manager shall not exceed fourteen years; furthermore, they may be appointed based on objective and transparent public criteria and may be dismissed if they no longer fulfill the criteria for appointment. The reasons for dismissal shall be made public, unless the supervisory manager concerned objects to such disclosure.

(10) The Financial Stability Council defines its own rules of procedure.

(11) The governor of the MNB determines in a decree the person employed by the MNB and having executive powers as specified in the by-laws of the MNB or the MNB body that

a) shall make decisions in the administrative procedures related to the exercising of the supervisory powers as stipulated in Article 4(9) over the persons, organisations and activities covered by the laws determined in Article 39– 41 and the directly applicable legal acts of the European Union,

b) shall make decisions in the administrative procedures related to exercising the resolution powers in accordance with Article 4(8), as defined in a separate Act, with the exception of the decisions determined in paragraph (2) *l)*, and

c) shall make decisions in the administrative procedures related to exercising the macroprudential powers in accordance with Article 4(7).

(11a) During the decision-making process stipulated in paragraph (11), the Financial Stability Council may take over the powers at any time, in accordance with the decree by the governor of the MNB.

(12) The chairman or the member authorised by the Financial Stability Council may disclose the position of the Financial Stability Council.

10. The supervisory board

Article 14 (1) The supervisory board is the body responsible for the continuous supervision of the MNB on behalf of the owner.

(2) The internal audit department of the MNB – subject to the restrictions defined in paragraph (3) – shall be subject to the control of the supervisory board, and with respect to duties falling outside the scope of competence of the supervisory board, to the control of the executive board. If the executive board, while exercising its management powers, becomes aware of any audit findings within the scope of competence of the supervisory board, it shall immediately provide information to the supervisory board on such findings.

(3) The scope of competence of the supervisory board shall not include the tasks defined in Article 4(1) to (9) or their impact on the MNB's profit and loss. The supervisory board shall compile the report required by the Ptk. on the annual accounts as specified in the Act on accounting within the above limitations.

(4) The members of the supervisory board are:

a) the chairman elected by the Parliament;

b) three additional members elected by the Parliament;

c) the representative of the minister; and

d) an expert appointed by the minister.

(5) The chairman of the supervisory board shall be nominated by the parliamentary panels of the governing parties.

(6) The Parliament shall vote on the election of the candidates of the parliamentary panels for membership as defined in paragraph (4) subsection *b)* simultaneously, in a group.

(7) Hungarian citizens with excellent professional knowledge in matters relating to credit institutions, finance and accounting who qualifies to be elected as a member of the Parliament may be nominated for membership of the supervisory board.

(8) The mandate of the members of the supervisory board shall be for the duration of the mandate of the governor of the MNB

(9) Members of the supervisory board may be recalled by the Parliament responsible for their election, or by the minister responsible for their appointment, respectively.

(10) Members of the supervisory board shall be subject to an obligation to provide information to the Parliament responsible for their election or to the minister responsible for their appointment, respectively.

11. Auditor

Article 15 The auditor of the MNB may be appointed for fixed term a maximum term of five years. In the case of a reappointment, the continuous duration of the auditor's mandate may not exceed ten years The auditor may not be reappointed as auditor of the MNB within four years of the expiry of the mandate.

PART TWO

DETAILED RULES OF THE TASKS OF THE MNB

Chapter III

Certain basic tasks of the MNB

12. The monetary policy

Article 16 In order to achieve the primary objective defined in Article 3(1), the MNB shall influence the supply of and demand for money and credit, using the instruments defined in Article 18.

Article 17 Within the framework provided for by this Act, the MNB shall independently define monetary policy and the instruments for implementing such policy.

Article 18 As instruments of its monetary policy, the MNB shall:

a) accept deposits in relation to its account management activity, and provide credit against adequate collateral, subject to the restrictions defined in Article 146;

b) buy and sell securities as well as acting as intermediary of securities in the spot and derivative markets within the framework of open market operations and repurchase agreements;

c) issue securities;

d) influence and set exchange rates and interest rates;

e) discount (rediscount) securities;

f) regulate minimum reserves; and

g) use other central bank instruments.

13. Minimum reserves

Article 19 (1) In a decree the governor of the MNB may require financial institutions and investment firms to place reserves with the MNB, in proportion to their assets and off-balance sheet items (hereinafter referred to as ‘reserve ratio’).

(2) The MNB may define different levels of reserve ratios for different types of liabilities, individual assets and off- balance sheet items of financial institutions and investment firms based on their different characteristics. Based on their different characteristics, the reserve ratios applicable to certain elements of the reserve fund may be subject to more than one level of reserve ratio, in which case the shall be aggregated.

(3) The MNB may pay interest on the minimum reserves deposited by the institutions defined in paragraph (1). The interest may be paid at different rates in accordance with the different types of reserve ratio elements and their different characteristics in the reserve ratio.

Article 20 (1) The Monetary Council shall decide on the level of the reserve ratio and the interest rate to be paid on reserves. The governor of the MNB shall declare the level of the reserve ratio and the interest to be paid on such reserves in a decree.

(2) The governor of the MNB shall regulate in a decree the rules governing the calculation of minimum reserves, the method of allocation and deposition of reserves, and the rules applicable in the event of non-compliance with these regulations.

14. Central bank base rate

Article 21 The MNB shall determine the central bank base rate as the key interest rate. The Monetary Council shall decide on the level of the base rate. The governor of the MNB shall declare the level of the base rate in a decree.

15. Exchange rates

Article 22 (1) The MNB shall quote and publish the official exchange rates for the conversion of foreign currencies into forint and forint into foreign currencies.

(2) The government in agreement with the MNB shall determine the exchange rate regime and all features thereof. Changes in the exchange rate system shall be without prejudice to the primary objective of the MNB to achieve and maintain price stability.

(3) Within the framework of the exchange rate regime developed in accordance with paragraph (2), the MNB shall protect and influence exchange rates on domestic and foreign currency markets when necessary and possible.

(4) The government and the MNB shall treat exchange rate policy as a matter of common interest of the Member States of the European Union.

16. Issuing operations

Article 23 (1) The governor of the MNB shall declare in a decree the issue of banknotes and coins, their denomination and distinguishing features, and their withdrawal from circulation. The banknotes and coins withdrawn from circulation shall lose their function as legal tender as of the date specified in the decree of the governor of the MNB.

(2) Banknotes and coins issued by the MNB shall be accepted at face value for payments to be made in the official Hungarian currency until their withdrawal from circulation.

(3) The MNB shall convert banknotes and coins which it has withdrawn from circulation and which are no longer legal tender at face value into the legal tender of Hungary within 20 years of the date of withdrawal in respect of banknotes, and within 5 years of the date of withdrawal in respect of coins. Credit institutions and the institution operating the Postal Clearance Centre (hereinafter referred to as 'post office') shall convert banknotes and coins withdrawn from circulation by the MNB no longer qualifying as legal tender, into legal tender of Hungary within 3 years from the date of withdrawal in respect of banknotes, and within 1 year of the date of withdrawal in respect of coins.

(4) For cash payments, including cash payments to payment accounts, credit institutions and the post office shall be obliged to accept more than 50 coins.

(5) Banknotes and coins suspected of being counterfeit shall not be acceptable under any title, excluding the provisions of Article 24(3).

(6) In payment transactions, the acceptance of commemorative coins, banknotes and coins which are difficult to identify or damaged, may be refused.

(7) Without prejudice to paragraph (8), the MNB shall convert banknotes and coins which are damaged or difficult to identify for legal tender free of charge at their nominal value. The MNB may use a contributor to meet this obligation.

(8) The MNB shall convert incomplete damaged banknotes exclusively if more than 50 per cent of the banknote is presented. The MNB shall withdraw from circulation and destroy incomplete damaged banknotes without refund where the completeness of the banknote does not exceed 50 per cent. Credit institutions and the post office shall take over from clients, without refund, incomplete damaged banknotes where the completeness of the banknote does not exceed 50 per cent, and forward them to the MNB for withdrawal and destruction.

(9) If there is a suspicion of crime in connection with banknotes damaged due to the activation of security equipment used to prevent the unlawful appropriation of money, the MNB, the credit institution or the post office may withhold payment of value of the banknotes until the termination of the criminal procedure, and they shall be entitled to handle personal data (family name and first name, address, type and number of identification document) of the natural person payer (holder) of the banknotes damaged due to the activation of the security equipment used to prevent the unlawful appropriation of money. This shall include the right to forward the aforementioned data to the agencies conducting the criminal procedure. The MNB may charge a fee for the conversion of banknotes damaged due to the activation of security equipment used to prevent the unlawful appropriation of money to legal tender except if the person initiating the conversion proves, with a document issued by the competent authority, that the damage occurred due to robbery or theft.

(10) The MNB shall not refund the value of destroyed banknotes or coins. A procedure for the destruction of banknotes or coins may not be initiated. The MNB shall have the exclusive right for the sale of legal tender coins qualifying as difficult to identify or damaged, excluding collector coins issued by the MNB, and the coins already withdrawn from circulation by the MNB, as raw material or the sale of the raw material obtained from such coins, provided that such sales shall be subject to market conditions.

(11) The governor of the MNB shall define in a decree issued pursuant to the authorisation of this Act regulating the conditions of cash distribution,

a) the rules on the conversion of coins to other denominations of coins or banknotes, and on the conversion of banknotes to other denominations of banknotes or coins, including the entities subject to conversion obligation and the terms of their remuneration;

b) the rules of converting banknotes and coins which have been withdrawn from circulation, are difficult to recognise or damaged banknotes and coins for legal tender, including the terms of their remuneration.

Article 23/A The MNB shall certify the infrastructure network developed by credit institutions and post offices for the conduction of their cash transactions at the frequency and according to the criteria specified in the Decree of the governor of the MNB regulating the conditions for cash distribution, and based on this certification the MNB shall oblige credit institutions and post offices to establish an infrastructure network that meets the requirements assigned to the rating.

Article 24 (1) The MNB shall perform technical and other tasks within its scope of competence with regard to the protection of Hungarian and foreign legal tender against counterfeiting, including in particular the tasks related to counterfeit currency expert services, training, data provision and dissemination of information. This shall include, with a view to the protection of euro banknotes and coins against counterfeiting, the MNB shall perform

a) the tasks of the National Counterfeit Centre defined in the Decision of the European Central Bank No ECB/2001/11 of 8 November 2001 on certain conditions regarding access to the Counterfeit Monitoring System (CMS),

b) the tasks defined in Article 3(1) of Council Regulation No 1338/2001/EC of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting (hereinafter referred to as 'Council Regulation') with regard to euro banknotes and coins,

c) the tasks of the National Analysis Centre pursuant to Article 4(1) to (3) of the Council Regulation, and

d) the tasks of the Coin National Analysis Centre pursuant to Article 5(1) to (3) of the Council Regulation.

(2) In the course of performing its tasks as currency expert, the MNB shall be entitled to manage, until the termination of the relevant criminal procedure with a final judgment or a by an inconclusive court order that has become final, or until the prosecution or the investigating authority makes a decision terminating the procedure that cannot be contested by further appeals, data concerning the first name and family name, address, type and number of identification document of the natural person payer or holder of suspected counterfeit currencies for the purpose of usage of such data in criminal procedures initiated in connection with currency identified to be counterfeit on the basis of the expert examination and, within this framework shall forward the abovementioned data to the authorities conducting criminal proceedings in counterfeiting cases. If the MNB or the organisation specified under paragraph (3) establishes that the currency is not counterfeit, the MNB shall delete personal data obtained after completion of the examination of the currency expert without delay.

(3) Hungarian or foreign suspected counterfeit currencies, including currencies denominated in euro, shall be submitted to the MNB for expert examination or shall be handed over to the organisation defined in a decree of the governor of the MNB for in order to be forwarded for examination by the MNB.

(4) No refund shall be paid for counterfeit Hungarian or foreign currencies, including currencies denominated in euro.

(5) The organisations defined in a decree of the governor of the MNB providing payment, currency exchange and money processing services as defined by the Act on credit institutions and financial enterprises, and the organisation providing international postal money order services pursuant to the Act on postal services shall be obliged to send any Hungarian or foreign suspected counterfeit currencies, including those denominated in euro, they found by them to the MNB, and to provide data on the circumstances of the finding, in the form and with the content prescribed in the decree of the governor of the MNB.

(6) In the course of data provision under paragraph (5), the organisations defined in a decree of the governor of the MNB providing payment, currency exchange and money processing services as defined in Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter referred to as ‘Hpt.’), and the organisation providing international postal money order services in accordance with the Act on postal services shall also forward personal data defined in paragraph (2) to the MNB. The MNB shall be entitled to manage personal data obtained this way for the purposes specified in paragraph (2) subject to the time limit defined therein.

Article 25 The MNB shall account for the costs associated with the production of banknotes and coins as an expense.

Article 26 (1) Imitations of legal tender in circulation, or of banknotes or coins withdrawn from circulation by the MNB, may only be produced or arranged to be produced for any purpose in accordance with the provisions of the decree of the governor of the MNB. The procedure of the production, registration, safekeeping and the destruction of imitations shall be governed by the provisions of the decree of the governor of the MNB.

(2) The provisions on imitations of the euro, including medals and tokens similar to euro coins, with the exception of the rules on sanctions, shall be defined by the decree of the governor of the MNB, with considerations of the provisions of Council Regulation No 2182/2004/EC of 6 December 2004 concerning medals and tokens similar to euro coins.

(3) In the context of the distribution of imitations and collector coins that do not qualify as imitations, it is prohibited to engage in conduct violating the fulfilment of the MNB's basic task defined in Article 4(2), confidence in the legal tender and the production and distribution of coins — including collector coins (hereinafter collectively: coins) — carried out by the organisation under a contract signed with the MNB, in particular any commercial practices that

a) may cause confusion with the MNB, the organisation producing and distributing the coins, its company name or the coins,

b) contain false information regarding the legal status of the distributor of imitations and collector coins not qualifying as imitations, their relationship with the MNB and the organisation producing and distributing the coins, or display accurate facts in a misleading or potentially misleading manner, in consideration of all circumstances of display.

(4) Within the meaning of paragraph (3)

a)

b) commercial practice: as defined in the act on the prohibition of unfair business-to-consumer commercial practices.

(5) If the MNB perceives that the commercial practice

a) causing confusion with the MNB, the organisation producing and distributing the coins, its company name or the coins, or

b) containing false information regarding the legal status of the distributor of imitations and collector coins not qualifying as imitations, its relationship with the MNB and the organisation producing and distributing the coins, or displaying accurate facts in a misleading or potentially misleading manner, in consideration of all circumstances of display is likely to cause, or is suitable for causing, the consumer to take a transactional decision that he would not have taken otherwise, it shall initiate the proceedings of the authority defined in the act on the prohibition of unfair business-to-consumer commercial practices.

(6) Simultaneously to the initiative described in paragraph (5), the MNB shall send, on the basis of the act on the prohibition of unfair business-to-consumer commercial practices, its official assessment as a specialised authority to the proceeding authority on any commercial practice that

a) may cause confusion with the MNB, the organisation producing and distributing the coins, its company name or the coins, or

b) contains false information regarding the legal status of the distributor of imitations and collector coins not qualifying as imitations, its relationship with the MNB and the organisation producing and distributing the coins, or displays accurate facts in a misleading or potentially misleading manner, in consideration of all circumstances of display.

17. Payment transactions and oversight

Article 27 (1) The MNB shall, also enforcing the oversight requirements defined by the Monetary Council, designate the payment and securities settlement systems as defined in the Act on settlement finality in payment and securities settlement systems.

(3) The governor of the MNB shall regulate the execution of payment orders within the scope of Article 171(3).

Article 28 (1) The licence of the MNB shall be required for the entry into force of the General Terms and Conditions and the internal regulations of the organisation operating a payment system as well as for any amendments thereof. Upon making a decision to this effect, the MNB shall also take into consideration the oversight requirements defined by the Monetary Council

(2) The MNB shall grant the licence under paragraph (1) if the General Terms and Conditions and internal regulations comply with the Decree of the governor of the MNB issued pursuant to the authorisation of this Act on the content and formal requirements for the General Terms and Conditions and internal regulations of the organisation operating a payment system.

(3) The organisation operating a payment system shall publish its General Terms and Conditions and any amendments thereto as licensed by the MNB, in a consolidated version on its website, on the day of entry into force of the licence of the MNB at the latest.

(4)

Article 28/A

Article 29

18. Central bank information system

Article 30 (1) In order to perform the tasks defined in Article 4(1) to (9), including the compilation of statistics on monetary, balance of payments and the related stock, securities, financial accounts, money circulation, payment systems, financial stability, as well as macro-prudential statistics and statistics on the system of financial intermediation, the MNB shall operate a central bank information system. Organisations and natural persons defined in the Decree of the governor of the MNB or in an administrative decision of the MNB taken within its supervisory scope of competence pursuant to Article 48(3) shall provide, for the purposes of the central bank information system, the information required.

(2) The MNB shall handle in the central bank information system personal data that are absolutely necessary for performing the tasks defined in Article 4(1), (7) and (9), and are necessary to assess creditworthiness and to identify credit risks, and are related to instruments serving as collateral and deposits placed with credit institutions and the treasury, as well as personal data that are necessary for the exercise of continuous supervision over persons, organizations and activities subject to the scope of the laws specified in Article 39(1) and (3), in respect of which the MNB ordered the provision of data – by decree or on the basis of 48(3) under supervisory authority – with the provision that this provision of data may not be directed to the data subject's natural personal identification data, special data, identification code, or the identifier of a document suitable for personal identification.

(2a) In order to carry out its tasks defined in Article 4(6), the MNB shall operate a statistical system as part of the central bank information system, for the purpose, based on the data request of the MNB, the members of the official statistical service or the body managing of the administrative data source shall provide personal data in a manner suitable for individual identification that are available to them orare processed in the administrative data source which are necessary for assessment of creditworthiness and identification credit risks, related to instruments serving as collateral, as well as deposits placed with credit institutions and the treasury managed in their administrative data source, excluding the personal identification data, special data, identification code and identifier of a document suitable for personal identification. The detailed rules regarding the transfer of such data shall be set out in an agreement between the MNB and the relevant member of the official statistical service or the body managing the administrative data source in accordance with the Act on official statistic.

(3) Act CLV of 2016 on official statistics shall be applied for the management of the data transferred according to paragraph (2a). These data shall be handled separately from other data in the central bank information system. When handling statistical data that is part of the central bank information system, the MNB shall take all regulatory, technical and organizational measures necessary to ensure the physical and logical protection of individual statistical data.

(4) The professional content and methodology of the statistical information system operated as part of the central bank information system shall be developed by the MNB – after seeking the opinion of the minister responsible for the regulation of the money, capital and insurance market – in agreement with the Central Statistical Office.

(5) In the case of data provision and data collection containing personal data in accordance with this Article, the MNB shall separate – by using pseudonyms – the data enabling the identification of the natural person concerned from other data relating to the person concerned, and the data separated this way shall be provided with a technical identifier, protected in accordance with security measures according to paragraph (2b), without which the connection between the provided or received data and the natural person concerned can no longer be restored. The connection between the data separated this way may only be temporarily restored by the MNB, in order to achieve the goal specified in paragraphs (2) and (2a), for the necessary period. Ifthe data management purpose specified in paragraphs (2) and (2a) is fulfilled, the MNB shall immediately and permanently make the data unsuitable for personal identification.

(6) Based on information available in the central bank information system, the MNB shall publish information relevant to the operation of the credit institution system and to the financial situation of the country, and shall make such detailed data available to the Parliament, the government and the central administrative bodies upon their request. The MNB shall provide the data available in the central bank information system to the Central Statistical Office for statistical purposes upon its request, in a manner suited for individual identification.

(7) Unless otherwise provided by law, data may only be published in a form which precludes the possibility of identifying information pertaining to individual entities providing the data.

(8) The governor of the MNB may stipulate in a decree the scope of information to be provided to the central bank information system and the method and deadline for data submission thereof, in order to facilitate the execution of the necessary research, analysis and the preparation of decision making preparation required for the performance of the basic tasks of the MNB, in such a manner that the organisations falling under the scope of the Act on credit institutions and financial enterprises, the Act on capital markets (hereinafter referred to as 'Tpt.') and the Act on investment firms and commodity dealers and on the regulations governing their activities (hereinafter referred to as 'Bszt.'), as well as the state tax authority, the pension insurance administration body, the health insurance body, the Central Statistical Office, the Court of Registry, and, in respect of family support and disability benefits, social, child welfare, child protection, public education and specific training allowances financed from the central budget, the treasury shall irreversibly modify, for the purposes of data provision to the central bank information system, the personal data, tax secrets, banking secrets, payment secrets, securities secrets, insurance secrets, fund secrets and individual statistical data managed by them in such a way which prevents the information being associated with the subjects of the data, in order to provide the MNB with information on organisations deprived of their confidential nature, or on natural persons deprived of their personal nature. The governor of the MNB shall designate the organisations providing information in a decree.

(9) The governor of the MNB shall also be entitled to stipulate in a decree the deprivation of information referred to in paragraph (5) of its confidential or personal nature by the transfer of information under an anonymous linking code generated using the encoding methodology made available by the MNB individually to those subject to an obligation of reporting pursuant to paragraph (5). The MNB shall delete the encoding method after making it available but before the submission of information.

(10) The MNB shall be entitled to request the information referred to in paragraph (5) from several different organisations with the anonymous linking code established on the basis of the same encoding method, and to interconnect such information. Such interconnection may not extend to a database managed by the MNB.

(11) The entity subject to an obligation of providing information pursuant to paragraphs (5) and (6) shall be obliged to refuse to submit information if the data cannot be deprived of its confidential or personal nature. The entity subject to an obligation of providing information pursuant to paragraphs (5) and (6) shall notify the MNB of the refusal, including the reasons for such, within the deadline for submitting the information.

(12) The MNB shall establish the method of generating the anonymous linking code and the basis of the code generation as follows:

a) the code generation shall not be based on data identifying organisations or natural persons whose data the MNB is entitled to manage, and

b) the specific individual method of code generation shall contain unique elements selected at random.

(13) In the course of data submission under paragraphs (5) and (6), the organisation providing the information shall modify the data pertaining to the address of natural persons prior to the data submission in such a way that the relevant address cannot be ascertained more precisely than the local region.

(14) After the information has been provided, the MNB shall be obliged to reimburse, based on a detailed statement of costs, the organisations providing information for the justified costs incurred directly in connection with the generation of information pursuant to paragraphs (5) and (6).

(15) The entity subject to an obligation of providing information pursuant to paragraphs (5) and (6) shall not modify the method of code generation, and shall delete it immediately after generating the anonymous linking code, and thereafter shall delete the anonymous linking code immediately after the providing information.

(16) Following the interconnection, the MNB shall irreversibly remove the link between the anonymous linking code and the data received and shall delete the anonymous linking code.

(17) For the purpose of this Article, anonymous linking code shall mean a series of characters generated by a method containing random elements of the data pertaining to the same natural persons or organisations and identifying such natural persons or organisations, whereby the same data always generates the same series of characters, but as a result of which the data identifying the natural person or entity cannot be restored from the generated series of characters.

(18) In the course of statistical activities pursuant to Article 4(6) usage for the purpose of improving statistical methodology and the production of analyses and statistical results shall qualify as usage for statistical purposes in the application of paragraph (2a). Statistical results constitute aggregated data and indicators which characterise economic and social phenomena.

Chapter IV

Basic tasks related to the identification and management of systemic risks

19. The monitoring of credit supply

Article 31 (1) In order to reduce or prevent systemic risks threatening the balanced supply of credit, the MNB shall continuously monitor crediting activity by undertakings performing credit and money lending activities in Hungary. The MNB shall assess the status of the credit cycle regularly.

(2) The MNB shall also monitor the credit and money lending activity of undertakings established in Hungary carried out in other Member States of the European Union or in third countries.

20. Measures to prevent the excessive credit outflow

Article 32 (1) If fluctuations emerge, or are likely to emerge, in the outflow of credit as a consequence of which the rate of economic growth substantially deviates from the long-term trend, and as a consequence of which the real economy would probably suffer substantial losses, the governor of the MNB, acting on the basis of the authorisation conferred under Article 171(1) subsection *ka)* pursuant to the decision of the Financial Stability Council adopted within the strategic framework specified by the Monetary Council, specifies the measures required to reduce the risk of excessive credit outflow in a decree.

(2) In the decree referred to in paragraph (1), the governor of the MNB shall establish rules concerning

a) contracts concluded with natural persons in the territory of Hungary in the course of credit and money lending activities and finance leasing

aa) governing the maximum coverage ratio for real estate loans, vehicle financing loans and financial leasing transactions,

ab) the maximum payment-to-income ratio,

ac) the maximum amount of the loan or lease debt in relation to the income, and

b) with regard to credit institutions and investment firms, in the case of residential and commercial properties located in Hungary

ba) risk weights designed to manage asset bubbles in the real estate sector,

bb) the minimum level of the average exposure weighted loss given default (LGD) values for all retail exposures secured with property.

(3) In his decree referred to in paragraph (2) subsection *b)* the governor of the MNB shall comply with the following articles of Regulation No 575/2013/EU of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation No 648/2012/EU (hereinafter referred to as 'Regulation No 575/2013/EU'): specify

a) Article 124 in respect of specifying the risk weights, providing that he will concurrently establish stricter rules for the conditions of applicable to a band between 35 per cent and 150 per cent in the case of residential property and to a band between 50 per cent and 150 per cent in the case of commercial property as well as to preferential risk weights below 100 per cent,

b) Article 164 in respect of specifying the minimum level of the average exposure weighted (LGD), providing that on the basis of financial stability considerations, higher minimum values of exposure weighted average LGD may also be set.

21. The countercyclical capital buffer

Article 33 (1) The governor of the MNB shall regulate the conditions of the establishment of the countercyclical capital buffer in a decree issued on the basis of the decision of the Financial Stability Council and within the strategic framework laid down by the Monetary Council.

(2) Within the strategic framework specified by the Monetary Council, for the countercyclical capital buffer rate the Financial Stability Council shall determine the governing capital buffer rate every quarter, to serve as the basis for the determination of the countercyclical buffer rate, taking into consideration

a) the status of the lending cycle,

b) the risks of the excessive outflow of credit,

c) the specificities of the national economy,

d) the percentage rate of the stock of credit to the gross domestic product and its deviation from the long-term trend, and

e) the guidelines of the European Systemic Risk Board for the determination of the countercyclical buffer rate.

(3) The MNB shall publish the methodology that serves as a basis for determining the governing buffer rate in an announcement.

(4) In his decree referred to in paragraph (1), the governor of the MNB shall determine and publish on its website the level of the countercyclical buffer rate taking into consideration the governing capital buffer rate, the guideline referred to in paragraph 2 subsection *e)* above and any other factor relating to the stability of the system of financial intermediation. The MNB shall review and modify, if necessary, the intensity of the cyclical systemic risks and the level of the countercyclical buffer rate quarterly. The MNB shall disclose the result of this review according to a time schedule.

(5) When the level of the countercyclical capital buffer rate is determined for the first time and it exceeds 0%, and when it increases, the decree of the governor of the MNB referred to in paragraph (1) shall be published 12 months prior to the date of application. If the MNB decides otherwise and determines a shorter period of preparation for the setting aside of the countercyclical capital buffer, it shall publish its detailed reasons on its website in an announcement.

(6) If the level of the countercyclical capital buffer rate is reduced or cancelled, the countercyclical capital buffer rate shall be applicable promptly, and the MNB shall publish, in an announcement on its website, an indicative period during which no increase in the countercyclical capital buffer rate is expected. This announcement shall not be binding for the MNB in reviewing the level of the countercyclical capital buffer rate.

(7)–(9)

22. Measures to mitigate systemic liquidity risks

Article 34 (1) If warranted by the prevention of the development of systemic risks and the enhancement of the resilience of the system of financial intermediation, the governor of the MNB, acting upon the authorisation conferred in Article 171(1) subsection *k) kc)*, shall require, in a decree, credit institutions and investment firms to implement measures to mitigate systemic liquidity risks. The decree of the governor of the MNB may specify requirements additional to the legal requirements justified by the specific risks of credit institutions, if warranted by the prevention of the development of systemic risks or the enhancement of the resilience of the system of financial intermediation.

(2) On the basis of the decision of the Financial Stability Council, within the strategic framework determined by the Monetary Council, the governor of the MNB shall regulate, in a decree,

a) the maturity match between the assets and liabilities of the institutions referred to in paragraph (1), including off-balance-sheet items,

b) the denomination match between the assets and liabilities of the institutions referred to in paragraph (1), including off-balance-sheet items,

c) the short-term liquidity coverage requirements for the minimum level of liquidity concerning the institutions referred to in paragraph (1).

23. Measures to reduce the probability of bankruptcy in systemically important institutions

Article 35 (1) The MNB shall determine and annually review Hungarian-seated

a) institutions of global systemic importance on a consolidated basis,

b) other systemically important institutions on an individual, sub-consolidated or consolidated basis,

and it shall continuously monitor their operation.

(2) If – pursuant to Article 90 of the Hpt. – the MNB determines or modifies the capital buffer applicable to other systemically important institutions, one month prior to the publication of the relevant decision, it inform the European Systemic Risk Board:

a) why the capital buffer is expected to effectively and proportionately mitigate the systemic risk posed by systemically important institutions,

b) of the expected impact of the capital buffer on the internal market, and

c) of the capital buffer rate applicable to the systemically important institutions.

23/A. Measures mitigating systemic or macroprudential risks

Article 35/A (1) If warranted by the enhancement of the resilience of the system of financial intermediation and the prevention and mitigation of the development of systemic or macroprudential risks, including macroprudential and systemic risks arising from climate change, and the severe and adverse influence on the financial system and the real economy resulting from the risk of disruption to financial systems**,** the Financial Stability Council may determine a capital buffer rate for systemic risk for one or more institutions of the financial sector within the strategic framework determined by the Monetary Council for exposures, institutions, or a group of institutions for risks that are not addressed by Regulation (EU) No 575/2013 and that are not managed by the capital buffer requirement for globally systemically important institutions and other systemically important institutions and the anticyclical capital buffer requirement.

(2) The notification specified in Article 141/A shall include the following:

a) assessment of the systemic or macroprudential risk in Hungary and the impact thereof on the system of financial intermediation,

b) justification of the necessity of the capital buffer for systemic risk and presentation of its expected efficient and proportionate risk mitigating impact,

c) assessment of the expected impact of the capital buffer for systemic risk on the single market,

d) the applicable systemic risk capital buffer rate or rates and the exposures as well as institutions regarding which these are prescribed,

e) if the systemic risk capital buffer rate applies to the total exposure, the reason why it assumes that the systemic risk capital buffer rate does not duplicate the functioning of the capital buffer applying to systemically important institutions as per Article 89 and 90 of the Hpt.

(3) If the decision concerning the establishment of the systemic risk capital buffer rate entails a decrease or entails no change, relative to the earlier established capital buffer rate, the MNB shall only provide the information as specified in Article 141/A.

(4) If the intended capital buffer rate for systemic risk is equal to or less than three percent, the MNB may apply it to all exposures defined in Article 92(1) of the Hpt. thirty days after giving the notification specified in Article 141/A subsection *a)* at the earliest, providing that it shall determine an identical capital buffer rate for systemic risk in respect of the exposures in all EEA Member States, unless the rate is set by recognizing a systemic risk buffer rate prescribed by another EEA Member State in accordance with paragraph (9).”

(5) A capital buffer rate for systemic risk intended to be set over 5 per cent for the exposure defined in Article 92(2) of the Hpt., may only be implemented by the MNB with the prior approval of the European Commission. In such a case, the MNB shall send the draft measure, together with its opinion, to the European Commission.

(6) If the MNB wants to prescribe a capital buffer rate for systemic risk for the exposure defined in Article 92(2) of the Hpt. of between 3 and 5 per cent, it shall send the draft measure in advance, together with its opinion, to the European Commission, and may only introduce the capital buffer rate for systemic risk pursuant to this paragraph after receipt of the European Commission’s preliminary opinion.

(7) If in its opinion referred to in paragraph (5) the European Commission opposes to the implementation of the capital buffer for systemic risk at the rate planned by the MNB according to paragraph (5), the MNB shall act in compliance with the opinion of the European Commission.

(8) If in its opinion referred to in paragraph (6) the European Commission opposes to the implementation of the capital buffer rate for systemic risk at the rate planned by the MNB according to paragraph (6), the MNB may introduce the capital buffer rate for systemic risk stated in its draft measure without taking the counteropinion into consideration, but shall furnish a detailed explanation on its decision to the European Commission.

(9) In the case defined in paragraph (6), if a subsidiary of a parent credit institution established in another EEA Member State is affected, the MNB shall notify and consult with all other relevant supervisory authorities affected in the matter, simultaneously notifying the European Commission. If the other affected relevant supervisory authorities and the MNB disagree on the proposal sent to the European Commission, or the European Systemic Risk Board issues a counteropinion to the introduction of the capital buffer rate for systemic risk within one month of the proposal’s submission to the European Commission, the MNB shall initiate a consultation with the European Banking Authority. In the context of this consultation, the European Banking Authority’s opinion shall not be binding vis-à-vis the MNB.

(10) The MNB may recognise the capital buffer rate for systemic risk determined in another EEA Member State – taking into consideration the information received under Article 141/A subsection a)– and require credit institutions and investment firms established in Hungary to apply it in respect of their exposures in the relevant EEA Member State,provided that:

a) this capital buffer rate for systemic risk may be cumulative with the rate applied under this Article if it addresses different risks,

b) the higher capital buffer rate for systemic risk shall apply if it addresses the same risks.

(11) The MNB may request the European Systemic Risk Board to issue a recommendation to one or more EEA Member States in respect of the recognition of the capital buffer rate for systemic risk determined by the MNB.

24. Additional tasks relating to the management of systemic risk

Article 36 If there are circumstances owing to which the operation of a credit institution jeopardises the stability of the financial system, the MNB may extend an extraordinary credit to the credit institution, complying with the prohibition of monetary financing defined in Article 146.

Article 37 In urgent, extraordinary cases which threaten the stability of the financial system as a whole and the smooth execution of payments, the MNB – considering it independently – may grant a credit to the National Deposit Insurance Fund and the Investor Protection Fund at their request, complying with the prohibition on monetary financing defined in Article 146; the maturity of such a loan may not exceed three months.

Article 38 The performance of the task defined in Articles 31 to 37 shall be without prejudice to the performance of the tasks of the MNB set forth in Article 4(1) and the tasks arising from MNB's membership in the European System of Central Banks.

Chapter V

Supervisory tasks

Article 39 (1) Unless otherwise provided for by an act, the MNB, in the performance of its duties set out in Article 4(9), shall perform the supervision of organisations, persons and activities governed by:

a) the Act on voluntary mutual insurance funds,

b) the Act on the Hungarian Export-Import Bank Limited Company and the Hungarian Export Credit Insurance Limited Company,

c) the Act on credit institutions and financial enterprises,

d) the Act on home savings and loan associations,

e) the Act on mortgage loan companies and mortgage bonds,

f) the Act on private pensions and private pension funds,

g) the Act on the Hungarian Development Bank Limited Company,

h) the Tpt.,

i) the Act on insurance institutions and the insurance activity,

j) the Act on the contracts concluded at a distance of consumer financial services,

k) the Act on occupational retirement pension and institutions for occupational retirement provision (hereinafter referred to as 'Fnytv.'),

l) the Bszt.,

m) Act on collective investment forms and their managers and on the amendment of certain financial acts (hereinafter referred to as 'Kbftv.),

n) the Act on reinsurance (hereinafter referred to as 'Vbit.');

o) the Act on the pursuit of the business of payment services, and

p) the Act on insurance against civil liability in respect of the use of motor vehicles (hereinafter referred to as 'Gfbt.'),

q) the Act on the central credit information system,

r) the Act on settlement finality in payment and securities settlement systems,

s) the Act on certain payment service providers,

t) law on the market of crypto-assets.

u) Act on credit servicers of non-performing loans agreements and purchasers of non-performing loans agreements

(2) In the performance of its duties set forth in Article 4(9), the MNB shall supervise the activities of lenders offering commercial loans, in respect of the activities covered by Act on consumer credit.

(3) In the performance of its duties set forth in Article 4(9), the MNB shall exercise the supervisory functions defined in the Act LIII of 2017 on the prevention and combating of money laundering and terrorist financing (hereinafter referred to as 'Pmt.'), in the Act LII of 2017 on the implementation of restrictive measures provided by the European Union, the UN Security Council as regards the service providers according to Article 1(1) subsections *a)* to *e)* and *m)* of the Pmt., and in the Act XLIII of 2021 on the a creation and operation of the background of data provision in connection with the identification task of financial and other service providers (hereinafter referred to as 'Afad Act') as regards the service providers acting as a service provider according to Article 3 point 12 of the Afad Act.

(4) The MNB shall ensure that it has the necessary expertise and operational capacity to perform its tasks.

(5) In the performance of its duties set forth on Article 4(9) acts as a supervisory authority regarding the compliance of the provision subject to the Act on the accessibility requirements for products and services:

a) a payment terminals connected to the provision of payment services for the acceptance of payment transactions,

b) automated teller machines, and

c) retail banking services, insofar as the provision of the services is supervised by the MNB accordance with paragraph (1).

Article 40 (1)

(2) In the performance of its duties set forth in Article 39(1) subsection *l)*, the MNB shall implement Regulation No 600/2014/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation No 648/2012/EU.

(3) In the performance of its duties set forth in Article 39(1) subsection *h)*, the MNB shall implement Commission delegated Regulation No. 2019/980/EU of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.

(4) In the performance of its duties set forth in Article 4(9), the MNB shall implement and execute the tasks stemming from the implementation of European Parliament and Council Regulation 260/2012/EU in its capacity as competent authority under Article 10 of Regulation 260/2012/EU of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation 924/2009/EU (hereinafter: European Parliament and Council Regulation 260/2012/EU).

(5) In the performance of its duties set forth in Article 4(9), the MNB, as the competent authority pursuant to Article 22(1) of Regulation No 1060/2009/EC of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (hereinafter referred to as 'Regulation No 1060/2009/EC of the European Parliament and of the Council'), shall implement Regulation No 1060/2009/EC of the European Parliament and of the Council and supervise such Regulation pursuant to Article 25a.

(6) In the performance of its duties set forth in Article 39(1) subsection *m)*, the MNB shall implement Commission Regulation No 583/2010/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website as well as Commission Regulation No 584/2010/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards the form and content of the standard notification letter and UCITS attestation, the use of electronic communication between competent authorities for the purpose of notification, and procedures for on-the-spot verifications and investigations and the exchange of information between competent authorities.

(7) In the performance of its duties set forth in Article 4(9), as the competent authority referred to in Article 32 of Regulation No 236/2012/EU of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps (hereinafter referred to as 'Regulation No 236/2012/EU of the European Parliament and of the Council'), the MNB shall implement Regulation No 236/2012/EU of the European Parliament and of the Council.

(8) In the performance of its duties set forth in Article 4(9) the MNB shall, as the competent authority pursuant to Article 2(13) of Regulation 648/2012/EU of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (hereinafter referred to as 'Regulation 648/2012/EU'), perform tasks relating to the implementation of Regulation 648/2012/EU.

(9) In the performance of its duties set forth in Article 4(9), the MNB shall function as the competent authority referred to in Article 43 of Commission Regulation No 1031/2010/EU of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community (hereinafter referred to as 'Commission Regulation No 1031/2010/EU') as regards the implementation of Articles 37-42 of Commission Regulation No 648/2012/EU.

(10) In the performance of its duties set forth in Article 4(9), the MNB shall be responsible for the implementation of Regulation No 575/2013/EU.

(11) The MNB performs the execution of Regulation No 345/2013/EU of the European Parliament and of the Council of 17 April 2013 on European venture capital funds in the context of its functions defined in Article 39(1) subsection *m)*.

(12) The MNB performs the execution of Regulation No 346/2013/EU of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds in the context of its functions defined in Article 39(1) subsection *m)*.

(13) The MNB performs the execution of Commission Implementing Regulation No 447/2013/EU of 15 May 2013 establishing the procedure for AIFMs which choose to opt in under Directive 2011/61/EU of the European Parliament and of the Council in the context of its functions defined in Article 39(1) subsection *m)*.

(14) The MNB performs the execution of Commission Implementing Regulation No 448/2013/EU of 15 May 2013 establishing a procedure for determining the Member State of reference of a non-EU AIFM pursuant to Directive 2011/61/EU of the European Parliament and of the Council in the context of its functions defined in Article 39(1) subsection *m)*.

(15) In the context of its tasks defined in Article 39(1) subsection *m)*, the MNB shall perform the tasks arising from the implementation of Commission Delegated Regulation No 231/2013/EU of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.

(16) The MNB, in the context of its tasks defined in Article 4(9) and acting as the relevant authority pursuant to Article 2(1)(17) of Regulation 909/2014/EU of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation 236/2012/EU, perform the tasks related to the implementation of European Parliament and Council Regulation 909/2014/EU (hereinafter referred to as 'Regulation 909/2014/EU'), shall perform the tasks relating to the implementation of Regulation 909/2014/EU.

(17) The MNB, in the context of its tasks defined in Article 39(1) subsection *m)*, shall perform the tasks arising from the implementation of Commission Delegated Regulation 2015/514/EU of 18 December 2014 on the information to be provided by competent authorities to the European Securities and Markets Authority pursuant to Article 67(3) of Directive 2011/61/EU of the European Parliament and of the Council.

(18) The MNB, in the context of its tasks defined in Article 39(1) subsection *m)*, shall implement Regulation 760/2015/EU of the European Parliament and of the Council of 29 April 2015 on European Long-term Investment Funds.

(19) In performance of its duties defined in Article 39(1) subsection *o)*, the MNB shall carry out the functions arising from the execution of Regulation No 2015/751/EU of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions.

(20) In the course of its functions defined in point (h) of Section 39(1) the MNB shall carry out the implementation of Regulation No 596/2014/EU of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (hereinafter referred to as 'Regulation No 596/2014/EU').

(21) In the context of its tasks defined in Article 4(9), the MNB shall implement Commission Delegated Regulation 2017/567/EU of 18 May 2016 supplementing Regulation No 600/2014/EU of the European Parliament and of the Council with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions.

(22) In the performance of its duties set forth in Article 39(1) subsection *l)*, the MNB shall implement Commission Delegated Regulation 2017/565/EU of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

(23) In the context of its tasks defined in Article 4(9), the MNB shall implement Regulation 2016/1011/EU of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation No 596/2014/EU.

(24) In the performance of its duties set forth in Article 4(9) the MNB, as a competent authority within the meaning of Article 16 of Regulation 2015/2365/EU of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation No 648/2012/EU (hereinafter: Regulation 2015/2365/EU of the European Parliament and of the Council), shall implement Regulation No 2015/2365/EU of the European Parliament and of the Council.

(25) In the performance of its duties set forth in Article 4(9) the MNB, as a competent authority within the meaning of Regulation 1286/2014/EU of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs), shall implement Regulation 1286/2014/EU of the European Parliament and of the Council.

(26) While performing its tasks stipulated in Article 39(1) *m)*, the MNB implements Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.

(27) While performing its tasks stipulated in Article 39(1) *m)*, the MNB implements Regulation (EU) No 345/2013 of the European Parliament and of the Council of 17 April 2013 on European venture capital funds and Regulation (EU) 2017/1991 of the European Parliament and of the Council of 25 October 2017 amending Regulation (EU) No 346/2013 on European social entrepreneurship funds.

(28) In its capacity stipulated in Article 4(9), the MNB implements Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 [hereinafter referred to as 'Regulation (EU) 2017/2402 of the European Parliament and of the Council'], including the fulfilment of the functions determined in Article 29(4)–(5) of Regulation (EU) 2017/2402 of the European Parliament and of the Council.

(29) Notwithstanding paragraph (28), compliance with the requirements prescribed in Articles 6–9 and 18–27 of Regulation (EU) 2017/2402 of the European Parliament and of the Council is not supervised by the MNB in the case of the organisations that only sell exposures in the ABCP programme stipulated in point 7 of Article 2 of Regulation (EU) 2017/2402 of the European Parliament and of the Council or in another securitisation transaction or scheme but do not actively originate exposures, with the primary purpose of regular securitisation.

(30) In the performance of its duties set forth in subsection h) of Article 39(1), the MNB shall implement Regulation No 2017/1129/EU of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

(31) In the performance of its duties set forth in subsection *h)* of Article 39(1), the MNB shall implement Regulation No 2019/1156/EU of the European Parliament and of the Council of 20 June 2019 on facilitating crossborder distribution of collective investment undertakings and amending Regulations (EU) No 345/2013, (EU) No 346/2013 and (EU) No 1286/2014.

(32) The MNB shall – in the scope of its duties stipulated in Article 4(9) – implement Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks.

(33) The MNB shall – in the scope of its duties stipulated in Article 4(9) – implement Articles 5 to 7 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

(34) The MNB shall – in the scope of its duties stipulated in Article 4(9) – implement Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

(35) The MNB shall – in the scope of its duties stipulated in Article 39(1) point l) – implement Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014.

(36) The MNB shall – in the scope of its duties stipulated in Article 4(9) – perform the assessment in accordance with Article 23b(5) point (a) of the Regulation (EU) 2016/1011 as described in Article 1(5) of Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 amending Regulation (EU) 2016/1011 as regards the exemption of certain third-country spot foreign exchange benchmarks and the designation of replacements for certain benchmarks in cessation, and amending Regulation (EU) No 648/2012.

(37) The MNB shall – in the scope of its duties stipulated in Article 39(1) point h) – perform the tasks associated with the implementation of the Regulation (EU) 2020/1503 of the European Parliament and of the Council of7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937.

(38) In the course of its tasks specified in Article 39(1) points c), i) and k) to m), the MNB shall implement Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European Personal Pension Product (PEPP).

(39) The MNB, in the performance of its duties set forth in Article 4(9), shall, as the competent authority under Articles 8 and 9 of Regulation 2021/1230/EU of the European Parliament and of the Council of 14 July 2021 on cross-border payments in the Union (hereinafter referred to as 'European Parliament and Council Regulation 2021/1230/EU') perform the tasks stemming from the implementation of European Parliament and Council Regulation 2021/1230/EU.

(40) The MNB, in the performance of its duties set forth in Article 39(1) points h) and l), shall implement Regulation 2022/858/EU of the European Parliament and of the Council of 30 May 2022 on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No 600/2014 and (EU) No 909/2014 and Directive 2014/65/EU.

(41) The MNB, in the performance of its duties set forth in Article 39(1) point t), shall perform its duties on the markets of crypto-assets, as well as regulations 1093/2010/EU and 1095/2010/EU, as well as 2013/36/EU and the implementation of Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 amending Directive (EU) 2019/1937.

(42) The MNB, in the performance of its duties set forth in Article 39(1) point h), shall implement Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (hereinafter referred to as 'European Parliament and Council Regulation (EU) 2023/2631), excluding the supervision of European green bond issuers according to Article 44(3) of the European Parliament and Council Regulation (EU) 2023/2631.

(43) In the course of its duties defined in Section 39, the MNB shall ensure the implementation of Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011.

(44)

(45) In the course of its duties defined in Section 39, the MNB shall ensure the implementation of the market surveillance activities under Article 74(6) of Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144, and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act).

Article 41 (1) In the performance of its duties set forth in Article 4(9), the MNB shall implement Regulation No 2006/2004/EC of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws in respect of violations within an European Economic Area (hereinafter referred to as 'EEA') Member State of laws of Member States transposing

a) Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC,

b) Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts,

c) Directive (EU) 2023/2673 of the European Parliament and of the Council of 22 November 2023 amending Directive 2011/83/EU as regards financial services contracts concluded at a distance and repealing Directive 2002/65/EC,

d) Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation No 2006/2004/EC of the European Parliament and of the Council, in respect of commercial practices related to the activities within its scope of supervision, and

e) Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation No 1093/2010/EU.

(2) In implementing decisions adopted in proceedings referred to in paragraph (1) in the course of mutual assistance, the MNB shall proceed in accordance with Commission Decision 2007/76/EC of 22 December 2006 implementing Regulation No 2006/2004/EC of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws as regards mutual assistance.

Article 42 the MNB shall, in the performance of its duties set out in Article 4(9),

a) evaluate applications submitted for authorisation and other submissions;

b) keep the records delegated to the authority of the MNB by the acts specified in Article 39,

c) monitor the reporting systems and reporting of the persons and bodies covered by the acts referred to in Article 39,

d) supervise compliance with Hungarian legal regulations and European Union Acts within its scope of competence regarding the operation and activities of the persons and bodies covered by the acts referred to in Article 39 as well as implementation of the decisions of the MNB,

e) oversees the operation of financial markets relying on the data and information supplied by the persons and bodies covered by the acts referred to in Article 39, and on facts which are officially known or are in the public domain,

f) facilitate the work of the board of directors of the National Deposit Insurance Fund and the preparation and implementation of its decisions;

g) open market surveillance procedures upon

ga) gaining cognisance of operations conducted without authorisation or notification;

gb) where there is suspicion of insider dealing or market manipulation (hereafter including insider dealing and market manipulation under Articles 37 to 42 of Commission Regulation No 1031/2010/EU);

gc) for the purpose of checking the rules regarding the reporting obligation for persons performing managerial duties and persons closely related to them;

gd) to verify compliance with the rules relating to the obligation of notification and disclosure of insiders and the restrictions on uncovered positions set forth in Articles 5 to 8 and Articles 12 to 14 of Regulation No 236/2012/EU of the European Parliament and of the Council, respectively,

h) cooperate with foreign financial authorities, in particular the financial supervisory authorities of the Member States of the EEA,

i) meet disclosure requirements and notification requirements to the European Commission within its sphere of competence set out in Article 4(9),

j) discharge notification and information obligations in connection with the establishment of branches and performance of cross-border activities, and cooperate with the financial supervisory authorities of the Member States of the EEA exercising financial supervision with a view to conducting the necessary examinations in respect of the operation of branches,

k) cooperate in discovering and eliminating obstacles that hamper the development of voluntary mutual insurance funds and private pension funds, and the guarantee fund of these funds, and in coordinating the cooperation of such entities with the social security authorities,

l) monitor compliance with the regulations and principles related to the acquisition of participating interests in public limited companies;

m) cooperate with the supervisory authority of public warehouses in the course of authorisation and control procedures pursuant to the Act on public warehousing;

n) control the activities of insurance companies, the party managing the Compensation Fund, the party managing the Claims Guarantee Fund, the Claims Organisation, the Information Centre, the National Bureau and claims adjustment representatives defined in the Gfbt.,

o) perform supplementary supervision pursuant to the Act on the supplementary supervision of financial conglomerates.

Article 43 (1) The MNB shall operate a public electronic information system in order to ensure that the information to be provided with the assistance of the MNB to the general public by the persons and bodies covered by the acts referred to in Article 39 is publicly available.

(2) The MNB shall publish on its website

a) the list of bodies and persons the MNB has authorised or registered, including the type of authorisation issued,

b) the list of foreign competent supervisory authorities with which the MNB has supervisory cooperation agreements,

c) internet links to the regulations in force which are applicable to financial organisations and investment firms,

d) the criteria and methods employed in the course of regulatory review and assessment of the capital requirements of entities covered by the acts referred to in Article 39, including the conditions for the application of the principle of proportionality,

e) aggregate statistical data and related analysis on the application of legal regulations pertaining to the functioning, capital adequacy and prudential requirements of credit institutions and investment firms,

f) the recommendations describing the fundamentals of the procedural practices of the MNB regarding the supervised persons and organisations followed in performance of its duties defined in Article 4(9),

g) the range of options permitted by European Union Acts and the method and principles for exercising its relevant discretionary powers,

h) the methodology and principles applied to the review and assessment of remuneration,

i) the number and nature of decisions adopted due to the violation of the Hpt., Regulation No 575/2013/EU, Bszt. and Regulation (EU) 2019/2033, as well as in the case of supervisory measures,

j) for the purposes of Part Five of Regulation No 575/2013/EU, the general criteria and methods applied in the course of auditing compliance with Articles 405 to 409 of Regulation No 575/2013/EU, the summary of the results of the supervisory review of compliance with Articles 405 to 409 of Regulation No 575/2013/EU and the summary of the measures adopted in the event of non-compliance with Articles 405 to 409 of Regulation No 575/2013/EU,

k) the criteria applied in respect of Article 7(3) subsection *a)* of Regulation No 575/2013/EU, and the following details pursuant to Article 7(3) of Regulation No 575/2013/EU:

ka) the number of exempted parent companies and the number of parent companies with a subsidiary in a third country,

kb) the aggregate amount of own funds of exempted parent companies, calculated on a consolidated basis, and the aggregate amount of the own funds of the subsidiaries in third countries,

kc) the ratio of own funds of the subsidiaries in third countries to the aggregate amount of the own funds calculated on a consolidated basis,

kd) the ratio of own funds of the subsidiaries in third countries to the aggregate amount of own funds calculated on a consolidated basis as stipulated in Article 92 of Regulation No 575/2013/EU,

l) the criteria applied in respect of Article 9(1) of Regulation No 575/2013/EU, and the following details pursuant to Article 9(1) of Regulation No 575/2013/EU:

la) the number of exempted parent companies and the number of parent companies with a subsidiary in a third country,

lb) the aggregate amount of own funds of exempted parent companies, calculated on a consolidated basis, and the aggregate amount of the own funds of the subsidiaries in third countries,

lc) the ratio of own funds of the subsidiaries in third countries to the aggregate amount of the own funds calculated on a consolidated basis,

ld) the ratio of own funds of the subsidiaries in third countries to the aggregate amount of own funds calculated on a consolidated basis as stipulated in Article 92 of Regulation No 575/2013/EU,

m) concurrently with the measures specified in Article 33(4),

ma) the percentage rate of the stock of credit to the gross domestic product and its deviation from the long-term trend,

mb) the governing buffer rate,

mc) the countercyclical capital buffer rate and the reasons for its determination,

md) the dates specified in Article 33(5) and (6),

n) if the MNB, pursuant to Article 88(4) subsection *a)* of the Hpt., obliges credit institutions to apply a countercyclical capital buffer rate exceeding 2,5 percent, or if the MNB, pursuant to Article 88(3) and (5) of the Hpt, determines a countercyclical capital buffer rate to the operations of credit institutions in a third country,

na) the applicable countercyclical capital buffer rate,

nb) the list of the EEA Member State or third country where the countercyclical capital buffer rate shall be applied to the risk-weighted exposure of the operations pursued by the credit institution,

nc) the date of effect of the countercyclical capital buffer rate, when it is determined for the first time or when it increases, and

nd) justification if the time period between the publication and the date referred to in point *nc)* is less than 12 months,

o) In respect of the capital buffer rate for systemic risk applicable pursuant to Article 35/A (1)

oa) the capital buffer rate or rates for systemic risk,

ob) the scope of credit institutions or investment firms affected, or the exposures affected by systemic risk capital buffer,

oc) the reason for implementing a capital buffer rate for systemic risk, unless its disclosure jeopardises the stability of the system of financial intermediation,

od) the starting date for generating the capital buffer rate for systemic risk, and

oe) the list of EEA Member States and third countries with a capital buffer rate for systemic risk recognised by the MNB,

p) the updated list of other systemically important institutions and global systemically important institutions, and the assignment of the latter into sub-categories, and

q) the description of the activities included in the notification referred to in Article 289/A(1) and (4) of the Hpt.,

r) in an easily accessible format, the Commission's electronic information listing consumers' rights under Directive 2015/2366/EU of the European Parliament and of the Council and the relevant European Union regulations,

s) an indication that the provisions of Article 378(1) subsections *f)*, *i)*, *k)*, *l)*, *m)* and *n)* of the Insurance Act (Bit.) prescribe a number of additional requirements for insurance intermediaries on the disclosure of information relative

to the provisions of Directive 2016/97/EU of the European Parliament and of the Council, and that pursuant to Article 166/B of the Bit. advising clients prior to the purchase of insurance-based investment products is mandatory,

t) current links to the governing legislation applicable to the distribution of insurance and reinsurance products classified into legal area categories,

u) the information on the main purposes of the prudential supervision of the institutions for occupational retirement provision, the information on the supervisory review process and the aggregate statistics of the mains areas where the prudential requirements are applied as well as the relevant analysis,

v) its decision based on Article 42 of the Regulation 600/2014/EU, in which it prohibits or restricts the distribution, or sale of certain financial instruments or structured deposits and a type of financial activity or practice.

(2a) The MNB shall meet its disclosure obligation under paragraph (2)

a) promptly in relation to paragraph (2) subsections *a)* and *q)*, otherwise regularly, but at least once a month,

b) on a standard electronic platform, in a transparent manner.

(2b) Upon request, the MNB shall provide information on the legislation referred to in paragraph (2) subsection *t)*.

(3) The content and form of the information published by the MNB pursuant to paragraph (2) subsections *c)* to *h)* and *j)* to *p)* shall facilitate comparison with the approaches and methodologies adopted by the financial supervisory authorities of other Member States.

(4) In the course of the disclosures defined in paragraph (2), the MNB shall comply with the relevant legislation on the protection of personal data, banking secrets, payment secrets, securities secrets, fund secrets, insurance secrets, occupational retirement secrets and business secrets.

Article 44 (1) In the performance of its duties set forth in Article 4(9), the MNB shall cooperate with the Hungarian Competition Authority and other authorities supervising the persons and entities covered by the acts referred to in Article 39.

(2) In order to discharge its duties set out in Article 4(9), the MNB shall enter into cooperation agreements and – pursuant to relevant legislation – exchange information with foreign financial supervisory authorities with a view to exercising supervision on a consolidated basis and supplementary supervision, and promoting the process of integration. Foreign financial supervisory authorities shall mean any authorities vested with powers under their national law to discharge any of the responsibilities conferred on the MNB in Article 4(9).

(3) The MNB shall participate in supporting the preparation and publication of studies related to the provision of information to customers of the persons and entities covered by the acts referred to in Article 39, to the reinforcement and promotion of financial literacy and to supervisory and supervised activities, as well as the activities of nongovernmental consumer protection organisations.

(4) In the implementation of its tasks set out in Article 4(7) to (9), the MNB shall consider the impact of its decisions on the stability of the financial systems of the other Member States concerned.

(4a) In the performance of its duties set forth in Article 4(9) – especially in an emergency – the MNB shall duly consider, on the basis of the information available at the time, the impact of its decisions on the stability of the financial systems of the other Member States concerned and on the European Union as a whole.

(5) For the purposes of this Act, consolidated supervision shall mean consolidated supervision within the meaning of the Hpt. and the Bszt., as well as group supervision within the meaning of the act on insurance activities.

(6) In performing its tasks specified in Article 4(7) to (9), the MNB shall keep in mind the guidelines and recommendations issued by the European Banking Authority in accordance with Article 16 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC and the warnings and recommendations issued by the European Systemic Risk Board in accordance with Article 16 of Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board.

PART THREE

PROCEDURES OF THE MNB

Chapter VI

Common provisions relating to administrative proceedings

Article 45 The MNB shall act as an authority in

a) exercising continuous supervision over the persons, organisations and activities subject to the acts specified in Article 39(1) and (3) under its scope of responsibilities set forth in Article 4(9),

b) within the framework of its responsibilities set out in Article 4(8) in exercising the entitlement provided for in the Act on the development of the institutional framework intended to enhance the security of members of the system of financial intermediation,

c) designating and withdrawing designations, and making decision falling within its competence under the Act on settlement finality in payment and securities settlement systems under its scope of responsibilities set forth in Article 4(9),

d) licensing the production or the arrangement for the production of imitations of Hungarian legal tender in circulation and of banknotes and coins already withdrawn from circulation by the MNB under its scope of responsibilities set forth in Article 4(2),

e) monitoring compliance with the provisions of this Act, the decrees of the governor of the MNB and the decisions of the MNB,

f) in the course of imposing requirements for the creation of a capital buffer for globally and other systemically significant credit institutions and the creation of a capital buffer against systemic risk within the meaning of Article 35/A(1) proceeding in the context of its duties defined in Article 4(7), in accordance with Article 90 of the Hpt.,

g) in the scope of duties defined in Article 4(9), the qualification of the infrastructure network of the credit institution and the post office for the handling of cash circulation according to the criterion system defined in the decree of the governor of the MNB regulating the conditions of cash circulation, and the obligation to establish an infrastructure network that meets the requirements assigned to this qualification in the criterion system,

Article 46 (1) During the MNB's administrative and control procedures prescribed by law, issues not regulated in this Act and

a) in the Act on the prohibition of unfair business-to-consumer commercial practices in consumer protection control procedures, in the Act on the basic requirements and certain restrictions of commercial advertising activities, and in the Act on certain issues of electronic commerce services and information society services,

b) in the Act on the development of the institutional framework intended to enhance the security of members of the system of financial intermediation, and

c) in the special procedural rules applicable to the specific cases specified in the acts defined in Article 39(1) in proceedings other than those mentioned in subsections *a)* and *b)*,

shall be governed, as appropriate, by the provisions of Act CL of 2016 on general public administration procedures (hereinafter referred to as 'Ákr.') as specified in paragraph (2) and the decrees issued in relation to these provisions in exercise of the authorisation under Articles 139 and 140 of the Ákr.

(2) Taking into account the provisions set out in paragraph (1) the provisions of Ákr. concerning

1. the role of basic principles, the principle of legality, the own motion principle, the principle of effectiveness, the basic principles applicable to clients, the principle of good faith and the principle of trust,

1a. the rules of customer succession,

2. the procedural capacity and representation,

2a. the procedural obligation regulated in Article 15(2),

3. the definition of powers and competences, conflict of competences and jurisdiction,

4. the rules applicable to requests,

5. data processing, confidential data processing,

6. procedural protection of minors, persons of legal age who are deemed incompetent or whose legal capacity has been partially limited, and persons with disabilities,

7. the advocate,

8. the participation of specialist authorities,

9. the application for justification,

10. the general rules relating to summons, the obligation of the summoned person to appear,

11. the ascertainment of the relevant facts of the case, the request of the authority to the client to make a statement,

12. the witness, the inspection, the expert, the interpreter, the presentation of evidence to the client,

13. the recording of the procedural steps, the official witness,

14. the general rules on the delivery of decisions, the process agent,

15. the correction of decisions, supplementing decisions,

16. the official instruments, certificates, records and registers,

17. the sequestration and seizure,

18. the legal remedies, except appeals and supervisory procedure,

19. the general rules relating to procedural costs, the bearing of procedural costs, the prepayment of procedural costs, the decision on the bearing of procedural costs shall accordingly apply.

(3) The rules of Ákr. on the refusal of applications shall apply with the derogation, that the MNB may refuse the application within fifteen days, and the MNB may refuse the application not only in cases set out in the Ákr., but also if:

a) theMNB does not have jurisdiction to the procedure,

b) theMNB does not have the power or competence, and the transfer ofthe claim is not allowed,

c) theclaim is for apparently impossible purpose,

d) there is a time limit or a deadline set by a legal act, and the claim is premature or delayed,

e) the claim has apparently not been presented by the person entitled to present it,

f) it can be deduced from the content of the claim that it is not an administrative action.

Article 47 (1) In the licensing, control, consumer protection, market surveillance and supervisory control procedures of the MNB and in the context of the procedure defined in Article 45 subsection *f)*, client means those

a) with respect to whom the MNB is entitled to establish rights or obligations,

b) whom the MNB subjects to its control,

c) who have submitted an application for licensing to the MNB,

d) who have submitted an application for a consumer protection procedure as a consumer, or

e) with respect to whom the authentic official register maintained by the MNB contains data.

(2) Upon request, the MNB shall inform the person or entity initiating an ex officio procedure exclusively about the fact of launching and closing the procedure and the measures applied.

Article 48 (1) Within the scope of its activities defined in Article 45 subsection *a)*, the MNB shall conduct

a) licensing procedures,

b) control procedures,

c) consumer protection proceedings,

d) market surveillance procedures and

e) supervisory controls.

(1a) In the context of the continuous supervision defined in Article 45 subsection *a)*, the MNB shall consider the potential impact of its decisions on the Hungarian system of financial intermediation and the affected financial systems of the European Union, taking into account the information available at the time. During times when financial markets are affected by extraordinary movements, the MNB shall take into account the potential procyclical impact of its activities.

(2) The MNB shall perform its supervisory activity defined in Article 39 and the resolution function provided for in the Act on the development of the institutional framework intended to enhance the security of members of the system of financial intermediation by way of on-site inspections and the verification and analysis of data derived from regular and extraordinary data provision, documents submitted to the MNB and facts the MNB is officially aware of.

(2a) The MNB shall draw up or review its control plan in connection with its procedures defined

in paragraph (1) subsections *b)* to *d)*, containing inter alia the subject matter of scheduled inspections, the period inspected, the timetable and means of the inspections, the inspection criteria and the continuous control task.

(2b) Before closing the next control period the MNB shall prepare a report on the execution of the control plan and the inspections conducted in the control period without being included into the control plan and the conclusions reached. The report shall contain at least the number of inspections, the outcome of the inspections, the types of the infringements found and other statistical data.

(2c) The MNB publishes the control plan and the control report on its website. The control plan shall be disclosed in a manner and to the extent so as not to jeopardise the outcome of the inspections.

(3) In the interests of obtaining the information necessary for continuous supervision, the MNB may prescribe regular or extraordinary data provision obligation for the entities or persons covered by the acts defined in Article 39(1) and (3) and by the Act on the development of the institutional framework intended to enhance the security of members of the system of financial intermediation.

(3a) The MNB may in its decision prohibit or restrict the distribution, sale of certain financial instruments or structured deposits or a type of financial activity when the conditions set out in Article 42 of Regulation 600/25014/EU are met. The decision shall contain the instead of the data of the persons and entities under Article 39 as subjects, the scope of financial instruments or structured deposits, or the types of financial activities or practices concerned by the decision.

(4) If called upon by the MNB, the persons and entities covered by the acts defined in Article 39(1) and (3) by the Act on the development of the institutional framework intended to enhance the security of members of the system of financial intermediation shall be obliged to provide information requested by the MNB concerning their activities required for the performance of MNB's tasks and prepare and make available to the MNB, in the format specified by the MNB, data, reports, certificates, audit documentations, accounting records, regulations, documentation related to individual transactions, the proposals and minutes of the meetings of their supreme bodies, their managing and supervisory bodies, the written findings of the auditors, audit reports, reports and protocols of internal audits, and reports in a specific format and breakdown, concerning their activities and relating to the administrative proceedings. The MNB may prepare an extract or a copy of the documents provided in this way.

(4a) The MNB may use any document, data or other means of proof acquired legally in the context of continuous supervision — including proceedings specified in Article 48(1) — in the course of other continuous supervision — including proceedings specified in Article 48(1) —, provided that the use of such document, data or other means of proof thus obtained and handled — even if they contain personal data or qualify as such — in the other proceedings is necessary for clarifying the facts of the case and conducting the proceedings.

(4b) At the request of the MNB the client, the other party to the procedure and the person obliged to contribution during the ascertainment of the relevant facts of the case shall disclose the data necessary for reaching a decision on the merits, including the personal and, in the case the act providing the protection of the data does not prohibit it, also the privileged information. The client may not be compelled to make a confession of an illegal act, however it may not refuse to make available any other, self-incriminating evidence, or supply any self-incriminating data, document.

(4c) At the request of the MNB the client, the other party to the procedure and the person obliged to contribution during the ascertainment of the relevant facts of the case shall, in particular by the disclosure of other data or by the supplement of documents, provide proof to verify the authenticity of any fact comprising part of its declaration, testimony or data provision.

(4d) The client, the other party to the procedure and the person obliged to contribution during the ascertainment of the relevant facts of the case may be heard about personal data and privileged information as well, and the MNB shall provide it with these, in the case the act providing the protection of the data does not prohibit it. The client may not be compelled to make a confession of an illegal act even in the context of the hearing.

(5) The MNB may also directly apply the measure specified in Article 75(1) on the basis of the facts of which it is officially aware.

Article 49 (1) In the administrative proceedings of the MNB applications, with the exception of applications for a consumer protection proceedings – may not be submitted in person or at one-stop government windows. Application means a statement made by a client requesting the opening of an administrative proceeding of the MNB or a decision of the MNB for the enforcement of its right or its legitimate interest. The application shall contain data required for the identification of the client and its representative, including their contact details. The application shall remain under the client's disposition until the decision rendered on the subject becomes definitive.

(2) An application shall be assessed based on its content, even if this content is not in line with the name of the document used by the client.

(3) If the application is not in compliance with the requirements provided for by the law, or it is deemed necessary to ascertain the relevant facts of the case, within forty-five days the MNB shall advise the applicant to remedy the deficiencies within the prescribed time limit, also indicating the legal consequences of non-compliance. The MNB shall be entitled to advise the applicant to remedy the deficiencies within the prescribed time limit on more occasions in its administrative proceeding. If the MNB has advised the applicant to remedy the deficiencies within the prescribed time limit, the administrative time limit shall be calculated from the date when the deficiencies have been remedied fully.

(4) The administrative time limit in the MNB's proceedings — unless otherwise provided for by an act — shall be thirty days. In case of proceedings opened upon request the proceeding and its administrative time limit shall commence on the working day that follows the date when the MNB receives the application. In case of own motion proceedings the proceeding and its administrative time limit shall commence on the day of the first procedural step. If the last day of a time limit falls on a day that is declared an official holiday for the MNB, the time limit shall expire on the next working day. The administrative time limit shall not include:

a) the duration of the consultation with a foreign authority,

b) the duration of suspension, stay, request,

c) the duration of negotiations on conflict of competence, the duration of the appointment of competent authority,

d) the obtainment of data from the public register,

e) the period between the request to supply data considered essential for ascertaining the relevant facts, or the instruction to clarify and the date they are provided,

f) the duration of specialist authority proceedings,

g) the duration of any system breakdown or other unavoidable event that disables the functioning of the authority for at least one full day,

h) the time required for the translation of the application, decision and other document,

i) theperiod between the measure for the delivery of the decision on the advancement of procedural costs and the date they are payed,

j) the duration of the preparation of the expert opinion,

k) the period between the day of dispatch of the administrative request or the decision and their delivery, and the duration of serving a document if served by way of posted notice, process agent and process administrator, and

l) after closing the procedure for taking evidence the period between taking the decision on the evaluation of the request for access to documents, or in case of granting the access to documents without restrictions, between informing the client and the day of access to documents realised based on the request.

(5) The time limit defined in days shall not include the day when the act or circumstance underlying the commencement of the time limit has occurred, or the day of service, delivery, or the day of posting and removal of a notice, and the day of proclamation. Where a time limit is defined in months or years, it shall expire on the day that corresponds to the starting day based on its number, or if this day is not available in the month when the time limit expires, on the last day of the month. The time limit defined in hours begins in the first minute of the hour following the underlying action.

(6) The date of presentation for a petition and request submitted by way of the postal service shall be the date of dispatch. Where a right is contingent upon a specific day, it shall take effect at the beginning of that day. The legal consequences relating to any failure of compliance with a time limit and to default shall take effect upon the last day of the time limit.

(7) In the event of doubt the time limit shall be considered observed.

(8) If it is not excluded by this Act, the client shall be entitled to request the proceedings to be stayed once, in justified cases, in case of more clients involved, they shall provide this request jointly. The proceedings shall be continued at the request of either of the clients. After a period of six-month stay, proceedings are terminated. The MNB shall inform about the termination those parties to whom the resolution would be delivered.

(9) In proceedings of the MNB the rules of the Ákr. on the stay of proceedings shall apply with the following exceptions:

a) the MNB shall be entitled to suspend the proceedings, if in the given case a foreign body shall be consulted,

b) the proceedings may also be suspended in the case, where the final decision in the proceeding requires the preliminary judgement of an issue, where the decision lies with another body, or if the case cannot be reliably resolved without a decision in another proceeding under the competence of the MNB.

(10)Beyond the cases of termination of proceedings in the Ákr. the MNB shall be entitled to terminate the proceeding also in the following cases:

a) if the client failed to comply with the request for remedying the deficiencies in a proceeding opened upon its request, and did not request the extension of the deadline prescribed therefore, or the lack of its statement impaired the ascertainment of the relevant facts of the case,

b) upon the death of the client or the dissolution of a legal person or an entity without legal personality the proceeding has become devoid of purpose, and there has not been an administrative succession,

c) if the representative is dismissed in a proceeding opened upon its request the client does not provide a suitable replacement representative in spite of request of the authority or does not proceed in person, except if the proceeding may be opened of own motion too, and the authority carries out the proceeding of its own motion, or if there are more clients in the proceeding, they proceed in person or their representative was not dismissed by the authority,

d) the proceeding does not belong to the official authority anymore because of amendment of a legal act,

e) a duty or an administrative service fee shall be paid for the administrative proceeding and the client does not comply with its payment obligation despite the request of the authority to pay within the time-limit set by the authority and does not receive an exemption from costs,

f) in case of own motion proceedings it was not possible to ascertain the relevant facts of the case to the extent necessary for the final decision to be taken, and the further procedural steps are not expected to bring any results,

g) the own motion proceeding did not find any infringement,

h) the reason for carrying out the proceeding does not exist anymore.

(11)The client – apart from the proceedings for the protection of consumers' interests – shall submit the documents in original. Where there is any doubt as to the authenticity or contents of an authentic instrument of foreign origin, the MNB shall request the client to present a recertified authentic instrument made out abroad.

Article 49/A (1) In the course of the MNB's proceeding, any person who is considered biased may not participate in the proceeding.

(2) Any person whose right or legitimate interest is directly affected in a case shall be excluded from that proceeding, including any person who has made a testimony or who participated as the client's representative, an official witness or an expert, furthermore, the holder of the subject-matter of the inspection and the advocate.

(3) Where any grounds for exclusion is identified, the case officer shall notify without delay. Grounds for exclusion may be reported by the client as well.

(4) The holder of employer's rights shall adopt a decision on the subject of exclusion and shall appoint another case officer if necessary, and shall also decide as to whether the procedural steps taken by the excluded case officer should be repeated or not. Where any grounds for exclusion is reported by the client, the MNB's decision on exclusion shall be shall be taken by way of ruling, and shall be communicated to the client as well.

(5) If the clients motion for exclusion is manifestly unfounded, or if lodging another unsubstantiated attempt in the same proceeding for the exclusion of the same case officer, an administrative penalty may be imposed upon this client in the ruling in which exclusion is refused.

(6) Where any grounds for exclusion emerges in connection with the MNB as authority, in the absence of another authority having similar powers and competences, the MNB shall proceed, and it shall inform the client.

(7) Exclusion shall also apply to the members and heads of associations acting in some administrative action, and to the manager vested with powers for the issuance of official copies of the competent authority, with the provision that if another officer vested with powers for issuance facilities or one who would be qualified to handle such functions is not available at that authority, the competent officer shall proceed in the case.

Article 49/B (1) The client shall be allowed access to the documents of the proceedings during the MNB's administrative activities and also after the conclusion thereof, unless otherwise provided for by this Act, or the MNB, in order to ensure that the proceeding is effective, orders by way of a ruling, that the client shall only be allowed access to the documents of the proceeding after the procedure for taking evidence has been closed, or refuses access by way of a ruling. The client shall be allowed access to those document before the procedure for taking evidence has been closed, which it needs in order to exercise its right to seek remedy against a ruling that may be appealed separately.

(2) Witnesses shall be allowed to review the document that contains their testimony; the holder of the subjectmatter of the inspection shall be allowed access to the documents of the inspection. A third person may be allowed access to documents containing any personal data or privileged information, if able to substantiate that the disclosure of the data is necessary for the enforcement of his right, or for the fulfilment of his obligation conferred upon him by law, or a court ruling or administrative decision, or if the statutory requirements for access to privileged information are satisfied.

(3) No access shall be allowed to the draft of a decision. No access shall be allowed to any document, or a part thereof, that contains any reference to privileged information, or to personal data if the statutory requirements for access to such data are not satisfied, except if lack of knowledge of that data – other than classified information – would impair the person authorised to access such documents in exercising his right provided for by this Act.

(4) Upon request by the person authorised to access documents, the MNB may permit access to documents prior to the conclusion of the procedure for reasons other than those specified in paragraph (1) if such access does not jeopardise the success of the procedure.

(5) The client may request the restriction of access to the relevant documents with respect to the data expressly specified with a view to protecting his business and other personal interests within reasonable limits. The MNB shall approve the request – upon carefully weighing the relevant circumstances of the case – if the lack of knowledge of the data in question will not impair the persons in exercising their rights to inspect the documents in question.

(6) In its request defined in paragraph (2), the client shall accurately specify the data to be handled as a business secret or private secret and the grounds for such handling – individually for each data item –, particularly the interest requiring protection that would be violated in the event of unauthorised access to the data.

(7) The client shall simultaneously disclose a document version of the document that does not contain any of the data specified in paragraph (6).

(8) In the order authorising the access to documents – if necessary in order to prevent access to the data by unauthorised persons –, in addition to determining the detailed rules of document viewing for the purpose of accessing data only to the necessary extent and scope, the MNB

a) may restrict the right to prepare and extract of the document, and

b) exceptionally, if the exercising of the client's lawful rights can only be ensured by making accessible data the accurate knowledge of which would directly and irreversibly violate the data holder's interest linked to the confidentiality of the data, they may prescribe access to the data only through the attorney representing the client or the expert appointed by the client, with the proviso that the restricted data may not be revealed to the client.

(9) The person duly authorised to exercise the right of inspection of documents shall be allowed – free of charge – to make copies or extracts of these documents, may request electronic copies or may request the recording and submission of data on electronic medium or may request paper based copies, which shall be certified by the MNB upon request.

(10)In case of allowing the right of inspection of documents with a restriction or refusing the request for the right of inspection of documents the MNB shall decide in form of a ruling. In case the MNB allows the right of inspection of documents without any restrictions, it is not necessary to take a formal decision, but it shall immediately inform the client.

Article 49/C (1) A decision may take the form of a resolution or ruling. The MNB shall adopt a resolution on the merits, and shall deliver other decisions during the process in the form of a ruling.

(2) A decision shall contain all data and information required for the identification of the competent authority, the clients and the case, the operative part – including the MNB's decision, the assessment of a specialist authority, information for seeking legal remedy and the procedural costs incurred –, and ascertained facts of the case, the evidence available, explanation for the specialist authority's assessment, the reasons for deliberation and the decision, and the specific statutory provisions on the basis of which the decision was adopted.

(2a) In addition to the provisions of paragraph (2), the decision based on Article 23 of the Act XXX of 1997 on the mortgage credit institution and the mortgage bond (hereinafter referred to as 'Jht.') shall also contain the information that the MNB publishes the decision on its website.

(3) A simplified decision may be adopted without any information as to remedy, showing in the statement of reasons only the specific statutes underlying the decision

a) if the MNB approves the request in its entirety and if there is no adverse party in the case, or if the decision does not affect the right or legitimate interest of the adverse party,

b) on the approval of a settlement, or

c) if the decision contains only the time for carrying out a procedural step.

(4) A simplified decision may be adopted in relation to rulings which cannot be appealed separately, showing in the statement of reasons only the specific statutory provisions underlying the decision.

(5) The MNB shall deliver the decision worded in the form of a separate document, record it in a report or enter it on the case file.

(6) In cases where instant procedural actions are required, prior transcription of the decision is not required, and it may be delivered to the client orally as well.

(7) The definitiveness of the decision shall be governed by the provisions of the Ákr.

Article 49/D (1) In its proceedings, in the form of a ruling that is not subject to independent legal remedy, for the period ending upon the passing of the decision the MNB

a) shall take measures or exceptional measures pursuant to the relevant act referred to in Article 39 applicable to the activity in question, where there is an urgent need for such action to protect the legal or economic interests of the parties involved,

b) may prohibit the continuation of a conduct in breach of law and may order termination of the breach if there is an urgent need for such action in order to perform its basic tasks specified in Article 4 (9), or where any delay would potentially cause significant or irreparable damage, or where the protection of consumers' legal or economic interests so requires.

(2) The MNB shall adopt the ruling referred to in paragraph (1) subsection *b)* above in priority proceedings.

(3) The MNB may apply protective measures in order to enforce the decision adopted during its procedure or provisional protective measures prior to the decision on the merits of the case where this is deemed justified by the need

a) to recover the fine, or

b) to protect the interests of the clients of supervised financial institutions or those of the persons or entities engaged in activities without a license or without prior notification.

(4) As a protective measure or a provisional protective measure, the MNB may

a) order the sequestration of monetary or financial assets,

b) prohibit the divestment or encumbrance of other movable and immovable property, or

c) in market surveillance procedures order to make electronic data temporarily unavailable.

(5) The MNB shall withdraw the protective measure and the temporary protective measure when the grounds therefor no longer exist.

(6) In the interest of immediate enforcement, the MNB shall directly notify the affected organisations of the protective measures or the provisional protective measures imposed by it.

Article 50 (1) In its administrative proceedings, the MNB shall be entitled – in the absence of a client with contrary interests – to waive the mandatory use of the Hungarian language and of the submission of documents in Hungarian. In such cases the MNB may require the preparation of a Hungarian language summary of the documents.

(2) Following application of the provisions of paragraph (1), the MNB shall provide the documents at its disposal to the other participants of the proceedings, with the exception of the client's representative, and to other authorities in the language of the proceedings and, in the absence of their declaration to the contrary, in a Hungarian translation. The costs of translation shall be borne by the MNB.

(3) Paragraph (1) shall not apply in proceedings concerning the foundation, the licensing of activities and the acquisition of a qualifying interest, in the course of which clients are required to provide certified Hungarian translations of the document, provided that, in the case of translations from any of the official languages of the European Union, translations made by professional translators or persons qualified as professional translatorproofreader are accepted.

(4) In case of any discrepancy between the Hungarian and foreign language versions of the MNB's decision, the Hungarian text shall prevail.

Article 50/A (1) The MNB shall deliver its official decisions and other official documents – except as provided in Paragraphs (2) to (11) and the market surveillance procedure – in accordance with Article 58.

(2) Paper-based official documents may also be delivered by way of the universal postal services or in person by an employee acting on behalf of the MNB

a) in cases jeopardising the stability of the financial intermediation system or customers' interests,

b) in the consumer protection control procedure when delivery is being made to natural person customers not using the identification service provided by the Government, or

c) if this is necessitated by other reasons.

(3) If the non-natural person customer has no authorised representative, in the case of the delivery of paperbased official documents the MNB shall deliver the documents concerned to the registered office of the non-natural person concerned, which is shown in the relevant authentic official register or if the company's registered office is different from its central office, it shall deliver it to the latter. If the attempt to make delivery to the registered office in the relevant authentic official register or the entity's central office and no service by fiction is possible either, the MNB may also deliver the official documents concerned to the address of residence or registered office of the natural person representative of the non-natural person customer found in the authentic official register.

(4) In the case of the delivery of a paper-based document, the official document sent by universal postal service to the notification address notified by the customer or the customer's representative to the MNB, or in the absence of such, in the case of a natural person customer to the individual's notification address in the registry of citizens' personal, address of residence and notification address data, or in the absence of such, to the individual's address of residence, or in the case of a non-natural person customer to its registered office entered in the authentic official register in which the given non-natural person is registered, or if the company's registered office is different from its central office, it shall deliver it to the latter, and in the case of a foreign person not having an address of residence or registered office in Hungary, to its process agent or the person commissioned to accept service (hereinafter collectively: delivery address), shall be considered to have been delivered,

a) if the addressee or other person authorised to take delivery refuses to take over the consignment, or deliberately obstructs the acceptance of delivery or if it can be clearly established subsequently that the attempted delivery failed because the addressee or such other person cannot be found at the delivery address, or the address cannot be identified or delivery is obstructed, on the day of the attempted delivery,

b) if it is returned to the sender marked "unclaimed", on the fifth working day following the second attempt at delivery.

If the MNB accepts the objection, the rules pertaining to applications for justification shall apply.

5) If the MNB delivers its official decision or other official document in a paper-based form by its own delivery, the provisions laid down in Paragraph (4) *a)* shall apply as appropriate.

6) The MNB's decision may be served by way of posted notice if:

a) the client's whereabouts is unknown,

b) service cannot be carried out due to other insurmountable obstacles, or if making an attempt appears to offer no results,

c) the clients cannot be precisely identified,

d) the number of clients is more than fifty, or

e) so prescribed by legislation.

(7) The MNB shall serve its decision based on Article 42 of the Regulation 600/2014/EU, in which it prohibits or restricts the distribution or sale of certain financial instruments or structured deposits and a type of financial activity or practice, by way of posted notice.

(8) The public notice contains:

a) the date of publication on the website,

b) the name of the competent authority,

c) the case number and the subject matter of the case,

d) the name and registered office (residential address) of the client if known and the disclosure thereof is permitted by law, in the manner and with the contents prescribed by law,

e) the operative part of the decision, and

f) a note indicating that the decision is available for review at the authority.

(9) The MNB shall post the public notice on its website. The decision shall with the exception of the provisions laid down in Paragraph (7) be deemed served on the tenth day following its publication on the website.

(10) The decision according to Paragraph (7) shall be immediately enforceable.

(11) The provisions of the Ákr. relating to service shall be applied with the derogations defined herein.

Article 51 (1) In its proceedings, the MNB shall be entitled to request data from the criminal records system under the Act on the criminal records system, on the register of rulings brought against Hungarian citizens by courts of the Member States of the European Union and on the records of criminal and law enforcement biometric data.

(2) The data request pertaining to the persons covered by the acts defined in Article 39 shall be limited to the information necessary to establish whether any of the disqualifying factors specified by the act laying down the conditions for the pursuit of the activity concerned apply to the data subject.

Article 52 (1) A procedural fine may be imposed upon the client, other participants of the proceedings and the person obliged to collaborate if, in the course of the procedure, he acts or behaves in a manner which is designed to or results in prolonging or impeding the procedure or frustrating the identification of the true facts of the case.

(2)The lowest amount of the procedural fine shall be fifty thousand forints, its highest amount shall be ten million forints, and the requirement of proportionality shall be borne in mind while imposing it.

(3) In the proceedings of the MNB, upon imposing the procedural fine the MNB shall consider the criteria defined in Article 77(3) of the Ákr.

Article 53 (1) In respect of its resolutions made in administrative proceedings, the MNB shall publish on its website

a) the reference number and subject of the resolution;

b) the name and registered address of clients, other than natural persons, involved in the administrative proceedings,

c) the operative part of the resolution, exclusive of information on the available remedy if the resolution is final,

d) the fact of the legal remedy proceeding instituted against its resolution,

e) the operative part of the non-appealable judgement passed in the legal remedy proceeding instituted against its resolution.

(1a) In addition to paragraph (1), in its final decision adopted under Articles 185, 189 to 192 of the Hpt., Article 23 of the Jht., subpoint 2 of Article 400(1) subsection *o)* of the Tpt., Article 400(1) subsection *w)* of the Tpt., Article 400(2) of the Tpt., Article 164 of the Bszt., Article 174/A of the Kbftv., Articles 291 and 431 of the Bit., Articles 64(1) and 85/D of the Fnytv., Article 110(1) of the Mpt. and Article 65(3) of the Öpt. and disclosed in compliance with paragraph (1) above, the MNB will identify the name of the offender natural person.

(1b) The MNB shall publish the operative part of its final decision made in the legal remedy process against its decision based on Article 23 of the Jht. in accordance with point e) of paragraph (1) on its website without undue delay.

(2) In the publication referred to in paragraph (1) in the case of decisions on the authorisation of appointments, the MNB shall publish, in addition to the information defined in paragraph (1), the family name and first name of the officer authorised to enter into office.

(2a) The MNB shall publish the decision containing measure or exceptional measure without undue delay after its delivery to the client.

(3) The MNB shall not publish its resolution passed with regard to the measures taken in respect of or the fines imposed on the UCITS fund manager or the custodian of the UCITS, on the basis of this Act or of the Kbftv., if such publication would jeopardise the stable and smooth operation of the system of financial intermediation.

(3a) The publication obligation defined in paragraph (1) only applies to resolutions that are issued in consumer protection proceedings launched ex officio and stipulate measures, as well as to resolutions that are issued in market surveillance proceedings and stipulate measures.

(4) The MNB shall publish its decision on the measures or extraordinary measures specified in the Hpt., Jht., Tpt., the Bszt.,the Kbftv., the Fnytv., the Act on Private Pensions and Private Pension Funds and the Act on Voluntary Mutual Insurance Funds, as well as its decision on the imposition of a fine anonymously, if disclosure

a) is disproportionate to the infringement committed by the natural person,

b) causes disproportionate disadvantage to the natural person or legal entity,

c) jeopardises a criminal proceeding in progress, or

d) threatens the stability of financial markets.

(5) At its discretion, the MNB may postpone – for 60 days at most – the publication of the decision on the measures or extraordinary measures specified in the Hpt., Tpt., Bszt., Kbftv., Fnytv., Mpt. and Öpt. or on the imposition of a fine, if the unlawful conduct is expected to discontinue within maximum 60 days, and the infringement does not jeopardise the safe operation and the protection of the clients of the legal entity, and the stability of the system of financial intermediation.

(5a) If the MNB considers that the publication of the name and registered seat of the offender non-natural person and the name of the offender natural person specified in the final decision adopted by the MNB for the violation of the rules prescribed by Regulation 1286/2014/EU of the European Parliament and of the Council and Regulation 2017/1129/EU of the European Parliament and of the Council would be disproportionate – based on a case-by-case assessment conducted on the proportionality of the publication of such data – or the publication would jeopardise the stability of financial markets or the success of an ongoing criminal investigation, the MNB shall

a) delay the publication in accordance with paragraph (5) until the moment where the reasons for non-publication cease to exist,

b) publish the decision on an anonymous basis in accordance with paragraph (5), if such anonymous publication ensures an effective protection of the personal data concerned, or

c) not publish the decision in the event that the options laid down in subsections (*a)* and (*b)* are considered to be insufficient to ensure that the stability of financial markets would not be put in jeopardy or that the publication of the decision would be proportionate to its significance.

(5b) If the MNB decides to publish the decision on an anonymous basis based on subsection *b)* of paragraph (5a), the publication may be postponed for a reasonable period of time if it is envisaged that within that period the reasons for anonymous publication will cease to exist.

(5c) If the MNB considers that the publication of the name and registered seat of the offender non-natural person and the name of the offender natural person specified in the final decision adopted by the MNB for the violation of the rules prescribed by the Bit. on the distribution of insurance or reinsurance products and on the measures determined in the Enyt.

a) would be disproportionate based on a case-by-case assessment conducted on the proportionality of the publication of such data, or it

b) would jeopardise the stability of financial markets or the success of an ongoing criminal investigation, it may decide to delay the publication in accordance with paragraph (5), not to publish the decision, or publish the decision on an anonymous basis.

(5d) If the MNB publishes its decision about the measure or exceptional measure taken due to the violation of Article 23 of the Jht. maintaining anonymity, the publication of the relevant data may be postponed until the reasons against the publication cease.

(6) The MNB shall make its decision on the measures or extraordinary measures specified in the Hpt., Jht., Tpt., Bszt., Kbftv., Bit., Fnytv., Mpt. and the Öpt. or on the imposition of a fine available on its website for at least 5 years, but not longer than for 10 years.

Article 53/A

Article 53/B (1) After notifying the person affected by the sanction of the decision to impose the sanction or the measure for the violation of Regulation No 600/2014/EU, Regulation 909/2014/EU, the Tpt. or the Bszt., the MNB shall publish on its official website, without undue delay, the decision to impose a sanction or a measure. The publication shall include at least the type and nature of the infringement and the identity of the person responsible. This obligation does not apply to decisions imposing measures that are of an investigatory nature.

(2) Where the publication of the identity of the legal entities, or the personal data of natural persons is deemed disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where such publication would jeopardise the stability of financial markets or an ongoing investigation, and the options laid down in Article 53(4) and (5) would be insufficient to ensure

a) that the stability of financial markets would not be put in jeopardy;

b) the proportionality of the publication of such decisions with regard to measures which are deemed to be of a minor nature,

the MNB may decide not to publish the decision to impose the sanction or the measure.

(3) In accordance with paragraph (2), the MNB shall inform the European Securities and Markets Authority of all administrative sanctions or measures imposed but not published, including any appeal in relation thereto and the outcome thereof.

(4) The MNB shall, on an annual basis, provide the European Securities and Markets Authority with aggregate information regarding all administrative sanctions and measures imposed in accordance with paragraphs (1)–(2), save for measures that are of an investigatory nature.

(5) Where the MNB has disclosed administrative measures, sanctions or criminal sanctions to the public, it shall simultaneously report those to the European Securities and Markets Authority.

Article 54 (1) Prior to the announcement of the decision of a court proceeding in public administrative cases, the MNB may amend the performance deadline stated in its decision ex officio even if it does not violate any laws and the conditions defined in Article 55(5) do not prevail; however, the amendment shall not render the decision more burdensome for the client.

(2) In the event of any amendment to the decision, the MNB will notify the proceeding court ex officio.

Article 55 (1) The provisions of Articles 132-134, 136 and 137, and 138(2) and (3) of the Ákr. shall be applied in case of

a) the legally defined fees to be paid to the MNB,

b) the fines imposed by the MNB,

c) the procedural costs established by the MNB, as well as

d) the late payment surcharges incurred in connection with points a)-c).

(2) In case of non-payment or late payment of fines imposed by the MNB and procedural costs established by the MNB a late payment surcharge shall be paid from the due date of the payment obligation to the day of performance.

(3) In case of non-payment or late payment of supervisory fees a late payment surcharge shall be paid from the due date defined in Article 168 to the day of performance.

(4) The amount of the late payment surcharge according to paragraphs (2) and (3) is three hundred and sixty-fifth of twice the central bank base rate valid at the time of charging after each calendar day.

(5) In the application submitted before the expiry of the payment deadline, the obligee may ask the MNB for a postponement of the payment obligation or permission for payment in installments (hereinafter referred to as 'payment discount') by proving that a reason beyond his control makes it impossible to pay by the deadline or it would represent a disproportionate difficulty for him. The rules contained in this paragraph and in paragraph (6) regarding the payment discount shall also be applied in the event of an obligation to perform a specific act and release a specific movable property.

(6) After the expiration of the performance deadline, the customer – provided that the execution has not yet been initiated – may request a payment discount by simultaneously submitting a request for verification for the reason specified in paragraph (5).

(7) If the MNB rejects the verification request specified in paragraph (6) and the payment discount request, it shall simultaneously decide on the initiation of enforcement.

(8) A payment discount may be granted to the obligee – at his request – if he proves during execution that the non-performance cannot be blamed on him, and that a reason beyond his control made it impossible to perform by the deadline, or would represent a disproportionate difficulty for him.

(9) Until the conditions contained in the order establishing the payment discount are met, no enforcement action may be taken against the obligee, and – from the date of receipt of the request submitted by the obligee – no late fee may be charged. If the obligee violates the conditions contained in the order establishing the payment discount, the enforcement body shall continue the enforcement for the full amount of the arrears. The MNB shall notify the enforcement body of the continuation of the enforcement and the amount of the late fee retroactively charged from the date of receipt of the request submitted by the obligee.

(10) In the case of an obligee for whom the MNB maintains a payment account, the MNB shall collect the overdue debt resulting from the decision to pay money by means of direct satisfaction.

Article 55/A (1)

(2) In court proceedings commenced to contest the MNB's decision to withdraw an organisation's authorisation for operation, to suspend its activity or operating license or to prohibit its activity in the lack of a license or prior notification and appoint a supervisory commissioner, no urgent legal protection may be granted. The MNB shall declare its decision to be enforced forthwith if such enforcement is required to safeguard public interest or to protect the interests of users of the services provided by financial organisations and to ensure the uninterrupted operation of any financial market or the system of financial intermediation as a whole.

(3) If no urgent legal protection was requested in the court proceeding, the MNB may suspend the obligation or measure contested in the court proceeding or the execution thereof until the court passes a legally binding decision.

Article 56 A claim for damages or compensation against the MNB – on the grounds of damaged caused or the violation of rights related to personality in the context of public administrative functions –, may be enforced if the MNB's decision or omission was unlawful and the damage sustained or the violation of rights related to personality on which the compensation claim is based was caused directly by such decision or omission, and the resolution against the MNB issued in the administrative action opened in relation to the injurious MNB decision causing the violation has become final in the event of the MNB having lost the case at least in respect of the decision or omission serving as the grounds for damages or compensation.

Article 57 (1) The MNB may use individual data received from foreign financial supervisory authorities in the course of international cooperation within its scope of responsibilities set forth in Article 4(9) exclusively for the following purposes, and it may release data to foreign financial supervisory and resolution authorities and the organisation defined in Article 140(1) subsection *a)* for the following purposes:

a) to assess applications for licensing foundation and activities to audit compliance with the provisions of the licence, to assess the prudential operation of organisations, and for court or criminal proceedings relating to resolutions or the MNB;

b) to lay down the grounds for the decisions of the financial supervisory and resolution authority, or the related court or criminal proceedings, in particular for the measures applied and the sanctions imposed, and

c) to carry out the duties defined by legal acts of the European Union in the context defined by the legal acts of the European Union for the organisations specified in Article 140(1) subsection *a)*.

(1a) Paragraph (1) subsection *a)* includes, in particular, data related to the good reputation, education requirements, as well as the professional training and further training of insurance and reinsurance distributors.

(2) Data supplied or received within the framework of supervisory cooperation may be forwarded to third parties on the basis of the prior written consent of the authority providing the data, provided that all the miscellaneous conditions of forwarding data are met. The prior written consent of the authority supplying data is not necessary if the forwarding of the received data is directly necessary for the court, criminal or tax proceedings related to the decision of the MNB or the foreign financial supervisory authority.

(3) In its administrative proceedings, the MNB shall manage the personal data obtained pursuant to this Act or the acts defined in Article 39 for a maximum period of five years from the time of termination of the data subject's status which is subject to authorisation or registration.

(4) If no administrative procedure has been opened, the MNB shall be entitled to manage the data specified in Article 51 until the conclusion of the administrative control procedure or, in the event an administrative procedure has been opened, until the resolution made or the ruling terminating the procedure becomes definitive, or until the final conclusion of the court proceedings related to the case, including any extraordinary remedy or legal remedy proceedings.

(5) Where evidence contains personal data unrelated to the subject matter of the proceedings, and the separation of the data cannot be removed without compromising the probative value of the evidence in question, the MNB shall be entitled to handle all personal data affected by the evidence, however, it shall be entitled to examine the personal data unrelated to the infringement subject to the investigation only to the extent required to ascertain that the data is not related to the infringement being investigated.

(6)

(7) The MNB may hand over secrets specified in Article 150(1) to the authority performing public supervisory auditing duties and acting within the scope of its functions. The persons exercising public supervisory powers are bound by a confidentiality obligation in terms of these secrets.

Article 57/A Article 12/A of Act XXXIV of 2004 on small and medium-sized enterprises and the supporting of their development shall not by applied in the procedures defined in Article 48(1) subsection *b)* to *d)*.

24/A. Legal remedies

Article 57/B (1) A ruling of the MNB may be appealed separately if permitted by the Ákr. or the legislation on the MNB's proceedings.

(2) The MNB's decision may not be amended by the court. Appeals may be lodged against the judgement in the first instance.

(3) If the MNB suspends the enforcement of the decision or the court grants urgent legal protection but the obliged party fulfils the stipulations of the decision nevertheless, no claims for damages shall be admitted in the context of claims as defined in Article 56.

25. Electronic communication

Article 58 (1) The MNB shall maintain communication with clients and other parties to the proceedings in writing, by way of electronic means (hereinafter referred to collectively as 'written communication') provided for in the Act CIII of 2023 on the digital state and certain rules for the provision of digital services (hereinafter referred to as 'Dáptv.'), or in person, electronically by means other than writing (hereinafter referred to collectively as 'oral communication'). In any life-threatening or potentially devastating situation the mode of communication shall be selected by the MNB. With respect to electronic communication, in the proceedings of the MNB, the provisions of the Dáptv. shall be applied with the derogations defined in paragraphs (2)–(12).

(2) With the exception of market surveillance procedures, in the course of the MNB's public authority activities as defined in Article 45, communication between the organisation, the MNB and the person defined in the procedures specified in Annex 1 shall be maintained by way of electronic means, to be performed solely through the mail storage facility dedicated to the organisation concerned in the MNB's information technology system supporting the electronic administration services of the MNB or, in the case of natural persons, in the storage facility linked to their Central Client Registry registration or through the mail storage facility dedicated to the natural person in the MNB's information technology system supporting the electronic administration services of the MNB.

(3) In the cases defined in paragraph (2), the electronic identification of the person or the organisation shall be performed in the information technology system supporting the electronic administration services of the MNB or through an electronic identification service. In the course of the MNB's public authority activities as defined in Article 45, the official contact information for the economic organisation concerned shall be the mail storage facility created and maintained by the MNB for the organisation.

(4) The MNB shall send a notification to a maximum of five electronic mail addresses specified by the organisation involved in the proceeding on any document placed by the MNB in the mail storage facility of the organisation. No legal effect lies with the notification.

(5) The document shall be deemed delivered on the working day following its placement in the mail storage facility.

(6) If the document delivered to a payment service provider is a decision taken by the MNB regarding a transfer service in the case of which the payment service provider holds continuous working days from 0.00 to 24.00 each day, for the performance of the tasks of the payment service provider stemming from the execution of the transfer – unless otherwise regulated by an act or the decree issued by the Governor of the MNB regarding the performance of payment services –, the document shall be regarded as having been delivered (unlike as provided for in Paragraph (5), after the passing of four hours following the deposition of the document at the mail storage facility.

(7) The MNB shall be notified of successful electronic delivery and of the presumption of service by way of an automatically generated electronic confirmation (electronic acknowledgement of receipt).

(8) The MNB shall retain the document in the mail storage facility until the last day of the time period open for the ordinary and extraordinary remedy options available in the given case (hereinafter referred to as 'retention period'). On the last day of the retention period the MNB shall remove the document from the mail storage facility; however, addressees subject to mandatory electronic communication may request the repeated electronic delivery of the document.

(9) If, for any reason, the mail storage facility of the MNB is dysfunctional for at least four hours on a working day, that day shall not be included in the time limit referred to in paragraph (5). The MNB shall publish the days excluded from the time limit on its website.

(10) For the purposes of the electronic communication defined herein, the MNB performs a secure delivery service. The mail storage facilities maintained in the MNB's information technology system supporting the electronic administration services of the MNB is considered an official storage facility.

(11) Only original documents or authenticated electronic copies may be submitted in authorisation procedures, however, an electronic copy of paper-based public document prepared by an attorney or bar association legal counsel also be submitted, except of public document issued abroad.

(12) In the course of the MNB's public authority activities as defined in Article 45 – excluding control procedures, consumer protection procedures and supervisory control procedures, electronic copies prepared by the economic organisation of paper-based authentic instruments in their custody or of paper-based private documents issued by a different party with full probative force or of any other private documents may not be accepted as certified copies.

Chapter VII

Certain administrative proceedings

26. Authorisation proceeding

Article 59 (1) Unless otherwise provided by law, in proceedings opened on request applicants shall pay an administrative fee. The level of the administrative fee, together with the detailed rules governing its collection, management, recording and refund, shall be established by the governor of the MNB in a decree.

(2) Applicants shall declare that they have disclosed to the MNB all relevant facts and data required for the authorization.

(3) In the course of the authorisation procedure, the MNB shall take into consideration all the available documents, data and information related to the application and ascertain, by way of on-site inspection where necessary, that the granting of the authorisation does not conflict with any legal provision.

(4) In the authorisation, approval and registration procedures, de-registration proceedings and notifications governed by the legislation referred to in Article 39(1) subsections *a)*, *c)*, *f)*, *h)*, *i)*, *k)*, *l)*, *m)* and *s)* and Article 40(10), applications or notifications shall be submitted on the printed or electronic forms provided for this purpose.

Article 60

Article 61 (1) The administrative time limit in proceedings for the authorisation of foundation and merger, for the issuance of operating licenses, for the cessation of operations and for the procedure defined in Article 45 subsection *c)–d)* may be extended once in justified cases by no more than three months.

(2) The administrative time limit in proceedings for the authorisation of transformation and demerger may be extended once in justified cases by no more than three months.

(3) The administrative time limit in proceedings for the authorisation of the intermediation of financial services and for the cessation of such activities may be extended once in justified cases by no more than three months.

(4) The administrative time limit in proceedings for the authorisation of portfolio transfer may be extended once in justified cases by no more than three months.

(5) The administrative time limit in proceedings for the authorisation and approval within the MNB's competence on the basis of Regulation 575/2013/EU may be extended once in justified cases by no more than three months.

(6) If a directly applicable legal act of the European Union establishes a different time limit for proceedings within the competence of the MNB, the time limit defined therein shall be applicable.

27. Control proceedings

Article 62 (1) The control powers of the MNB shall cover control of compliance with

a) this Act,

b) the provisions laid down in legal regulations governing the operations and activities of the persons and entities covered by the acts referred to in Article 39, directly applicable legal acts of general application of the European Union and

c) decrees of the governor of the MNB

as well as the implementation of the administrative resolutions of the MNB.

(2) Control by the MNB shall comprise the verification of data reporting and the on- and off-site control procedures (hereinafter referred to as 'control procedures') conducted by the MNB ex officio.

Article 63 (1)

(2) The MNB shall not be performed control procedures on the request of clients.

(3) The MNB shall periodically verify the data obtained from reporting without informing the client about such verification.

Article 64 (1) In the course of the control procedure, the MNB conducts

a) comprehensive inspections,

b) targeted inspections,

c) thematic inspections,

d) extraordinary targeted inspections, and

e) post-inspections.

(2) The MNB shall conduct comprehensive inspections

a) at least once every two years at organisations engaged in the operation of payment systems,

b) at least annually at the central counterparty, ,

c) with the exception of the cases defined in subsection *d)*,

ca) at least every three years at credit institutions, insurance companies, reinsurance companies, electronic money institutions, payment institutions, investment firms, commodity exchange service providers, investment fund managers managing a public investment fund, stock exchanges, central securities depository providers of data services of limited importance from the point of view of the internal market in accordance with Regulation 600/2014/EU of the European Parliament and of the Council, and persons and entities covered by the acts referred to in Article 39 subject to consolidated supervision (hereinafter referred to as: 'financial group'),

cb) one year after the start of operations at credit institutions, insurance companies, reinsurance companies, investment firms, commodity exchange service providers and investment fund managers,

d) at least every five years at credit institutions having joined the Integration Organisation defined in Act CXXXV of 2013 on the integration of cooperative credit institutions and the amendment of certain economy-related legal regulations solely with respect to verifying compliance on a consolidated basis in the framework of the group audits defined in paragraph (3), at small insurance companies under the scope of Part 6 of the act on the insurance business, at investment fund managers not managing a public investment fund, at private pension funds, voluntary mutual insurance funds and institutions for occupational retirement provision.

(3) The MNB shall have powers to conduct comprehensive inspections and with regard to the supervisory tasks defined in Article 39(3) target inspections or extraordinary target inspections (hereinafter referred to as 'group inspection') at all members of the group simultaneously. Comprehensive inspections of a financial group shall cover compliance with the regulations pertaining to supervision on a consolidated basis, and may include the individual audit of all group members in terms of compliance with the statutory provisions applicable to all group members. A target inspection or an extraordinary target inspection carried out at the financial group with regard to the supervisory tasks defined in Article 39(3) shall cover the group-level and individual-based inspection of the requirements set at group level in the Pmt.

(3a) The MNB shall not be obliged to conduct a comprehensive inspection of those activities of the supervised organisation or person, which were also covered by a targeted, an extraordinary targeted, a thematic, a group or a follow-up inspection completed after the closure of the previous comprehensive inspection or the continuous supervisory activity resulting in the application of the actions.

(4) The MNB may conduct targeted inspections for the ad hoc verification of compliance with the legal provisions defined in Article 62(1). Targeted inspections may also be held in the event of the suspected violation of legal provisions and to check compliance with certain legal provisions – in a non-comprehensive manner.

(5) The MNB may conduct thematic inspections of several persons and organisations for the harmonized and comparative verification of compliance with the identical or similar legal provisions defined in Article 62(1).

(6) If the execution of the targeted inspection defined in paragraph (4) would cause a particularly significant delay, the MNB shall launch extraordinary targeted inspections of the persons and organisations under the scope of Article 39 in the event of well-founded suspicion of the severe breach of the legal provisions defined in Article 62(1) if the infringement

a) affects a large number of clients,

b) carries significant systemic risk, or

c) generally jeopardises trust in the given market.

(7) In the context of continuous supervision, in justified cases, the MNB shall check the fulfilment of its resolutions in a comprehensive inspection or in the context of a post-inspection, which may cover the examination of data stemming from regular and extraordinary data reporting and the findings of on- and off-site inspections.

Article 65 (1) In the context of off-site control procedures, the MNB shall be entitled to apply the provisions defined in Article (3)–(4d) and may also request additional information in order to clarify the relevant facts of the case.

(2) In order to clarify the relevant facts of a case, any person or entity shall be obliged to provide the necessary information also in writing, and to send to the MNB documents relating to the object of the inspection.

(3) The MNB shall notify the persons, entities and the controlling member of the financial group subject to control procedures in writing about the conduct of the control procedure at least 15 days before the commencement of such procedure, except if prior notification would jeopardise the outcome of the control procedure.

(4) An employee of the MNB designated for this purpose by the governor of the MNB shall be authorised to monitor exchange operations by electronic means, to take notes and to request suspension of operations for a brief investigation that may be warranted by perceived irregularities, if any, and to prepare on-site reports.

(5) An employee of the MNB, designated with a power of attorney shall be authorised to attend the meetings of the board of directors, management board, supervisory of controlling board, general meetings, management meetings, meetings of the body exercising the powers of the supreme body, and meetings of the body controlling body exericing the powers of the supreme body of the entities covered by the acts referred to in Article 39.

(6) In the framework of controlling the obligations pertaining to the production of printed securities as set out in the relevant legal regulation, the MNB shall proceed within the scope and in the manner specified therein, in cooperation with the Special Service for National Security as a specialist authority.

Article 66 The MNB may access information relating to clients of the persons and entities covered by the acts referred to in Article 39 and to fund members solely for the purposes of and to the extent required for discharging its control responsibilities. Customers and fund members need not be informed about data disclosure occurring in proceedings within the scope of the MNB's control responsibilities which fall under the scope of confidentiality.

Article 67 (1) In the performance of the control procedure specified in Article 64(1), the MNB may also hold onsite inspections. In case of group inspections on-site inspections may be held at all group members.

(2) Article 65(3) shall apply to notification of conducting on-site inspections.

(3) The MNB shall provide persons conducting on-site inspections with letters of mandate, and such persons shall be considered public officials when performing such duties.

(4) Person conducting on-site inspections shall be obliged to present the letter of mandate and satisfactory proof of their identity at the start of the on-site inspection.

(5) On-site inspections may be conducted at any location where evidence necessary for ascertaining the relevant facts of the case can be found. Within their sphere of authority, persons conducting the inspection may enter premises necessary for performing the inspection, may inspect, may monitor documents, data storage media, objects and work procedures related to the object of the inspection, may request and prepare information and statements from the client, the client's representatives and any other persons at the site of the inspection, and may undertake trial transactions, and may perform other evidencing.

(6) During the on-site inspection, the MNB shall be authorised to prepare a hard mirror image or a certified copy of any data storage media – including data stored by a web hosting service provider - and to inspect the data stored on the data media using such copy.

(7) If the on-site inspection is conducted by the MNB using means of information technology, upon certification of the authorisation to carry out the inspection, access must be granted to the MNB to the data, if necessary, by providing the technical conditions and access rights to the information technology system.

(8) On-site inspections shall be conducted during the hours when the activity covered by the inspection is conducted, in a private residence that is not registered as a business address — unless successful conduction of the on-site inspection makes necessary to choose another time — on working days between 8:00 am and 8:00 pm. The on-site inspection shall be conducted so as to cause the least amount of disturbance in the work and regular activities of the person or entity under inspection.

(9) In justified cases, if deemed necessary for the successful and safe conduct of the on-site inspection, the MNB may ask for police assistance.

(10) The MNB will not draw up a separate report or prepare a record on on-site inspections carried out within the framework of control procedures; instead, the MNB will record its findings of the control procedure in the inspection report and group inspection report under Article 69(1).

Article 67/A (1) The on-site inspection may be conducted immediately, simultaneously to instituting the targeted inspection, extraordinary targeted inspection or post-inspection.

(2) If an on-site inspection within the meaning of paragraph (1) is deemed necessary for an urgent reason — in particular the risk of the destruction, disappearance or loss of access to means of proof —, the authority may carry out the on-site inspection by opening a locked area, building or room by force, even against the will of the persons present.

(3) Conducting an on-site inspection in the manner specified in paragraph (2) shall be subject to the prior consent of the competent public prosecutor, and shall be carried out with police assistance in the presence of an official witness.

(4) If obtaining the prior consent of the public prosecutor is likely to result in undue delay, the on-site inspection may be carried out without the prior consent of the public prosecutor, in which case the on-site inspection report — specifying the urgent reason and the action taken in detail — shall be sent to the public prosecutor within five days.

Article 67/B (1)

(2) The client's right of access to documents for review may be also limited where there is reason to believe that knowledge of the contents of the documents is likely to jeopardise the outcome of the proceeding or that it may facilitate unauthorised access to the personal data of a third person that is protected by statutory provisions.

Article 68 (1) The MNB shall be entitled to conclude trial transactions in the course of inspections.

(2) Trial transactions may be conducted to verify single transactions or longer transaction processes, however, they may not extend beyond the time of signature of the contract pertaining to the subject of the trial transaction, in the case of a trial transaction for a payment order or the conversion of banknotes and coins until the receipt of the convertible banknotes and coins.

(3) The MNB may use contributing participants in the trial transactions. The MNB shall provide a letter of mandate to the contributor, containing the name of the contributor, the type of inspection covered and the persons or entities falling under the acts referred to in Article 39 were he/she may be involved.

(4) The obligation of confidentiality prescribed for MNB's employee shall also apply to contributing persons.

(5) The provisions on the exclusion of administrative officers and the conflict of interest rules applicable to the MNB's employee shall also apply to contributing persons.

(6) In case of a trial transaction, the MNB's employee performing the inspection or the contributor shall verify his/her right to conduct the inspection upon completion of the trial transaction by presenting his/her letter of mandate.

(7) Upon certifying the right to conduct the inspection, the inspected person or organisation and the person conducting the inspection or the contributing person shall be obliged to reimburse any amount received in the course of the trial transaction.

(8) The provision defined in paragraph (7) shall not apply to any fee charged for a service the entity or person has supplied in the course of the trial transaction before its completion, provided that it was established during the procedure that the entity or person did not violate the consumer protection regulations subject to the trial transaction. The MNB shall refund the fee of such services to the inspected entity or person immediately after the relevant resolution is adopted.

Article 69 (1) The MNB shall record its findings of control procedures in an inspection report, following the date of the opening of such procedures

a) within four months in the case of post-inspection;

b) within nine months in the case of comprehensive inspections and targeted inspections;

c) within twelve months in the case of thematic inspections;

and shall deliver it to the person or entity inspected. If a group inspection is conducted in the framework of the control procedure, the MNB shall record its findings of the group inspection in a group inspection report and communicate it to all group members through the controlling member of the financial group.

(1a) The MNB shall record its findings of the extraordinary targeted inspections defined in Article 64(1) subsection *d)* in an inspection report within three months following the date of the opening of such procedures and shall deliver it to the person or entity inspected.

(1b) If no infringement was established in the context of the control procedure, the MNB may dispense with drawing up an inspection report. In this case, the MNB will conclude the procedure with an order which shall be communicated to the stakeholder.

(2) The inspection report and the group inspection report shall contain:

a) the name of the authority, the name of the head of the inspection , the subject matter of the inspection and the case number;

b) the name and home address of the inspected entity, or the name and registered office for organisations, the legal position of the inspected person or entity in the proceedings and – if made available to the authority – other contact details;

c) statement advising the person or entity affected by the procedural action of his/its rights and obligations;

d) the findings MNB has made during the control procedure and the evidence presented in support of such findings, and

e) the assessment of such findings.

(3) Group inspection reports shall contain the MNB's findings relating to the financial group on the whole and its findings for the individual inspection of each member on solo basis.

(4) If an act of infringement was found, the persons and entities inspected may submit comments concerning the findings of the inspection report or the group examination report in writing within thirty days following its receipt. If such time limit is likely to jeopardise the outcome of the measures taken, the MNB may set a shorter time limit.

Article 70 (1) The MNB shall adopt a decision as regards the comments made under Article 69(4) within one hundred and twenty days of the date of receipt thereof, or after the lapse of the time limit without comments submitted.

(2)

(3) In the case of extraordinary targeted inspections — in particularly warranted cases — the MNB may make a decision prior to the receipt of the comment specified in Article 69(4), provided that it is warranted by the urgent action taken to mitigate or counter the impact of the infringement forming the grounds for the extraordinary targeted inspection.

(4) The MNB shall render its final decision based on the findings shown in the inspection report and on other evidence at its disposal, as well as facts of which it is officially aware or which are in the public domain.

(5) The MNB shall indicate in its decision referred to in paragraphs (1) to (3) above the cause for proceeding without advance notice as per Article 65(3) – except for control procedures conducted on the basis of the verification of data received within the framework of regular reporting -, for reducing the time limit specified in Article 69(4) and the reasoning for its decision specified in paragraph (3).

Article 71 If after the delivery of the inspection report or the group inspection report the MNB becomes aware of any new data, fact or information which may have a material impact on the merits of the case, and which necessitate the amendment or supplementation of the inspection report or the group examination report, the MNB shall have the option to send on one occasion the whole of the inspection report or group inspection report, or the amended or supplemented part thereof, to the inspected person or entity for the purpose of soliciting comments before making the decision under Article 70(1). The time limit for the second annotation round of comments by the inspected person or entity shall be governed by Article 69(4), and the time limit for the MNB's decision shall commence at the time when the comments are received, or after the original time limit if no comments are made.

Article 72 (1) If the personal and material conditions for effectively, quickly and successfully conducting the control procedure cannot be otherwise ensured temporarily by the MNB — in particular by expanding these conditions —, the MNB may appoint

a) an independent auditor holding relevant sectoral certification, or

b) an other expert.

(2) If the person specified in paragraph (1) is engaged in the context ofan on-site inspection, the MNB shall furnish a letter of mandate to such person.

(3) The person specified in paragraph (1) may be employed alongside the concurrent presence of the person conducting the on-site inspection.

(4) The rules defined in Article 67 (5) to (8) shall apply to the procedure applied by the person specified in paragraph (1) in the context of on-site inspections with the proviso that the client is required to participate in the examination by the MNB.

(5) The appointment of the person specified in paragraph (1) cannot result in the long-term fulfilment of the MNB's control duties by another person.

Article 73 Pursuant to the acts referred to in Article 39 and the Act XXXVII of 2014 on the Development of the Institutional Framework Intended to Enhance the Security of Members of the Financial Intermediary System (hereinafter referred to as 'resolution Act'), the MNB may carry out control procedures at the request of foreign financial and resolution authorities.

Article 74

Article 75 (1) If at the end of its control pursuant to Article 62(2) or based on officially known facts the MNB established a violation, evasion, failure of performance or delayed or deficient performance of obligations set forth in legal regulations referred to in Article 62(1) or in an administrative resolution of the MNB or in its ruling as specified in Article 49/D(1), it shall – unless otherwise provided by law -

a) apply the measure or exceptional measure required by the legal regulation covering the activity in question as specified in Article 39 or it may impose a fine, coercive fine in respect of persons or entities covered by the acts referred to in Article 39, or

b) apply the following measures in respect of persons or entities not falling under subsection *a)*:

ba) call for strict compliance with the requirements and observance of time limits,

bb) set a deadline for the adoption of the necessary measures and the termination of the infringements and deficiencies found,

bc) requires them to draft and implement an action plan and to submit a report on the implementation thereof where appropriate,

bd) impose an extraordinary or retrospective reporting obligation,

be) require the destruction of reproductions of legal tender in circulation produced without authorisation, or of banknotes and coins withdrawn from circulation by the MNB,

bf) impose a fine, or

bg) initiate disciplinary, infringement, criminal, civil or other proceedings

bh) requires the benchmark administrators and supervised entities under Regulation (EU) 2016/1011 of the European Parliament and of the Council to cease the infringement and refrain from repeating it,

bi) requires it in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council to disgorge the profits gained or losses avoided because of the infringement where these can be quantified,

bj) publicly warns the benchmark administrators and supervised entities under Regulation (EU) 2016/1011 of the European Parliament and of the Council responsible for the infringement, specifying the nature of the infringement,

bk) withdraws or suspends the authorisation or registration of the benchmark administrators and supervised entities under Regulation (EU) 2016/1011 of the European Parliament and of the Council responsible for the infringement,

bl) temporarily bans the exercising of management functions by the natural person responsible for the infringement at the benchmark administrator or supervised contributor under Regulation (EU) 2016/1011 of the European Parliament and of the Council

[subsections *a)* and *b)* hereinafter referred to collectively as ‘measure’].

(2) The MNB may also apply measures initiated by a foreign financial supervisory authority.

(3) The MNB shall be entitled to impose measures repeatedly and in combination.

(4) The MNB shall have regard for the following circumstances when imposing measures:

a) the gravity of the infringement or negligence;

b) the impact of the action on prudent and sound operation and on the market,

c) the impact of the action on the persons and organisations subject to the legal regulations specified in Article 62(1) and on the members or clients thereof,

d) the impact of the action on other members of the system of financial institutions,

e) the risk caused by the infringement or negligence, the extent of damage, the degree of the violation of rights related to personality forming the grounds for the compensation claim and willingness to mitigate the damage,

f) cooperation with the MNB on the part of the persons responsible;

g) whether the person affected by the measure acted in good or bad faith, and the pecuniary advantage obtained or pecuniary disadvantage averted by such person through the infringement or negligence,

h) intended or actual concealment of data, facts and information on which the measure is based, and

i) recurrence and frequency of the infringement or negligence.

(5) No measures shall be imposed after three years from gaining knowledge of the negligence or misconduct, or five years from the time of their commitment. The starting day of the five-year period from the time of commitment is the day when the infringing conduct is performed, or in the event of the maintenance of non-compliance, the day when the state ceases.

(6) Within the time limits specified in paragraph (5), a measure may be imposed even if the natural person affected is no longer employed by the inspected entity or person at the time of the imposition of such measures, his mandate has ended or he is no longer engaged in performing the inspected activities.

(7) If the court instructs the MNB to reopen the proceedings, measures may be imposed for five years from the time of commitment, irrespective of the time of gaining knowledge. If the five years from the time of commitment have elapsed or less than one year remains upon the initiation of the repeated procedure, the MNB shall be entitled to impose measures for one year from the initiation of the repeated procedure.

Article 76 (1) The amount of the fine that may be imposed on the inspected persons or entities shall be between HUF 100,000 and HUF 2 billion.

(2) By way of derogation from paragraph (1), the maximum fine that may be imposed shall be two hundred per cent of annual supervisory fee (the sum of the basic fee and variable fee) payable by the persons or entities covered by the acts referred to in Article 39 if this exceeds two billion forints.

(3) The amount of the fine which may be imposed on the chief executive officer and executive employees, as defined by the relevant legal regulations, of the organisation under inspection shall be between one hundred thousand forints and five hundred million forints. If provided for by legislation the imposition of a fine on the employees of the organisation under inspection, the fine may range between twenty thousand forints and twenty million forints. The inspected body shall not be entitled to assume responsibility for the payment of a fine imposed on the chief executive officer, the persons considered as executive employees and the employees.

(4) In the application of paragraph (3), above and beyond the persons defined as such in the acts referred to in Article 39, the executives officers, managing directors and deputy managing directors of voluntary mutual insurance funds and private pension funds, and persons carrying out the management of the activities of independent insurance intermediaries shall also be deemed executives employees.

a) The fine which may be imposed in the case of an administrative offence specified in Article 184 of the Hpt. and in Article 164 of the Bszt., and on a legal entity having acquired a qualifying holding without a permit, as well as in respect of the collection of deposits or other repayable funds without a credit institution permit. in case of natural person may amount up to HUF 1,555,850,000 or

b) in case of legal person may be maximum 10 percent of the yearly net revenue realised in the business year preceding the decision establishing the infringement.

(5b) For the purposes of point (b) of paragraph (5), total annual net turnover shall be the sum of the following items, to be determined in accordance with the implementing technical standards on supervisory reporting of institutions:

a) interest income;

b) interest expenses;

c) expenses on share capital repayable on demand;

d) dividend income;

e) fee and commission income;

f) fee and commission expenses;

g) gains or losses on financial assets and liabilities held for trading, net;

h) gains or losses on financial assets and liabilities designated at fair value through profit or loss, net;

i) gains or losses from hedge accounting, net;

j) exchange differences (gain or loss), net;

k) other operating income;

l) other operating expenses.

(5c) If the legal entity is a parent company or the subsidiary of a parent company that is required to prepare consolidated accounts pursuant to Act C of 2000 on accounting, the net revenue according to paragraph (5) shall be the net revenue of the business year preceding the current year, calculated on the basis of the consolidated accounts of the parent company.

(6) The fine which may be imposed in the case of an administrative offence specified in Article 184 of the Hpt. and Article 164 of the Bszt., and on a natural person having acquired a qualifying holding without a permit, or on a natural person collecting deposits or other repayable funds, may amount up to HUF 1,555,850,000, or – if the amount thereof can be determined – twice the profit or avoided loss arising from the infringement, with the provision that the amount of the fine must be determined with regard to the higher fine limit in each case.

(7) In the event of the violation, evasion, failure to fulfil or late or deficient performance of the obligations defined for payment service providers in Article 14/A, 36/A(1) to (3) and 36/B of Act LXXXV of 2009 on the provision of payment services, the MNB shall apply the legal consequences defined in Article 88.

(8) The amount of the fine which may be imposed pursuant to subpoint 3 of Article 400 (1) subsection *w)* of Tpt.

a) in the case of undertakings

aa) may be maximum HUF 2,984,800,000 or 5% of the annual sales revenue as stated in the last annual report approved by the decision-making body, with the proviso that when the undertaking is a parent company or such subsidiary of the parent company that is obliged to prepare consolidated financial statements pursuant to the accounting laws, the annual sales revenue to be taken into account shall be the annual sales revenue stated in the last annual report approved by the parent company's decision-making body or the equivalent revenue based on the accounting laws, or

ab) maximum twice the profit arising from the legal offence or the loss avoided as a result thereof,

b) in the case of natural persons

ba) may be maximum HUF 596,960,000, or

bb) maximum twice the profit arising from the legal offence or the loss avoided as a result thereof,

(9) Of the amounts specified in paragraph (8) always the higher amount shall be applied.

(10) Amount of the fine specified in Article 174/A subsection *c)* of the Kbftv.:

a) in the case of UCITS fund managers and the custodians of the UCITS

aa) maximum 1,569,800,000 forints or not more than 10 per cent of the annual sales revenue stated in the annual report last approved by the decision-making body, with the proviso that when the undertaking is a parent company or such subsidiary of the parent company that is obliged to prepare consolidated financial statements pursuant to the accounting laws, the annual sales revenue to be taken into account shall be the annual sales revenue stated in the last annual report approved by the parent company's decision-making body or the equivalent revenue based on the accounting laws, or

ab) maximum twice the profit arising from the legal offence or the loss avoided as a result thereof,

b) in the case of natural persons

ba) maximum 1,569,800,000 forints or

bb) at least twice the profit arising from the legal offence or the loss avoided as a result thereof.

(11) Of the amounts specified in paragraph (10) always the higher amount shall be applied.

(12) The amount of the fine in the case of violations specified in Article 49(1) point a) of European Parliament and Council Regulation (EU) 2023/2631

a) in the case of a natural person, no more than HUF 19,250,000,

b) in the case of a legal person, no more than HUF 192,500,000 or 0.5 percent of the annual sales according to the annual report most recently approved by the decision-making body, provided that if the legal person is a parent company or a subsidiary of a parent company that is obliged to prepare a consolidated report based on accounting legislation, then the annual sales revenue to be taken into account is the last one approved by the parent company's decision-making body annual sales revenue according to consolidated accounts or corresponding revenue according to accounting legislation.

(12a) In the case of the fine specified in paragraph (12), the amount of the fine is at most twice the profit resulting from the infringement or the loss avoided as a result, if the profit resulting from the infringement or the loss avoided as a result can be quantified.

(13) in the event of a breach of Regulation No 2015/2365/EU of the European Parliament and of the Council

a) in the case of natural persons the fine imposed may amount up to HUF 1,589,850,000,

b) in the case of legal entities

ba) the fine imposed in the event of a breach of Article 4 of Regulation No 2015/2365/EU of the European Parliament and of the Council may amount up to HUF 1,589,850,000 or up to 10% of the sales revenue as stated in the last annual report approved by the decision-making body, with the proviso that when the legal entity is a parent company or such subsidiary of the parent company that is obliged to prepare consolidated financial statements pursuant to the accounting laws, the annual sales revenue to be taken into account shall be the annual sales revenue stated in the last annual report approved by the parent company’s decision-making body or the equivalent revenue based on the accounting laws,

bb) the fine imposed in the event of a breach of Article 15 of Regulation No 2015/2365/EU of the European Parliament and of the Council may amount up to HUF 4,769,550,000 or up to 10% of the sales revenue as stated in the last annual report approved by the decision-making body, with the proviso that when the legal entity is a parent company or such subsidiary of the parent company that is obliged to prepare consolidated financial statements pursuant to the accounting laws, the annual sales revenue to be taken into account shall be the annual sales revenue stated in the last annual report approved by the parent company's decision-making body or the equivalent revenue based on the accounting laws,

(14) In the event of a breach of Regulation No 2015/2365/EU of the European Parliament and of the Council, the fine imposed may amount up to triple the amount of the profit arising from the infringement or the loss avoided as a result thereof – provided that the loss or the profit may be determined by the MNB –, even if it exceeds the amounts specified in paragraph (13) subsections *a)* and *b)*.

(15) The maximum fine imposed in the event of a breach of Article 5(1), Articles 6–7, Article 8(1)–(3), Article 9, Article 10(1), Article 13(1) and (3)–(4), Article 14 and Article 19 of Regulation No 2015/2365/EU of the European Parliament and of the Council – in due consideration of the provisions of Article 75(4) – may be:

a) in the case of non-natural persons

aa) maximum twice the profit arising from the infringement or the loss avoided as a result thereof, so long as it may be determined; otherwise

ab) the lower of the following amounts: HUF 1,576,400,000 or up to 3% of the amount of the premium earned without reinsurance or of the total annual sales revenue therefrom as stated in the last approved annual report prepared as per the accounting regulations, with the proviso that when the legal entity is a parent company or such subsidiary of the parent company that is obliged to prepare consolidated financial statements pursuant to the accounting laws, the relevant amount of the premium earned without reinsurance and the total annual sales revenue to be taken into account shall be the amount of the premium earned without reinsurance and the amount of the total annual sales revenue therefrom as stated in the last available consolidated annual report approved by the governing body of the ultimate parent undertaking;

b) in the case of natural persons

ba) maximum twice the profit arising from the infringement or the loss avoided as a result thereof, so long as it may be determined; otherwise

bb) maximum HUF 220,696,000.

(16) The maximum fine imposed in the event of a breach of the professional requirements of the Bit. pertaining to the distribution of insurance-based investment products – in due consideration of the provisions of Article 293/A of the Bit. – may be:

a) in the case of non-natural persons

aa) maximum twice the profit arising from the infringement or the loss avoided as a result thereof, so long as it may be determined; otherwise

ab) the lower of the following amounts: HUF 1,541,450,000 or up to 5% of the amount of the premium earned without reinsurance or of the total annual sales revenue therefrom as stated in the last approved annual report prepared as per the accounting regulations, with the proviso that when the legal entity is a parent company or such subsidiary of the parent company that is obliged to prepare consolidated financial statements pursuant to the accounting laws, the relevant amount of the premium earned without reinsurance to be taken into account shall be the amount of the premium earned without reinsurance as stated in the last available consolidated annual report approved by the governing body of the ultimate parent undertaking;

b) in the case of natural persons

ba) maximum twice the profit arising from the infringement or the loss avoided as a result thereof, so long as it may be determined; otherwise

bb) HUF 215,803,000.

(17) The penalty shall be *a)* in the case of natural persons:

aa) up to HUF 158,080,000 if the stipulations listed under Article 42(2) *g)* subsection *i)* of Regulation (EU) 2016/1011 of the European Parliament and of the Council are violated,

ab) up to HUF 31,616,000 if the stipulations listed under Article 42(2) *g)* subsection *ii)* of Regulation (EU) 2016/1011 of the European Parliament and of the Council are violated;

b) in the case of legal persons:

ba) up to HUF 316,160,000 if the stipulations listed under Article 42(2) *h)* subsection *i)* of Regulation (EU) 2016/1011 of the European Parliament and of the Council are violated, or 10% of the legal person’s total annual turnover according to the last available accounts approved by the management body, whichever is higher;

bb) up to HUF 79,040,000 if the stipulations listed under Article 42(2) *h)* subsection *ii)* of Regulation (EU) 2016/1011 of the European Parliament and of the Council are violated, or 2% of the legal person's total annual turnover according to the last available accounts approved by the management body, whichever is higher; if the legal person is a parent undertaking or a subsidiary of a parent undertaking that is required to prepare consolidated annual financial accounts in accordance with the accounting laws, 10% of the total annual turnover according to the final consolidated annual accounts approved by the management body of the parent undertaking shall be taken into account.

(18) If Regulation (EU) 2016/1011 of the European Parliament and of the Council is violated, the penalty shall be up to three times the amount of the profits gained or losses avoided because of the infringement where these can be determined.

(19) With a view to a gradual approach and proportionality, if Regulation (EU) 2017/2402 of the European Parliament and of the Council is violated, the MNB may

a) use the measure under Article 400(1) point z) of the Tpt.;

b) impose the sanction under Article 400(1) point zs) of the Tpt.;

c) temporarily prohibit the originator, the sponsor or any member of the management body of the special purpose entity considered responsible for the infringement or any other natural person considered responsible from exercising executive powers in such undertakings;

d) impose a penalty of up to HUF 1,545,250,000 in the case of natural persons;

e) impose a penalty of up to HUF 1,545,250,000 or 10% of turnover in the annual accounts last approved by the decision-making body in the case of undertakings; if the undertaking is a parent undertaking or a subsidiary of a parent undertaking that is required to prepare consolidated accounts in accordance with the accounting laws, the total annual turnover that shall be taken into account when determining the amount of the penalty shall be the last turnover, as shown in the consolidated accounts for the previous year and approved by the decision-making body of the parent undertaking, or the corresponding turnover in accordance with the accounting laws.

(20) In the case of any violation of Regulation (EU) 2017/2402 of the European Parliament and of the Council, the amount of the penalty shall be up to twice the amount of the benefit derived or the losses avoided because of the infringement where these can be determined, irrespective of the limits stipulated in paragraph (19) *d)* and *e)*.

(21) In the case of an infringement mentioned in points *e)* or *f)* of the first subparagraph of Article 32(1) of Regulation (EU) 2017/2402 of the European Parliament and of the Council, the MNB may temporarily ban the originator, the sponsor or the special purpose entity from sending notifications under Article 27(1) of Regulation (EU) 2017/2402 of the European Parliament and of the Council that a given securitisation meets the requirements set out in Articles 19 to 22 or Articles 23 to 26 of Regulation (EU) 2017/2402 of the European Parliament and of the Council.

(22) In the case of an infringement mentioned in point *h)* of the first subparagraph of Article 32(1) of Regulation (EU) 2017/2402 of the European Parliament and of the Council, the MNB may temporarily or permanently withdraw the authorisation referred to in Article 28 of Regulation (EU) 2017/2402 of the European Parliament and of the Council issued for a third party authorised to check the compliance of a securitisation with Articles 19 to 22 or Articles 23 to 26 of Regulation (EU) 2017/2402 of the European Parliament and of the Council.

(23) In the case of a violation of Regulation (EU) 2017/2402 of the European Parliament and of the Council by a legal person, the MNB shall apply the sanctions in paragraphs (19)–(22) to those members of the executive body and other persons who are liable for the infringement.

(24) Where an institutional investor as specified in point (12) of Article 2 of Regulation (EU) 2017/2402 of the European Parliament and of the Council is instructed under paragraph (5) of Article 5 of Regulation (EU) 2017/2402 of the European Parliament and of the Council to fulfil the obligations of another institutional investor and fails to do so, the MNB imposes the sanctions under paragraphs (19)–(23) on the managing party and not on the institutional investor who is exposed to the securitisation.

(25) If the investment firm

a) does not have an internal corporate governance system in accordance with the relevant legislation;

b) fails to provide information or provides incomplete or inaccurate information on compliance with the Solvency Capital Requirement;

c) fails to provide information or provides incomplete or inaccurate information on concentration risk;

d) the concentration risk exceeds the statutory thresholds;

e) repeatedly or persistently breaches the requirement to hold liquid assets;

f) fails to make the disclosure required by law or discloses incomplete or inaccurate information;

g) makes payments to holders of equity instruments forming part of its own funds in cases where such payments are prohibited by law;

h) seriously violates the Pmt. provisions of this Regulation; or

i) allows a person to be or remain a member of the management body who does not comply with the legal requirements,

the amount of the fine that may be imposed is up to HUF 1,675,200,000 in the case of a natural person, up to 10% of the net sales revenue of the business year preceding the decision establishing the infringement pursuant to Article89(3) point (b), or the profit or avoided loss – if identifiable – up to twice in the case of a legal person. If the legal person is a parent company or a subsidiary of a parent company, which is required to prepare consolidated accounts under Act C of 2000 on Accounting, the gross income is the gross profit for the business year preceding the current year calculated on the basis of the consolidated accounts of the parent company.

(26) In case of violation of Regulation (EU) 2023/1114 of the European Parliament and of the Council, the amount of the fine is:

a) in the case of a natural person

aa) in case of violation of the provisions listed in points a)-d) of Article 111 (1), a maximum of HUF 259,644,000,

ab) in case of violation of the provisions listed in point e) of Article 111(1), a maximum of HUF 370,920,000 for violation of the provisions on the disclosure of insider information, and HUF 1,854,600,000 for the prohibition of insider trading and the prohibition of the unauthorized publication of insider information, as well as in case of violation of the provisions on the prohibition of market manipulation and the detection and prevention of market abuse;

b) in the case of a legal entity

ba) in case of violation of the provisions listed in points a)-d) of Article 111(1), a maximum of HUF 1,854,600,000,

bb) in case of violation of the provisions listed in point a) of Article 111(1), a maximum of 3% of the annual sales revenue according to the annual report most recently approved by the decision-making body,

bc) in case of violation of the provisions listed in point d) of Article 111(1), a maximum of 5% of the annual sales revenue according to the annual report most recently approved by the decision-making body,

bd) in case of violation of the provisions listed in points b) and c) of Article 111(1), a maximum

of 12.5% of the annual sales revenue according to the annual report most recently approved by the decision-making body, or

be) in case of violation of the provisions listed in point e) of Article 111(1), a maximum of HUF 927,300,000 in the case of violation of the provisions on the disclosure of insider information, and HUF 5,563,800,000 for the prohibition of insider trading and the prohibition of the unauthorized publication of insider information , as well as in the event of a violation of the provisions on the prohibition of market manipulation or the detection and prevention of market abuse, or a maximum of 2% of the annual sales according to the annual report last approved by the decision-making body in the event of a violation of the provisions on the disclosure of insider information, or 15% of the insider in case of violation of its provisions on the prohibition of trade, the prohibition of the unauthorized publication of insider information, the prohibition of market manipulation, and the detection and prevention of market abuse.

(27) If the legal person referred to in point b) of paragraph (26) is a parent company or a subsidiary of a parent company that must prepare a consolidated financial report according to Act C of 2000 on accounting, then point b) of paragraph (26) net sales is the net sales of the business year preceding the current year, calculated on the basis of the parent company's consolidated financial statements.

(27a) Periodic penalty payments may be imposed to compel the termination of an infringement of the provisions of the Hpt., Regulation (EU) No 575/2013, or a decision adopted by the MNB, and to oblige natural or legal persons to return to compliance with the violated provisions or decisions. Such periodic penalty payments shall be:

a) in the case of a legal person, up to 5% of the average daily net turnover, which the legal person,

b) in the case of a natural person, up to HUF 19,810,000, which the natural person is obliged to pay for each day of the infringement until compliance with the obligation is restored, provided that the periodic penalty payment may be imposed for a maximum period of six months from the date specified in the MNB’s decision ordering the termination of the infringement and imposing the periodic penalty payment.

(27b) Periodic penalty payments may also be imposed on a weekly or monthly basis. In such cases, the amount of the periodic penalty payment that may be imposed for the weekly or monthly period of the infringement shall not exceed the total of the maximum daily periodic penalty payments applicable to the days of that period. A periodic penalty payment may also be

imposed at a specific time with its application commencing only at a later date.

(27c) For the purposes of periodic penalty payments, the average daily net turnover shall be one 365th of the total annual net turnover determined in accordance with paragraphs (5b) and (5c).

(28) In the event of an infringement of the provisions of Article 5d of Regulation (EU) No 260/2012 of the European Parliament and of the Council, the amount of the fine shall be:

a) in the case of a legal person, at least 10% of the total annual net turnover of the legal person in the preceding financial year,

b) in the case of a natural person, at least HUF 1,950,750,000.

(29) For the purposes of point (a) of paragraph (28), where the legal person is a parent undertaking as defined in point (9) of Article 2 of Directive 2013/34/EU of the European Parliament and of the Council, or a subsidiary of any undertaking which exercises a dominant influence over that legal person, the turnover shall be the turnover according to the consolidated accounts of the ultimate parent undertaking in the preceding financial year.

Article 77 (1) The fine shall be payable into the account designated in the decision within 30 days after the decision imposing a fine becomes definitive.

(2) Parties who can demonstrate that they acted in a manner that would be reasonably expected of persons acting in such position or office in similar circumstances may not be required to pay fines.

(3) In respect of corporate bodies, members who did not participate in making the decision giving rise to the fine or who voted against such decision and this is documented in the minutes of the meeting shall not be required to pay a fine.

Article 78 In the performance of the tasks of the MNB set out in Article 40(8), rules governing control procedures shall apply mutatis mutandis.

28. The supervisory commissioner

Article 79 (1) The provisions set out in this Article and in Article 80 shall apply in respect of appointment of the supervisory commissioner defined in the acts referred to in Article 39(1) subsections *a)*, *c)*, *f)*, *h)*, *i)*, *k)*, *l)*, *m)* and *s)*.

(2) Only the employees of the MNB engaged in the functions defined in Article 4(9) or the non-profit business association engaging in the liquidation of the entities covered by the acts referred to in Article 39 (hereinafter referred to as ‘non-profit business association appointed by the MNB’)

shall be appointed as supervisory commissioner. The MNB's employee and the employee of or party in other work-related relationship with the non-profit business association may also discharge the supervisory commissioner tasks together.

(3) The employee of the MNB eligible for the role of supervisory commissioner or the person appointed by the non-profit business association appointed by the MNB eligible for the role of supervisory commissioner:

a) shall have a clean criminal record and shall not be restrained by court order from exercising the profession required for functioning as a supervisory commissioner and

b) shall hold a university-level degree in a relevant field and have at least four years of management experience at:

ba) a fund defined in the act set forth in Article 39(1) subsection *a)*,

bb) a credit institution or financial enterprise specified in the act referred to in Article 39(1) subsection *c)*,

bc) a fund defined in the act set forth in Article 39(1) subsection *f)*,

bd) an investment fund manager, a venture capital fund manager, the stock exchange, an organisation performing clearing house activities, a central depository defined in the acts set forth in Article 39(1) subsections *h)* and *m)*,

be) an insurance company defined in the act set forth in Article 39(1) subsection *i)*,

bf) an institution for occupational retirement provision defined in the act set forth in Article 39(1) subsection *k)*,

bg) an investment firm defined in the act set forth in Article 39(1) subsection *l)*,

bh)

(4) Within the meaning of paragraph (3) subsection b), a person in possession of a university-level degree in a relevant field shall be deemed those with a university or college level degree certifying completion of specialised studies in economics, law, finance and accounting or foreign trade, with certification as an auditor or with universitylevel training which is required for appointment or election as the managing director or executive officer of the bodies governed by the acts referred to under Article 39(1) subsections a), c), f), h), i), k), l), and m).

(5) The following employees of the MNB shall not be appointed as supervisory commissioner, and the following persons shall not be appointed for the role of supervisory commissioner and shall not act in that capacity:

a) persons who, or whose close relative, at the time of their appointment or following their appointment hold any interests in organisations which are covered by the acts referred to in Article 39(1) subsection *a)*, *c)*, *f)*, *h)*, *i)*, *k)*, *l)*, and *m)* and are subject to the work of the supervisory commissioner, thus who are in particular in an ownership or

contractual relationship with the organisation or draw or have claims to revenue or income from the organisation in any form whatsoever,

b) persons of whom impartial judgement and objective performance of the tasks of a supervisory commissioner cannot be expected (bias).

(6) The employee of the MNB and the supervisory commissioner shall immediately notify the appointing entity or person about any of the circumstances set out in paragraph (5) upon his appointment, or forthwith after the occurrence of any circumstances set out in paragraph (5) if they emerge after his appointment. In such case, another person shall be appointed for the role of supervisory commissioner.

(7) The MNB shall provide compensation for any damage caused to third parties by the supervisory commissioner appointed as its employee in this capacity or for any violation of rights relating to personality providing the grounds for claims for compensation, while the non-profit business association shall provide compensation for any damage caused to third parties by the supervisory commissioner employed by or in any other work-related relationship with the non-profit business association in this capacity or for any violation of rights relating to personality providing the grounds for claims for compensation. The non-profit business association shall have adequate financial means to cover its obligations to pay damages and compensation.

(8) The person appointed for the role of supervisory commissioner shall bear liability for any damage caused to the non-profit business association or the violation of rights relating to personality providing the grounds for claims for compensation in accordance with the regulations on the liability for damages or compensation of employees and parties in other work-related relationships, with the proviso that, in cases of negligence or the violation of rights relating to personality providing the grounds for claims for compensation, the extent of compensation for damages may not exceed six months' pay of the appointed supervisory commissioner. In the event of damages caused wilfully or the violation of rights relating to personality providing the grounds for claims for compensation, compensation for total damage or the full claim for compensation shall be provided.

(9) The MNB shall notify the person appointed for the role of the supervisory commissioner as its employee, and the non-profit business association appointed by the MNB shall notify the person appointed by it for the role of the supervisory commissioner to the relevant court of registry for the purposes of registration and publication.

(10) The person to be appointed as a supervisory commissioner shall produce official documentary evidence — prior to appointment — evidencing a clean criminal record and the absence of any court order restricting them from exercising the profession required for functioning as supervisory commissioner.

Article 80 (1) Upon appointment of the supervisory commissioner, the MNB, proceeding within its functions defined in Article 4(9), shall define the role and tasks of the supervisory commissioner in a decision, which the MNB may amend at any time during its mandate by virtue of a decision. The supervisory commissioner appointed as an employee of the MNB may be instructed by the MNB proceeding within its functions defined in Article 4(9).

(2) The supervisory commissioner shall draw up a report on the financial situation of the affected organisation and its activities conducted during its mandate for the specific period defined by the MNB, proceeding within its functions defined in Article 4(9), or for the entire duration of its mandate.

Article 80/A If the supervisory commissioner is appointed in a ruling in the framework of interim measures based on Article 49/D subsection *a)*, the appointment may only happen once, and by way of derogation from the acts defined in Article 79(1) the appointment shall be limited to a maximum of 4 months, which term may be extended by at most two months in warranted cases.

29. Control proceeding for the protection of the interest of consumers

Article 81 (1) The MNB shall, in the framework of procedures opened upon request or of its own motion, monitor compliance with

a) the acts referred to in Article 39 laying down requirements concerning the conduct of the persons and entities covered by the acts referred to in Article 39 in respect of consumers using their services as well as the provisions of regulations adopted for the implementation of these acts, or in directly applicable legal acts of general application of the European Union,

b) the provisions of the Act on the prohibition of unfair business-to-consumer commercial practices,

c) the provisions of the Act on the basic requirements and certain restrictions applying to commercial advertising practices,

d) the provisions of the Act on certain issues of electronic commerce services and information society services [subsections *a)* to *d)* hereinafter referred to collectively as 'consumer protection regulations'], and

e) the provisions of this Act concerning obligations in relation to consumer disputes of a financial nature, and – with the exception of the regulations pertaining to the conclusion, validity, legal effect and termination of contracts, and cases of breach of contract and the related legal consequences – shall take action in the event of any infringement of these provisions (hereinafter referred to as 'proceedings for the protection of the interest of consumers').

(2) For the purposes of this Act:

a) 'consumer' shall mean natural persons proceeding in matters other than their independent profession and business activity,

b) 'service contract' shall mean a contract – other than the service contract defined in the Act on consumer protection – under which the persons or entities covered by the acts referred to in Article 39 supply or undertake to supply a service to the consumer and the consumer pays or undertakes to pay the price thereof,

c) 'online service contract' shall mean a service contract under which the persons or entities - or intermediaries thereof - covered by the acts referred to in Article 39 have offered services on a website or by other electronic means and the consumer has initiated the use of the service on that website or by other electronic means,

d) ‘consumer dispute’ shall mean a consumer dispute of a financial nature as specified in Article 96(1) of this Act.

e) ‘domestic consumer dispute’ shall mean any consumer dispute other than cross-border consumer disputes of a financial nature as specified in subsection *a)* of Article 125,

f) ‘cross-border consumer dispute’ shall mean any consumer dispute other than domestic consumer disputes.

(3) The condition for the commencement of proceedings for the protection of the interest of consumers upon request is the consumer’s previously lodged oral or written complaint with the person or entity covered by the acts referred to in Article 39, by the means specified and published by said person or entity (in person, by phone, post, or through a dedicated IT system) with contents facilitating the establishment of the consumers’ identity, concerning the services or actions of the person or entity covered by the acts referred to in Article 39, however:

a) the compliant failed to elicit a response,

b) the complaint was not investigated in accordance with the rules applicable to the persons or organisations subject to the acts referred to in Article 39,

c) another infringement of consumer rights under the legislation referred to paragraph (1) is alleged based on the reply of the person or entity covered by the acts referred to in Article 39.

Article 82 (1) In proceedings for the protection of consumers’ interests, client rights shall be conferred upon the qualified entities established under the laws of any Member State of the EEA – with respect to the consumer interests they protect – that are included in the list published in the Official Journal of the European Communities pursuant to Article 5(1) of Directive 2020/1828/EC of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC with respect to any violation of the legal provisions on the transposition of the directives referred to in Article 41(1).

(2) In proceedings for the protection of consumers’ interests, client rights shall be conferred upon the foreign financial authority which has competence over the case at hand.

Article 83 (1) Proceedings for the protection of consumers’ interests may not be opened after a period of five years following the time of the infringement.

(2) For continuous infringements, the time limit shall commence at the time when the infringement is terminated.

(3) Where an infringement consists in the failure to terminate a situation or circumstance, the aforementioned period shall not commence as long as such situation or circumstance continues to prevail.

(4) The administrative time limit in proceedings for the protection of consumers' interests launched upon request shall be six months.

Article 84 If, regarding all or parts of the request for the opening of proceedings for the protection of consumers' interests,

a) a control procedure has already been conducted or is in progress in respect of the entity or person affected by the request, or

b) the MNB has already adopted a decision concerning the conduct of the entity or person stated in the request on the same grounds and under the same regulations,

the MNB shall refuse the request regarding such grounds without examining its merits, or shall terminate the proceedings, and inform the client about the number of its resolution adopted in the previous procedure.

Article 85 (1) The MNB shall have powers to carry out trail transactions in the context of consumer protection procedures to verify compliance with the rules applicable to transactions.

(2) The rules defined in Article 68 (2) to (8) shall apply to trial transactions conducted in the context of consumer protection proceedings.

Article 86 (1) The MNB may hold ex officio consumer protection

a) targeted inspections,

b) thematic inspections, or

c) post-inspections

at the organisation or person subject to the acts defined in Article 39.

(2) The MNB may hold targeted consumer protection inspections for the ad hoc verification of compliance with consumer protection provisions and in the event that the violation of consumer protection provisions affects a broad group of consumers and the inspection is warranted by a need for immediate intervention.

(3) The MNB may conduct thematic consumer protection inspections of several persons and organisations for the harmonised and comparative verification of compliance with identical or similar consumer protection provisions.

(4) In the context of continuous supervision, in justified cases, the MNB shall check the fulfilment of its decisions issued in its consumer protection control procedures in the context of consumer protection post-inspections, covering

the examination of data stemming from regular and extraordinary data reporting and the findings of on- and off-site inspections.

(5) The provisions defined in Article 62 (2), Article 63 (3), Article 65 (1) to (3), Articles 66 and 67, Article 67/B, Article 70(4), Article 75 (3) to (6) and Article 77 shall be duly applied in consumer protection control procedures, with the proviso than provisions referencing a control procedure shall be interpreted as referencing the consumer protection control procedure.

(6)

Article 86/A (1) The MNB shall record its findings made in the context of consumer protection control procedures launched ex officio within nine months of the opening of targeted inspections, within one year of the opening of thematic inspections, and within four months in the case of post-inspection, and disclose such report to the person or entity under inspection.

(1a) If no infringement was established in the context of the targeted inspection or the thematic inspection, the MNB may dispense with drawing up an inspection report.

In this case, the MNB will conclude the procedure with an order which shall be communicated to the affected organisation.

(2) The inspection report shall include

a) the name of the authority, the name of the head of the inspection, the subject matter of the inspection and the case number,

b) the name and home address of the inspected person, or the name and registered office for entities, the procedural legal position of the inspected person or entity and — if such was made available to the authority — other contact details,

c) a statement advising the person or entity affected by the procedural action of his/its rights and obligations,

d) the findings of the MNB made in the context of the procedure and the underlying evidence, and

e) the assessment of such findings.

(3) In the event an act of infringement was found, the organisation and person under review shall be entitled to comment on the inspection report in writing within thirty days from the date of receipt. Should this period jeopardise the successful outcome of the procedure, the MNB may impose a shorter deadline.

(4) The MNB shall issue its decision within ninety days of receipt of the comments or from the expiry of the deadline having yielded no result.

(5) If, after the investigation report has been sent, new data, facts or information with a significant impact on the substantive investigation of the case comes to the attention of the MNB, which makes it necessary to amend or supplement the investigation report, the MNB shall amend the entire investigation report, or the supplemented part may be sent to the person or organization subject to the inspection procedure once again for the purpose of comment until the decision pursuant to paragraph (4) is made. Paragraph (3) shall be applied to the repeated comment period of the organization or person subject to the inspection procedure. The procedural deadline for the MNB's decision shall be calculated from the receipt of the comment made during the repeated comment or from the unsuccessful expiry of the deadline.

Article 87

Article 87/A (1) If the conduct of the targeted consumer protection inspection is warranted by the violation of consumer protection provisions that affects a broad group of consumers and requires immediate intervention, the

MNB shall draw up its inspection report within 30 days following the launch of the control procedure and shall disclose the report to the person or entity under inspection.

(2) In the case specified in paragraph (1), the time limit applicable to submitting the comments defined in Article 86/A(3) is eight days. Should this period jeopardise the successful outcome of the procedure, the MNB may impose a shorter deadline.

(3) In especially justified cases the MNB may issue a decision prior to the receipt of the comment specified in paragraph (2), provided that it is warranted by the urgent action taken to mitigate or counter the impact of the infringement forming the grounds for the targeted inspection.

(4) The MNB shall render its final decision based on the findings shown in the inspection report and on other evidence at its disposal, as well as facts of which it is officially aware or which are in the public domain.

(5) The MNB shall indicate the reason for proceeding without the advance notice specified in Article 65(3), for reducing the time limit specified in Article 86/A(3) and the decision defined in Paragraph (3) in its decision defined in Article 86/A(4) and in paragraph (3).

Article 88 (1) If the MNB finds any infringement of the relevant consumer protection regulations or of its resolution adopted in proceedings for the protection of consumers' interests, it may impose the following legal consequences with due consideration to the criteria set out in Article 75(4) subsection *a)*, *c)* and *e)* to *i)* and to the principle of proportionality:

a) call on to take the measures, assure compliance with legal provisions, and eliminate the deficiencies found,

b) order the termination of the breach,

c) prohibit the continuation of the conduct in breach of law,

d) may set a deadline for the termination of the errors and deficiencies identified, requiring the infringing party to inform the MNB about the measures carried out to eliminate such errors and deficiencies,

e) prohibit or impose conditions on the pursuit of the activity or the supply of services that were found infringing, until the infringement is eliminated,

f) impose a consumer protection fine.

(2) Legal regulations setting out provisions for the protection of consumers may lay down additional legal consequences for violations of provisions prescribed therein.

(3) In the application of paragraph (1), the gravity of a violation shall be determined, in particular, based on the number of consumers affected, the extent and scope of the injury and the scope of the infringement.

(4) The MNB shall impose a consumer protection fine whenever

a) the same entity or person repeatedly violated the same legal provision within a period of six months following the deadline or end of the time limit set for the entity or person to comply with the obligation prescribed in the definitive resolution of the MNB establishing the infringement,

b) the infringement affects a broad range of consumers, or

c) the person or entity covered by the acts referred to in Article 39 violates its obligation to cooperate as defined in Article 108(5) without offering a legitimate excuse.

Article 89 (1) The amount of the consumer protection fine shall be between fifteen thousand forints and

a) five per cent of the annual net revenue but not exceeding one hundred million forints, of entities covered by the act on accounting whose annual net revenue is in excess of one hundred million forints, or not exceeding two billion forints if the infringement results in substantial financial injury to a broad range of consumers,

b) five million forints for entities or persons not covered by subsection *a)*, or up to ten per cent of the annual net revenue of the entity or person if the infringement concerns a broad range of consumers or results in substantial financial injury to a broad range of consumers if this exceeds five million forints, or up to fifteen million forints for entities and persons not covered by the act on accounting.

(2) The net revenue referred to in paragraph (1) shall be determined relying on the annual accounts or simplified annual accounts (hereinafter referred to collectively as 'annual accounts') filed for the financial year immediately preceding the time when the resolution establishing the infringement was adopted. If the entity or person operated for less than one year, the figures shall be annualised. If there is no reliable information available relating to net revenue for the financial year immediately preceding the time when the resolution on the infringement was adopted, the maximum of the consumer protection fine shall be determined based on the net revenue of the last financial year for which the books are officially closed. In the case of newly established entities which have no annual accounts, the business plan for the year when the procedure was opened, or where there is none, the net revenue the service provider stated upon the authority's request, calculated in accordance with the provisions of the act on accounting on interim balance sheets with the date of the opening of the procedure as the cut-off date shall be taken into consideration.

(3) In the application of paragraph (1), the net revenue of the entities specified in subsections *a)* to *d)* below shall mean:

a) for insurance companies, gross premiums;

b) for investment firms, revenues from investment services and revenues from non-trading financial transactions, including

ba) interest receivable and similar income,

bb) revenues from securities,

bc) commissions and fees received (accrued);

c) for private pension funds and voluntary mutual funds, membership payments related to operating activities; for voluntary mutual health funds and mutual provident societies, membership fees of the operational fund; and for institutions for occupational retirement provision, the employers' and members' contributions related to operational activities;

d) for credit institutions and financial enterprises:

da) interest receivable and similar income,

db) income from securities,

dc) commissions and fees received (accrued),

dd) net profit on financial operations, if positive,

e) in the case of commodity dealers, the sum total of

ea) net revenue from commodity exchange services, and

eb) gains arising from financial operations,

f) in the case of payment institutions, the sum total of

fa) net revenues from payment service activities, and

fb) gains arising from financial operations,

g) in the case of credit servicers and credit purchasers, the total sum of

ga) net revenues from credit servicing credit purchasing activities

gb) gains arising from financial operations

(4) In the application of paragraph (1), where the figures in the annual accounts of an entity or person are stated in a foreign currency, they shall be translated to forints based on the official exchange rate quoted by the MNB for the day of closing of the financial year or the entity or person, or in the case of newly established service providers, for the last day of the previous year.

Article 89/A (1) If the MNB checks compliance with consumer protection provisions in the context of the control procedure, the provisions defined in Article 81(1) and (2) and Articles 83 to 89 shall be duly applied.

(2) If, in the course of its control procedure, the MNB detects any violation of consumer protection provisions, it may resort to the measures defined in Articles 88 and 89.

(3) If, in addition to the cases described in Article 75(1) subsections *a)* and *b)*, consumer protection regulations have also been violated as evidenced by the facts of the case established in the control procedure, the MNB shall have the option to order a collective sanction for all such violations, applying the measures provided for in Articles 75 and 76.

Article 89/B

30. Market surveillance proceeding

Article 90 (1) The MNB shall initiate a market surveillance procedure

a) upon any suspicion of operation conducted without authorisation or in the absence of notification in the fields of financial services and activities auxiliary to financial services, exchange market and commodity exchange services, investment fund management, central depository services, voluntary mutual insurance services, private pension services, insurance and reinsurance services, occupational retirement provision, investment services, activities auxiliary to investment services, crowdfunding services, crypto asset services, intermediation (agency) activities, electronic money selling activities, fiduciary asset management, credit servicing and credit purchasing activities,

b) upon any suspicion of insider dealing or market manipulation, and unlawful disclosure of insider information,

c) for the purpose of verifying compliance with the obligation of notification and publication relating to persons discharging managerial responsibilities according to Regulation 596/2014/EU and, where applicable, persons closely associated with them according to Regulation 596/2014/EU,

d) for the purpose of verifying compliance with regulations relating to acquisitions,

e) for the purpose of verifying compliance with regulations applicable to the obligation of notification and publication referred to in Articles 5 to 8 and to the restrictions on uncovered transactions referred to in Articles 12 to 14 of Regulation No 236/2012/EU of the European Parliament and of the Council

f) 'Pan-European individual pension product' under Regulation (EU) 2019/1238 of the European Parliament and of the Council in case of suspicion of offering or marketing products bearing the mark "PEPP" without registration. [subsections *a)* to f*)* hereinafter referred to collectively as 'market surveillance procedure'],

(2) Calculated from the date of opening the proceedings ex officio, the administrative time limit in the market surveillance procedures defined in paragraph (1) subsections a)-f) shall be

a) six months for conducting the administrative control procedure, and

b) in the event an act of infringement was found, an additional three months for conducting the administrative procedure.

(3) At the MNB's request stating the reason and purpose, the persons and entities covered by the acts referred to in Article 39(1) and (2) shall, in connection with a market surveillance procedure and of the procedure as relating to a client:

a) produce documents, electronically recorded data, signals or recorded phone conversations,

b) provide other information, and

c) disclose any personal data which the MNB is authorised to manage under separate legislation.

(4) The provisions contained in Article 70(1) of Act CXLI of 1997 on real estate registration shall not apply to the MNB's inquiries from the electronic real estate registration database made for reasons of market surveillance.

(5) The MNB shall have the right to manage any data it has obtained under paragraph (3) subsection *c)* and paragraph (4)

a) until the conclusion of the administrative control procedure defined in paragraph (2) subsection *a)* if based on the procedure, the MNB did not open an administrative procedure or commence criminal proceedings,

b) until the execution of the decision to impose sanction adopted during the administrative procedure defined in paragraph (2) subsection *b)* or until the term of limitation of enforceability, or

c) until the final conclusion of the legal proceedings - including extraordinary remedy procedure and redress procedures – related to the market surveillance procedure if the MNB's decision has been appealed in an administrative action or the MNB has initiated criminal proceedings.

(6) In the case of the provisions of paragraph (1), the MNB may conduct a supervisory inspection instead of a market surveillance procedure. In the course of a supervisory inspection launched to investigate the market surveillance provisions, the provisions of Article 91(1) shall be applied.

(7)–(9)

Article 90/A (1) On-site searches performed in the context of market surveillance procedures to find means of proof pertaining to the infringement forming the object of the inspection may be conducted – unlike on-site inspections in accordance with Article 67 – against the will of the owner (holder) or the persons present on site or in their absence at any location where evidence necessary to clarify the facts of the case can be found. In this context, the opening of locked areas, buildings or rooms by force is allowed. If deemed necessary for the successful and safe conduct of the on-site search defined in this Article, the MNB may ask for police assistance.

(2) On-site searches of the private purpose or private use property, vehicle or data carrier not reported as the client's residential address, registered office or business premises and otherwise not used by the client for conducting economic activity may only be conducted if such are used by a natural person that is a client during the procedure, or if other than a natural person, the client's executive officer, employee, agent or — if other than a natural person — a person exercising actual control over the client, or held such capacity during the period under inspection.

(3) On-site searches within the meaning of this Article may only be performed in possession of a preliminary judicial authorisation.

(4)

(5) The on-site search may be conducted within 15 days of issuance of the judicial authorisation.

(6) The market surveillance procedure must be opened simultaneously to the start of the on-site search at the latest, stating this fact on-location to the client present, including the client's employee present, and to other clients by phone or electronic mail, alongside commencing notification in accordance with the general rules pertaining to notification.

(7) The affected party present shall be notified of the on-site search simultaneously to the start of the on-site search, and the court ruling authorising the on-site search and the purpose of the search shall be stated prior to commencing the search. The on-site search should be conducted in the presence of the affected party, where possible. If the affected party is unable to attend, the cooperation of an authorised witness must be requested. During the on-site search, the person performing the search may request spoken or written clarifications and explanations from the affected parties or may otherwise obtain information on-site.

(8) On-site searches may be conducted — unless another time is better suitable for the purposes of the inspection — on working days between 8:00 am and 8:00 pm. In the case specified in paragraph (3), the on-site search shall be conducted so as to avoid any disproportionate restriction of the affected party's personal life, and to cause the least amount of disturbance in the work and regular activities of the affected party.

(9) During the on-site searches, the MNB's employee is entitled to make copies of, seize or sequester means of proof not linked to the object of the market surveillance procedure and not specified in the court authorisation, but otherwise warranting the launch of a market surveillance procedure. The judicial authorisation defined in paragraph (3) in respect of such means of proof must be procured subsequently; any means of proof found cannot be used as evidence in the absence of subsequent judicial authorisation.

(10) Requests for subsequent judicial authorisation in accordance with paragraph (9) must be submitted at the latest within fifteen days of the conduct of the on-site search.

Article 90/B (1) If during the on-site search, the inspection of the data carrier at the location is not possible without restricting the normal performance of the affected activity for a disproportionately long time, or the affected party otherwise gives its content, the person conducting the search may make copies of the data found on the data carrier and any documents (hereinafter referred to as: 'copy of seized items').

(2) The record taken of the on-site search must specify the type and individual identification data of the data carrier used to record the copy, the type of the copied data and documents, and unique identification features of the copy, as well as any other data necessary for subsequently confirming their unaltered nature.

(3) The person conducting the on-site search shall perform this for means of proof using the work copy of the data and documents constituting the copy of the seized items (hereinafter referred to as: 'inspectional work copy'). The person conducting the on-site search shall make a separate electronic or hardcopy copy (hereinafter referred to as: 'evidence summary') of the evidence it intends to use and shall send a description of the data and documents included in the summary and enabling to their individual identification to the client who had possession of the data carrier of regarding whom a copy of the seized items within the meaning of Article 90/A(2) was made on-site, with a time limit of eight days.

(4) When making the inspectional work copy, the electronic copy of the data stored on the data carrier shall be recorded in a manner preventing the subsequent altering of the data, or — if this is not possible due to the type of data carrier — the procedure used to record the data shall ensure the possibility to subsequently check the unaltered nature of the data.

Article 90/C (1) The provisions of Act LXXVIII of 2017 on Attorneys (hereinafter referred to as 'Üttv.') on the protection of documents prepared for the purpose of defence shall be applied with the derogations defined in this Article.

(2) Documents may be seized in the context of an on-site search in cases other than that defined in Article 13(5) of the Üttv. if

a) a copy of the searched item is made,

b) only an affected party that was not authorised to represent the client or the affected attorney in terms of the issuance of a declaration qualifying the documents as documents prepared for defence was present during the procedural action taken.

(3) If the person conducting the on-site search disagrees with the declaration qualifying the documents as documents prepared for the purpose of defence, or in the case specified in paragraph (2), the document or the copy of searched items that contains the document must be stored on a storage device, in accordance with Article 13(5) of the Üttv., that is closed by the affected party and the person conducting the on-site search authenticated with their signature in a manner that the storage device cannot be opened without breaking the authentication (hereinafter referred to as: 'closed storage device').

(4) In the cases specified in paragraph (2) subsections *a)* and *b)*, the affected client must be requested — accurately specifying the document or portion thereof — to issue a statement on whether any of the seize documents qualify as documents prepared for defence. The affected client must simultaneously be notified that the procedural action specified in paragraph (7) will be applied to documents qualified as such by the client. The notification shall specify the time and date, expected duration and location of the procedural action, leaving at least eight days for the client to issue a statement.

(5) The closed storage device may only be opened, and the documents or copy of the searched items contained on the storage device may only be inspected once the time limit for the issuance of a statement specified in paragraph (4) has lapsed. If the client issues a statement within the lime limit to the effect that the storage device contains documents prepared for defence or that the copy of the searched items contain such documents, the closed storage device may only be opened in the context of procedural action defined in paragraphs (7) and (10), and the copy of the searched items shall be placed back in the closed storage device after the action is completed.

(6) Documents in respect of which the affected client did not issue such a statement at the time of seizure by the MNB or within the time limit specified in paragraph (4) cannot be treated as documents prepared for defence. No justification will be accepted to explain any failure to meet the time limit specified in Paragraph (4).

(7) If according to the affected client's statement, the seized documents include documents prepared for defence, these documents must be sorted from the other documents in the presence of the affected client — by using a copy enabling the separation of data (hereinafter referred to as: 'intermediate work copy') in the case of the copy of the searched items — and handed over to the affected client, and an inspectional work copy made of the intermediate work copy not including any documents prepared for defence, and the intermediate work copy must then be immediately deleted by physically destroying the data carrier holding the intermediate work copy, or applying a procedure preventing the restoration of data or by deleting the data. If contrary to the client's statement, the

document does not qualify as a document prepared for defence according to the person conducting the on-site search, the contested document or the intermediate work copy containing it shall be placed in a closed storage device. The decision of a duly notified affected client to remain absent from the search shall not affect the performance of the procedural action.

(8) In the event of a non-litigious procedure commenced in the matter of the classification of the document, the MNB shall append to its request the document or the closed storage device containing the intermediate work copy thereof, provided that this is permitted by the dimensions and weight of the storage device.

(9) If, in respect of the documents contained in the intermediate work copy and if the separation of documents is not possible without harming their evidentiary value, the court shall specify in an order the document or portion of document that qualifies as a document prepared for defence, and shall issue the intermediate work copy or the document in a closed storage device to the MNB subject to the limitation referred to in paragraph (8).

(10) The closed storage device may only be issued to the MNB as per paragraph (9), the data contained in it may only be inspected for the purpose of making an inspectional work copy of the intermediate work copy not containing any documents prepared for defence or for inspecting the part of the document not qualifying as a document prepared for defence in the presence of the affected client, and the documents shall be handed over to the client afterwards, and the intermediate work copy must then be immediately deleted by physically destroying the data carrier holding the intermediate work copy, or applying a procedure preventing the restoration of data or by deleting the data. The client shall be notified at least three days in advance of the time and date, expected duration and location of this procedural step. The decision of a duly notified affected client to remain absent from the search shall not affect the performance of the procedural action.

Article 91 (1) The MNB shall have powers, in the course of market surveillance proceedings, in the interest of discharging its functions, to obtain and process the data of clients subject to its proceedings and falling within the scope of the right of disposal of clients

a) relating to securities account, client account and payment account transactions, the number of the account to be debited and credited, the holder of such account, the purpose of crediting and debiting, and the code for the identification of the financial transaction,

b) relating to the phone number or other identifier of the subscriber terminal — owned or used by the client — specified in the Act on electronic communications, the calling and called subscriber numbers, and the date and start time of calls or other services provided, as well as regards the given name and surname, name at birth, home address or place of residence of the subscriber, and

c) necessary for the identification of any natural person encountered in the payment account or securities account of a client under inspection, who is likely to have additional evidence that may be of import for the purposes of the market surveillance procedure.

(2) When requesting the data specified in paragraph (1), the MNB shall provide sufficient evidence to demonstrate that the data requested is necessary for ascertaining the relevant facts of the case to the fullest extent, or for understanding any other material facts related to the act or identifying the person that may be connected to the act.

(3) The data specified in paragraph (1) shall be made available subject to the public prosecutor's prior consent.

(4) The public prosecutor shall refuse consent if the MNB is unable to provide sufficient evidence as required under paragraph (2), or if other legal requirements for data management are not satisfied.

(5) The MNB is also authorised to access the data specified in paragraph (1) subsection *a)* in respect of the person responsible for or directly linked to the client's activities under inspection if the evidence collected during the market surveillance procedure suggests that the amounts handled on this securities, client or payment account were used for the activities of the client. If the account turnover proves that the suspected implication of the inspected person is not substantiated, the inspected person will not be involved as a client in the MNB's market surveillance procedure, however the MNB shall notify it of the verification of the account turnover. If the account turnover proves that the suspected implication of the inspected person is substantiated, the inspected person will be involved as a client in the MNB's market surveillance procedure.

(6) In derogation of Article 90(5), unless otherwise provided for by an act applicable to the administrative procedure of the MNB, the MNB shall be entitled to manage the data referred to in paragraph (1) for five years

a) from the conclusion of the administrative control procedure defined in Article 90(2) subsection *a)* if no administrative procedure has been commenced,

b) from the date on which the resolution or the ruling terminating the procedure becomes definitive if an administrative procedure within the meaning of Article 90(2) subsection *b)* has been commenced,

c) from the final conclusion of any court proceeding commenced in connection with the market surveillance procedure.

Article 91/A (1) In its market surveillance procedure, the MNB may order as a temporary precautionary measure for the period up to the adoption of the substantive decision to make temporarily unavailable the data published via the electronic communications network (hereinafter: electronic data) which prepares or facilitates the provision of services without permission or without notification according to Article 90(1) point a) of the present Act, if the interests of the clients of the person or organization examined in the market surveillance procedure (hereinafter referred to as "investors" for the purposes of this Chapter) are endangered by the published data.

(2) Making electronic data temporarily inaccessible means temporarily restricting the right to dispose of electronic data and temporarily preventing access to the data.

(3) All electronic communications service providers shall be bound by the MNB's decision to temporarily make electronic data unavailable.

(4) The National Media and Communications Authority (hereinafter: NMHH) shall organize and control the implementation of the temporary unavailability of electronic data on the basis of Act C of 2003 on electronic communications (hereinafter: Eht.). The MNB shall immediately notify the NMHH of the order to make the electronic data temporarily unavailable or to terminate it.

(5) The MNB shall impose a procedural fine of between HUF 1 million and HUF 5 million on the electronic communications service provider if it violates its obligations related to the decision ordering the temporary unavailability of electronic data.

(6) The MNB shall terminate the temporary unavailability of electronic data in accordance with Article 49 / D. § (5) – also in the event that

a) a criminal coercive measure or the permanent non-availability of electronic data has been ordered or is being implemented on the basis of the information received from a criminal court, prosecutor's office or investigative authority, an authority specified in a separate law or the NMHH; or

b) NMHH notifies it in accordance with Article 159/B. §(5) of the Eht. that the implementation of the order by electronic communications service providers may be in doubt with the specified content.

(7) In order to effectively protect the interests of investors, the MNB shall publish on its website the names of the websites affected by the order to make electronic data temporarily inaccessible.

(8) The MNB shall not be liable for any damage resulting from the fact that, in addition to the content specified in paragraph (1), the data temporarily rendered electronically inaccessible also contains other content which, due to technical limitations, cannot be separated or the separation of which cannot reasonably be expected during the execution of the inaccessibility.

Article 92 (1) The MNB may deliver its consignments issued in the context of market surveillance procedures using the postal service or through its own delivery. Delivery through a postal service abroad shall be regarded as proper delivery if it complies with the provisions of domestic legislation on the delivery of official documents or the relevant local legislation of the place of delivery.

(2) The disclosure of a notice to client with no residential address or registered office in Hungary, or — if the relevant conditions apply — delivery through an administrator for service of process due to the absence of an appointed agent for service of process is only allowed if disclosure cannot be ensured through international legal assistance or other available methods of disclosure, providing certification thereof.

Article 92/A (1) In the market surveillance procedure, the MNB shall classify the contract, transaction and other similar act according to its real content.

(2) An invalid contract or other legal transaction shall be relevant to the market surveillance procedure insofar as its economic results can be detected.

Article 93 (1) If an activity is found to be performed without authorisation, or activity define in provision of Article 90(1)(f) the MNB shall

a) prohibit the conduct of the activity,

b) initiate criminal proceedings if, in the MNB's opinion, there is any criminal element involved in accordance with the Act on the criminal code,

c) apply measures or exceptional measures, and/or

d) impose a market surveillance fine.

(2) In the case an activity performed without notification, the MNB shall:

a) prohibit the conduct of the activity,

b) apply measures or exceptional measures, and/or

c) impose a market surveillance fine.

(3) The MNB,

a) in the event of non-compliance with the obligation of notification and publication referred to in Articles 5 to 8 of Regulation No 236/2012/EU of the European Parliament and of the Council, shall order the person or entity who failed to comply with the obligation of publication to do so as required,

b) in the event of any infringement of the regulations relating to the restrictions on uncovered transactions referred to in Articles 12 to 14 of Regulation No 236/2012/EU of the European Parliament and of the Council, shall order the person or entity who breached the restriction on transactions to comply with the transaction requirements, and

c) shall impose a market surveillance fine in the cases specified in subsections *a)* and *b)*.

(4) In addition to the provisions of the Ákr., the MNB may impose provisional protective measures in order to enforce its decision adopted in market surveillance procedures in cases where it is deemed justified with a view to ascertaining the recovery of the market surveillance fine or for protecting the interests of the clients of persons or entities engaged in activities without a license or without prior notification. In addition to the provisions of the Ákr., the MNB may impose protective measures in order to enforce its decision adopted in market surveillance procedures in cases where it is deemed justified with a view to ascertaining the recovery of the market surveillance fine or for protecting the interests of the clients of persons or entities engaged in activities without a license or without prior notification. The MNB shall directly notify the affected financial organisations of the provisional protective measures and protective measures imposed by it in the context of market surveillance procedures, in the interest of immediate implementation.

(5) In market surveillance procedures

a) the amount of fines imposed in connection with activities performed without authorisation or in the absence of notification, or activity define in provision of Article 90(1)(f) shall be between one hundred thousand forints and two billion forints,

b) the amount of market surveillance penalty imposed in connection with any infringement of the provisions on insider dealing, market manipulation and acquisitions shall be between one hundred thousand forints and two billion forints,

c) the amount of market surveillance penalty imposed in connection with any infringement of Article 405(3) and (4) of the Tpt. shall be up to the amount stipulated in Article 405(3) and (4) of the Tpt.,

d) the amount of market surveillance penalty imposed in connection with any infringement of the regulations relating to the obligation of publication and notification referred to in Articles 5 to 8 and to the restrictions on uncovered transactions referred to in Articles 12 to 14 of Regulation No 236/2012/EU of the European Parliament and of the Council shall be between one hundred thousand forints and two billion forints.

(5a) The clients the amount of the market surveillance fine levied on natural persons substantially cooperating in the activity affected by the market surveillance fine may range from HUF 100,000 to HUF 100 million, over and above the application of Article 93(5).

(6)

(7) Where the MNB controls compliance with market surveillance regulations within the framework of a control procedure, Articles 90 and 91 shall also be applicable to such procedures.

(8) If the MNB finds any infringement of market surveillance regulations within the framework of the control procedure, it may impose the measures described in paragraphs (1) to (5) hereof for such infringements.

(9) If, in addition to the cases described in Article 75(1), market surveillance regulations have also been violated as evidenced by the facts of the case established in the control procedure, the MNB shall have the option to order a collective sanction for all such violations, including the measures set forth in paragraphs (1) to (5) hereof in addition to the measures provided for in Articles 75 and 76.

(10) If in the course of its market surveillance procedure the MNB finds any infringement of the statutory provision relating to the persons and entities covered by the acts referred to in Article 39, or any violation of MNB's resolutions, the measures described in Article 75 may be imposed for such infringements.

(11) In market surveillance procedures, the rules governing control procedures under this Act shall apply, with the exception of the provisions defined in Article 64(1) to (6), Article 65(3) to (6), Article 67(10), Article 67/A, Article 67/B(2), Article 69 to 71, Article 73, Article 76 and Article 78 shall apply.

Article 93/A (1) If necessary for the protection of the interests of investors, the MNB may, as a precautionary measure, order for 365 days to make temporarily unavailable the electronic data, the availability of which has prepared or facilitated the provision of services without authorization or without notification according to Article 90(1) point a) of the present Act, and the MNB has applied a measure pursuant to Article 93(1) point a) or Article 93(2) point a) in its decision establishing the infringement.

(2) The MNB shall review the justification for maintaining the precautionary measure ordering the temporary unavailability of electronic data 365 days after its finalization and decide whether to terminate it or, if necessary to protect the interests of investors, to maintain it once in force for another 365 days.

(3) If criminal proceedings are pending in connection with an activity investigated in the market surveillance proceedings conducted by the MNB, the MNB shall simultaneously notify the criminal court, prosecutor's office or investigating authority, if it deems it necessary, to take and terminate the interim measure. The protection of electronic data establishes the applicability of a criminal coercive measure for the temporary unavailability of electronic data and a criminal law measure for the permanent unavailability of electronic data.

(4) For the application of the temporary unavailability of electronic data as a precautionary measure Article 91/A(2) to (8) shall apply otherwise.

Article 94 (1) If in connection with operations conducted without authorisation or in the absence of notification the MNB has imposed a market surveillance fine or prohibited the continuation of a conduct in breach of law and ordered termination of the breach, and where deemed necessary to protect the legal or economic interests of the clients of the person or entities engaged in the pursuit of activities without authorisation or in the absence of notification, or to safeguard the public interest, the MNB shall publish on its website:

a) the number and subject of the resolution;

b) the infringer's family name and first name and home address, if a natural person,

c) the infringer's name and registered address, if a legal person or unincorporated business association, and

d) the operative part of the decision.

(2) The MNB shall remove the personal data referred to in paragraph (1) subsection *b)* published pursuant to paragraph (1) from its website after one year from the date of publication, and may remove information other than personal data from its website after one year from the date of publication.

30/A. Rules governing administrative contracts

Article 95 (1) With a view to terminating the infringement identified in the course of procedures for the protection of consumers' interests , the MNB, instead of adopting a resolution, may enter into an administrative agreement with a client who undertakes to cease the infringement and to bring its behaviour in line with the provisions of the relevant legislation in the manner defined in the administrative agreement.

(2) The MNB shall post a notice concerning the administrative agreement on its website, or shall publish it by any other means it deems appropriate. The posted notice shall include the following:

a) the fact that the agreement to safeguard the public interest was concluded,

b) the summary of the commitment phrased in language that is easy to understand, and

c) an indication that the administrative agreement is available for inspection at the MNB.

(3) If the client violates the terms of the administrative agreement, the MNB shall be authorised to adopt the measures and apply the legal consequences which would otherwise be applicable in accordance with the regulations on the proceedings if it had issued a resolution.

(4) No measures or legal consequences may be imposed on clients who entered into an administrative agreement with the MNB in respect of an infringement committed within the time limit prescribed in the agreement the termination of which was the object of the administrative agreement.

(5) An administrative agreement with the contents defined in Article 92(3) of the Ákr. may be concluded if the client undertakes to submit to the provisions of paragraph (3) in the event that the terms of the agreement are violated.

30/B Supervisory inspection

Article 95/A (1) The MNB shall be entitled to conduct a supervisory inspection within its competence, in the context of which it may conduct an on-site inspection. It is not required to send an advance notification on the on-site inspection.

(2) The MNB shall draw up an inspection report on the supervisory inspection, a copy of which shall be sent by the MNB to the client within ten working days of the conclusion of the inspection.

(3) If during the supervisory inspection the MNB finds that the client violated statutory provisions or the provisions of an administrative decision, it may issue an order accompanied by a warning of the legal consequences instructing the client to cease the violation, or it may open a procedure within its competence. The MNB may also open a procedure within its competence if the client fails to perform the binding obligation contained in the order.

(4) During the supervisory inspection no fine may be imposed – save for the procedural fine – and no measures within the meaning of the acts referred to in Article 39 (1)–(3) may be implemented.

Chapter VIII

The Financial Arbitration Board

31. Tasks, organisation and operation of the Financial Arbitration Board

Article 96 (1) The powers and competence of the Financial Arbitration Board shall cover disputes between consumers and the persons and entities covered by the acts referred to in Article 39 relating to the conclusion and performance of legal relationships for the use of services (hereinafter referred to as 'consumer dispute of a financial nature') with a view to reaching an out-of-court settlement. To this end, the Financial Arbitration Board shall attempt to achieve an amicable settlement or, failing this, to adopt a decision in the case with a view to the simple, fast, efficient and cost effective enforcement of consumer rights.

(2) The Financial Arbitration Board is a professionally independent body operated by the MNB, consisting of the chairman and members of the Financial Arbitration Board.

(3) In the organisational structure of the MNB, the Financial Arbitration Board shall report directly to the governor of the MNB.

(4) The Financial Arbitration Board shall perform the duties set out in the by-laws of the Financial Dispute Resolution Network (hereinafter referred to as 'FIN-Net') facilitating the out-of-court settlement of disputes of a financial nature.

(5) The MNB shall provide funding for the operating expenditures of the Financial Arbitration Board, and for performing the duties of arbitration bodies relating to participation in the FIN-Net.

Article 97 (1) Members of the Financial Arbitration Board (hereinafter referred to as 'arbitration board members') shall be employees of the MNB.

(2) Arbitration board members shall not be bound by any instructions in their decision-making capacity in consumer disputes.

(3) Arbitration board members are required to have legal qualifications and to have passed the bar examination, or a university degree in economics. The rules of procedure of the Financial Arbitration Board may set additional requirements for the eligibility of arbitration board members.

(4) The consent of the chairman of the Arbitration Board shall be required for the termination of employment of arbitration board members.

Article 98 (1) The Financial Arbitration Board shall proceed – at the discretion of its chairman – in a panel of three members or a single board member may proceed alone depending on the complexity of the case, the required expertise and the amount of the claim to be asserted. Rules of the present Act concerning the proceeding panel or its chairperson shall also apply to the single board member proceeding alone.

(2) Members of the panel shall be appointed in accordance with the Financial Arbitration Board's rules of procedure.

(3) The rules of procedure shall contain provisions on conflicts of interest, as well.

(4) Arbitration board members delegated to the panel shall, without delay, notify and disclose all circumstances that may give rise to legitimate doubt regarding their independence or impartiality.

(5) Parties may lodge a motion for disqualification of an arbitration board member delegated to the panel if there are circumstances giving rise to legitimate doubts regarding his independence or impartiality.

(6) A reasoned written motion for disqualification may be presented within three days following the party gaining knowledge of the composition of the panel or of the circumstance giving rise to the submission of the motion for disqualification.

(7) The decision for disqualification shall lie with the chairman of the Financial Arbitration Board, to be rendered after hearing the board member concerned.

Article 99 When requested, the Financial Arbitration Board shall provide information in writing or by way of any other appropriate means concerning its competence and jurisdiction, procedural rules and costs, on the conditions for passing binding decisions and recommendations, on the procedures for the enforcement of resolutions, on the conditions for annulling binding decisions and recommendations, and about the fact that its procedure shall have no bearing on the enforcement of claims in a court of law.

Article 100 (1) The work of the Financial Arbitration Board shall be directed by the chairman of the Financial Arbitration Board.

(2) The chairman of the Financial Arbitration Board shall be appointed by the governor of the MNB for a term of six years.

(3) The monthly base wage of the chairman of the Financial Arbitration Board, received from the MNB for the period beginning on 1 March and ending at the end of February of next year, shall be eight times the national monthly average gross wage officially in the previous year published by the Central Statistical Office.

(4) The mandate and employment relationship with the MNB of the chairman of the Financial Arbitration Board shall terminate upon

a) expiration of the term of office

b) resignation,

c) dismissal,

d) declaration of conflict of interest,

e) by death.

(5) In the case referred to in paragraph (4) subsections *a)*, *b)* and *e)*, termination of the mandate of chairman of the Financial Arbitration Board shall be established by the governor of the MNB.

(6) Resignation of the chairman of the Financial Arbitration Board shall be tendered in writing to the governor of the MNB. In the event of resignation, the time of termination of the mandate of the chairman of the Financial Arbitration Board shall be determined by the governor of the MNB; however, such time shall not be later than sixty days following submission of the resignation to the governor of the MNB.

(7) Conflict of interest pertaining to the chairman of the Financial Arbitration Board shall be established by the governor of the MNB.

(8) If the circumstances underlying the conflict of interest cease to exist before the declaration of a conflict of interest, no declaration of conflict of interest shall be made.

(9) The chairman of the Financial Arbitration Board may dismissed by the governor of the MNB if he

a) engaged in conduct that hindered the proper functioning of the MNB,

b) was unable to attend to his vested duties for a period exceeding one hundred and eighty days.

(10) The proposal for dismissal shall be sent to the chairman of the Financial Arbitration Board, who may seek remedy in the court, in accordance with the regulations of the Mt. The chairman of the Financial Arbitration Board shall send the petition registered as received by the court and the final court decision to the governor of the MNB forthwith. No legal remedy may be sought against the decision of the governor of the MNB.

(11) Declaration of a conflict of interest in relation to, or dismissal of, the chairman of the Financial Arbitration Board may take place after the time limit for bringing action before the court, or after the court decision on the initiative becomes final and enforceable, if applicable.

(12) If the mandate of the chairman of the Financial Arbitration Board ends, he shall be entitled to a discharge period and severance pay unless the mandate ends for the reasons stated in paragraph (4) subsections *b)* and *d)*, or the reasons for dismissal stated in paragraph (9) subsection *a)*.

(13) The discharge period shall be six months. For the discharge period, the chairman of the Financial Arbitration Board shall be released from his obligation to perform work and shall be entitled to six months of pay for this period, to be paid in equal monthly amounts.

(14) The chairman of the Financial Arbitration Board shall be entitled to severance pay amounting to six months of pay, which shall be paid within eight days of the end of his mandate.

Article 101 (1) The chairman of the Financial Arbitration Board shall establish the operating procedures of the Financial Arbitration Board, subject to approval by the governor of the MNB.

(2) The chairman of the Financial Arbitration Board shall appoint the members of the panel proceeding in a particular consumer dispute.

(3) The chairman of the Financial Arbitration Board shall submit a recommendation to the governor of the MNB on the number of allocated posts of the Financial Arbitration Board.

(4) In the course of discharging his responsibilities defined by law, the chairman of the Financial Arbitration Board shall not be bound by any instructions.

Article 101/A (1) The chairman shall maintain a list of members of the Financial Arbitration Board.

(2) The list of members shall contain the name of members, the member’s higher education qualification as shown on the certificate, and the designation of the member’s professional expertise and nominating organisation. Such data are public on grounds of public interest. The chairman shall send the list of board members to the minister in charge of consumer protection.

32. The proceeding of the Financial Arbitration Board

Article 102 (1) The opening of Financial Arbitration Board proceedings shall be subject to the condition that the consumer has, prior to submitting the application, attempted to settle the dispute directly with the person or entity governed by the acts referred to in Article 39 involved in the consumer dispute, or has unsuccessfully lodged a request for equitable procedure at such entity.

(2) If the Financial Arbitration Board agreed to conduct an alternative dispute resolution procedure in relation to a dispute forwarded through the online dispute resolution platform, it shall proceed with due consideration to the provisions of Commission Implementing Regulation 2015/1051/EU on the modalities for the exercise of the functions of the online dispute resolution platform, on the modalities of the electronic complaint form and on the modalities of the cooperation between contact points provided for in Regulation No 524/2013/EU of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes and amending Regulation No 2006/2004/EU and Directive 2009/22/EC (Regulation on consumer ODR).

(3) At the request of the consumer or the person or entity covered by the acts referred to in Article 39, the Financial Arbitration Board shall give advice with respect to the rights and obligations of consumers.

(4) The chairman shall organise regular trainings for the members of the Financial Arbitration Board.

Article 103 (1) The persons and bodies covered by the acts referred to in Article 39 may file a general statement of submission with the Financial Arbitration Board in writing, which remains in effect until revoked, submitting to the proceedings of the arbitration board and to the decision adopted if no negotiated settlement is achieved. In the general statement of submission, the entity or person may limit the extent and scope of its commitment to the amount it deems appropriate for the subject matter of the dispute or otherwise.

(2) The Financial Arbitration Board shall maintain a register of the general statements of submission it has received.

(3) If the consumer can substantiate that he entered into the legal relationship to which the consumer dispute of a financial nature pertains in light of the fact that the person or entity covered by the acts referred to in Article 39 claimed in its commercial communication to submit to the proceedings of the arbitration board and to the decision adopted by the arbitration board in the absence of a negotiated settlement, the entity or person shall be bound to such statement – under the terms laid down therein – in the proceedings in question, whether or not it has made a general statement of submission under paragraph (1). The entity or person shall not be bound by such statement if it is able to demonstrate that the statement was withdrawn before the conclusion of the contract the in the same manner that it had been undertaken.

Article 104 (1) Financial Arbitration Board proceedings are opened upon the consumer's request.

(2) The request shall be submitted to the Financial Arbitration Board in writing using the dedicated form for requests, except the request for equitable procedure. The request shall include

a) the name and address of residence or place of stay of the consumer,

b) the name and registered office of the person or entity covered by the acts referred to in Article 39 involved in the consumer dispute,

c) a brief description of the consumer's view of the case, along with the facts and evidence substantiating such view,

d) the consumer's statement on having made an attempt at amicable settlement,

e) the complaint which was rejected and the document containing the rejection,

f) the consumer's statement to the effect that he has not initiated the proceedings of another conciliation body in the same matter and has not filed for civil action,

g) if the request includes any special data, the consumer's statement that it consents, simultaneously to submitting its request, to the handling and transfer of this special data,

h) the motion for decision,

i) in the case of requests for equitable procedure, the consumer's statement that it has not lodged a request for equitable procedure based on the same factual basis or in respect of the same right to the Financial Arbitration Board.

(3) Documents, or a copy (extract) of documents presented by the consumer in evidence shall be attached to the request, in particular the written statement of the person or entity covered by the acts referred to in Article 39 on the rejection of the complaint or where there is none, any other documentary evidence in the possession of the consumer in proof of an attempt to reach a settlement.

(4) If the consumer is represented in the proceeding by an agent, the authorisation of such agent must also be attached to the request.

(5) If the request fails to conform to the requirements set out in paragraphs (2) to (4), the Financial Arbitration Board shall return the request, with the indication of deficiencies, within fifteen working days of receipt to have such deficiencies remedied.

Article 105 The opening of the procedure shall interrupt the limitation period. Article 6:25(1) and (2) of the Civil Code applies to time-barring following successful completion of the procedure, while Article 6:24(1) and (2) of the Civil Code applies in case of unsuccessful completion of the procedure.

Article 106 (1) For establishing time limits starting from the opening of the proceedings, receipt of the complete request by the Financial Arbitration Board shall be considered as the time of the opening of the proceedings.

(2) Within eight days of the opening of the proceedings, the Financial Arbitration Board shall review whether the board has jurisdiction over the case. In the event that it does not have jurisdiction, the Financial Arbitration Board shall forward the case without delay to the appropriate body with jurisdiction and notify the requesting party accordingly.

(3) The Financial Arbitration Board – if its jurisdiction is established – shall notify the parties and shall set a hearing date within seventy-five days of the opening of the proceedings, subject to the exceptions set out in paragraph (5).

(4) In the notice, the Financial Arbitration Board shall communicate to the parties the names of those appointed to the panel or the member proceeding alone in the case.

(5) After weighing the relevant circumstances, the chairman of the proceeding panel may move that the proceedings be carried out in writing, however, the consent of both parties must be obtained in order to forego holding a hearing. If the parties do not consent to the written conduct of the proceedings prior to the hearing, but one of the parties does not show up for the hearing, the proceeding council — following the conduct of the hearing — may conduct proceedings in writing even without the parties' prior consent.

Article 107 The Financial Arbitration Board shall reject the request in writing, without a hearing if there is evidence that

a) for the same subject under the same factual grounds between the parties

aa) proceedings have been initiated with the Financial Arbitration Board,

ab) mediation proceedings have been initiated, or

ac) a court action is in progress or a binding decision or judgement has been adopted with respect to the same subject;

b) between the parties, for the same subject under the same factual grounds a warrant for payment has been issued;

c) the dispute is frivolous or vexatious;

d) the case does not qualify as a consumer dispute or the Financial Arbitration Board has no competence in resolving the dispute for other reason; or

e) the applicant failed to remedy the deficiencies specified in the call for the remedy of deficiencies referred to in Article 104(5) within the available time limit.

Article 108 (1) The Financial Arbitration Board shall in due time notify the parties regarding the scheduled time of the hearing, or if it plans to lodge a motion to proceed without hearing, with a copy of the request attached.

(1a) The notice referred to in paragraph (1) shall also include that

a) before agreeing to the negotiated settlement offer, the consumer may freely decide whether it accepts the recommendation of the Financial Arbitration Board, the negotiated settlement offer or the binding decision,

b) participation in the proceedings does not preclude the possibility of seeking redress through court proceedings,

c) the content of the decision may be different from the court decision, and whether

d) the person or entity covered by the acts referred to in Article 39 has filed the general statement of submission defined in Article 103(1).

(1b) The notice referred to in paragraph (1) shall include an indication of the legal effect of the decisions adopted in the proceedings of the Financial Arbitration Board and shall inform the parties that they are not obligated to retain a lawyer or legal advisor, but they may seek independent advice or be represented or assisted by a third party at any stage of the procedure. The notice shall include the expected length of time of the proceedings and the possibility of extending the duration of the proceedings.

(2) In the notice, the person or entity covered by the acts referred to in Article 39 shall be requested to file a written statement (response) within 15 days of receipt of the notice with regard to the legitimacy of the consumer's claim, the circumstances of the case, on the failure to settle the consumer complaint, or the reason for refusing an equitable procedure, and acceptance of the decision of the panel as binding (submission), identifying in the statement the facts and evidence in support of its position and attaching any documents (or copies thereof) invoked as evidence. The person or entity covered by the acts referred to in Article 39 shall be advised that it is required to ensure the participation of a person authorised to conclude a settlement at the hearing, and that in the event of its failure to file a statement regarding the merits of the case, the council shall pass its decision based on the information at its disposal. The notice shall include information regarding the cooperation obligation referred to in paragraph (5) and the fact that in case of violation of that the MNB shall impose a consumer protection fine in the framework of consumer protection proceedings.

(3) The chairman of the Financial Arbitration Board shall send a copy of the response of the person or entity covered by the acts referred to in Article 39 to the consumer without delay, or if there is not sufficient time to do so, shall present it at the hearing.

(4) If the person or entity covered by the acts referred to in Article 39 fails to file a response, the Financial Arbitration Board shall continue the proceedings, however, it such failure shall not be construed as acceptance of the requesting person's claims.

(5) The person or entity covered by the acts referred to in Article 39 is obliged to cooperate in the proceedings of the Financial Arbitration Board; in this context, it is required to send its response, with the content and by the deadline defined in paragraph (2), to the Financial Arbitration Board. Unless Regulation No 524/2013/EU of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes and amending Regulation No 2006/2004/EC and Directive 2009/22/EC (Regulation on consumer ODR) is applied, the person or entity covered by the acts referred to in Article 39 shall ensure the participation of a person authorised to conclude a settlement at the hearing.

Article 109 In the proceedings of the Financial Arbitration Board documents shall be delivered to the consumer – in a paper-based or electronic form at the consumer's request – in the way of an official document, while for persons or organisations covered by legislation specified in Article 39, as official documents, or electronically. The Financial Arbitration Board may agree with the consumer or the person or organisation covered by legislation specified in Article 39 regarding the way of delivery.

Article 110 (1) The parties may be represented in the proceedings by an appointed agent.

(2) Any natural or legal person an unincorporated business association may be appointed to act as an agent.

Article 111 (1) In the proceedings, the chairman of the panel shall attempt to negotiate an agreement between the parties. The panel shall approve the negotiated settlement by resolution if it is in conformity with the relevant legislation, otherwise, or if there is no agreement, it shall continue the proceedings, with the exception of cases including a request for equitable procedure.

(2) During the proceedings, the panel shall afford equal treatment to the parties and shall provide all parties with an opportunity to present their case and table any motions they may have. If necessary, the chairman of the panel shall inform the consumer of his rights and obligations.

(3) Proceedings shall be conducted in closed sessions, unless both parties have consented to have the proceedings held publicly.

Article 112 (1) The request or response may be freely modified or supplemented during the course of the proceedings, unless prohibited by the panel due to any potential delay caused by such action, or if the person or entity covered by the acts referred to in Article 39 objects, with a view to its submission, to the request being modified or supplemented.

(2) If either of the parties fails to appear at the hearing in spite of having been properly notified or fails to present their evidence, the panel shall continue the proceedings and render a decision on the basis of the information in its possession.

(3) The panel shall terminate the proceedings if

a) the consumer withdraws the request,

b) the parties agree on termination of the proceedings,

c) continuation of the proceedings becomes impossible,

d) continuation of the proceedings is not necessary, if so deemed by the panel for any reasons, including if the request is found to be unsubstantiated.

e) it becomes aware of the existence of any of the circumstances defined in Article 107.

(4) The panel shall decide on the merits of the case by a simple majority of votes.

(5) The panel shall conclude the proceedings within ninety days of the time of opening; the chairman of the Financial Arbitration Board shall have powers to extend this time limit by no more than an additional thirty days where justified.

(6) The Financial Arbitration Board shall be in recess twice a year, once in July or August and once in December, for a duration of 8-15 working days. This recess shall not be included in procedural deadlines. The chairperson of the Financial Arbitration Board shall define the dates of the recess yearly and publish them on the Financial Arbitration Board's website.

Article 113 (1) In the absence of a negotiated settlement the panel shall

a) adopt a binding resolution on the merits of the case if the request is found to be substantiated, and the person or entity covered by the acts referred to in Article 39 has undertaken to be bound by the decision of the Financial Arbitration Board in a general statement of submission or in a statement contained in its commercial communication or made at the time of the opening of the proceedings or, at the latest, before the decision is adopted, or

b) make a recommendation on the merits of the case if the request is found to be substantiated but the person or entity covered by the acts referred to in Article 39 affected has refused to be bound by the decision of the panel in a statement filed at the time of the opening of the proceedings, or did not declare its position concerning submission to the decision of the panel.

(2) In the absence of a settlement, the panel may also adopt a binding resolution if the person or entity covered by the acts referred to in Article 39 has not made a statement of submission, but the request is substantiated, and the consumer's claim intended to be enforced does not exceed HUF 2 million either in the request or at the time when the binding resolution is adopted.

Article 114 (1) The binding decision or recommendation shall cover all motions presented in the request and the reasons underlying the decision.

(2) The costs of the proceedings shall cover all expenses incurred by the parties in connection with the proceedings of the Financial Arbitration Board within reason and in good faith (such as the costs of preliminary inquiries, costs of negotiations and correspondence, travel expenses and loss of income relating to the appearance of the parties in person, etc.).

(3) The costs of the proceedings, and the party to pay such costs, shall be specified in the binding decision.

(4) The costs of the proceedings shall be borne by the party against whom the decision was passed.

(5) In respect of the fulfilment of the obligation established in the decision, a time limit of at least fifteen days shall be set from the day of the delivery of the decision.

(6) The panel shall deliver its decision or recommendation on the day when adopted. The panel shall send one copy of the written decision or recommendation to each of the parties within fifteen days.

Article 115 The Financial Arbitration Board shall be entitled to publish, without disclosing the names of the parties, a brief description of the dispute and the outcome of the proceedings.

Article 116 (1) The decision or recommendation of the panel is adopted without prejudice to the consumer's right to have his claim enforced in a court of law.

(2) The binding decision or recommendation of the panel may not be appealed, but annulment of the decision by court order may be requested as specified paragraph (3).

(3) Within fifteen days of receipt of the binding decision or recommendation, the party affected may file to have such decision or recommendation annulled by the Budapest Metropolitan Court if

a) the composition or the procedure of the panel was not in compliance with the provisions of this Act,

b) the Financial Arbitration Board did not have jurisdiction,

c) the request should have been rejected without a hearing.

(4) In addition to what is contained in paragraph (3), the person or entity covered by the acts referred to in Article 39 may, within fifteen days from the time of receipt of the recommendation or the binding resolution adopted in the procedure according to Article 113(2), request the Budapest Metropolitan Court to annul the recommendation and the binding resolution adopted in the procedure according to Article 113(2) also if the recommendation or the binding resolution adopted in the procedure according to Article 113(2) fail to comply with the relevant statutory provisions.

Article 117 (1) The lawsuit shall be opened naming the Financial Arbitration Board as the defendant. In such cases, the Financial Arbitration Board shall be vested with legal capacity and competence in the court of law.

(2) Upon request by the party affected, the court may suspend enforcement of the decision.

(3) The ruling of the court may pertain only to having the binding decision or recommendation annulled.

(4) In all other issues, the court procedure shall be governed by the provisions of PART I to VI of Act CXXX of 2016 (hereinafter referred to as 'Pp.').

Article 118 (1) Within fifteen days of receipt of the binding decision or recommendation, the party affected may request to have any name changes, clerical errors in name or number, calculation errors or any other clerical errors of similar nature which may occur in the decision corrected, or to issue an interpretative clause for a specific section of the binding decision or the recommendation.

(2) If the Financial Arbitration Board deems the request justified, it shall implement such correction within eight days of receiving the request or shall issue the interpretative clause. Such clause shall be construed an integral part of the binding decision or recommendation.

(3) The Financial Arbitration Board may correct the error(s) defined in paragraph (1) within thirty days of the delivery of the decision or recommendation of its own motion, without being requested to do so.

(4) The Financial Arbitration Board shall send the corrected decision or recommendation to the parties within five working days of making such corrections.

Article 119 (1) In the event that the person or entity covered by the acts referred to in Article 39 fails to comply with the panel's recommendation, the Financial Arbitration Board shall be entitled to publish, without disclosing the name of the consumer, a brief description of the dispute and the outcome of the proceedings after sixty days of the time of delivery of the recommendation to the service provider in question.

(2) By way of derogation from paragraph (1), the recommendation may not be made available to the public if a petition was submitted to have it annulled, until the court proceeding is concluded by a final decision.

Article 120 (1) In the event of the failure of the person or entity covered by the acts referred to in Article 39 to implement the binding decision or the negotiated settlement approved by resolution within the prescribed time limit, the consumer may request the court to append an enforcement order to the resolution.

(2) The court may refuse to order enforcement of the binding decision in the event that the Financial Arbitration Board did not have jurisdiction.

(3) The consumer and the person or entity governed by the acts referred to in Article 39 shall be required to notify the Financial Arbitration Board within sixty days in writing of the implementation orthe absence of the implementation of the settlement approved by resolution and the resolution stipulating an obligation, and compliance or absence of compliance with the recommendation.

Article 121

Article 122

Article 123 The Financial Arbitration Board may obtain the opinion of an independent lawyer with a law degree and bar exam or an independent economist with a degree in economics. The detailed regulations for the Financial Arbitration Board's proceedings, set out within the framework of this Act, are included in the Financial Arbitration Board's rules of procedure.

33. The proceeding of the Financial Arbitration Board in case of cross-border consumer disputes of a financial nature

Article 124 In connection with cross-border consumer disputes concerning financial service activities of the persons and bodies covered by the acts referred to in Article 39 (hereinafter referred to in this subtitle as ‘financial service activities’) the provisions of this Act shall apply subject to the exceptions set out in this subtitle.

Article 125 For the purposes of this subtitle:

a) 'cross-border consumer dispute of a financial nature’ shall mean any consumer dispute where:

aa) the place of residence or stay of the consumer affected is in Hungary, and the person or entity covered by the acts referred to in Article 39 affected is established in a State that is a party to the Agreement on the European Economic Area or has its registered office or permanent establishment in an EEA Member State, or

ab) the place of residence or stay of the consumer affected is in another EEA Member State, and the registered office of the person or entity covered by the acts referred to in Article 39 is in Hungary,

b) financial service activities shall be understood to include the activities of a service provider established in another EEA Member State.

Article 126 (1) In any cross-border consumer dispute concerning financial service activities between a consumer who has his place of residence or stay in Hungary and a person or entity covered by the acts referred to in Article 39 established in another EEA Member State, the proceedings shall be opened on condition that the service provider recognises the Financial Arbitration Board as having competence in the dispute and considers itself bound by the Financial Arbitration Board’s decision.

(2) If the proceedings cannot be opened under paragraph (1), the Financial Arbitration Board shall

a) inform the consumer of alternative dispute resolution forums in other EEA Member States participating in the FIN-Net which have powers and competence to proceed, including the specific rules for the proceedings of such entities, in particular the requirement of prior consultation with the service provider affected and the time limits prescribed for the opening of the proceedings where appropriate, and

b) forward the consumer’s request made on the standard form used in the FIN-Net - upon the consumer’s request – to the alternative dispute resolution forum participating in FIN-Net vested with powers and competence in another EEA Member State.

Article 127 (1) The proceedings shall be conducted in writing, the chairman of the panel proceeding in the case, however, shall have the right – upon weighing the circumstances – to conduct hearings. For such hearings, the consent of both parties shall be required.

(2) If the chairman of the panel proceeding in the case did not move to have a hearing scheduled in accordance with paragraph (1), the notice referred to in Article 108(1) shall inform the parties concerning the opening of the proceedings instead of the time of the hearing. Where a hearing is scheduled, the notice shall contain an indication of the fact and a warning that the consent of both parties is required.

(3) If the chairman of the panel proceeding in the case did not move to have a hearing scheduled in accordance with paragraph (1), the competent council may – with a view to determining as to whether the request is well founded – instruct the parties to provide information in writing or to make available documents within the prescribed deadline. The statements and arguments of a party shall be made known to the other party, with the possibility to express its opinion in the matter.

(4) If the chairman of the panel proceeding in the case did not move to conduct a hearing under paragraph (1), Article 114(6) shall not apply. The panel shall deliver its decision to each of the parties without delay after it is adopted.

Article 128 (1) The Financial Arbitration Board – at the consumer's request – shall hear the case in the language and render its decision – evidenced by a certified copy – in the language in which the contract to which the dispute pertains was written, or which was used for communication between the person or entity providing the financial service subject to the dispute and the consumer.

(2) The related translation costs shall be part of the costs of the proceedings.

(3) In justified cases, the time limit for the proceedings may be extended by an additional ninety days.

Article 129 (1) When requested, the Financial Arbitration Board shall forthwith provide information in writing or by way of any other appropriate means concerning, in addition to what is contained in Article 99,

a) the functioning of FIN-Net, and

b) the alternative dispute resolution forum participating in FIN-Net vested with powers and competence in another EEA Member State for the settlement of cross-border consumer disputes concerning financial service activities, including the proceedings of such body.

(2) The Financial Arbitration Board shall provide information concerning the provisions of the relevant Hungarian laws pertaining to the case in question at the request of the alternative dispute resolution forum participating in FIN- Net vested with powers and competence in another EEA Member State for the settlement of cross-border consumer disputes concerning financial service activities.

(3) The Financial Arbitration Board shall prepare a summary report on its activities relating to the settlement of cross-border consumer disputes concerning financial service activities and shall send it to the chairman by 31 January of the following year.

(4) After the summary report is accepted, the chairman of the Financial Arbitration Board shall publish the summary report and shall send it to the minister responsible for the regulation of the money, capital and insurance markets.

(5) The Financial Arbitration Board shall report to the European Commission concerning its activities using the standard form prescribed by the Commission.

33/A. Disclosure of information regarding the proceedings of the Financial Arbitration Board

Article 130 (1) The chairman of the Financial Arbitration Board shall prepare a summary report on the activities of the Financial Arbitration Board each year and shall send it to the governor of the MNB for approval by 31 January of the following year.

(2) After its approval, the chairman of the Financial Arbitration Board shall publish the summary report within thirty days and shall send it to the minister in charge of consumer protection; moreover, it shall make the summary report available to the claimant electronically upon specific request.

(3) The summary report on the annual activities of the Financial Arbitration Board shall include, as a minimum:

a) the number of requests received and the distribution of the requests by type of dispute,

b) any regularly occurring or significant problems that frequently lead to disputes between consumers and the persons or entities covered by the acts referred to in Article 39 and recommendations as to how such problems can be avoided or resolved in future,

c) number of Financial Arbitration Board proceedings where the request was rejected without a hearing, as well as the grounds for such rejection as referred to in Article 107 and the percentage share of such disputes,

d) ratio of decision types of the given year to total case number broken down by the number of substantiated and unsubstantiated consumer claims, indicating, in particular, the decisions terminating the proceedings and, if known, the reasons thereof,

e) the rate of compliance, if known, with the outcomes of the procedures,

f) the average length required for the conclusion of consumer disputes,

g) if known, data pertaining to undertakings' compliance with recommendations made, binding decisions and decisions approving negotiated settlements,

h) an indication of the fact that the Financial Arbitration Board is a member of FIN-Net.

(4) The Financial Arbitration Board shall send a summary report every two years to the minister in charge of consumer protection containing:

a) the information on the trainings provided regularly to the members of the Financial Arbitration Board, and

b) the Financial Arbitration Board's assessment of the effectiveness of the procedures conducted by it and of possible ways of improving its performance.

Article 130/A (1) The Financial Arbitration Board shall make public the name and the registered address of any person or entity covered by the acts referred to in Article 39, including a description of the activity to which the proceedings pertain, that, despite the request referred to in Article 108(2), failed to file a statement concerning the merits of the case on hand – consistent with what is contained in Article 108(5) – and did not appear at the scheduled hearing, thus preventing the conclusion of a settlement. The attention of the person or entity covered by the acts referred to in Article 39 shall be drawn to this in the notice referred to in Article 108(2).

(2) The publication obligation stipulated in paragraph (1) shall remain in effect for five years from the issue of the notice on the imposition of the fine defined in Article 88(4) subsection *c)*.

Article 130/B (1) Based on the data received from the Financial Arbitration Board, the minister in charge of customer protection shall ensure the disclosure of the following information on the website of the ministry under his leadership:

a) the name, phone number, address for electronic transmission of the Financial Arbitration Board and the link to the website of the Financial Arbitration Board,

b) link to the list of members of the Financial Arbitration Board referred to in Article 101/A and published in accordance with Article 101(2) subsection *c)*,

c) brief and comprehensible information on the legislative provisions applicable to the proceedings of the Financial Arbitration Board to facilitate the performance of the obligation to provide information under Article 99,

d) the summary reports referred to in Article 130,

e) a list of the entities impeding the proceedings of the Financial Arbitration Board containing the data specified in Article 130/A,

f) link to the names of the persons or entities that have filed a general statement of submission with the Financial Arbitration Board in accordance with Article 103(1), as published in accordance with subsection *n)* of paragraph (2), and

g) the operating procedures referred to in Article 101(1).

(2) The Financial Arbitration Board maintains an up-to-date website, which provides easy access to information concerning the Financial Arbitration Board's proceedings, and enables consumers to submit an application and its annexes online. At least the following information shall be included on the website and upon request, made available to the parties in an electronic format:

a) contact details of the Financial Arbitration Board, thus, in particular, its registered office, postal address, email address and phone number,

b) the fact that the Financial Arbitration Board has been recorded on the list of the European Commission or not,

c) the name of Arbitration Board members, as well as the duration of their mandate, their higher education qualification as stated on their certificate and their professional expertise,

d) statutory requirements pertaining to the independence and impartiality of Arbitration Board members,

e) the Financial Arbitration Board's membership in the network of alternative dispute resolution entities facilitating the resolution of cross-border disputes,

f) information concerning the scope of competence of the Financial Arbitration Board,

g) communication regarding the fact that the proceeding of the Financial Arbitration Board is based on legislation and its rules of procedure,

h) communication regarding the fact that the proceedings of the Financial Arbitration Board may solely be initiated by persons qualifying as consumers in matters falling under the competence of the Financial Arbitration Board, provided that the consumer has previously attempted to resolve the consumer dispute and produces evidence to that effect,

i) communication regarding the fact that the consumer may withdraw the request at any time,

j) communication concerning the costs to be borne by the parties affected by the consumer dispute,

k) average length of a Financial Arbitration Board procedure,

l) information on the possible decisions of a Financial Arbitration Board procedure, the legal effect and enforceability thereof and the method of the enforcement,

m) annual report of the Financial Arbitration Board,

n) names of the persons or entities that have filed a general statement of submission with the Financial Arbitration Board in accordance with Article 103(1).

(3) On its website, the Financial Arbitration Board shall publish the list of arbitration boards maintained by the European Commission.

(4) At the request of the Financial Arbitration Board, the minister in charge of consumer protection shall register the data specified in paragraph (5) subsections *a)*, *d)* and *e)* with respect to the Financial Arbitration Board.

(5) For the purposes of the registration, the Financial Arbitration Board shall notify the minister in charge of consumer protection of the following:

a) name, contact details and website address,

b) information on its organisational structure and funding, including information on Arbitration Board members, their remuneration, term of office and by whom they are employed,

c) average length of Financial Arbitration Board procedures following the submission of the report referred to in Article 130(2),

d) statement on the types of disputes covered by the dispute resolution procedure of the Financial Arbitration Board,

e) a statement on the Financial Arbitration Board’s compliance with the requirements defined in paragraph (2), Article 102(1) and (4), Article 105, Article 106(3), Article 107, Article 108 (1) to (1b), Article 111(2), Article 114(6) and Article 130.

(6) If the Financial Arbitration Board fails to comply with the requirements defined in paragraph (5) subsection *e)*, the minister in charge of consumer protection shall call on the Financial Arbitration Board to adhere to the requirements and perform its obligation to provide information without delay. If the Financial Arbitration Board still does not fulfil the requirements or fails to provide the required information after a period of 90 days from the notice, the minister in charge of consumer protection shall remove the Financial Arbitration Board from the registration and shall forward the relevant decision to the Financial Arbitration Board.

(7) In the event of changes to the information referred to in paragraph (5) subsections *a)*, *d)* and *e)*, the Financial Arbitration Board shall notify the minister in charge of consumer protection without undue delay.

PART FOUR

RELATIONS OF THE MNB WITH OTHER BODIES

34. Relation with the Parliament

Article 131 (1) The Parliament may request to be informed, orally or in writing, by the governor of the MNB on an ad hoc basis.

(2) The governor of the MNB shall report to the Parliament's standing committee for economic affairs in writing semi-annually on the MNB's semi-annual activity, with the content corresponding to the content of the annual report. At the request of the Parliament's standing committee for economic affairs, the governor of the MNB shall be obliged to attend in person and supplement the report orally.

(3) At the request of the Speaker of the Parliament or the chairman of the Parliament's standing c for economic affairs, the governor of the MNB shall be subject to an extraordinary reporting obligation.

(4) Upon request, the governor of the MNB shall provide information to the competent committee of the Parliament.

(5) The MNB shall prepare a detailed annual plan for its operating expenses and investments, separately for its basic and other tasks, prior to the beginning of a financial year. Following the closure of a financial year, it shall prepare a comparative analysis of the planned and actual operating and investment expenses. It shall forward such analysis including an auditor's opinion simultaneously with the annual report to the Parliament's standing committee for economic affairs and the State Audit Office.

(6) Simultaneously with the preparation of the detailed annual plan referred to in paragraph (5), the MNB may propose the determination of the level of the supervisory fee regulated in a separate legal regulation and shall send such proposal to the Parliament's standing committee for economic affairs and to the minister responsible for the regulation of the money, capital and insurance markets.

(7) The reporting obligations of the governor of the MNB as defined in paragraphs (1) to (3) shall not result in interference with the independence of the members of the MNB's decision-making bodies, shall not affect the status of the governor of the MNB as member of the ECB's General Council, and shall not affect the obligation of confidentiality arising out of the ESCB Statute.

35. Relation with the government, the ministries and the general public

Article 132 The MNB shall be consulted regarding the drafts of decisions and legal acts related to the tasks of the MNB and the operation of the system of financial system.

Article 133 Following the adoption of the proposal on the central budget (hereinafter referred to as 'draft') by the government, the minister shall without delay provide information to the MNB on the draft. The MNB shall be entitled to send its opinion on the draft directly to the minister. The governor of the MNB shall present this opinion at the meeting of the Budgetary Council. The governor of the MNB shall not be bound by this opinion in the course of freely exercising his rights as a member of the Budgetary Council.

Article 134 The government shall invite the governor of the MNB to attend its meetings for items of the agenda pertaining to the MNB's scope of competence.

Article 135 (1) Unless otherwise provided by law, the MNB shall prepare and publish a report on the trends in monetary developments and other important issues related to its basic tasks at least on a quarterly basis. The MNB shall publish an announcement regarding the method and frequency of providing such information.

(2) The MNB shall prepare a prudential risk report and a consumer protection risk report annually on the functioning of the persons and entities covered by the acts defined in Article 39, of the financial markets and of the system of financial intermediation.

(3) Upon request, the MNB shall provide information to the government and the members of the government on an ad hoc basis on monetary developments and other important issues related to its basic tasks.

(4) The governor of the MNB shall inform the minister about decisions, after their adoption, relating to the control of the MNB's operation which are of particular importance for such operation, adopted within the executive board's powers under Article 12. The MNB shall inform the minister about the foreign exchange operations performed as well as the gold and foreign exchange reserves on a weekly basis. The minister and the governor of the MNB shall agree in writing on the scope of additional information to be supplied by the MNB, which shall be reviewed as necessary.

(5) Upon the government's request, the MNB may perform tasks incumbent on the government in international financial organisations, unless otherwise provided by law.

(6) Pursuant to the government decree on the rules for the issuance and use of the Széchenyi Leisure Card (Széchenyi Pihenő Kártya), the MNB shall, based on the request of the body responsible for the development of tourist areas, provide data based on the data provided by the payment service provider – in a manner that the data cannot be linked to the persons concerned – to the body responsible for the development of tourist areas.

Article 136 At the request of the MNB, the government, the central administrative bodies shall provide information related to their activities.

Article 137 (1) Data concerning the size and composition of foreign exchange and gold reserves, individual transactions executed in the course of reserve management, decisions and internal regulations relating to reserve management shall not be publicly available until disclosed by the MNB but for 10 years following the generation of the data at the latest, unless such data are classified. The governor of the MNB shall decide on the disclosure of data within such time limit.

(2) Data generated or recorded in the course of proceedings for the adoption of the decision of the Monetary Council, the Financial Stability Council and the executive board and data used to support decisions relating to the performance of basic tasks shall not be publicly available for thirty years from their generation, during which time no request for access to data supporting decisions shall be submitted either before or after the adoption of the decision.

Article 138 In the performance of its duties set forth in Article 4(9), the MNB may become member of international organisations promoting international cooperation among financial supervisory authorities.

36. Relation with the International Monetary Fund

Article 139 (1) In respect of amounts payable periodically to the International Monetary Fund pursuant to the resolution adopted by the International Monetary Fund on Hungary's membership and the Articles of Agreement of the International Monetary Fund, the MNB shall perform the tasks of the agency making payments on behalf of Hungary from appropriate sources defined by law or by a directly applicable legal act of the European Union, including the payments in connection with the participation in the Special Drawing Rights Department of the International Monetary Fund.

(2) In accordance with the Articles of Agreement of the International Monetary Fund, the MNB may issue nontransferable, non-interest bearing notes to the benefit of the International Monetary Fund in relation to Hungary's membership thereof.

(3) The MNB shall be the fiscal agency behalf of Hungary as required by the Articles of Agreement of the International Monetary Fund. In this regard, the MNB shall be entitled to establish and implement all operations and transactions that may be carried out pursuant to the Articles of Agreement of the International Monetary Fund on behalf of Hungary, and to act as beneficiary in its capacity as the fiscal agency in respect of any amount transferred or paid to Hungary pursuant to the Articles of the Articles of Agreement of the International Monetary Fund.

(4) The MNB as the designated depository shall attend to the safeguarding of the currency reserves of the International Monetary Fund in Hungary.

37. Relation with certain institutions of the European Union

Article 140 (1) The MNB shall cooperate,

a) in the performance of its duties set out in Article 4(9), with

aa) the European Commission,

ab) the European Supervisory Authorities, in particular the European Banking Authority, the European Insurance and Occupational Pensions Authority, the European Securities and Markets Authority and the Authority for AntiMoney Laundering and Countering the Financing of Terrorism;

ac) the European Systemic Risk Board;

ad) the European Insurance and Occupational Pensions Committee, and

ae) the European Banking Committee,

af) the supervisory authorities of other Member States,

ag) the national central banks of Member States, the European System of Central Banks and the European Central Bank as monetary authorities,

ah) public authorities competent for the supervision of payment and settlement systems,

b) in the performance of its duties set out in Article 4(7), with the European Systemic Risk Board,

c) in respect to its tasks defined in Article 4(8) with the European Banking Authority.

(2) The MNB shall meet notification, data and information supply requirements to the authorities referred to in paragraph (1) necessary to allow such authorities to discharge their functions.

(3) The MNB shall notify the European Commission of the following in writing:

1. authorisations issued to insurance companies or reinsurance companies, and the withdrawal of such authorisations;

2. authorisations issued to the Hungarian branches of third-country credit institutions, investment firms, insurance companies or reinsurance companies;

3. authorisation issued to an investment fund manager, for the management of undertakings for collective investment in transferable securities, which is a subsidiary, whether directly or indirectly, of a third-country undertaking,

4. acquisition of holdings in a Hungarian-registered credit institution by a third-country credit institution as a result of which the Hungarian-registered credit institution becomes a subsidiary of the third-country credit institution, and the termination of such holdings;

5. acquisition of holdings in a Hungarian-registered insurance company or reinsurance company by a third- country undertaking as a result of which the Hungarian-registered insurance company or reinsurance company becomes a subsidiary of the third-country undertaking, or the termination of such holdings,

6. the general issues that insurance companies, reinsurance companies, insurance intermediaries, reinsurance intermediaries, or persons engaged in supplementary insurance intermediation operating in Hungary experienced in the context of their establishment and operation or conduct of their activities in a third country,

7. application or termination of consolidated supervision of a financial holding company,

8. the fact that the provisions of Article 378(1) subsections f), i), k), l), m) and n) of the Insurance Act (Bit.) prescribe a number of additional requirements for insurance intermediaries on the disclosure of information relative to the provisions of Directive 2016/97/EU of the European Parliament and of the Council, and that pursuant to Article 166/B of the Bit., advising clients prior to the purchase of insurance-based investment products is mandatory,

9. proceedings opened in connection with Article 174(5) to (7) of the Hpt. and Article 161/B(5) to (7) of the Bszt. relating to supervision on a consolidated basis;

10. any restrictions on the freedom of establishment creating barriers for insurance companies or reinsurance companies registered in Hungary in establishing themselves and operating in a third country or carrying on activities in a third country,

11. measures adopted pursuant to Article 199(5) of the Hpt., Article 404(2) of the Tpt. and Article 177(2) of the Bszt.,

12. the arrangements entered into with regard to delegation of responsibilities, including the precise conditions regulating such delegation,

13. the statutory provisions prescribing mandatory insurance and any changes thereunto,

14. the cases notified under Article 30/A of Act CXXV of 2003 on equal treatment and the promotion of equal opportunity, risk assessments, the data related to these procedures and the means of publication of such data,

15. information relating to bonds, mortgage bonds, and the particulars of the issuers of such, which satisfy the conditions set out in Article 52(4) of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (hereinafter referred to as 'Directive 2009/65/EC'), including a list of the relevant categories with a notice specifying the status of the guarantees offered attached,

16. the number and type of the refusals of providing information specified in Articles 279(5) and 284(3) of the Bit. and the number and type of the measures specified in Article 289(3) and (4) of the Bit.,

17. the agreement according to Article 175(5) of the Hpt. and Article 161/C(5) of the Bszt., in the case of institutions subject to consolidated supervision, group-level internal management, systems, procedures and mechanisms.

(4) The MNB shall notify

1. the European Securities and Markets Authority

1.1 concerning any market abuse and administrative measures and sanctions imposed for any infringement of the statutory provisions applicable to investment firms and commodity dealers, following publication, as well as annually in aggregate form,

1.2 concerning the granting and withdrawal of authorisation to engage in investment service activities, for the foundation of an exchange, for exchange market operations, and for the pursuit of investment fund management activities,

1.3 on the regulated markets established in Hungary, including a list of such regulated markets and any changes therein,

1.4 on the extra-judicial complaint and redress mechanisms which are available to the persons and entities covered by the acts referred to in Article 39,

1.5 concerning bonds, mortgage bonds, and the particulars of the issuers of such, which satisfy the conditions set out in Article 52(4) of Directive 2009/65/EC, including a list of the relevant categories with a notice specifying the status of the guarantees offered attached, and

1.6

1.7 on the permit issued pursuant to Article 26/A (4) of the Bszt. and any amendment thereto,

1.8 on the permit issued pursuant to Article 310/A (10) of the Tpt. and any amendment thereto,

1.9 on the permit issued pursuant to Article 154/H of the Bszt. and any amendment thereto,

1.10 on all resolutions issued based on Regulation No 1286/2014/EU of the European Parliament and of the Council and published in accordance with Article 53(1) or not published in accordance with Article 53(5a), as well as the relevant legal remedy proceedings and the non-appealable judgement passed in relation thereto,

1.11 . annually on the list of branches authorized by the MNB of investment firms established in a third country,

1.12 . at the request of the European Securities and Markets Authority

1.12.1. on the authorization of the branch of an investment firm established in a third country to operate in Hungary, and on any amendments thereto,

1.12.2. on the scope of activities of the branch of an investment firm established in a third country,

1.12.3. on the volume of turnover and the assets held by the branch of an investment firm established in a third country,

1.12.4. on the name of the third country group to which the branch of the investment firm established in the third country belongs;

2. the European Banking Authority

2.1 on the granting and withdrawal of the operating license of credit institutions, payment service providers and electronic money institutions – in the case of credit institutions, together with the deposit insurance scheme it joined – together with the justification therefor,

2.2 on authorisations issued to Hungarian branches of third-country credit institutions, on all changes in the activity license, all assets and liabilities of the branch in accordance with regular reports, and the name of the third country group to which the branch belongs, as well as the intermediate EU-level parent undertaking licensed under Section 105/B of Banking Act,

2.3 on resolutions adopted under Article 36(5) of the Hpt.,

2.4 concerning the application or termination of consolidated supervision of a financial holding company,

2.5 on the agreements referred to in 175(5) of Article of the Hpt. or in Article 161/C(5) of the Bszt. on group-level corporate governance, systems, procedures and mechanisms of institutions under consolidated supervision,

2.6 on the assessments made according to Article 167(4) and (5) of the Hpt., and

2.7 on the information available relating to third countries under Article 62(3) of the Pmt.,

2.8 on the list of authorities having received information pursuant to an exemption to keep business and bank secrets according to Article 159(3) subsection b) and Article 162(2) subsection c) of the Hpt., respectively,

2.9 on qualifying holdings acquired in a credit institution,

2.10 on financial holding companies or mixed financial holding companies subject to Article 11 of Regulation No 575/2013/EU,

2.11 if it applies to Article 9(3), (7) and (11) of Act LXXXIII of 2013 on the supplementary supervision of financial conglomerates (hereinafter referred to as 'Pkt.') to a mixed financial holding company,

2.12 on the information specified in Article 126(5) of the Hpt.,

2.13 on a permit issued pursuant to Article 145(4) of the Hpt.,

2.14 on decisions adopted under Articles 145(4), 174(5), 185 and 199(5) of the Hpt. and Articles 26/A(4), 161/B(5) and 164 of the Bszt.

2.15. received information pursuant to Article 118. (5) of Hpt.

2.16 on discussions planned in connection with the development and coordination of a recovery plan specified in Article 114 of the Hpt.,

2.17 on the application of Article 180(1) of the Hpt. and Article 162(5) of the Bszt.,

2.18 on the operation of the supervisory review and assessment procedures specified in Article 177 of the Hpt. and Article 163/A of the Bszt., and the methodology applied by the MNB,

2.19 if Article 9(3), (7) and (11) of the Pkt. is applied to a mixed financial holding company,

2.20 on the analyses made pursuant to Article 112(5) of the Hpt. and Article 24/D(5) of the Bszt. ,

2.21 on the resolutions specified in the Government Decree on the detailed rules of the group supervision of insurance companies and reinsurance companies, as well as on all resolutions issued based on Regulation No 1286/2014/EU of the European Parliament and of the Council and published in accordance with Article 53(1) and (1a) or not published in accordance with Article 53(5a), as well as the relevant legal remedy proceedings and the non- appealable judgement passed in relation thereto;

2.22 . on the registered payment service intermediaries of payment institutions and electronic money institutions,

2.23 . on the notifications as specified in Article 289/A1) and (4) of the Hpt,

2.24 . immediately upon receipt of the notification as specified in Article 55/B of Act LXXXV of 2009 on payment service provision, on the relevant details relating to the event,

2.25 . based on information furnished by payment service providers for the MNB on the aggregated statistics relating to fraud associated with different payment methods,

2.26 . in its scope of competence relating to resolution, on the minimum requirements pertaining to the own funds and the liabilities that can be written off or converted, established regarding every single organisation covered by the Szantv. in accordance with its Articles 68/A and 68/B, including also decisions made on the basis of Article 68/B(2a) of Szantv.,

2.27 . on the level of sanctions pursuant to Article 164 of the Bszt.,

2.28 . on its decision pursuant to Article 107(1) and (4) of the Bszt.,

2.29 . on all of its measures prescribed in accordance with Article 23 of the Jht. – including the related legal remedy requests and their outcome – as well as all final judgments related to all of the criminal sanctions imposed;

3. the European Insurance and Occupational Pensions Authority

3.1

3.1 on the granting and withdrawal of the licences for the taking up of activities of insurance companies, reinsurance companies and institutions for occupational retirement provision,

3.2 on the granting and withdrawal of licenses for the taking up of activities to insurance companies or reinsurance companies that are direct or indirect subsidiaries of a third-country undertaking, simultaneously presenting the structure of the group and the scope of group supervision,

3.3 on the acquisition of holdings in a Hungarian-registered insurance company or reinsurance company by a third-country undertaking as a result of which the Hungarian-registered insurance company or reinsurance company becomes a subsidiary of the third-country undertaking, or the termination of such holdings,

3.4 on the general issues that insurance companies or reinsurance companies operating in Hungary experienced in the context of their establishment and operation or conduct of their activities in a third country,

3.5 on the number and type of the refusals of providing information specified in Articles 279(5) and 284(3) of the Bit. and the number and type of the measures specified in Article 289(3) and (4) of the Bit.,

3.6 on the inspection within the meaning of Article 310(4) and (5) of the Bit. and the resolution made on its basis,

3.7 on the information, inspections and resolutions specified in the Government Decree on the detailed rules of the group supervision of insurance companies and reinsurance companies;

3.8 on all resolutions published in accordance with Article 53(1) or not published in accordance with Article 53(5a) and (5c) as well as the relevant legal remedy proceedings and the non-appealable judgement passed in relation thereto,

3.9 in the context of an annual consolidated report, on all resolutions issued for the violation of the rules of the Bit. on the distribution of insurance and reinsurance products,

3.10 the fact that the provisions of Article 378(1) subsections f), i), k), l), m) and n) of the Insurance Act (Bit.) prescribe a number of additional requirements for insurance intermediaries on the disclosure of information relative to the provisions of Directive 2016/97/EU of the European Parliament and of the Council, and that pursuant to Article 166/B of the Bit., advising clients prior to the purchase of insurance-based investment products is mandatory;

4. the European Banking Committee on issuing an operating licences issued to the Hungarian branch of a credit institution seated in a third country,

5. the European Systemic Risk Board

5.1 . upon the determination or modification of the one or more systemic risk capital buffer rate the details specified in Article 35/A (2),

5.2 on the quarterly countercyclical buffer rate determined pursuant to Article 33(4) and the information disclosed pursuant to Article 43(2) subsection m).

5.3 on the details specified in Article 35(2) herein,

5.4 on the list of other systemically important institutions and global systemically important institutions, and the assignment of the latter into sub-categories, furthermore, it shall prepare a full explanation as to why it did or did not use the possibility according to Article 89(11) points a), b) or c) of the Hpt.,

5.5 on the result of the reviews specified in Article 35(1) herein and in Article 89(9) of the Hpt.,

5.6 on the fulfilment of the conditions in Article 113(2) of the resolution Act.

6. the ECB

6.1 immediately upon receipt of the notification as specified in Article 55/B of Act LXXXV of 2009 on payment service provision, the relevant details concerning the event,

6.2 based on information furnished by payment service providers for the MNB on the aggregated statistics relating to fraud associated with different payment methods.

(4a)

(4b) If, after having considered the notification referred to in Article 55/B of Act LXXXV of 2009 on the provision of payment services, the MNB finds that the event may be relevant for other authorities responsible for the audit of the organisations or persons subject to the acts referred to in Article 39 or for any other authorities, it shall also notify these authorities.

(5) The notification referred to in paragraph (3) subsection 1 — simultaneously with the presentation of the structure of the group and scope of group supervision —, shall also specify whether the license for the taking up of activities was issued to or withdrawn from an insurance company or reinsurance company that is a direct or indirect subsidiary of a third country undertaking.

(6) The notification referred to in paragraph (3) subsection 2 pertaining to credit institutions shall be sent to the European Banking Committee established by Commission Decision of 5 November 2003 establishing the European Banking Committee as well.

(7) The notification referred to in paragraph (3) subsection 3 shall contain a detailed presentation of the structure of the corporate group.

(8) The MNB shall send the notification referred to in paragraph (3) subsections 1, 5, 7 and 12 to the financial supervisory authorities of the Member States of the EEA as well.

(9) The Financial Arbitration Board shall report to the European Commission concerning its activities using the standard form prescribed by the Commission.

(10) The MNB may notify the European Securities and Markets Authority about the situations in which the supervisory authority's request for an on-site check or inspection or information exchange related to the investment firm was rejected or no action was taken within a reasonable time.

(11) The Supervision shall without delay provide the competent supervisory authority of the other EEA Member State with the information necessary for carrying out the tasks specified in the legal provisions implementing Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010. The Supervisory Authority may indicate that the information provided may not be disclosed without its consent and may only be used for the purposes to which it has consented. The Supervision may only forward the information received from the competent supervisory authority of the other EEA Member State to a third party with their consent and for the purpose accepted by them, except in justified cases. In justified cases, the Supervisory Authority shall immediately inform the competent supervisory authority of the other EEA Member State.

(12) The Supervision may only refuse the cooperation or the exchange of information according to Paragraph (11) when

a) this would be contrary to the sovereignty, security or public policy of Hungary;

b) a judicial or administrative proceeding has been initiated for the same persons and activities in Hungary; or

c) there is a final judgement or a final decision has been made for the same persons and activities in Hungary,

and the Supervision shall give detailed information to the competent supervisory authority of the requesting EEA Member State of the fact and reasons of the refusal.

Article 141 (1) The MNB shall compile data disclosed on the basis of legislation in relation to the remuneration policies of credit institutions and investment firms established in Hungary as defined in the Hpt. and the Bszt. and the information they provide on the pay gap between genders, for the purposes of analysing remuneration trends. The MNB shall forward such information to the European Banking Authority, as well.

(2) In respect of credit institutions and investment firms established in Hungary, for the purposes of analysing policies as defined in other legislation, the MNB shall compile information on the number of executive officers and employees who are in the remuneration category of 300 million forints or more annually, supplemented by their job responsibilities, the line of business concerned, and the main elements of remuneration, performance-based remuneration, long-term benefits and retirement benefits. Upon request, the investment firm shall provide the Supervision with information on the total remuneration of each member of the management body or the executive director. The MNB shall forward such information to the European Banking Authority.

Article 141/A In connection with its tasks set forth in Article 4(7), the MNB shall inform

a) the European Systemic Risk Board and the competent or designated authority of the EEA Member State concerned at least one month prior to the disclosure of its decision set forth in Article 35/A(1) if it intends to determine or modify a capital buffer rate for systemic risk,

b) the European Systemic Risk Board and the competent or designated authority of the EEA Member State concerned, if, under Article 35, it recognises the capital buffer rate for systemic risk determined in another EEA Member State,

c) the European Systemic Risk Board, if based on Section 35 the systemic risk buffer rate does not exceed 3% for any exposure group or subset, which shall not include the systemic risk buffer rate established and recognised by another EEA Member State.

38. College of supervisors

Article 142 (1) In the interests of ensuring coordination of consolidated supervisory activities, including cooperation within the framework of crisis management, and appropriate cooperation with the competent financial supervisory authorities of third countries, the MNB, in its capacity as the consolidating supervisory authority defined in a separate act, shall establish a college of supervisors.

(2) In cooperation with the competent financial supervisory authorities of the Member States of the European Union and the European Banking Authority, the college of supervisors shall provide for the following tasks:

a) exchange of information between financial supervisory authorities, the exchange of information with the European Securities and Markets Authority and the coordination of requests for information, including where the competent supervisory authorities of investment firms in the same group need to request information from the competent supervisory authority of a clearing member or recognized CCP for deposit models and parameters used for the calculation of deposit requirements of the investment firm;

b) agreeing on voluntary entrustment of tasks and voluntary delegation of responsibilities where appropriate;

c) setting up supervisory review programs based on group-level risk analyses for enterprises subject to supervision on a consolidated basis;

d) increasing the efficiency of supervision and the elimination of unjustified double supervisory requirements;

e) consistent application of prudential requirements in respect of enterprises subject to supervision on a consolidated basis applies, without prejudice to potential differences in the national legislation of Member States;

f) cooperation in the planning and coordination of supervisory activities, and cooperation for the purpose of discharging the functions defined in the Government Decree on the detailed rules of the group supervision of insurance companies and reinsurance companies; and

g) the exchange and updating of information on the depository model of accepted CCPs for the purposes of point (c) of Article 23(1) and Article 23(2) of Regulation (EU) No 2019/2033.

(3) The college of supervisors shall be established and shall operate on the basis of the written agreement formulated by the MNB following consultation between the MNB and the competent financial supervisory authorities of the other Member States involved. The MNB may request the participation of the supervisory authorities supervising the subsidiaries of EU parent credit institutions, EU parent investment companies, EU parent investment holding companies, EU parent insurance companies, EU parent reinsurance companies, EU parent insurance holding companies, EU parent financial holding companies, EU parent mixed insurance holding companies or EU parent mixed financial holding companies, as well as the competent authorities supervising the systemically important branches involved, as defined by a separate act, the supervisory authority of the EEA State in which the financial holding company or mixed financial holding company approved in accordance with Article 21a of Directive 2013/36/EU is established, the relevant central banks where required, and the competent authorities of third countries in connection with consolidated supervision or supplementary supervision at the level of the financial conglomerate where appropriate.

(4) The person appointed by the governor of the MNB shall chair the meetings of the college. The MNB shall decide which of the competent financial supervisory authorities of the other Member States involved shall take part in specific meetings or activities of the college of supervisors, with due consideration to the role of the competent financial supervisory authority of the other Member State in the specific activity. The MNB shall keep all members of the college of supervisors fully informed on the anticipated topics of the meeting and the decisions rendered.

(4a) In adopting its decision, the MNB shall consider the supervisory activities planned or coordinated by the competent supervisory authorities of the member states.

(5) The MNB shall, furthermore, be required to establish a college of supervisors in the event that a credit institution, insurance company, reinsurance company or investment firm established in Hungary which is not subject to consolidated supervision creates a systemically significant branch in another Member State of the European Union, with the provison that the provisions of paragraphs (3) and (4) shall apply to the operation of the college of supervisors as appropriate.

(5a) The college of supervisors shall be established even if all cross-border subsidiaries of EU-level parent credit institution, EU-level parent investment firm, EU- level financial holding company or EU- level mixed financial holding company are established in third countries, provided that, in the opinion all relevant authorities, the competent financial supervisory authority of the given third country is subject to the confidentiality regime that is at least equivalent to the Hungarian regulatory requirements.

(6) The MNB shall inform the European Banking Authority and the European Insurance and Occupational Pensions Authority of the activities of the supervisory college that concern them – including activities carried out in emergency situations – and shall communicate to them any information relevant for supervisory convergence.

(7)) The supervisory college shall also be established if all cross-border subsidiaries of the EU-level credit institution parent company, EU-level investment company parent company, EU-level financial holding company parent company or EU-level mixed financial holding company parent company have their registered office in a third country, provided that the competent financial supervisory authority of the given third country is subject to confidentiality protection at least equivalent to Hungarian regulations.

(8) The MNB shall inform the European Banking Authority and the European Insurance and Occupational Pensions Authority about the activities of the college of supervisors affecting them and notify them of any information relevant to supervisory convergence.

(9) In its role as host country supervisor, the MNB shall participate in the activities of colleges of supervisors created by financial supervisory authorities of other countries.

Article 143 In the performance of its duties set out in Article 4(9), the MNB shall establish and manage the college set forth in Regulation No 648/2012/EU.

39. Relation with the State Audit Office

Article 144 The governor of the MNB shall consult the president of the State Audit Office prior to the appointment or proposal for dismissal of the MNB's auditor.

40. Account management activity of the MNB

Article 145 (1) The MNB shall manage:

a) the single bank accounts of the treasury; other foreign currency accounts of the treasury, the deposit accounts of the treasury and

b) the payment account of the Államadósság Kezelő Központ Zártkörűen Működő Részvénytársaság (Government Debt Management Agency Private Company Limited by Shares).

(2) (2) The MNB shall pay interest on the current balance of the Forint single bank account of the treasury at market interest rate but not exceeding the central bank base rate to the central budget.

(3) (3) The MNB shall pay interest on the current balance of the foreign exchange single bank accounts of the treasury, and other foreign currency accounts of the treasury at market interest rate to the central budget taking into account the provisions on the prohibition of the monetary financing.

41. Relation with the general government

Article 146 The MNB may not extend overdraft facilities or any other type of credit facility to the public sector as defined in Article 123 of the Treaty on the Functioning of the European Union, and shall not purchase debt instruments directly from them with consideration of the provisions of Council Regulation No 3603/93/EC of 13 December 1993 specifying definitions for the application of the prohibitions referred to in Articles 104 and 104b(1) of the Treaty.

Article 147 (1) The MNB shall allocate the exchange rate gain or loss incurred from the revaluation of its foreign currency receivables and liabilities at the official exchange rate in effect on the last day of the year under review to the revaluation reserve due to exchange rate changes.

(2) The MNB shall allocate to the revaluation reserve of foreign currency securities the difference determined on the basis of the market valuation of receivables in foreign currency securities.

(3) The revaluation reserve due to exchange rate changes and the revaluation reserve of foreign currency securities, as specified in paragraphs (1) and (2), shall form a part of the MNB’s equity.

(4)

(5)

Article 148 (1) The MNB may act as an agent of the state on the securities market based on the mandate from the state or in respect of securities other than shares owned by the state.

(2) Based on the mandate from the state, the MNB may participate in the state’s foreign currency borrowing operations and in the issuance of its securities abroad, as well as in the performance of tasks related to the management of the state’s foreign receivables.

(3) The MNB may enter into forward and hedging transactions with the state or as an agent of the state under market conditions.

PART FIVE

RULES APPLICABLE TO THE MEMBERS OF THE BODIES OF THE MNB AND OTHER EMPLOYEES

42. Remuneration of the governor, deputy governors, the members of the Monetary Council and supervisory board

Article 149 (1) The monthly base wage of the governor from the MNB for the period from March 1 of the current year to the end of February of the following year shall be equal to the monthly earnings of the president of the State Audit Office from the State Audit Office.

(4) The base wage of the deputy governor from the MNB shall be 90% of the governor's monthly base wage.

(5) The base wage of the members of the Monetary Council defined in Article 9(4) subsection c) from the MNB shall be 60% of the governor's monthly base wage.

(6) The governor, deputy governors and the members of the Monetary Council defined in Article 9(4) subsection *c)* shall be entitled for other benefits from the MNB (including non-cash allowances, benefits in kind and social benefits) under the same conditions.

(7) The honorarium of the chairman of the supervisory board shall be 70% of the governor's monthly base wage.

(8) The honorarium of the other members of the supervisory board shall be 60% of the governor's monthly base wage.

(9) No additional remuneration shall be paid to the governor and deputy governors of the MNB with respect to their membership in the Monetary Council.

(10) Members of the Monetary Council of the MNB may not establish an employment relationship, or any other work-related legal relationship with a credit institution for 6 months following the termination of their mandate under

Article 9(8) subsection *a)*. In order to offset this prohibition, they shall be entitled to an allowance equivalent to six months' base wage upon termination of their mandate pursuant to Article 9(8) subsection *a)*.

43. Professional secrecy and the legal status of employees

Article 150 (1) The employees of the MNB and the members of the supervisory board shall be required not to disclose any personal data, classified data, banking secrets, securities secrets, payment secrets, fund secrets, insurance secrets, occupational retirement secrets and business secrets which have come to their knowledge in performing their duties and to comply with the legal regulations governing the management of such data. This obligation shall continue after the termination of their employment relationship or mandate.

(2) The employees of the MNB shall be required not to disclose, as professional secrets, all data**,** facts or circumstances of which they gain knowledge in the course of carrying out public authority activities and which the MNB is not required by law to render accessible to other authorities or to the public. Employees of the MNB shall not disclose or use professional secrets without proper authorisation.

(3) The MNB may hand over the secret referred to in paragraph (1) to the authority performing audit public supervision tasks acting within its scope of duties. In this regard, persons exercising public supervisory powers are subject to an obligation of confidentiality.

(4) In the course of performing the supervisory tasks of the financial intermediary system, the MNB shall be entitled to initiate the transfer of confidential data and information contained in Paragraph (1), if, based on its discretion, the MNB deems that they are relevant to the audit, to the auditor or an audit firm who or which is a chamber member with a valid mandate to carry out an audit of a supervised institution based on legal obligations according to the Act LXXV of 2007 on the Hungarian Chamber of Auditors, auditing activities, and the public supervision of auditors. In this respect, the auditor and the representatives and employees of the auditing firm are bound by an obligation of confidentiality.

(5) The MNB may be entitled to hand over the secret referred to in paragraph (1) to the Hungarian Chamber of Auditors, if it is requested to conduct disciplinary or chamber quality control procedures against a given auditor or auditing firm, and for the purpose of establishing the facts in these procedures.

Article 151 (1) The provisions of Act I of 2012 on the Labour Code (hereinafter referred to as 'Mt.') shall apply to the employees of the MNB, with the exceptions defined in this Act.

(2) The provisions of Articles 204(3), 205 and 207 of the Mt. are not applicable to the MNB and its employees.

44. Conflict of interest

Article 152 (1) Unless otherwise provided for by law, the employees of the MNB subject to the provisions of Articles 9, 13, 97 and 100, and the employees performing the basic tasks defined in Article 4(7) to (9) shall not establish and maintain membership or shareholder relationship, employment relationship or any other work-related relationship, executive officer relationship, supervisory board membership with any of the entities covered by the acts defined in Article 39.

(2) Membership in a voluntary mutual insurance fund, private pension fund, cooperative credit institution or insurance associations, membership in the supervisory board of a non-profit business association referred to in Article 79(2) and a legal relationship referred to in paragraph (1) with a financial institution in which the MNB holds a share shall not constitute a breach of the prohibition set forth in paragraph (1).

(3) With the exception of inheritance, the employees of the MNB referred to in paragraph (1) may not acquire:

a) securities, with the exception of government securities, certificates of deposit, collective investment instruments, mortgage bonds, or

b) other financial instruments not listed under subsection *a)* as defined in Article 6 of the Bszt.

(4) The employees of the MNB referred to in paragraph (1) shall

a) make a declaration upon the commencement of the employment relationship on any existing membership or shareholder relationship, or concerning or any financial assets, which he is not allowed to acquire following the establishment of the employment relationship; and

b) make an immediate declaration after the grant of probate has taken legal effect concerning any membership or shareholder relationship or concerning or any financial assets, which he is not allowed to acquire following the establishment of the employment relationship, acquired by means of inheritance.

(5) The employees of the MNB referred to in paragraph (1) shall terminate their membership or shareholder relationship or sell their securities or other financial assets within three months of the commencement of the legal relationship with the MNB, or of the grant of probate taking legal effect in the case of inheritance.

(6) The employees of the MNB referred to in paragraph (1) shall immediately report if, following the commencement of their legal relationship, a close relative living in the same household obtains membership or shareholder relationship in an entity covered by the acts defined in Article 39 or acquires securities or other financial assets specified in Article 6 of the Bszt.

(7) Upon the commencement of their legal relationship, the employees of the MNB referred to in paragraph (1) shall submit a declaration on their existing membership in any insurance association, private pension fund or voluntary mutual insurance fund.

(8) Upon the commencement of their legal relationship, the employees of the MNB referred to in paragraph (1) are required to make a declaration concerning any close relative living in the same household with him/her, who maintains an executive officer relationship, supervisory board membership, employment relationship, or other work- related legal relationship with any of the entities covered by the acts defined in Article 39. The employees of the MNB referred to in paragraph (1) shall immediately report any such legal relationship created following the establishment of their employment relationship.

(9) The employees of the MNB referred to in paragraph (1) shall,

a) until the termination of the legal relationship specified in paragraph (1);

b) until the fulfilment of the obligation set forth in paragraph (5); and

c) in the cases set forth in paragraphs (6) to (8)

not participate in the preparation and taking of decisions pertaining to the entity concerned.

Article 153 (1) Unless otherwise provided for by law, employees of the MNB performing the basic tasks defined in Article 4(1) to (6) may not establish or maintain an employment relationship or any other work-related legal relationship, executive officer relationship, supervisory board membership with a financial institution (not including financial institutions in which the MNB holds a share), or with other legal entities providing ancillary financial services, with investment firms, the National Deposit Insurance Fund or the Investor Protection Fund.

(2) MNB employees referred to in paragraph (1) may not hold an interest in any financial institution, legal entity providing ancillary financial services and investment firm except as specified in paragraph (3).

(3) The employees of the MNB referred to in paragraph (1) shall

a) make a declaration upon the commencement of the employment relationship on any existing interests; and

b) make an immediate declaration after the grant of probate has taken legal effect concerning any interest acquired during their employment relationship by means of inheritance

in a financial institution, a legal entity providing ancillary financial services or an investment firm, and shall terminate such interest within three months of the commencement of the employment relationship with the MNB, or of the grant of probate taking legal effect in the case of inheritance.

(4) The employees of the MNB referred to in paragraph (1) shall report the acquisition of financial assets specified under the Bszt., with the exception of government securities and investment units issued by public open-ended investment funds, within three working days of such acquisition.

(5) Until the termination of the legal relationship or interest specified in paragraphs (1) to (3), and the fulfilment of the obligation set forth in paragraph (4), the employees of the MNB referred to in paragraph (1) shall not participate in the preparation or taking of any decision which affect the entity concerned.

(6) Notwithstanding the rules defined in Article 152, in paragraphs (1) to (5) and in Articles 154-156 concerning conflicts of interest, members of the Monetary Council and employees of the MNB may, without reporting obligation, establish and maintain executive officer relationship, supervisory board membership, excluding employment relationships with business associations in which the MNB holds a majority share, and membership, excluding employment relationships, in the managing body, board of trustees or supervisory board of foundations established by the MNB.

Article 154 (1) The employees of MNB not falling under the scope of Article 9 may establish or maintain employment or other work-related relationship only with the prior authorisation of the governor of the MNB, with the exception of scientific, educational, artistic, proof-reading, editorial activities, intellectual activities protected by copyright or foster parenting legal relationships which must be reported.

(2) Employees of the MNB not falling under the scope of Article 152 and 153 shall

a) make a declaration upon the commencement of the employment relationship on any interest in a financial institution, legal entity providing ancillary financial services or investment company; and

b) make an immediate declaration upon acquiring an interest defined in paragraph *a)*during their employment.

(3) Upon the commencement of employment and in the course of employment, employees of the MNB shall immediately report if a close relative living in the same household holds or acquires an interest in a financial institution, legal entity providing ancillary financial services or investment firm.

(4) The employees of the MNB shall be obliged to make a declaration upon the commencement of employment on their membership in cooperative credit institutions. The employees of the MNB shall not be obliged to terminate such membership existing upon the commencement of employment as long as they owe a debt to the cooperative credit institution.

(5) The employees of the MNB shall:

a) be required to make a written declaration upon the commencement of employment as to whether any of their close relatives living in the same household are in an executive officer relationship, supervisory board membership, employment relationship or other work-related relationship with a financial institution, legal entity providing ancillary financial services, or investment firm; and

b) make an immediate declaration if a close relative living in their household enters into any of the legal relationship specified under subsection *a)*.

(6) In the cases specified in paragraphs (1) to (5), employees of the MNB may not take part in the preparation and the taking of decisions pertaining to the organisation concerned.

Article 155 (1) The employees of the MNB not falling under the scope of Article 9 shall submit the reports and declarations defined in Articles 152 to 154 to the person exercising the employer's rights.

(2) A legal relationship shall not be established in the MNB, as a consequence of which the employees of the MNB would come into a management (supervisory), controlling or accounting relationship with a close relative.

(3) The MNB shall, in order to fulfil the obligations stipulated in Articles 152 to 154 and for monitoring the fulfilment thereof, keep a record of the reports and declarations made by its employees for three years after the termination of their employment.

(4) For the purposes of Articles 152 to 154, a close relative shall mean any such person specified in the Civil Code and a partner.

Article 156 (1) Members of the Monetary Council of the MNB may only perform other activities which are compatible with their central bank decision-making duties, they may not hold office in political parties, carry out public activities on behalf of or in the interest of political parties, may not be members of the Parliament or representatives of a local government, or managers or civil servants in local governments or state organisation.

(2) Members of the Monetary Council shall not be executive officers or supervisory board members of a business association.

(3) The governor and deputy governors of the MNB may not establish any other employment relationship or other work-related legal relationship.

(4) Members of the Monetary Council as defined in Article 9(4) subsection *c)* may, under a reporting obligation of , establish other employment relationships or other work-related legal relationship which does not result in a conflict of interest with their membership in the Monetary Council.

(5) Members of the Monetary Council may establish other work-related legal relationship for scientific, educational, artistic, proof-reading, editorial activities, intellectual activities protected by copyright, as well as foster parenting legal relationships while giving a prior report of the establishment of such relationships.

(6) Members of the Monetary Council as defined in Article 9(4) subsections *a)* and *b)* shall comply with their obligation to submit reports and declarations referred to in Article 152 and in paragraph (5) to the president of the republic; members of the Monetary Council as defined in Article 9(4) subsection *c)* shall comply with their obligation to submit reports and declarations referred to in Article 152 and in paragraphs (4) and (5) to the Speaker of the Parliament.

(7) With regard to the members of the Monetary Council, the conflict of interest rules set out in Article 152(1) – except membership or shareholder relationship, employment relationship or any other work-related relationship, executive officer relationship, supervisory board membership with any of the entities in which the Hungarian State or the MNB holds a controlling share, covered by the acts referred to in Article 39 – shall apply for a period of six months following the termination of the employment relationship with the MNB.

(8) Conflict of interest in respect of members of the Monetary Council as defined in Article 9(4) subsections *a)* and *b)* shall be declared by the president of the republic by recommendation of the prime minister; and in respect of members of the Monetary Council pursuant to Article 9(4) subsection *c)*, by the Speaker of the Parliament by recommendation of the Parliament's standing committee for economic affairs.

(9) If the circumstances underlying the conflict of interest cease to exist before the declaration of a conflict of interest, no declaration of conflict of interest shall be made.

(10) The provisions of Articles 154 and 155 shall be applied in respect of members of the supervisory board.

Article 156/A (1) Pursuant to this Subtitle, the MNB shall take all necessary measures to prevent and avoid any conflict of interest regarding employees performing the tasks defined in Article 4(9) and executive officers. To this end, the MNB shall develop policies and procedures based on areas of responsibility, with regard to at least the following:

a) trading in instruments issued by supervised institutions – including their parent companies, subsidiaries, and affiliates linked by a participating interest, whether direct or indirect – except for instruments managed by third parties where the owners are excluded from intervening in the portfolio management, and investments in collective investment undertakings, provided that the third parties or collective investment undertakings do not predominantly invest in instruments issued by or referencing the institutions defined in this point;
b) determination of a cooling-off period during which no employment relationship may be established and no contract for the provision of professional services may be concluded with:
   ba) supervised institutions, including their parent companies, subsidiaries, and affiliates linked by a participating interest, whether direct or indirect;
   bb) entities providing services to the enterprises specified in sub-point ba);
   bc) interest representation or lobbying organizations with which the person had tasks within their scope of responsibility during their employment with the MNB.

(2) The cooling-off period shall commence on the day the direct participation in the supervision of the organizations specified in point ba) of paragraph (1) ceases. The MNB shall ensure that its employees performing tasks defined in Article 4(9) and its executive officers do not have access to confidential or sensitive information concerning the given organization during the cooling-off period.
(3) The length of the cooling-off period shall be:
a) in the case of employment established with organizations specified in sub-points ba) and bb) of point b) of paragraph (1):
aa) at least 6 months for employees directly participating in the supervision of the organization specified in sub-point ba) of point b) of paragraph (1);
ab) at least 12 months for executive officers;
b) at least three months for both employees and executive officers in the case of organizations specified in sub-point bc) of point b) of paragraph (1).

(4) The MNB may prescribe a cooling-off period for employees and executive officers participating in the supervision of organizations specified in sub-point ba) of point b) of paragraph (1) if such person establishes an employment relationship with a direct competitor of any organization falling under the scope of sub-point ba) of point b) of paragraph (1). The length of the cooling-off period so determined shall be at least three months for employees and at least six months for executive officers.
(5) Notwithstanding paragraphs (2)–(4), the MNB may apply a shorter cooling-off period of at least three months for employees directly participating in the supervision of organizations, but only if a longer cooling-off period:
a) would unduly restrict the Supervisory Authority's ability to hire new employees with the skills appropriate or necessary for the performance of its supervisory tasks, particularly in view of the small size of the national labor market; or
b) would constitute a breach of any relevant provision of the Mt.
(6) Employees and executive officers of the Supervisory Authority falling under the scope of point b) of paragraph (1) shall be entitled to appropriate compensation.
(7) Employees and executive officers of the MNB performing tasks under Article 4(9) shall be subject to a declaration of interest. This declaration shall include information on holdings in the form of shares, equity-type securities, bonds, or collective investment forms that may raise conflict of interest concerns. The person concerned shall submit their declaration of interest prior to their appointment and annually thereafter. The declaration of interest shall not affect the requirements for submitting a declaration of assets.
(8) If any employee or executive officer of the MNB performing tasks under Article 4(9) holds instruments at the time of establishing employment or appointment, or at any time thereafter, which may lead to a conflict of interest, the MNB may, on a case-by-case basis, require or authorize the sale or divestment of such instruments within a reasonable period.

45. Declaration of wealth

Article 157 (1) The governor and deputy governors of the MNB and the members of the Monetary Council defined in Article 9(4) subsection *c)*, as well as members of the supervisory board, shall make their declaration of wealth within thirty days of their appointment or election. The rules for the declaration of wealth of the members of the Parliament shall be applied for the declaration of wealth. The person obliged to make a declaration must attach to his own declaration of assets the declaration of assets of his spouse or partner living in the same household, as well as of his children (hereinafter together: family members), with the same contents as the declaration of assets of the representatives of the Parliament.

(2) The declarations of wealth shall be registered by the Parliamentary Standing Committee on Matters of Immunity and Conflict of Interest. Anyone may initiate proceedings relating to

declarations of wealth with the Speaker of the Parliament.

PART SIX

MISCELLANEOUS PROVISIONS

46. Central bank rights

Article 158 (1) In order to maintain the stability of the system of financial intermediation, the governor of the MNB may submit a proposal to the government to adopt legal regulations or to make legislative proposals, or to any member of the government for adopting legal regulations. The governor of the MNB may, at his discretion, make such proposal in a public announcement.

(2) In response to any proposal of the governor of the MNB submitted to the government as defined in paragraph (1), the minister responsible for the regulation of the money, capital and insurance markets on behalf of the government, and in response to any proposal submitted to a member of the government, such member of the government shall inform the governor of the MNB within 15 working days of receipt or publication of the proposal – through public channels if the proposal has been announced in the public – of the launch of a procedure directed at adopting a legal regulation or at making a legislative proposal, of the deadline for presenting a draft law to the Parliament in the case of a legislative proposal, about the deadline for publication in the official journal in the case of regulation in a decree or, in the absence of proceedings for the adoption of a legal regulation or for the initiation of legislation, about the reasons underlying such decision of the government or, in the case of a proposal to a member of the government, of such member.

(3) If the time limit specified in paragraph (2) expires without any actions taken, the addressee of the proposal shall immediately inform the governor of the MNB – through public channels if the proposal was announced in the public – of the causes delay and – if the addressee is in agreement with the proposal – of the new time limit for the presentation of the draft law to the Parliament, or for publication in the official journal.

Article 159 (1) The MNB shall be entitled to manage forint and foreign currency accounts on behalf of

a) payment service providers as defined in the Act on payment services;

b) entities performing clearing house activity as defined in the Tpt.;

c) entities performing the activity of operation of a payment system as defined in the Hpt.;

d) entities carrying out cash processing activities;

e) the central securities depository;

f) the National Deposit Insurance Fund;

g) the Investor Protection Fund;

h) any other organisation established in Hungary, relating to the performance of the tasks specified in Article 4(1), (4), (5) and (7); and

i) foreign central banks and any other organisations established outside Hungary, relating to the performance of the tasks specified in Article 4(1), (4), (5) and (7), or in order to fulfil any obligations arising under international treaties,

j) the Compensation Fund.

(2) The MNB shall be entitled to maintain payments accounts in Hungarian forints and foreign currency for its employees, with the condition that employees are only authorised to initiate cash withdrawals from such accounts.

(3) In performing its tasks defined in Article 4(1) to (5) and (7), the MNB shall be entitled to conduct any other transactions within the scope of its financial and ancillary financial service activities in forint, foreign currency and precious metals.

(4) In performing its tasks defined in Article 4(1) and (7), the MNB may perform custody services and recording of financial assets as an ancillary service to investment activities in accordance with the Bszt., in this context it may manage client accounts, or manage deposits and related securities accounts, and may keep records of physical securities and manage related client accounts.

(5) In order to support the activity of the authority conducting the preliminary procedure, the investigative authorities and the Public Prosecutor, the MNB is entitled – observing the prohibition of monetary financing set forth in Article 146 – to provide forint and foreign currency banknotes to these organisations for the performance of the criminal proceedings.

(6) In the course of its activities in connection with the implementation of the monetary policy, the foreign exchange reserve management, the bank account management, the operation of payment system, as well as its cash distribution activities, the MNB shall apply the provisions of Dáptv. to the digital service provided outside closed- purpose electronic information systems classified into high or significant security classes.

Article 160 (1) Based on claims arising in relation to the performance of its tasks defined in Article 4(1) to (7), the MNB shall be entitled to a statutory lien on the assets of a debtor established

in Hungary, regardless of the legal grounds upon which title to such assets has been acquired. Based on the statutory lien, the MNB may satisfy its claim from the property subject to lien without any court proceedings, in a manner that it deems most suitable. These provisions shall apply accordingly to satisfaction from collateral provided to the MNB.

(2) If a contract between financial institutions or between a financial institution and the MNB, not qualifying as a consumer contract, on credit and loan extension or on financial leasing is transferred in respect of a monetary policy instrument, the rules of the Civil Code governing the transfer of contract shall be applied, with the derogation that the transfer of the contract portfolio does not result in the termination of the guarantees of the contract governed by Act IV of 1959 on the Civil Code or Act V of 2013, and the consent of the party remaining in the contract is not required.

(3) In respect of liens or collateral for the benefit of the MNB acquired in relation to the performance of its tasks specified in Article 4(1) to (7), the provisions of the Act on bankruptcy and liquidation proceedings on the restrictions of direct enforceability of liens and collateral shall not be applied.

(4) The provisions of paragraphs (1) and (2) shall also apply to collaterals provided for the benefit of the central bank of another Member State of the European Union, or of the ECB, with regard to the performance of their central banking tasks.

(5) The MNB shall satisfy its claims against credit institutions arising from its activity defined in Article 18, by debiting the accounts kept for such credit institutions, prior to transferring funds in execution of court orders and administrative orders.

Article 161 In Hungary, claims against the MNB shall only be filed at the seat of MNB. This provision shall not apply to legal actions arising from employment relationship.

Article 162 (1) The books of the MNB and duly signed excerpts from such books shall have the power of evidence as official public documents.

(2) In line with its tasks and primary objective, the MNB may establish a business association in which it has a majority holding or may create a foundation, provided that the MNB may not establish an asset management foundation; furthermore, a foundation established by the MNB may not engage in investment or asset management activities as a business activity, nor may it conduct payment services.

(3) Data processed by the business associations in which the MNB holds a majority share or it

is the sole shareholder, relating to the performance of any tasks of the MNB, the access to which would violate the central financial or foreign exchange policy interest defined in Article 27(2) subsection *e)* of the Infotv., shall not be publicly available until it has been made public by the MNB or by the business associations in which the MNB holds a majority share or it is the sole shareholder but for 10 years following the generation of the data at the latest.

(4) Data processed by the business associations in which the MNB holds a majority share or it is the sole shareholder and by the companies controlled directly or indirectly as defined in the act on the prohibition of unfair trading practices and unfair competition by these business associations, the access to which by a third person would cause disproportional harm to the business associations in which the MNB holds a majority share or it is the sole shareholder or the companies controlled directly or indirectly as defined in the act on the prohibition of unfair trading practices and unfair competition by these business associations cannot be accessed. It shall be considered disproportional harm when the acquisition, use, disclosure to others or publication of the data would confer an undue advantage to any competitor of the business associations in which the MNB holds a majority share or it is the sole shareholder or the companies controlled directly or indirectly as defined in the act on the prohibition of unfair trading practices and unfair competition by these business associations.

(5) The financial management of the foundation established by the MNB shall be audited by the State Audit Office.

47. Data management by the MNB

Article 163 (1) In addition to what is contained in Article 57, the MNB may use individual data received from foreign financial supervisory authorities under international cooperation in the performance of its tasks defined in Article 4(9) exclusively for performing tasks relating to its participation in the European System of Financial Supervision, and it may release individual data to foreign financial supervisory authorities exclusively for the performance of such tasks.

(2) The MNB may release data it manages to a foreign financial supervisory authority only if such foreign authority guarantees a legal protection of such data at least equivalent with the protection in Hungarian law. Transmission of data to authorities exercising financial supervisory tasks in the Member States of the EEA shall be automatically treated as if the transmission took place within the territory of Hungary under equivalent legal protection.

(3) The MNB shall make available to the government control body all data the government

control body is authorised to manage to discharge its duties defined in Article 63(1) subsection *g)* of the Act CXCV of 2011 on public finances (hereinafter referred to as 'Áht.'), and in connection with it in Article 63(1) *h)* of the Áht.

(4) Each department of the MNB shall make available data and information to other departments of the MNB to the extent it is required also for the other department to discharge its duties prescribed by law.

48. Action in the public interest

Article 164 (1) In the performance of its tasks set out in Article 4(9), the MNB may file a civil action on behalf of consumers against a person engaged in any violation of the provisions of the acts listed under Article 39, legislation adopted under authorisation by such acts or the provisions of Article 81(1) subsection *b)*, furthermore, who is allegedly engaged in the use of any unfair standard contractual clause as defined by the Civil Code in connection with his activities, where such illegal action affects a wide range of consumers which can be established relying on the circumstances of the infringement.

(2) No action may be brought after the end of three years after the infringement was committed. The omission of this time limit shall result in forfeiture of rights. For continuous infringements, the time limit shall commence at the time when the infringement is terminated. Where an infringement consists in the failure to terminate a situation or circumstance, the aforementioned period shall not commence as long as such situation or circumstance continues to prevail.

(3) Where, with respect to the consumers affected by the infringement, the legal grounds for the claim and the amount of damages or compensation demanded, or the overall contents of the claim in the case of other claims, can be clearly established irrespective of the individual circumstances of the consumers affected by the infringement, the MNB may request the court to award such claims and order the affected person or entity covered by the acts referred to in Article 39 to satisfy these claims, or failing this, to request the court to establish the existence of an infringement in favour of all of the consumers indicated in the claim. If the court's decision established the existence of infringement in favour of all of the consumers indicated in the claim, the consumers affected shall be required, in an action filed against the person or entity covered by the acts referred to in Article 39, to prove exclusively the amount of damages claimed — where applicable — and the existence of a causal link between the infringement and such damage.

(4) In its ruling the court shall specify group of consumers in favour of whom the existence of

the infringement was established and who therefore are entitled to demand satisfaction based on the judgement, and shall determine the data required for their identification.

(5) In its ruling the court may authorise the MNB to publish the court's decision on its homepage, or to make it available to the general public by means consistent with the nature of the infringement, at the infringer's expense.

(6) If the court's decision, in addition to establishing the infringement, also contains a clause ordering the person or entity covered by the acts referred to in Article 39 to provide satisfaction for a specific claim, the infringer shall be required to satisfy the claim of the consumer on whose behalf the judgement referred to in paragraph (4) was awarded. In the absence of voluntary compliance, the consumer may request judicial enforcement. The court shall probe, based on the criteria set forth in its decision, the consumer's entitlement in its proceedings for the issue of an enforcement order.

(7) The action brought by the MNB under this Article is without prejudice to the consumers' right to file civil action independently against the infringer.

(8) The entitlement to file legal action shall be afforded, pursuant to paragraphs (1) and (2) to (7),

a) to associations for the protection of consumers' interests under the Act on consumer protection, and

b) to all qualified entities established under the laws of any Member State of the EEA - with respect to the consumer interest they protect – that are included in the list published in the Official Journal of the European Communities pursuant to Article 4(3) of Directive 2009/22/EC of the European Parliament and of the Council on injunctions for the protection of consumers' interests, provided that the claim for which the action is filed pertains to any infringement of the legal provisions on the transposition of the directives specified in Article 41(1).

(9) In the context of the performance of its duties defined in Article 4(9) — pursuant to Article 6:105 of the Civil Code, on the basis of the rules laid down therein —, the MNB shall be entitled to submit an action in the public interest for the annulment of an unfair general contract term that has been incorporated into a contract concluded between consumers and financial institutions.

(10) The actions referred to in paragraphs (1), (8) and (9) shall be conducted in accordance with the provisions of the Pp. on actions brought on the grounds of public interest.

Article 48/A The protection of informants

Article 164/A (1) Anyone may file a report to the MNB on any irregularity in the operation of a person or entity defined in Article 39.

(2) In accordance with the relevant rules of the act on complaints and reports in the public interest as well as rules related to the reporting of abuses (hereinafter referred to as: 'Pkbtv.') on reports in the public interest, the MNB shall address the reports submitted to it with derogation defined in this Article, with references made in the Pkbtv. to reports in the public interest meaning the reports defined in this Article.

(3) The report draws the MNB's attention to a circumstance based on which the violation of a provision — not classified as a consumer protection provision — defined in a law governing the operation of a person or entity defined in Article 39 or in separate other legislation can be presumed. The report may also contain a recommendation.

(4) The MNB shall evaluate the report within 30 days of receipt.

(5) If following the inspection defined in paragraph (4) the violation of the provision defined in paragraph (3) can be presumed, the MNB shall launch the procedure defined in Article 48(1) subsection *b)* or *d)*.

(6) The MNB shall notify the reporting party of the launch of the procedure or the absence thereof, and the reasons for not launching a procedure.

(7) Where the provision of the Pkbtv.

a) refers to a report in the public interest, it shall be interpreted as the report defined in this Article,

b) refers to a state organisation, it shall be interpreted as the MNB.

49. Acquisition of shares and payment of dividends

Article 165 (1) Unless otherwise provided by law, the MNB shall not own shares of any domestic or foreign organisation.

(2) The MNB may acquire and keep shares in an organisation which:

a) has been established in relation to its activity;

b) performs activities for the operation of a payment system; or

c) performs stock exchange, central securities depository or central counterparty activities.

(3) Paragraph (1) shall not apply to the acquisition by the MNB of securities incorporating

membership rights, introduced to the regulated market within the framework of transactions implemented in the course of completing the tasks defined in Article 4(1) and (7), of equity, with the provision that pursuant to Bszt. the MNB may not acquire a qualified interest in the issuer. Within the scope of its tasks specified in Article 4(1) and (7), the MNB may not acquire securities incorporating membership rights directly from the issuer.

(4) Paragraph (1) shall not apply to the acquisition of ownership interest in the course of performing of the tasks of the MNB set forth in Article 4(3).

(5) The MNB shall contribute to the ECB's capital in the proportion laid down in Articles 28 and 29 of the ESCB Statute.

Article 166 (1) If the amount of equity exceeds the subscribed capital at the end of the year under review, the MNB shall pay 50% of its profit for the year under review as dividend.

(1a) The MNB shall pay dividends based on the decision of the executive board from the positive amount of the retained earnings supplemented by the loss or 50% of the profit of the year under review, up to the amount of the equity exceeding the subscribed capital.

(1b) Dividend payment is due within 30 days after sending the notification of the report of the year under review in accordance with Article 6(2).

(2) The MNB shall not pay advance dividends.

(3) Where the amount of equity is below the subscribed capital for a prolonged period of time, it must be ensured by direct reimbursement to the retained earnings provided by the central budget, that the amount of MNB's equity is, in order to comply with the principle of financial independence, at least at the level of the subscribed capital within a reasonable period of time.

(4) The shareholder may provide capital allocation to the retained earnings in cash.

50. Rules for the payment of supervisory fees

Article 167 (1)

(2) Persons and organisations liable for payment of the supervisory fee shall calculate the amount of the fee in the manner defined in a separate legal regulation, , and shall submit the supervisory fee calculation – as a supervisory fee declaration, with the content and in the form required by the legal regulation –to the MNB within the time limit set for payment of the supervisory fee

(3) Persons and organisations liable for payment of the supervisory fee shall be required to submit a declaration whether or not any supervisory fee becomes chargeable in the relevant period.

Payment of the fee shall not replace the obligation to calculate and declare the fee.

(4) In the event of non-compliance with the obligation prescribed under paragraphs (2) and (3), the MNB shall begin a control procedure against the person or entity liable for payment the supervisory fee.

(5) There is no need to make a declaration regarding basic fees. Those who are not obliged to pay a variable fee are not obliged to submit a declaration.

Article 168 (1) The persons and organisations liable for the payment of the supervisory fee and holding a valid authorisation, or listed in the MNB's register on the first day of the calendar year shall be required to pay the minimum charge calculated in accordance with the provisions of another legal regulation, by way of bank transfer to the MNB's account, in a single instalment on or before 31 January each year.

(2) The persons and organisations liable for payment of the supervisory fee – with the exception of independent intermediaries under the Hpt., and multiple insurance agents and brokers under the Bit. – shall be required to pay the variablerate fee calculated in accordance with the provisions of in Section 167(2) semi-annually, by the 45th day following the reference half-year, by way of bank transfer to the MNB's account Independent intermediaries under the Hpt. and multiple insurance agents and brokers under the Bit. shall be required to pay the amount of the variable fee by way of bank transfer to the MNB's account semi-annually, by the 60th day following the reference half-year

(3) In addition to the fees calculated and declared on a semi-annual basis, where it is necessary due to the approval of the annual accounts by the general meeting or members' meeting of the entities covered by the acts defined in Article 39, any payment obligation arising from unpaid fees for the year shall be shown as an adjustment item in the declaration pertaining to the second half of the year following the relevant financial year.

(4) The payment obligation for the said unpaid fees shall fall due simultaneously with the obligation to pay the fee calculated and declared for the second semi-annual of the subsequent year. Any overpayment in supervisory fees may be deducted from the amount of the fee due for the second half of the year following the relevant year.

Article 169 (1)

(2)

(3)

51. Revenues of the MNB

Article 170 (1) The MNB shall have the following revenues:

a) supervisory fees;

b) fines imposed by the MNB;

c) administrative service fees; and

d) other revenues not falling under subsections *a)* to *c)*.

(2) The MNB shall be entitled to use the income from fines imposed by the it

a) to facilitate and support the training of economic and financial professionals;

b) to promote and support economic, financial and interdisciplinary research;

c) to strengthen and spread financial culture, to develop financial awareness, and to promote these goals, especially the development of the related educational and research infrastructure;

d) for donations to foundations;

e) for charitable purposes; as well as

f) 6% of the previous year's amount to promote and support environmental protection goals in order to mitigate the effects of the MNB's activities on the environment.

(3) In the event of the use of the revenues of fines pursuant to paragraph (3) point f), the MNB shall publish the contracts for such use on its website immediately after concluding them.

Chapter IX

Final provisions

52. Authorisations

Article 171 (1) The governor of the Magyar Nemzeti Bank shall be authorised to regulate in a decree:

a) the level of the base rate in accordance with the decision of the Monetary Council;

b) the level of the reserve ratio in accordance with the decision of the Monetary Council, the interest rate payable on the minimum central bank reserve, and the interest determined on the amount of money deposited with the MNB in excess of the level of the reserve ratio;

c) the calculation, the method of allocation and placement of the minimum central bank reserve, and the measures to be taken in the event of non-compliance;

d) the issuance, denomination, distinguishing features and withdrawal from circulation of

banknotes and coins, including collector banknotes and collector coins;

e) technical and other tasks specified in Article 24(1) with regard to the protection against counterfeiting of Hungarian and foreign legal tender;

f) the entities obliged to provide data pursuant to Article 24(5), and the method and content of such data submission;

g) the conditions of licensing the production or the arrangement for the production of imitations of legal tender in circulation and of banknotes and coins withdrawn from circulation by the MNB, and the requirements for the production, registration, safekeeping and destruction of such imitations;

h) the regulations relating to reproductions of euro, including medals and tokens similar to euro coins, with the exception of the rules on sanctions, with consideration for the provisions of Council Regulation No 2182/2004/EC of 6 December 2004 concerning medals and tokens similar to euro coins;

i) the scope of information to be provided and the scope of the providers for the central bank information system, the method and deadline of data submission as well as issues relating to the notification of any major malfunction in the IT system in connection with data submission;

j) the rules applicable to the payment, the method and conditions of calculation of supervisory fees;

k) within the strategic framework laid down by the Monetary Council, in line with the decision of the Financial Stability Council, the measures required to prevent the build-up of systemic risks, to mitigate such risks and to enhance the resilience of the system of financial intermediation:

ka) the measures necessary in order to reduce the risks of excessive credit outflow,

kb) the conditions of the establishment and maintenance of the countercyclical capital buffer,

kc) measures required necessary in order to mitigate systemic liquidity risks,

kd)

(2) The governor of the MNB shall be authorised, within the scope of his tasks defined in Article 4 (2) and (5), to regulate in a decree:

a) the conditions for cash distribution;

b) the rules applicable to cash processing activity.

(3) The governor of the MNB shall be authorised, within the scope of his tasks defined in Article

4(5) to regulate in a decree:

a) the detailed rules pertaining to the execution of payment orders in payment transactions as well as the detailed rules applicable to methods of payment;

b) in case of the entity performing central securities depository activity

ba) the content and formal requirements for the General Terms and Conditions,

bb) the rules governing the establishment and termination of client relationships,

bc) the financial and technical conditions to be determined vis-a-vis the clients,

bd) settlement procedures,

be) the rules governing risk management, and

bh) the fundamental principles of setting the fees charged for the services rendered to clients;

c) in the case of the central securities depository

ca) the rules governing the establishment and termination of client relationships,

cb) the financial and technical conditions to be satisfied by clients,

cc) the fundamental principles of setting the fees charged for the services rendered to clients, and

cd) the rules governing risk management;

ce) the rules governing the creation and use of statutory collateral,

cf) the rules governing the establishment, use and management of guarantee funds, and

cg) the fundamental principles of setting the fees charged for the services rendered to clients,

ch) clearing and settlement procedures,

d) the detailed rules on the activity of operation of a payment system,

e) the content and formal requirements for the General Terms and Conditions of the entities performing the activity of operation of a payment system and the requirements for the regulations required for the provision of their activity.

d) in the case of the entity acting as a central counterparty,

da) the rules governing the establishment and termination of client relationships,

db) the financial and technical conditions to be satisfied by clients,

dc) the rules governing the assumption of obligations related to the settlement of transactions guaranteed by the central counterparty,

dd) the rules governing risk management,

de) the rules governing the creation and use of statutory collateral,

df) the rules governing the establishment, use and management of guarantee funds, and

dg) the fundamental principles of setting the fees charged for the services rendered to clients, and

dh) clearing and settlement procedures.

Article 172 (1) To ensure the safe operation of the system of financial intermediation, within the strategic framework laid down by the Monetary Council, in line with the decision of the Financial Stability Council, the governor of the Magyar Nemzeti Bank shall be authorised to prohibit or restrict of, or impose conditions upon the pursuit of activities governed by the acts defined in Article 39 for a specified period of time, but for maximum ninety days, in respect of all persons and entities covered by the acts defined in Article 39 entitled to carry out the activities concerned, including the provision of services, the conclusion of transactions and the distribution of products falling within the scope of such activities if the activity in question constitutes a major risk potentially jeopardizing the stability of the system of financial intermediation as a whole, with the proviso that an activity shall be prohibited exclusively if such risk cannot be averted in any other manner, in a decree.

(2) For the purpose of paragraph (1), an activity is deemed to constitute a major risk factor if there are serious grounds for believing, based on the number of persons and organisations engaged in the pursuit of the activity or on the number of clients and creditors of the organisations and persons engaged in the pursuit of the said activity, or on the transactions values affected, that:

a) the interests of the clients or creditors of a large number of the persons or organisations covered by the acts defined in Article 39 are likely to be harmed; or

b) the transparency of the system of financial intermediation is likely to diminish.

(3) The conditions for the pursuit of specific activities shall be laid down in the decree referred to in paragraph (1) in a manner that allows these to be suitable for the elimination of the major risk referred to in paragraph (2) without restricting the freedom to contract more than is strictly necessary to reduce such major risk.

(4) The governor of the MNB shall inform the government about the adoption of the decree

referred to in paragraph (1) and the reasons of the necessity thereof after the decision but before the publication of the decree in the official gazette.

Article 173 The governor of the Magyar Nemzeti Bank shall be authorised to regulate in a decree the detailed rules for:

a) the level of administrative service fee, payable for the procedure for:

aa) the licensing of the foundation, establishment,

ab) the licensing of mergers, divisions,

ac) the registration,

ad) the licensing for the taking up of activities,

ae) the notification of cross-border activities,

af) the setting up of branches,

ag) the approval of regulations or the approval of the amendment of regulations,

ah) the licensing for the acquisition of a qualifying interest,

ai) authorisation of the use of an independent or tied intermediary, or their registration,

aj) termination of the information provision obligation of the issuer of publicly traded securities,

ak)

al) the approval of a public purchase offer required for the acquisition of control in a public limited company,

and the detailed rules on the collection, handling, recording and refund of such fees concerning money, capital and insurance market organisations and persons, voluntary mutual insurance funds, private pension funds, and institutions for occupational retirement provision, with respect to the proceedings falling within the MNB's competence but excluding the procedure for the designation granted under the Act on settlement finality in payment and securities settlement systems; as well as on

b) the level and payment of the administrative service fee payable for the procedure for licensing the production or the arrangement for the production of imitations of legal tender in circulation and of banknotes and coins already withdrawn from circulation by the MNB;

c) the languages accepted by the MNB and the languages customary in the sphere of international finance;

d) the content, the form and the submission relating to the standard printed and electronic forms prescribed under Article 59(4);

e) in the procedures related to electronic communication specified in Annex I on the order, method, content and form of exclusive electronic communication between the organization and the MNB, as well as the operation and use of the mail storage facility operated by the MNB;

f) the minimum requirements for the operation of the IT system defined in Article 174/A, the method of auditing the system, as well as the transmission of data through this system.

Article 173/A The governor of the Magyar Nemzeti Bank is authorised to regulate in a decree the detailed rules on exercising the powers specified in Article 12(7) and Article 13(11) and (11a) as well as on substituting and excluding for the person exercising the powers.

Article 174 (1) The minister responsible for Justice need not be consulted with regard to the decrees of the governor of the MNB.

(2) The decrees issued pursuant to Article 171(1) subsection *c)* shall be published in the official journal 15 days prior to its entry into force.

(3) Before the issue of the decrees defined in Article 171(1) subsection *k)*, the MNB shall inform the European Systemic Risk Board.

52/A. * Miscellaneous provisions

Article 174/A (1) The organization subject to the laws defined in Article 39(1) is entitled, at the explicit request of its client, to record the legal declaration made by its client in an IT system that meets the requirements set out in the decree of the Governor of the MNB and, through this system, to record the legal declaration in the forward to recipient.

(2) The legal declaration forwarded in accordance with paragraph (1) becomes effective against the addressee upon transmission.

(3) The organization recording the legal declaration is responsible for the damage resulting from the recording of untrue or incomplete data.

53. Entry into force

Article 175 (1) This Act shall enter into force on the day following that of its publication in the official journal, except as provided for in paragraphs (2) and (3).

(2) Articles 1 to 174, Articles 176 to 177, Article 178(1) to (4) and (6) to (9), Article 179(1), (3) and (4), Article 180, Article 182, Articles 184 to 186 and Article 188 shall enter into force on 1 October 2013.

(3) Article 187 shall enter into force on 15 March 2014.

54. Transitional provisions

Article 176 (1) The Hungarian Financial Supervisory Authority (hereinafter referred to as 'HFSA') shall cease to exist on 1 October 2013, subject to the provisions of paragraphs (2) to (8) and Articles 177 to 183.

(2) With the exceptions defined in this Act, the MNB shall exercise the rights and discharge the obligation of the HFSA under private law as the designated entity referred to in Article 11(5) of Act CXCV of 2011 on public finances.

(3) The devolution of the rights and obligations referred to in paragraph (2) shall not render any claims on the HFSA due, and no claims based on a breach of contract or claims for provision of security shall be enforceable with reference to such devolution.

(4) Any accounting and tax obligations already existing on 1 October 2013 or arising in connection with the termination of the HFSA shall be discharged by the MNB based on the documents made available by the HFSA. The final report pertaining to the termination of the HFSA shall be drawn up by the MNB in cooperation with the ministry headed by the minister responsible for accounting regulations.

(5) In ongoing public procurement proceedings started before 1 October 2013 the HFSA shall be replaced by the MNB.

(6) In ongoing judicial or extrajudicial proceedings started before 1 October 2013 the HFSA shall be replaced by the MNB, and the Financial Arbitration Board of the HFSA by the Financial Arbitration Board.

(7) Any action for the administrative lawsuit against administrative decisions adopted by the HFSA prior to 1 October 2013 shall be filed against the MNB after 30 September 2013.

(8) The legal effect of recommendations issued by the HFSA before 1 October 2013 shall not be affected by the entry into force of this Act.

Article 177 (1) Subject to the exception stated in paragraph (2), any state assets managed by the HFSA on 30 September 2013 shall be transferred free of charge to the ownership of the MNB by virtue of this Act, and it shall increase the retained earnings of the MNB.

(2)

(3) As from 1 October 2013, ownership rights in respect of the business share in the Hitelintézeti Felszámoló Nonprofit Kft. (Credit Institution Liquidator Non-profit LLC) shall be exercised by the MNB on behalf of the state.

(4) The historical value of the asset items transferred to the ownership of the MNB pursuant to paragraph (1) shall be equivalent with their book value at the date of transfer. The termination of the HFSA pursuant to Article 176 and the transfer of the ownership and management right of the assets under its management shall be regarded as the reorganisation provided for in Article 17(3) subsection *h)* of Act CXXVII of 2007 on the value added tax.

(5) Any obligations of the HFSA in its books on 30 September 2013 as well as the obligations specified in Article 176(2) to (6) shall be transferred to the balance sheet of the MNB, and they shall reduce the retained earnings of the MNB. The historical value of such items shall be equivalent to their book value at the date of transfer.

(6) If the funds transferred from the HFSA to the MNB and the revenues arising from supervisory activities fail to provide sufficient cover for the discharge of the obligations entered into the balance sheet of the MNB pursuant to paragraph (5), the state shall bear liability for honouring the part of the obligations thus becoming overdue which is in excess of the financial assets taken over from the HFSA and the revenues from supervisory activities. Furthermore, the liability of the state extends, in the case of the judicial and extrajudicial proceedings referred to in Article 176(6), to the amount of obligations to be borne by the MNB in excess of the provision set up by the HFSA in respect of such claims, and the refund of obligations on the MNB arising from proceedings specified in Article 176(7).

Article 178 (1) In public administrative proceedings ongoing on 1 October 2013 the HFSA shall be replaced by the MNB. The proceedings, including re-opened proceedings, of the HFSA already in progress on 1 October 2013 shall be governed by the provisions in force on 30 September 2013 with the proviso that the HFSA shall be understood as the MNB. The MNB shall assure that the change in the identity of the party is notified in respect of proceedings ongoing on 1 October 2013. The MNB shall verify compliance with administrative decisions issued by the HFSA before 1 October 2013, and any obligations imposed in such decisions shall be discharged vis-à-vis the MNB.

(2) In administrative agreements concluded by the HFSA and in force on 30 September 2013 the HFSA shall be replaced by the MNB as of 1 October 2013. Administrative contracts shall be governed by the provisions in force on 30 September 2013 with the proviso that the HFSA shall be understood as the MNB.

(3) Ongoing proceedings of the Financial Arbitration Board shall be governed by the rules laid down in paragraph (1) with the proviso that the Financial Arbitration Board, a professionally independent body operated by the MNB, shall be the legal successor of the Financial Arbitration Board operated by the HFSA.

(4) Any general statement of submission made to the Financial Arbitration Board operated by the HFSA shall remain valid and effective in respect of the Financial Arbitration Board, with the content defined in the statement of submission.

(5) The Financial Arbitration Board operated by the HFSA shall deliver data in the register of statements of submission made to it, as at 30 September 2013, to the MNB, which shall make them available to the Financial Arbitration Board it operates.

(6) The Financial Arbitration Board may publish the recommendations of the Financial Arbitration Board operated by the HFSA on its website.

(7) In respect of the tasks set forth in the memorandum of understanding on FIN-Net, the Financial Arbitration Board shall be regarded as the legal successor of the Financial Arbitration Board operated by the HFSA.

(8) In respect of cooperation agreements concluded by the HFSA and its predecessors with foreign financial supervisory authorities effective on 30 September 2013, and in respect of the membership of the HFSA in international organisations for the promotion of the inter-institutional cooperation of financial supervisory authorities existing on 30 September 2013, the MNB shall be entitled to proceed as the Hungarian contracting party or member as the legal successor of the HFSA as from 1 October 2013.

(9) The MNB shall notify parties to the cooperation agreements and international organisations that the MNB is entitled to act in the place of the HFSA in respect of the legal relationship subject to the agreement or the membership, pursuant to paragraph (8).

Article 179 (1) As from 1 October 2013, the MNB shall be considered the holder of licenses related to the performance of the duties of the HFSA. The MNB shall initiate the relevant amendment of the licenses.

(2) The transfer by the HFSA, following the publication of this Act in the official journal and with a view to performing the tasks arising from the entry into force of this Act, to the MNB of data falling under the scope of confidentiality of tax secret, banking secrets, securities secrets, payment secrets, fund secrets, insurance secrets, occupational retirement secrets and business secrets shall not constitute a breach of such secrets.

(3) In respect of tenders and projects financed by the European Union, the HFSA shall be replaced by the MNB as of 1 October 2013. The MNB shall initiate the amendment of contracts required in relation to the projects within ten days of 1 October 2013. The sponsor or intermediate entity shall arrange for the implementation of amendments to such contracts within twenty days of such initiative.

(4) By virtue of this Act on 1 October 2013 any legal relationship which has the MNB as its sole obligor and the HFSA as its sole obligee shall be terminated.

Article 180 (1) On the day of termination of the HFSA, its payment accounts shall be terminated, and the funds on the payment accounts of the HFSA on the date of termination, any amounts not yet credited to the payment accounts of the HFSA pursuant to payment orders in favour of the HFSA and any cash balances of the HFSA existing on such date shall devolve to the MNB. The transferred funds shall increase the retained earnings of the MNB.

(2) Upon the order of the HFSA, the entity maintaining the accounts of the HFSA shall transfer any funds on the payment account of the HFSA to the payment account of the MNB on the date of the termination of the HFSA.

(3) As from 1 October 2013, any supervisory fee, administrative service fee and fine payable to the HFSA and falling due after the termination of the HFSA shall be payable to the MNB.

Article 181 (1) The president of the HFSA in office on 30 September 2013 or under mandate from the president, another manager or managers of the HFSA in office on 30 September 2013 (hereinafter referred to as ‘transferor’) shall hand over the ongoing matters within the scope of tasks and competencies of the HFSA in person to the governor of the MNB or, under mandate from the

governor of the MNB, to another manager of the MNB (hereinafter referred to as ‘transferee’) with a record.

(2) In the framework of the transfer procedure described in paragraph (1), the transferor shall provide information about all the facts, hand over all the documents to the transferee which are required for the exercise of the rights and discharge of obligations accruing to the MNB as of 1 October 2013 pursuant to Articles 176 to 180 and Article 183.

(3) In the framework of the transfer procedure described in paragraph (1), the transferor shall transfer the register of the state property referred to in Article 177(1) and (4) as well as the register of the obligations defined in Article 177(5), and shall make a declaration as to their completeness.

(4) In the framework of the transfer procedure described in paragraph (1), the transferor shall transfer any personnel files, declarations of wealth and expertise made on the grounds of national security review pursuant to the Act on national security services pertaining to persons employed by the HFSA before 1 October 2013 which are in the custody of the HFSA.

(5) With the participation of the highest ranking manager responsible for information technology employed by the HFSA, the transferor shall transfer the complete information technology infrastructure and systems of the information technology systems operated by the HFSA, including all the applications, authorisations and, where transferable, licenses necessary for the operation of the information technology system, required for discharging the tasks of HFSA within the scope of competence relating to

a) the maintenance of registers,

b) the operation of data submitting, notification and disclosure systems,

c) electronic communication

and to assuring the functioning thereof, as well as the data assets under management by the HFSA on 30 September 2013.

(6) The provisions laid down in paragraphs (1) to (2) and (5) shall be also applicable to the Financial Arbitration Board operated by the HFSA with the proviso that the transferor shall be the chairman of the Financial Arbitration Board operated by the HFSA in office on 30 September 2013 or any other manager of the HFSA in office on 30 September 2013 pursuant to the authorisation of the chairman.

Article 182 (1) Until 1 December 2013 the MNB shall accept standard printed or electronic forms to be submitted to it even if they comply with the provisions relating to their content, form and submission in force on 30 September 2013.

(2) If, after 1 October 2013 the governor of the MNB issues a decree laying down the detailed rules for the content, the form and the submission relating to the standard printed and electronic forms pursuant to Article 59(4), the obligations covered by such decree may be performed, until the sixtieth day following the date of publication of such decree in the official journal, in licensing, approval, registration and de-registration as well as notification proceedings in accordance with the rules effective on the day preceding the publication of such decree or, in the absence of such rules, without meeting the requirements set out in the decree.

Article 183 (1) Subject to the exception stated in paragraph (5), on 1 October 2013 the status of any person who, on 30 September 2013,

a) has civil servant or employment relationship with the HFSA for an indefinite period of time shall be converted into an employment relationship with the MNB for an indefinite period of time;

b) has civil servant or employment relationship with the HFSA for a definite period of time shall be converted into an employment relationship with the MNB for a definite period of time

by virtue of this Act.

Full-time status will be converted into full-time employment, part-time status into part-time employment. The length of any probationary period specified for the public service or employment status with the HFSA in effect on 30 September 2013 shall remain unchanged after the change of legal status with the proviso that the end of the probationary period may not extend beyond 31 December 2013.

(2) By way of derogation from paragraph (2), the public service or employment relationship shall not be converted if the MNB is not allowed to establish an employment relationship with the person specified in paragraph (1) pursuant to the relevant provisions of legal regulations pertaining to employment. In this case the civil service or employment relationship is terminated by virtue of this Act on 30 September 2013 with the proviso that settlement shall be arranged for with the person specified in paragraph (1) by 15 October 2013, under the rules laid down in his or her appointment or labour contract effective on 30 September 2013, with due consideration to the provisions of Article 72(3) to (4) of the Kttv.

(3) The salary of persons specified in paragraph (1) may not be less after 1 October 2013 than the allowance they are entitled to under the Act CXCIX of 2011 on public service officials (hereinafter referred to as ‘Kttv.’) for their grade together with the complements pursuant to the Kttv. on 30 September 2013, or than the salary they are entitled to under the employment contract in force on 30 September 2013 pursuant to the Act I of 2012 on the labour code (hereinafter referred to as ‘Mt.’).

(4) If in his employment relationship established pursuant to paragraphs (1) to (3) the employee fails to sign the contract of employment within eight working days of its receipt, his or her employment shall be terminated in accordance with the rules laid out in the Mt. concerning termination by the employee with the proviso that the notice period starts on the ninth day following the receipt of the contract of employment except where any delay occurs without any fault on his or her part. Until the signing of the contract of employment by the employee, employer's rights in respect of the employee in his or her employment relationship with the MNB shall be exercised by the designated deputy governor of the MNB.

(5) The mandate and civil service relationship of the president and vice-presidents of the HFSA and the chairman of the Financial Arbitration Board shall terminate on 30 September 2013. The termination of the mandate of the president of the HFSA shall be declared by the president of the republic by recommendation of the prime minister, the termination of the mandate of the vice-president and of the chairman of the Financial Arbitration Board, by the president of the HFSA. The president and vice-president of the HFSA and the chairman of the Financial Arbitration Board shall be entitled to a lump-sum allowance equivalent to their income for the discharge period as well as severance pay in the amount specified in Article 20(2) and (3) of Act CLVIII of 2010 on the Hungarian Financial Supervisory Authority, payable in one sum on the day preceding the end of their mandate.

(6) The collective agreement in force at the HFSA shall cease to have effect on 1 October 2013.

(7) The works council operating at the HFSA shall cease to exist on 1 October 2013.

(8) In respect of matters not regulated in this Act concerning the conversion of civil service status to employment status shall be governed by Article 72 of the Kttv.

(9) Paragraph (2) shall be applied accordingly in cases where a person referred to in paragraph (1) is subject to a conflict of interest pursuant to this Act, except where the cause underlying such conflict of interest can be eliminated and the employee takes action to this end until 15 October 2013 and provides proof of such.

(10) In the event of the termination of the employment relationship of MNB employees with notice within six months of the termination of the HFSA on 1 October 2013, the elimination of positions not essential for the discharge of duties to optimise staff management shall be deemed to be a reason connected to the employers' operation.

(11) The duration of legal relationship with the HFSA as provided in paragraph (1), including the duration of other employment recognised in connection with the legal relationship, shall be recognised and computed as time of service in the employment of the MNB following the transformation. On 30 September 2013 the HFSA shall issue a public service certificate or employment certificate to persons employed by the HFSA.

(12) The HFSA is exempted from the performance review requirement set forth in Article 130 of the Kttv.

(13) The HFSA shall make a payment in lieu of leave days not taken by persons employed by it on 30 September 2013 which such persons are entitled to pursuant to their civil servant status or employment up to 30 September 2013.

(14) Persons employed by the HFSA on 30 September 2013 shall be entitled to the full amount of fringe benefits provided by the HFSA for 2013. If the annual amount of fringe benefits provided by the MNB is greater than that provided by the HFSA, recipients shall be entitled to the time proportionate part of the difference in the annual amounts as a result of the change of legal relationship.

(15) The employment relationship with the MNB created through the change of legal relationship covered by this Act of persons employed by the HFSA on 30 September 2013 under Act CXXII of 2004 on the premium years program and on special employment staff (hereinafter referred to as 'Péptv.') shall be subject to the provisions of the Péptv., while maintaining the terms determined before such change of legal relationship in respect of the participation of beneficiaries in the premium years programme.

(16) In respect of persons specified in paragraph (1), the MNB shall discharge its obligation of reporting and notification of change concerning the data of insured persons employed by the employer or paying agent towards the National Tax and Customs Administration within 8 working days of establishing the employment relationship.

Article 183/A (1) In compliance with Article 33(1) – with the derogation specified in paragraphs (2), (3) or (4) – shall determine the countercyclical capital buffer at the rate stipulated in Article 87 of the Hpt. and Article 110/B of the Bszt., established by Act CCXXXVI of 2013 on the amendment of certain financial acts (hereinafter referred to as 'Módtv.'), with the effect of 1 January 2019 at the latest.

(2) According to Article 33(1), the MNB may determine the countercyclical capital buffer rate in divergence from the rate stipulated in Article 87 of the Hpt. and Article 110/B of the Bszt., established by the Módtv., as follows:

a) during the period between 1 January 2014 and 31 December 2014 - up to 0.625% of the total risk exposure amount specified in Article 92(3) of Regulation No. 575/2013/EU,

b) during the period between 1 January 2015 and 31 December 2015 - up to 1.25% of the total risk exposure amount specified in Article 92(3) of Regulation No. 575/2013/EU, and

c) during the period between 1 January 2016 and 31 December 2016 - up to 1.875% of the total risk exposure amount specified in Article 92(3) of Regulation No. 575/2013/EU,

providing that with the effect of 1 January 2018 the MNB shall determine the countercyclical capital buffer rate in compliance with Article 33 herein, Article 87 of the Hpt. and Article 110/B of the Bszt., established by the Módtv.

(4) According to Article 33(1), the MNB may determine the countercyclical capital buffer rate in divergence from the rate stipulated in Article 87 of the Hpt. and Article 110/B of the Bszt., established by the Módtv., as follows:

a) during the period between 1 January 2016 and 31 December 2016 - up to 0.625% of the total risk exposure amount specified in Article 92(3) of Regulation No. 575/2013/EU,

b) during the period between 1 January 2017 and 31 December 2017 - up to 1.25% of the total risk exposure amount specified in Article 92(3) of Regulation No. 575/2013/EU, and

c) during the period between 1 January 2018 and 31 December 2018 - up to 1.875% of the total risk exposure amount specified in Article 92(3) of Regulation No. 575/2013/EU,

providing that with the effect of 1 January 2019 the MNB shall determine the countercyclical capital buffer rate in compliance with Article 33 herein, Article 87 of the Hpt. and Article 110/B of the Bszt., established by the Módtv.

Article 183/B In line with Article 35/A(6) of the Bszt. established by the Módtv., the MNB may stipulate a capital buffer for systemic risk at a rate ranging between 3–5 percent with the effect of 1 January 2015.

Article 183/C The MNB may manage the documents produced by the HFSA prior to its cessation under Article 176 in the course of performing its financial supervisory tasks, and located in its registry and achieves as of 30 September 2013.

Article 183/D (1) The Magyar Nemzeti Bank shall acquire ownership rights over the business share of Hitelintézeti Felszámoló Nonprofit Kft., owned by the state, free of charge, which shall increase the Magyar Nemzeti Bank’s retained earnings.

(2) The business share defined in paragraph (1) shall be acquired on the day of entry into force of the Kbftv.

Article 183/E In cases governed by the Act on the rules of the settlement laid down in Act XXXVIII of 2014 on measures to address the Curia's legal uniformity decision on consumer loan contracts and on certain other provisions and the Act laying down the rules applicable to the conversion of certain foreign exchange consumer loan contracts and matters relating to interest rate rules

a) the Financial Arbitration Board shall set a hearing date for the parties within 75 days of the opening of proceedings, in derogation of Article 106(3),

b) the service provider shall submit its reply document with the contents defined in Article 108(2) to the Financial Arbitration Board within 15 days of delivery of the notification to the service provider.

Article 183/F (1) Article 26(3) and (4) of this Act as established by Act LXXXV of 2015 on the amendment of certain acts in order to promote the development of the financial intermediation system (hereinafter referred to as: 'Módtv.') shall be applied in administrative proceedings initiated after the entry into force of these provisions.

(2) Article 64(2) as established by the Módtv. shall be applied by the MNB in the time schedule of its comprehensive inspections from January 1, 2016. Prior to this date, Article 64(3) of this Act as in force on the day before the entry into force of the Módtv. shall be applied.

(3) If the Magyar Nemzeti Bank has not undertaken electronic administration in accordance with Article 108(2) of the Act CCXXII of 2015 on the general rules of electronic administration and trust services before January 1, 2018, the provisions of this Act effective on December 31, 2016 shall be applied to electronic communication until December 31, 2017.

Article 183/G (1) Articles 49(1), (1a), (4) to (7) and Article 60(1a) as laid down in the Act XXXI of 2016 on the amendment of Act CXXXIX of 2013 on the Magyar Nemzeti Bank (hereinafter referred to as 'Módtv.2.') shall also apply to administrative proceedings in progress on the date of entry into force of the Módtv.2.

(2) Articles 149(1) to (3), (5) and (6) as laid down in the Módtv.2. shall apply from the first day of the month following the date of entry into force of the Módtv.2.

Article 183/H (1) The organizations defined in Article 58(2) – as established by the Act LIII of 2016 on the amendment of certain Acts affecting the financial intermediary system – are obliged, by January 1, 2017 at the latest, in other matters involving electronic communication between the organization and the MNB, to fulfill the requirements specified in the decree containing detailed rules for its use, and complete the necessary registration the order, manner, content and form of electronic communication for the mail storage facility operated by the MNB, as well as to registrate for this.

(3)) The organizations defined in Article 58(2) – as established by the Act LIII of 2016 on the amendment of certain Acts affecting the financial intermediary system – are obliged to maintain electronic contact after compliance with the requirements of the decree defined in paragraph (1) and the necessary registration, but no later than January 1, 2017.

Article 183/I Article13(9b), as established by Act C of 2025 on the Amendment of Acts Relating to the Financial Intermediary System, shall apply to supervisory executives appointed after 11 January 2026.

Article 183/J Article 14(8), which was established by Article 85(1) of Act CXXVI of 2018 on the amendments aiming legal harmonisation on certain laws regarding the financial market (hereinafter referred to as 'Módtv.3'), shall also apply to the members of the supervisory board who were already fulfilling their mandate when it entered into force.

Article 183/K The stipulations of Article 13 established with Módtv.3 shall apply in any administrative procedure in which the final decision of the MNB was still pending when the Módtv.3 entered into force.

Article 183/L (1) The governor and the deputy governors of the MNB and the members of the Monetary Council specified in Article 9(4) point c), as well as the members of the supervisory board, shall make a declaration of wealth until August 5, 2022 based on Article 157(1) of the present Act established by the Act XVIII of 2022 on amending Act XXXVI of 2012 on the National Assembly and on the amendment of certain related acts according to the status on the day of the declaration of wealth.

(2) The declaration of wealth of the of the spouse, partner and children living in the same household as the governor and deputy governor of the MNB, the member of the Monetary Council specified in Article 9(4) point c) and the member of the supervisory board being held by the administrator of the declaration of wealth on the day of entry into force of the Act XVIII of 2022 on amending Act XXXVI of 2012 on the National Assembly and on the amendment of certain related acts shall be kept by the administrator of the declaration of wealth until August 1, 2023.

(3) In proceedings related to declaration of wealth that are ongoing on the day of entry into force of the Act XVIII of 2022 on amending Act XXXVI of 2012 on the National Assembly and on the amendment of certain related acts the rules in force at the start of the proceeding shall be applied.

183/M (1) The governor and the deputy governors of the MNB, the members of the Monetary Council specified in Article 9(4) point c), as well as the members of the supervisory board shall make a declaration of wealth in accordance with the provisions established by the Act XXXI of 2022 on the amendment of certain acts related to the declaration of wealth in connection with the control of the use of European Union budget resources by January 3, 2023, according to the situation existing on December 31, 2022. They also shall attach to this declaration of wealth the declaration of wealth of their family members living in the same household with them.

(2) The governor and the deputy governors of the MNB, the members of the Monetary Council specified in Article 9(4) point c) as well as the members of the supervisory board shall fulfill their obligation to declare their wealth by December 31, 2022 in accordance with the provisions in force on October 31, 2022.

(3) In the proceedings related to the declaration of wealth being in progress on the date of entry into force of the Act XXXI of 2022 on the amendment of certain acts related to the declaration of wealth in connection with the control of the use of European Union budget resources the rules in force on the day of the start of the procedure shall be applied.

Article 183/N (1) on amending the Act Articles 76(5), (5a) and (6), 86/A(5), 90(2), 91(5) of Act LXXVII of 2022 amending Act CXXXIX of 2013 on the Magyar Nemzeti Bank (hereinafter referred to as ’Módtv.4.’) shall also be applied proceedings ongoing upon the entry into force of Módtv.4..

(2) Articles 149(1)-(3), (5), (6) and (8) amended by Módtv.4. shall be applied for the first time for the period from the date of entry into force of Módtv.4. until February 28, 2023.

Article 183/O Article 12(4) subsection b) and Article 12(8) established by the Act … of 2023 on the amendment of the Act CXCIV of 2011 on the economic stability of Hungary and on the amendment of the Act CXXXIX of 2013 on the Magyar Nemzeti Bank (hereinafter referred to as ‘Módtv.5.’) shall be applied in 2023 with the exception that the executive board shall send its approved forecast of the preliminary level of the equity within 3 days after the Módtv.5. enters into force, simultaneously to the shareholder and the Fiscal Council.

Article 183/P Article 162(2) as amended by Act XLVII of 2025 on the Amendment of Act CXCV of 2011 on Public Finances and Act CXXXIX of 2013 on the Magyar Nemzeti Bank shall not apply to foundations established prior to its entry into force.

55. Compliance with the majority requirement set out in the Fundamental Law

Article 184 Articles 1 to 14, Articles 16 to 21, Article 23(1), (2) and (10), Article 24(1), (2), (4) and (5), Article 26 (1) and (2), Articles 27 and 28, Articles 29 to 32, Article 33(1), Article 34, Article 35(1), Article 36, Article 39(1) and (2), Article 42, Articles 96 to 101, Articles 167 to 169, Article 176, Article 178(8) and (9), Article 183(1) and (5) and Article 183/O hereof are deemed implementing, pursuant to Article 41(1), (2), (5) and (6) of the Fundamental Law.

56. Compliance with European Union law

Article 185 This Act shall serve the purpose of compliance with the following:

1. Article 5(2) and Article 16 of Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services,

2. Artic18le 4 of Directive 2005/14/EC of the European Parliament and of the Council of 11 May 2005 amending Council Directives 72/166/EEC, 84/5/EEC, 88/357/EEC and 90/232/EEC and Directive 2000/26/EC of the European Parliament and of the Council relating to insurance against civil liability in respect of the use of motor vehicles,

3. Directive 2005/68/EC of the European Parliament and of the Council of 16 November 2005 on reinsurance and amending Council Directives 73/239/EEC, 92/49/EEC as well as Directives 98/78/EC and 2002/83/EC,

4. Article 2(1) *a)* and *b)* and Article 4(1) of Directive 2009/22/EC of the European Parliament and of the Council of 23 April 2009 on injunctions for the protection of consumers' interests,

5. Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast),

6. Article 1 of Directive 2009/111/EC of the European Parliament and of the Council of 16 September 2009 amending Directives 2006/48/EC, 2006/49/EC and 2007/64/EC as regards banks affiliated to central institutions, certain own funds items, large exposures, supervisory arrangements, and crisis management,

7. Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II),

8. Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company,

9. Commission Directive 2010/42/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards certain provisions concerning fund mergers, master-feeder structures and notification procedure,

10. Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 98/26/EC, 2002/87/EC, 2003/6/EC, 2003/41/EC, 2003/71/EC, 2004/39/EC, 2004/109/EC, 2005/60/EC, 2006/48/EC, 2006/49/EC and 2009/65/EC in respect of the powers of the

European Supervisory Authority (European Banking Authority), the European Supervisory Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority),

11. Directive 2011/89/EU of the European Parliament and of the Council of 16 November 2011 amending Directives 98/78/EC, 2002/87/EC, 2006/48/EC and 2009/138/EC as regards the supplementary supervision of financial entities in a financial conglomerate,

12. Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC,

13. Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014 amending Directives 2003/71/EC and 2009/138/EC and Regulations (EC) No 1060/2009, (EU) No 1094/2010 and (EU) No 1095/2010 in respect of the powers of the European Supervisory Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority),

14. Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU,

15. Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions,

16. Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution,

17. Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs),

18. Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits,

19. Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010,

20. Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU,

21. Directive (EU) 2019/2177 of the European Parliament and of the Council of 18 December 2019 amending Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), Directive 2014/65/EU on markets in financial instruments and Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money-laundering or terrorist financing,

22. Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU,

23. Directive (EU) 2024/1174 of the European Parliament and of the Council of 11 April 2024 amending Directive 2014/59/EU and Regulation (EU) No 806/2014 as regards certain aspects of the minimum requirement for own funds and eligible liabilities,

24. Directive (EU) 2021/2167 of the European Parliament and of the Council of 24 November 2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU,

25.

26. Directive (EU) 2024/927 of the European Parliament and of the Council of 13 March 2024 amending Directives 2011/61/EU and 2009/65/EC as regards delegation arrangements, liquidity risk management, supervisory reporting, the provision of depositary and custody services and loan origination by alternative investment funds,

27. .

28. Directive (EU) 2023/2673 of the European Parliament and of the Council of 22 November 2023 amending Directive 2011/83/EU as regards financial services contracts concluded at a distance and repealing Directive 2002/65/EC.

Article 185/A This Act shall establish measures for implementing

1. Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community,

2. Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps,

3. Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009,

4. Regulation (EU) No 345/2013 of the European Parliament and of the Council of 17 April 2013 on European venture capital funds,

5. Regulation (EU) No 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds,

6. Commission Implementing Regulation (EU) No 447/2013 of 15 May 2013 establishing the procedure for AIFMs which choose to opt in under Directive 2011/61/EU of the European Parliament and of the Council,

7. Commission Implementing Regulation (EU) No 448/2013 of 15 May 2013 establishing a procedure for determining the Member State of reference of a non-EU AIFM pursuant to Directive 2011/61/EU of the European Parliament and of the Council,

8. Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013

on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012,

9. Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012,

10. Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions,

11. Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European longterm investment funds,

12. Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012,

13. Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014,

14. Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive,

15. Commission Delegated Regulation (EU) 2017/567 of 18 May 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions,

16. Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds,

17. Regulation (EU) 2017/1991 of the European Parliament and of the Council of 25 October 2017 amending Regulation (EU) No 345/2013 on European venture capital funds and Regulation (EU) No 346/2013 on European social entrepreneurship funds,

18. Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms,

19. Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised

securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012,

20. Regulation 2017/1129/EU of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC,

21. Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 amending Regulation (EU) 2016/1011 as regards the exemption of certain third-country spot foreign exchange benchmarks and the designation of replacements for certain benchmarks in cessation, and amending Regulation (EU) No 648/2012,

22. Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937, together with the Act CXX of 2001 on the capital market and the Act CCXXXVII on credit institutions and financial enterprises,

23. Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European individual pension product,

24. Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.

Article 186 (1) Article 24(1) subsection *a)* serves the purpose of compliance with Decision ECB/2001/11 of the European Central Bank of 8 November 2001 on certain conditions regarding access to the Counterfeit Monitoring System (CMS).

1. Article 24(1) subsections b) to d) and paragraphs (2) to (6), in conjunction with the MNB decree issued pursuant to the authorisation conferred in Article 171(1) subsections e) and f), defined the provisions required for the implementation of Council Regulation No 1338/2001/EC of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting as amended by Council Regulation No 44/2009/EC

2. Council Regulation No 1339/2001/EC of 28 June 2001 extending the effects of Regulation No 1338/2001/EC laying down measures necessary for the protection of the euro against counterfeiting to those Member States which have not adopted the euro as their single currency as amended by Council Regulation No 45/2009/EC in respect of the MNB's competence and proceedings.

(2) Article 41(1), Article 87, Article 88(1) subsections *a)* to *c)* and Article 89 of this Act defined the provisions necessary for the implementation of Article 4(1) and (6) of Regulation No 2006/2004/EC of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws as regards mutual assistance, in respect of the MNB's competence and proceedings.

(3) Article 41(2) of this Act sets out provisions for the implementation of Commission Decision 2007/76/EC of 22 December 2006 implementing Regulation No 2006/2004/EC of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws as regards mutual assistance, as amended by Commission Decision 2008/282/EC of 17 March 2008, in respect of the MNB's competence and proceedings.

(4)

(5) Article 40

1. paragraph (2) contains provisions for the implementation of Regulation No 600/2014/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation No 648/2012/EU;

2. paragraph (3) contains provisions for the implementation of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004;

3.

4. paragraph (5) contains provisions for the implementation of Article 22(1) and Article 25a of Regulation No 1060/2009/EC of the European Parliament and of the Council of 16 September 2009 on credit rating agencies;

5. paragraph (8) contains provisions for the implementation of Regulation No 648/2012/EU of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories,

6. paragraph (16) contains provisions for the implementation of Regulation 909/2014/EU,

7. paragraph (20) contains provisions for the implementation of Regulation No 596/2014/EU of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC,

8. paragraph (24) contains provisions for the implementation of Regulation 2015/2365/EU of the European Parliament and of the Council of 25 November 24 on transparency of securities financing transactions and of reuse and amending Regulation No 648/2012/EU,

9. paragraph (23) contains provisions for the implementation of Regulation 2016/1011/EU of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation No 596/2014/EU,

10. paragraph (21) contains provisions for the implementation of Commission Delegated Regulation 2017/567/EU of 18 May 2016 supplementing Regulation No 600/2014/EU of the European Parliament and of the Council with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions,

11. paragraph (22) contains provisions for the implementation of Commission Delegated Regulation 2017/565/EU of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive,

12. paragraph (25) contains provisions for the implementation of Regulation No 1286/2014/EU of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products

13. paragraph (26) contains provisions for the implementation of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds,

14. paragraph (27) contains provisions for the implementation of Regulation (EU) 2017/1991 of the European Parliament and of the Council of 25 October 2017 amending Regulation (EU) No 345/2013 on European venture capital funds and Regulation (EU) No 346/2013 on European social

entrepreneurship,

15. paragraph (28) contains provisions for the implementation of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms,

16. paragraph (29) contains provisions for the implementation of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012,

17. paragraph (30) contains provisions for the implementation of Regulation No 2017/1129/EU of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC,

18. paragraph (31) contains provisions for the implementation of Regulation No 2019/1156/EU of the European Parliament and of the Council of 20 June 2019 on facilitating cross-border distribution of collective investment firms and amending Regulations (EU) No 345/2013, (EU) No 346/2013 and (EU) No 1286/2014

19. paragraph (32) contains provisions for the implementation of Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks,

20. paragraph (33) contains provisions for the implementation of Articles 5-7 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088,

21. paragraph (34) contains provisions for the implementation of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector,

22. paragraph (35) contains provisions for the implementation of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014,

23. paragraph (39) contains provisions for the implementation of Regulation (EU) 2021/1230 of the European Parliament and of the Council,

24. paragraph (40) contains provisions for the implementation of Regulation 2022/858/EU of the European Parliament and of the Council of 30 May 2022 on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No 600/2014 and (EU) No 909/2014 and Directive 2014/65/EU,

25. paragraph (41) contains provisions for the implementation of Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on the markets of crypto-assets and on the amendment of Regulations 1093/2010/EU and 1095/2010/EU, as well as Directives 2013/36/EU and (EU) 2019/1937,

26. Paragraph (42) Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds in respect of the MNB's competence and proceedings.

(6) As regards consumer disputes of a financial nature, this Act contains provisions for the implementation of:

a) Article 14 of Directive 2002/65/EC of the European Parliament and of the Council of 23 September 2002 concerning the distance marketing of consumer financial services and amending Council Directive 90/619/EEC and Directives 97/7/EC and 98/27/EC;

b) Article 102 of Directive 2015/2366/EU of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation No 1093/2010/EU, and repealing Directive 2007/64/EC;

c) Article 24 of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC;

d) Commission Recommendation 98/257/EC of 30 March 1998 on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes;

e) Articles 11 and 12 of Regulation No 924/2009/EC of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation No 2560/2001/EC;

f) Regulation No 524/2013/EU of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes and amending Regulation No 2006/2004/EC and Directive 2009/22/EC (Regulation on consumer ODR);

g) Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation No 2006/2004/EC and Directive 2009/22/EC (Directive on consumer ADR)

in respect of the MNB's competence and proceedings.

56/A. Consultation on draft legislation

Article 186/A (1) The preliminary announcement of the draft of the present Act in accordance with the third indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions has been made.

(2) The preliminary announcement of the draft of the provisions of the present Act amended by the Act XVI of 2014 on the collective investment forms and their managers and on the amendment of certain financial acts in accordance with the third indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions has been made.

(3) The preliminary announcement of the draft of the provisions of the present Act amended by the Act XXXVII of 2014 on the Development of the Institutional Framework Intended to Enhance

the Security of Members of the Financial Intermediary System in accordance with the third indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions has been made.

(4) The preliminary announcement of the draft of the provisions of the present Act amended by the Act LVIII of 2021 on legal amendments related to the regulation of covered bonds, as well as other legal amendments affecting the financial intermediation system in accordance with the third indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions has been made.

(5) The preliminary announcement of the draft of the provisions of the present Act amended by the Act LXXVII of 2022 on the amendment of the Act CXXXIX of 2013 on the Magyar Nemzeti Bank in accordance with the third indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions has been made.

(6) The preliminary announcement of the draft of the provisions of the present Act amended by the Act CXCIV of 2011 on the economic stability of Hungary in accordance with the third indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions has been made.

57. Amendments and repeals

Article 187

Article 188

Annex I to the Act CXXXIX of 2013 on the Magyar Nemzeti Bank

Proceedings affected by mandatory electronic communication

Communication between the MNB and the followings shall be maintained by way of electronic means only:

1. the investment fund manager with regard to the investment fund managed by it

1.1. in relation to the issuance of investment units for

1.1.1. the approval of the prospectus, announcement, management rules and key investor information of a publicly offered, open-ended securities fund harmonized as a UCITS, as well as the entry into force of the depositary agreement,

1.1.2. the approval of the prospectus, announcement, management rules and key investor information of a publicly offered, open-ended securities fund harmonized as AIF,

1.1.3. the approval of the prospectus, announcement, management rules and key investor information of a publicly offered, open-ended real estate fund, as well as the approval of the appointment of the real estate appraiser,

1.1.4. the authorization of the issuance of the prospectus/base prospectus, announcement, and approval of the management rules of a publicly offered, closed-ended securities fund,

1.1.5. the authorization of the issuance of the prospectus/base prospectus, announcement, and approval of the management rules of a publicly offered, closed-ended real estate fund, as well as the approval of the appointment of the real estate appraiser,

1.1.6. the authorization of the distribution of AIF collective investment securities managed by AIF and licensed in other EEA states to retail investors in Hungary,

1.2. the registration of the investment fund,

1.3. the deregistration the investment fund,

1.4. in the event of a liquidation proceeding related to the investment fund, the authorization of the extension of the deadline for sales,

1.5. With regard to UCITS for

1.5.1. the authorization of the investment of the feeder UCITS into the master UCITS,

1.5.2. in the event of the termination of the master UCITS, the authorization for the feeder UCITS to invest at least 85 percent of its assets into another master UCITS,

1.5.3. in the event of the termination of the master UCITS, the authorization of the feeder UCITS to amend its management regulations in such a way that it continues to operate as a non-feeder UCITS,

1.5.4. in the event of the separation or merger of the master UCITS with another UCITS, the authorization of the feeder UCITS to remain the feeder UCITS of the target UCITS,

1.5.5. in the case of the separation or merger of the master UCITS with another UCITS, the authorization of the feeder UCITS to remain the feeder UCITS of another UCITS created as a result of the merger or separation,

1.5.6. in the case of the separation or merger of the master UCITS with another UCITS, the authorization of the feeder UCITS to invest at least 85 percent of the assets into the collective investment securities of another target UCITS that was not created as a result of the merger or separation,

1.5.7. in the case of the separation, merger or termination of the master UCITS, the authorization of the feeder UCITS to continue to operate as a non-feeder UCITS according to Article 143(4) point b) and Article143(6) point c) of the Kbftv.,

1.5.8. in the event of a merger or separation of the master UCITS, the deregistration of the feeder UCITS,

1.5.9. the authorization for the master UCITS to be the acquiring UCITS in the proposed merger,

1.5.10. the authorization for the master UCITS to continue operating in essentially the same form as one of the resulting UCITS following the planned separation,

1.5.11. the approval of this investment if the master UCITS is the merging UCITS and as a result of the merger the feeder UCITS becomes an investor in the acquiring UCITS,

1.5.12. the authorization for the feeder UCITS to become an investor in a UCITS significantly different from the master UCITS as a result of the separation,

1.5.13. the deregistration of the feeder UCITS in case of the termination of the master UCITS,

1.6. in other matters:

1.6.1. the authorization of amendments to the management regulations of a public investment fund,

1.6.2. the approval of the prospectus prepared for the transformation of a public investment fund,

1.6.3. the authorization of the transformation of a private investment fund into a public investment fund,

1.6.4. the authorization of the transfer of the management of the investment fund,

1.6.5. the authorization of the merger of AIFs,

1.6.6. the authorization of the merger of UCITS,

1.6.7. the authorization of a merger as defined in Article 82(7) of the Kbftv., involving becoming a sub-fund of another investment fund managed by the same investment fund manager and depositary,

1.6.8. the authorization of the separation of the collective investment trust or its sub-fund,

1.6.9. the authorization of the suspension of the continuous distribution of investment units in case of a merger,

1.6.10. the extension of the suspension of the continuous distribution of investment units,

1.6.11. the approval of a contract concluded with a real estate appraiser and any amendments to it,

1.6.12. the authorization of the publication of supplements to a prospectus or base prospectus,

1.6.13. the approval of the entry into force of amendments to the depositary agreement for a publicly offered, open- ended securities fund harmonized as a UCITS,

2. the depositary regarding an investment fund for which the depositary is tasked with performing depositary functions for

2.1. the deregistration of an investment fund if it occurs because the MNB has revoked the investment fund manager's license to carry out investment fund management activities,

2.2. the deregistration of an investment fund, if it occurs because the MNB has ordered the investment fund manager to transfer the management of the investment fund, but no investment fund manager assumes the management,

3. the issuer or the person initiating the admission to a regulated market for the decisions on the equivalence of information contained in the disclosure document specified in Article 1(4) points f) and g) and Article 1(5) points e) and f) of Regulation (EU) 2017/1129 of the European Parliament and of the Council with the prospectus,

4. the issuer, the offeror, the person initiating the admission of securities to a regulated market or the distributor

4.1. theapproval of thepublicationof the supplements to the issuance prospectus,

4.2. theapproval of thepublication of the supplements to the base prospectus,

5. the issuer, the offeror, the person initiating the introduction of the securities to the regulated market

5.1. theapproval of the publicationof the issuance prospectus,

5.2. theapproval of the publicationof the base prospectus,

6. the international financial institution defined in Annex No. 23 of the Tpt. or the international institution in which at least one member state of the European Union is a member, for the authorization of the publication of a disclosure,

7. a local government or a regional or local government of a member state of the European Union for the authorization of a publication of a prospectus and announcement for publicly offering or admitting to a regulated market debt securities issued or guaranteed by such local or regional governments,

8. issuers with headquarters in a third country for the authorization of the publication of the prospectus,

9. a closed company limited by shares transitioning to a private limited company that has publicly issued securities, for exemption from public reporting obligations,

10. a non-natural person offeror or the investment service provider mandated by it under Article 68(4) of the Tpt.

10.1. the approval of the public takeover offer made by them,

10.2. the approval of the public takeover offer made and amended by them,

11. the issuer of publicly offered securities in procedures related to the reporting of regulated information.