Whistleblower Protection in Hungary

Introduction

Hungary introduced an updated whistleblower protection law in 2014 in order to comply with international agreements and complement the government’s anti-corruption program. The law improves upon a 2010 law that was considered inadequate.

The new law coincided with Hungary’s biggest whistleblower scandal. In 2013 tax inspector András Horváth accused tax authorities of corruption, underlining the necessity for a new regulatory framework. Some critics claim, however, that even the new law does not grant full protection.

Laws, Institutions and Procedures

Hungary’s Act on Complaints and Public Interest Disclosures, which took effect in January 2014, covers employees in the public and private sectors.

Under the law, companies are not required to set up internal whistleblower systems. If they do set up a system, it must meet several requirements, including publishing whistleblowing rules on the company’s website and registering the system with Hungary’s data protection authority (NAIH).

After an employee properly files a report (in good faith, not anonymously, and within six months of witnessing the events), any detrimental measures taken toward the employee are unlawful. Whistleblowers who report to the media are not protected and may be prosecuted for defamation or breaching confidentiality. The law requires employers to investigate all reports and inform whistleblowers of outcomes and actions taken. Employers must notify law enforcement authorities if criminal proceedings are needed.

Hungary has no specific agency that investigates whistleblower claims. Whistleblowers can file complaints via an online system – anonymously if they wish – with the Commissioner for Fundamental Rights (Ombudsman). Complaints are forwarded to the appropriate authorities. There is no specific mechanism to trace workplace whistleblower disclosures, as distinguished from reports from citizens.

Recent or Ongoing Initiatives and Trends

Hungary passed media laws in 2010 that impose significant restraints on the media, drawing criticism from freedom of speech advocates throughout Europe and concerns from EU officials. Questions were raised about the government’s political will to improve transparency and accountability. Whether this proves to
be accurate in the context of the new whistleblower mechanisms remains to be evaluated. Given that the law does not provide full protection, NGOs suggest the government’s efforts do not go far enough.

**Whistleblower Cases**

Shortly before Hungary’s new whistleblower law took effect, the case of tax inspector András Horváth drew nationwide attention. Horváth disclosed that the National Tax and Duty Authority (NAV) had deliberately turned a blind eye on tax irregularities at multinational companies. The NAV sued Horváth for HUF 3 million (€9,500), alleging he violated the agency’s honor and good reputation. In 2017, the prosecutor’s office terminated the investigation after the police informed András Horvath of being charged with infringement of security system of NAV.

In 2011 a disclosure by then-Secretary of State for Agriculture József Ángyán exposed systematic abuse of an EU-funded land program. Ángyán resigned in protest after discovering that many leases were given to a few dozen “mafia families” with close ties to high-ranking politicians, instead of to ordinary citizens. Ángyán was pressured into leaving the Fidesz parliamentary group, and the case remains uninvestigated.

**Data and Statistics**

In 2015 the Commissioner for Fundamental Rights received about 400 complaints, of which 50 were considered substantial and followed up on. Whistleblowers who suspect their submission is not being inquired to the fullest extent may turn to the Commissioner; in 2015, 40 requests of re-investigation were submitted.

**Public Perception of Whistleblowing**

According to Transparency International Hungary, 70 percent of Hungarians would not report corruption. This indicates either that public acceptance of bribery and misconduct are institutionalized and widely accepted, or that most Hungarians would not feel protected if they blow the whistle. According to the NGO K-Monitor, the main reasons citizens do not report corruption are fear and/or dislike of the police, fear of reprisals from government institutions, and because reporting corruption is not worth it.

**Capacities and Knowledge Centers**

Combined efforts to fight corruption and support whistleblowers are being led by the investigative portal Átlátszó.hu, watchdog organization K-Monitor and Transparency International Hungary, which initiated the BEVÉD program. BEVÉD provides legal counseling, psychological assistance, as well as media and journalistic support, and awards a prize to the Whistleblower of the Year.