

Act XCI. 2024.

on HUN-REN, the Hungarian Research Network

The National Assembly, to further strengthen the autonomy of scientific research as enshrined in the Fundamental Law of Hungary, to more efficiently organise and more effectively support research activities, to ensure the long-term sustainability of Hungarian scientists' research, and to ensure that Hungarian research is considered to be among the most excellent on the international stage and receives the recognition it deserves, shall adopt the following Act:

CHAPTER I **GENERAL PROVISIONS**

1. Public service functions and legal status of HUN-REN Hungarian Research Network

Section 1

(1) The mission of HUN-REN Hungarian Research Network (hereinafter: HUN-REN) is to contribute, through its scientific research and innovation, to

- a)* the production of new scientific and innovative results,
- b)* the preservation and cultivation of Hungarian culture, and
- c)* the enrichment of universal science and culture,

and hence to contribute to the solution of social, economic and environmental challenges facing the Hungarian economy and the Hungarian nation as a whole.

(2) In order to achieve the objectives set out in Paragraph (1), HUN-REN shall perform the following public service functions:

- a)* shall conduct scientific research through its research institutes, and for this purpose it shall maintain, operate and continuously develop the necessary infrastructure,
- b)* shall take measures to exploit the results of scientific research,
- c)* shall establish agreements and liaise with Hungarian, foreign and international scientific institutions and organisations as well as with scientific organisations of the European Union,
- d)* may maintain scientific research groups in higher education institutions and public collections under agreements concluded with such institutions, and may contribute to the academic and doctoral (PhD) programmes of higher education institutions,
- e)* shall operate a researcher recruitment scheme,
- f)* shall conduct research and issue position statements on scientific issues at the request of state and local government agencies,
- g)* shall provide public services related to its research activities,
- h)* shall express its opinion on conceptual issues in Hungarian science and society, without infringing Article X (2) of the Fundamental Law of Hungary,
- i)* shall operate the Budapest Research Reactor, and
- j)* shall fulfil all public service tasks and functions conferred on it by law.

(3) In order to ensure that the public service functions of HUN-REN as set out in Paragraph (2) are fulfilled, the State shall protect the legal institution and private autonomy of HUN-REN as a specific private legal entity, including its organisational, financial and operational independence, and shall ensure the necessary legal environment for its operation.

(4) When planning the national budget of Hungary, it shall always be a priority to ensure the funding conditions directly necessary for the performance of the public service function of HUN-REN.

(5) As part of its duties, HUN-REN shall formulate opinions on the Government's strategic planning documents related to its public functions and shall exercise the right to comment on the drafting and amendment of legislation affecting its public functions and activities.

Section 2

(1) HUN-REN is a legal entity with a special legal status operating for the purpose of performing the public functions specified in Section 1 (2).

(2) The general rules of Act V of 2013 on the Civil Code of Hungary (hereinafter: the Civil Code) governing legal entities shall be applied to HUN-REN with the derogations contained in this Act. Where the law refers to any other legal entity or other organisation, HUN-REN shall be understood to be included, unless otherwise implied by the purpose of the law or by this Act.

(3) Pursuant to the provision of this Act, HUN-REN shall also be considered to have public benefit status, if it so requests, in which case this status shall also be indicated in the companies register.

(4) HUN-REN

- a)* may not be transformed into another legal entity,
- b)* may not be merged with any other legal entity,
- c)* may not be merged into any other legal entity; and
- d)* may not demerger or be split up.

(5) In the case of HUN-REN, no demerger is permitted with regard to its missions and public functions as set out in Section 1, with the exception of a division within the meaning of Section 3:45 (1a) of the Civil Code.

(6) HUN-REN may provide for the registration of some of its organisational units as legal entities in accordance with the provisions of the Civil Code.

CHAPTER II THE ESTABLISHMENT OF HUN-REN

2. Registration of HUN-REN

Section 3

(1) The National Assembly calls upon the Government to take the necessary measures on behalf of the State for the establishment of HUN-REN.

(2) In the establishment of HUN-REN, the Minister responsible for the coordination of science policy (hereinafter: the Minister) shall act on behalf of the State.

(3) HUN-REN shall be established for an indefinite period.

Section 4

(1) In addition to the standard mandatory contents of the Deed of Foundation prescribed by the Civil

Code for legal entities, the Deed of Foundation of HUN-REN shall contain

- a) a reference to the fact that HUN-REN performs a public function under this Act,
- b) the detailed rules for the management and utilisation of the assets of HUN-REN in accordance with the provisions of this Act,
- c) the name of the President of the Management Board, who may only be a scholar,
- d) the names of the other members of the Governing Board as well as the duration of their office if it is shorter than the term specified in Section 8 (3),
- e) the names and terms of office of the Director General and the members of the Supervisory Board,
- f) the appointment of the Governing Board to exercise all the rights and powers of the founder,
- g) the rules governing the creation and termination of membership in the Governing Board and the Supervisory Board, as well as the rules of disqualification and conflict of interest of the members of the Governing Board and the Supervisory Board not regulated by this Act, and
- h) the rules for determining the remuneration of members of the Governing Board and the Supervisory Board.

(2) Upon the establishment of HUN-REN, the President of the Governing Board and the members of the Governing Board designated in its Deed of Foundation pursuant to Paragraph (1)(d) shall be persons appointed by the Prime Minister. The President and the members of the Governing Board as referred to in Paragraph (1)(d) shall be nominated to the Prime Minister by the Minister and the President of the Hungarian Academy of Sciences by consensus.

(3) Upon the establishment of HUN-REN, the persons referred to in Clause e) of Paragraph (1) shall be appointed by the Minister.

(4) The Deed of Foundation of HUN-REN shall be in the form of a public deed or a private deed countersigned by an attorney.

Section 5

(1) In accordance with Section 3:9 of the Civil Code of Hungary, a contribution of at least HUF 1 billion shall be allocated for the establishment of HUN-REN.

(2) The contribution allocated for the benefit of HUN-REN shall be listed in the Deed of Foundation as assets, described in detail as necessary for their identification.

(3) The consent referred to in Paragraph (1) shall be provided to HUN-REN prior to the submission of the application for the registration of HUN-REN in the companies register.

(4) In accordance with the provisions of the Deed of Foundation, the Hungarian State may, by unilateral written declaration, undertake to provide HUN-REN with additional property, in addition to the assets transferred at the time of its establishment for the purpose of increasing the total assets of HUN-REN transferred at the time of its establishment. Such increase in assets, including payments and benefits made to third parties in the course of its utilisation, shall not constitute a subsidy under a special law and shall be subject to Paragraph 2, on the understanding that the Governing Board shall amend the Deed of Foundation accordingly.

Section 6

The registration procedure of HUN-REN shall be subject to the provisions of Act CLXXXI of 2011 on the judicial registration of non-governmental organisations and related procedural rules

(hereinafter: NGO Reg. Act), with the proviso that the applicant shall be the Minister, and the court shall register HUN-REN as a 'other legal entity' under the name specified in Section 1 (1), stipulating that the legal form of HUN-REN shall be a legal entity subject to Act ... of 2024.

CHAPTER III
THE ORGANISATION OF HUN-REN

3. Main organisational units and officers of HUN-REN

Section 7

HUN-REN's

- a)* executive and decision-making body shall be the Governing Board,
- b)* representative and the chair of the Governing Board shall be the President
- c)* operational manager shall be the Director General,
- d)* activities shall be financially controlled by the Supervisory Board,
- e)* scientific and innovation activities in its research institutions shall be coordinated by the Vice-Presidents in charge of academic disciplines and
- f)* research institutions carrying out scientific research shall be headed by the directors of the research institutions.

Section 8

(1) The appointment of the members of the management board and the supervisory board of HUN-REN, in case of a vacancy, shall be decided by the Governing Board together with the Supervisory Board, on the understanding that the decision shall require the majority vote of the members of the body concerned by the vacancy. The Deed of Foundation may also require a qualified majority to take a decision on this matter.

(2) The recall of the members of the Governing Board and the Supervisory Board and of the President may be decided in the same manner as their appointment.

(3) The appointment of the President, the Director General, the members of the Governing Board and the members of the Supervisory Board shall be for a maximum of six years. The President and the members of the Governing Board may be re-elected once for a maximum of six years, while the appointment of the Director General may be renewed once for a maximum of six years.

(4) The President and the Director General shall report to the Governing Board on their activities.

(5) Members of the Governing Board and of the Supervisory Board shall be subject only to the provisions of the law and of the Deed of Foundation and shall not be subject to any instructions in the performance of their duties.

Section 9

(1) No member of the Governing Board, including the Director General, or of its Supervisory Board shall be

- a)* a Member of the Parliament,
- b)* a senior political leader within the meaning of Act CXXV of 2018 on Government Administration (hereinafter: Gov. Admin Act),
- c)* a Government Commissioner within the meaning of the Gov. Admin Act,

d) a Ministerial Commissioner within the meaning of the Gov. Admin Act,
e) a senior professional manager within the meaning of Gov. Admin Act,
f) a professional manager within the meaning of Gov. Admin Act,
g) a civil servant employed by an organisation specified in Act CVII of 2019 on Bodies with Special Legal Status and the Status of their Employees (hereinafter: Special Legal Status Act), or any person who held an office referred to in Clauses (a) to (g) above in the year preceding the beginning of their term of office as a member of the management body, the chief executive officer or the supervisory board.

(2) The managing director of a legal entity established or maintained by HUN-REN and established under the Civil Code may not be

a) a Member of the Parliament,
b) a senior political leader within the meaning of the Gov. Admin Act,
c) a Government Commissioner within the meaning of the Gov. Admin Act,
d) a Ministerial Commissioner within the meaning of the Gov. Admin Act,
e) a senior professional manager within the meaning of Gov. Admin Act,
f) a professional manager within the meaning of Gov. Admin Act,
g) a civil servant employed by an organisation specified in the Special Legal Status Act, or any person who held an office referred to in Clauses (a) to (d) above in the year preceding the beginning of their term of office as a managing director.

(3) A member of the Governing Board or the Supervisory Board of HUN-REN (hereinafter collectively referred to as: Senior Officer) shall not be a member or an executive officer of the Board of Trustees or the Supervisory Board of a subsidised foundation or subsidised legal entity (hereinafter collectively referred to as: Subsidised Body) performing public functions within the meaning of the Act on Public Interest Trusts, if, due to the simultaneous holding of these positions, such person is unable or is limited in the impartial, objective and unbiased performance of their duties.

(4) The office shall be held only by persons who are of such independence, impeccability, impartiality and integrity as is required for the performance of their duties.

(5) Compliance with the conflict of interest rules under this Section shall be confirmed by the Governing Board, having due consideration of the position of the State Audit Office.

(6) A review by the State Audit Office may be requested by a senior officer of HUN-REN prior to the commencement of the senior officer's appointment. The position of the State Audit Office shall be delivered within 30 days of receipt of the request.

(7) Compliance with the rules on conflict of interest by the persons referred to in Clauses c) to e) of Section 4 (1) shall be verified by the State Audit Office of Hungary within 3 months of the establishment of HUN-REN.

Section 10

(1) Within thirty days from the first day of their appointment, and within thirty days after the termination of their appointment, senior officers are required to make a declaration of assets in the form and content specified in Annex 1 to Act XXXVI of 2012 on Parliament.

(2) The declaration of assets pursuant to Paragraph (1) shall be retained by the Supervisory Board of HUN-REN.

(3) In the event of failure to submit a declaration of assets, the senior officer may not exercise any rights arising from their office or receive any remuneration until the declaration of assets has been submitted.

(4) The declaration of assets submitted by the senior officer pursuant to Paragraph (1) shall be reviewed by the Integrity Authority in accordance with Act XXVII of 2022 on the Control of the Use of European Union Budgetary Funds.

4. Roles and Responsibilities of the Governing Board, the President and the Director General

Section 11

(1) The executive and decision-making body of HUN-REN is the Governing Board consisting of seven members, the majority of whom are selected from scholars of the academic community. The meetings of the Governing Board may be attended, with consultation rights, by a maximum of three persons delegated by the heads of the research institutions.

(2) The Governing Board shall:

1. exercise the founder's rights as provided for in this Act;
2. adopt the strategy of HUN-REN and within this framework the objectives set for the research institutions;
3. elect the president;
4. adopt a decision on the appointment and removal of vice-presidents in charge of academic disciplines based on a proposal from the president, and invite members of the research councils of academic disciplines to assist the vice-presidents;
5. decide on the establishment, reorganisation and closure of research institutions;
6. issue opinions on the appointment of heads of research institutions;
7. adopt the organisational and operational regulations (by-laws) of HUN-REN;
8. approve HUN-REN's
 - a) business plan,
 - b) general budget,
 - c) budget for research institutions, and
 - d) policies relating to the management of its assets;
9. define a system of performance measurement and evaluation for HUN REN.

(3) The powers of the Governing Board under Clauses (1) to (6) and (8) of Paragraph (2) shall be exclusive powers and may not be assigned.

(4) Decisions of the Governing Board pursuant to Clauses (2), (5) and (8)(c) of Paragraph 2 shall require the affirmative vote of a majority of the members of the Governing Board appointed from among scholars of the academic community.

(5) The work of the Governing Board shall be supported by an international scientific advisory board composed of scholars of the academic community with the power to make proposals and provide opinions. Members of the board are invited to join by the President of the Governing Board.

(6) The Governing Board shall be assisted by an Executive Committee of Research Institutions, composed of the heads of the respective research institutions, vested with consultative powers, which shall meet at least twice a year.

Section 12

(1) The head of the Governing Board and of HUN-REN shall be the President, who shall be elected by the members of the Governing Board from among themselves, with the exception of the appointment at the establishment of HUN-REN pursuant to Article 4(1)(c) and (2) of this Act. Only a scholar of the academic community may be elected as President.

(2) The activities of the HUN-REN are directed by the President, in accordance with the provisions of the organisational and operational regulations (by-laws).

(3) The President shall

1. represent HUN-REN;
2. ensure the implementation of the decisions of the Governing Board through the Director General and the Vice-Presidents in charge of academic disciplines;
3. appoint the heads of the research institutes, after consulting the Vice-Presidents in charge of academic disciplines and the Governing Board;
4. exercise the owner's rights and powers over the assets of HUN-REN;
5. exercise the employer's rights and powers over
 - a) the Director General,
 - b) the Vice-Presidents in charge of Academic Disciplines, with the exception of the right of appointment, dismissal and modification,
 - c) for head of research institutions, and
 - d) the employees defined as such in the organisational and operational regulations (by-laws) of HUN-REN,
6. perform such other duties as are assigned to him/her by the Deed of Foundation.

(4) In the absence of the President, he/she shall be substituted by the Vice-Presidents of Academic Disciplines in scientific matters and by the Director General in operational and organisational matters, otherwise the President may delegate his/her powers under Clauses 4 and 6 of Paragraph (3) or a specified part thereof to the Director General, who may not delegate them further.

Section 13

The Director General is the operational manager of HUN-REN, and in this capacity

- a) shall carry out the administrative management of HUN-REN,
- b) shall perform the duties set out in the Deed of Foundation, the organisational and operational regulations (by-laws), and
- c) shall act in matters in which it is required to exercise delegated powers.

5. The Supervisory Board

Section 14

(1) The establishment of a supervisory board is mandatory for the operation of HUN-REN. The Supervisory Board shall consist of three members. The chairperson of the supervisory board shall be elected by the members from among themselves.

(2) The Deed of Foundation may set out requirements as to the qualifications, academic degree and other professional criteria for the chairperson and members of the supervisory board.

6. Roles and Responsibilities of the Vice-Presidents and Research Institutes

Section 15

(1) To coordinate the scientific activities of the research institutions, Vice-Presidents for Academic Disciplines may be appointed. Only a scholar of the academic discipline may be appointed as a Vice-Presidents in charge of a discipline. The Vice-Presidents in charge of academic disciplines shall perform the responsibilities defined and set out in the Deed of Foundation as well as in the Organisational and Operational Regulations (By-laws).

(2) The Vice President for the Academic Discipline shall be assisted by the Research Council, which shall have the power to make proposals and form opinions.

Section 16

(1) In order to carry out its public functions under Section 1(2), HUN-REN shall establish research institutions (hereinafter: Research Institutions). HUN-REN pursues its scientific research and innovation activities in research institutions, in accordance with the principle of scientific freedom.

(2) In line with their professional agenda, research institutions shall, in their own academic discipline

- a) conduct scientific research,
- b) take a stand in scientific matters,
- c) foster the professional development of their researchers and ensure that they have access to new researchers, and
- d) participate in teaching, research and doctoral studies under an agreement with a higher education institution.

(3) The head of a research institution shall be a researcher/scholar in that academic discipline.

CHAPTER IV MANAGEMENT AND FINANCING OF HUN-REN

7. The Management of HUN-REN

Section 17

(1) HUN-REN may use its assets exclusively for the purpose of carrying out activities related to its public functions as defined in Section 1 (2). In this context, HUN-REN may undertake management activities in conformity with the principle of private market investors, without compromising the provision of public functions. HUN-REN shall keep separate accounts for the costs and revenues of these asset management activities.

(2) As part of its economic activities, HUN-REN shall manage the assets assigned to it and the assets it receives pursuant to Section 5 and from other sources as part of and for the purposes of its public functions as defined in Section 1 (2), and may manage them freely without infringing the requirement of good and responsible management.

(3) The total assets of HUN-REN may not decline below the contribution specified in Section 5 (1).

Section 18

If assets are transferred to HUN-REN at the time of its establishment or as a contribution to increase its initial capital, the transfer of ownership must be indicated in the Deed of Foundation of HUN-REN.

(2) The provisions of Section 6 (1) and Section 13 (4), (5), (7) and (8) of Act CXCVI of 2011 on National Assets (hereinafter: National Assets Act) shall not be applied to the contribution of assets pursuant to this Section.

(3) HUN-REN may freely manage the assets provided to it free of charge by the State within the framework of its asset management activities, and may freely dispose of them without infringing the requirement of responsible management. The State may also stipulate that, in the case of a free transfer of assets, the management and disposal of certain assets may be restricted by establishing a pre-emptive right of the State in respect of the assets in the Deed of Foundation.

(4) In the case of a company shareholding granted by the State, the State shall have a pre-emptive right of purchase under the conditions laid down in the Deed of Foundation, and purchase option in the case of a public limited company. If the State does not exercise its pre-emptive right or right of first refusal or purchase, the pre-emptive right or purchase option shall be vested in the company holding the shares.

(5) If the holder of the pre-emptive right or the purchase right does not exercise the pre-emptive right or the purchase right within 90 days of the date of the notice, the pre-emptive right or the purchase right shall be forfeited.

(6) Notwithstanding Paragraph (3), in the case of a free transfer of assets, the State may also stipulate that certain assets shall be directly assigned to the execution of a public function or activity of public interest in accordance with the objectives of HUN-REN. In such a case, a condition may be imposed that, in the event of the performance by HUN-REN of a specific public function or the termination and realisation of the purpose, the public assets thus allocated shall be returned to the State, which shall be guaranteed by a prohibition of disposal and encumbrance. In the case of real estate, this right must be registered in the land registry.

(7) If the State transfers the ownership of State property directly to HUN-REN for the execution of a public function - by a declaration pursuant to a statutory authorisation, a contract or a deed of incorporation of a legal entity (hereinafter collectively referred to as: the Statutes) - free of charge, the Statutes containing such transfer may only be amended by the persons authorised to do so. In connection with this public function, HUN-REN may enter a commitment against medium- or long-term expenditure appropriations for a year beyond the budget year on the basis of a legal authorisation.

(8) Pursuant to Section 13 (3) of the National Assets Act and Section 36 (1) of Act CVI of 2007 on State Property (hereinafter: State Property Act), assets allocated by the State to HUN-REN free of charge shall be transferred to HUN-REN by transferring them at their book value, notwithstanding the provision under Section 36 (2) of the State Property Act, in order to fulfil the asset management activities of HUN-REN and to fulfil its public functions and public interest objectives.

(9) Asset may also be transferred in such a way that the State directly finances, from central budgetary resources, a targeted investment in real estate owned by HUN-REN or a legal entity maintained by HUN-REN.

(10) An asset transfer made pursuant to this Section shall be deemed to be treated as a transfer within the meaning of Section 17 (1) of Act CXXVII of 2007 on Value Added Tax.

(11) The detailed rules on the transfer of assets within the framework of this Act may also be regulated in a civil law agreement between the State and HUN-REN.

(12) If HUN-REN carries out its public function as defined in Section 1 (2) with the involvement of a legal entity owned or maintained by it, the provisions of this Section shall also apply to the assets transferred to such legal entity.

(13) The provisions of this Title shall also be applied in the event that the State does not transfer assets to HUN-REN. Detailed matters concerning the transfer of assets can be regulated in a civil law agreement between the transferor and HUN-REN.

8. Provisions Concerning the Financing of HUN-REN

Section 19

(1) The activities of HUN-REN pursued under this Act shall be promoted by the State by

- a)* a contract for the financing of public functions,
- b)* financial subsidy,
- c)* a transfer of assets pursuant to Sections 5 and 21 of this Act, or
- d)* by donations to HUN-REN.

(2) For the realisation of the objectives of HUN-REN, a person/entity other than the State may also provide support or contributions. Both monetary and non-monetary contributions and donations may be made to HUN-REN.

(3) In order to achieve the objectives set out in its Deed of Foundation, HUN-REN may participate in tendering procedures and may receive funds.

Section 20

(1) The public function to be performed by HUN-REN is primarily carried out under a public function financing agreement.

(2) In order to ensure the long-term provision of such public function, the basic principles and guarantees for the financing of HUN-REN as a service provider and the arrangements for cooperation between the State as the principal are laid down in a long-term framework agreement between the State and HUN-REN for a period of twenty-five years.

(3) The State and the HUN-REN shall, within the scope of the framework agreement referred to in Paragraph (2), lay down in a detailed public function financing agreement to be concluded for a period of six years

- a)* the volume and the system of indicators of the activity covered by the agreement,
- b)* the amount of the funding corresponding to Clause a) as well as the rules for indexing the value of the funding,
- c)* the possibility of exploratory research on the basis of free choice of topics and the range of research topics defined on the basis of thematic priorities, and
- d)* the periodic joint assessment and review of the provision of public functions and the necessary detailed arrangements.

(4) When concluding and amending a public function financing agreement under Paragraph (3), the Minister acting on behalf of the State may undertake a commitment beyond one year for the duration of the agreement.

(5) The fixed annual amount of the public function financing agreement referred to in Paragraph (3) may not exceed a maximum of two hundred and fifty percent of HUN-REN's funding from the central budget of the previous year.

(6) If either party fails to comply with the terms of the public function financing agreement, the other party shall be entitled to take legal action in accordance with the rules of Act CXXX of 2016 on the Code of Civil Procedure. The court shall decide the case out of turn and, in the event of judicial review, shall take interim measures to ensure the continuity of the provision of public functions.

Section 21

(1) During the operation of HUN-REN, the State may make monetary and non-monetary contributions to HUN-REN in order to promote the realisation of the public functions as defined in Section 1 (2) and the objectives set out in the Deed of Foundation of HUN-REN. A financial contribution made to HUN-REN, including payments and benefits made to third parties in the course of its utilisation, does not constitute funding under the specific law.

(2) HUN-REN shall report on the use of the financial contribution in its annual report in accordance with the Act on Accounting until it has been fully used up.

(3) The financial contribution made to HUN-REN pursuant to Paragraph (1) shall constitute an increase in assets pursuant to Section 5 (4).

Section 22

(1) HUN-REN may join and leave any standard public procurement system by a unilateral declaration.

(2) The contribution provided by the State pursuant to Section 19(1)(a) and (c) shall not be subject to the rules on public finances.

9. Asset Management

Section 23

(1) HUN-REN may be entrusted with the management of assets for the benefit of HUN-REN in relation to the provision of its public functions, in which case HUN-REN shall be granted an asset management right attached to a public function, which shall be registered as such in the case of real estate in the land registry, and in the public register attesting the ownership of the asset and the existence of the right to the asset in the case of movable assets.

(2) An asset management right attached to a public function may be established by the State and, exclusively in the case of the establishment of an asset management right attached to a public function pursuant to Paragraph (9), by the body responsible for the management of the National Land Trust Fund, by an asset transfer to HUN-REN contained in the deed of foundation or by a legal instrument containing an asset transfer or a legal transaction containing an asset transfer, which increases the initial assets of HUN-REN.

(3) The asset management right attached to a public function shall be withdrawn if

- a) the public function for which the asset was assigned ceases or the asset assigned to the performance of the public function is destroyed or lost,
- b) in the course of the supervisory procedure under the NGO Reg. Act, the court finds that HUN-

REN is not performing the public function for the performance of which the asset management right attached to a public function has been established.

(4) The asset management right attached to a public function may not be terminated except in the cases provided for in Paragraph (3).

(5) HUN-REN may not sell or encumber the asset management right attached to a public function, nor may it dispose of it in any other way.

(6) HUN-REN may exercise the rights and obligations of the owner over the assets to which it is entrusted pursuant to its asset management right attached to a public function on the understanding that the assets

a) may not be sold or encumbered,

b) may not be made available to a third party, whether for consideration or free of charge, or transferred for use

(ba) with the exception of a wholly-owned company or an institution set up and maintained by it or a wholly-owned company of such a company, or

bb) with the exception of use and exploitation for the establishment or maintenance of an electronic communications installation, residential purposes or for the provision of public services.

(7) The asset management right attached to a public function and the assets encumbered with such right shall not be included in the assets subject to bankruptcy and liquidation proceedings pursuant to Sections 4(1) and (2) of Act XLIX of 1991 on Bankruptcy and Liquidation Proceedings.

(8) In respect of state-owned property encumbered with the asset management right attached to a public function, the holder of the title to such property shall have only the right of sale and encumbrance among the powers vested in the owner, but may exercise this right only with the consent of HUN-REN.

(9) HUN-REN may, in order to achieve its public interest objectives and perform its public functions, be granted a part of the land belonging to the National Land Trust Fund for an indefinite period of time, free of charge, by being granted an asset management right attached to a public function necessary for the performance of its public functions. With regard to land, the provisions of the National Assets Act, the State Property Act and Act LXXXVII of 2010 on the National Land Trust Fund (hereinafter: the Land Trust Act) shall apply with the exceptions provided for in this Act. With regard to the asset management right attached to a public function of HUN-REN established on the land parcels, the ownership rights and obligations of the Hungarian State shall be exercised by HUN-REN pursuant to Paragraph (6) and, with the exception of the provisions of Paragraph (8), by way of derogation from Section 3 (1) of the Land Trust Act, and, with the exception of Paragraph (8), HUN-REN shall also be entitled to represent the owner of the land parcels.

(10) For the purposes of performing its public functions, HUN-REN shall be entitled to hold, use and collect the benefits of the land to which it has been assigned the asset management right attached to a public function, and to transfer the right of use and the right of exploitation, subject to the exception provided for in Paragraph (6)(b), and shall also be obliged to preserve the value of the land, preserve its condition and ensure its good maintenance. Where the right of use is transferred, the maximum holding limit laid down in the Act on the Transfer of Agricultural and Forestry Land shall not apply.

(11) The asset management right attached to a public function shall be registered by the land administration authority in the land registry pursuant to a request to that effect by HUN-REN.

10. Contribution of Assets to HUN-REN

Section 24

(1) Pursuant to Section 13 (3) of the National Assets Act, and Sections 36 (1) and 18 of the State Property Act, the state-owned real estate properties listed in Annex 1 (hereinafter: the real estates) shall be transferred to HUN-REN free of charge as a founder's contribution in kind by transferring the value of the real estates to the books of HUN-REN, in order to promote the fulfilment of the public functions of HUN-REN.

(2) In respect of the real estates, the Minister shall exercise the ownership rights and fulfil the obligations of the State with effect from the registration of the HUN-REN.

(3) Title to the real estates together with the existing encumbrances shall be transferred to HUN-REN.

(4) The remainder of the proceeds from the disposal of the real estates after the costs of disposal have been deducted shall be used by HUN-REN, subject to Section 17 (1), for the fulfilment of its public functions in accordance with Section 1 (2) and for the realisation of its public interest objectives.

(5) At the time of the transfer of real estates pursuant to Paragraph (1), any movable property owned by the predecessor budget agency and any state-owned movable property managed by the predecessor budget agency and available for the performance of public functions specified in Section 1 (2) (for the purposes of this paragraph, hereinafter: movable property) shall be transferred

a) to HUN-REN in respect of the Centre of HUN-REN, the Hungarian Research Network (hereinafter: the HRN Centre) established under Act LXXVI of 2014 on Scientific Research, Development and Innovation (hereinafter: R&D Act),

b) to the organisational unit with legal personality pursuant to Section 29 (2) in the case of the research centres and research institutes of the HRN Center (hereinafter collectively referred to as: HRN research institutes)

by virtue of this Act.

(6) Movable property transferred pursuant to Paragraph (5) shall be documented in a report signed by the authorised representatives of the transferor and the transferee. The historical cost of the transferred movable property shall be the same as the carrying value of that property in the transferor's books.

Section 25

(1) Pursuant to Section 13 (3) of the National Assets Act, and Sections 36 (1) and 18 of the State Property Act, any state-owned shares listed in Annex 2 shall be transferred to HUN-REN free of charge at their book value in order to facilitate the fulfilment of HUN-REN's public interest objectives and public functions.

(2) If HUN-REN disposes of the business shares it owns, the remaining proceeds from the disposal, after the deduction of the costs of sales, shall be used by HUN-REN for the fulfilment of its public interest objectives and public functions under this Act.

Section 26

Other movable property and rights of pecuniary value to be transferred to HUN-REN with regard to its establishment shall be determined by the State in the deed of foundation.

11. Dissolution of HUN-REN

Section 27

(1) The dissolution of HUN-REN shall be governed by Act CLXXV of 2011 on the Right of Association, the Public Benefit Status and the Functioning and Support of Non-Governmental Organisations, with the exception of Title 2/D.

(2) If HUN-REN is dissolved without legal succession, the assets remaining after the creditors have been satisfied shall be vested in the State, even if the assets exceed the amount of the founders' contribution.

(3) If HUN-REN is dissolved without legal succession, the property and shares in the company allocated by the State shall be returned to the State after the creditors have been satisfied.

Chapter V

FINAL PROVISIONS

12. Entry into Force

Section 28

(1) This Act shall enter into force on 1 January 2025, except as provided for in Paragraphs (2) and (3) hereunder.

(2) Sections 30, 39, 77, 17, 18 and 23 shall enter into force on the day following the day on which the assets used by HRN research institutes are transferred to state ownership pursuant to a contract concluded between the Hungarian Academy of Sciences and the Hungarian National Asset Management Ltd.

(3) Sections 29, 31 to 32, Titles 15 to 17, Title 19, Title 20, Sections 43, 44 (2), 45, 46, Titles 22–34, Sections 64, 75, Clause 1 of Section 76, Clauses 1, 13 to 16 and 19 to 22 of Section 77, and Titles 36 to 46 shall enter into force on the day following the effective date of the resolution on the registration of HUN-REN in the company register, but not earlier than 1 April 2025.

(4) The calendar day of entry into force of Sections 30, 39, 77, 17, 18 and 23 shall be determined by an individual decision of the Minister in charge of the supervision of state property, published in the Hungarian Gazette immediately after it becomes known.

(5) The calendar day of entry into force of Sections 29, 31 to 32, Titles 15 to 17, Title 19, Title 20, Sections 43, 44 (2), 45, 46, Titles 22–34, Sections 64, 75, Clause 1 of Section 76, Clauses 1, 13 to 16 and 19 to 22 of Section 77, and Titles 36 to 46 shall be determined by the Minister by an individual decision published in the Hungarian Gazette immediately after it becomes known.

13. Transitional Provisions

Section 29

(1) The Hungarian Research Network Centre (HRN Center) shall be dissolved. HUN-REN shall be the general legal successor of HRN Centre in respect of all rights and obligations.

(2) The HRN research institutes operated by the HRN Centre shall be dissolved as budgetary bodies by legal succession, with their activities being continued in the form of an organisational unit with

legal personality (as a research institute as defined in Section 16), which organisational unit shall be the general legal successor of the given HRN research institute with regard to all its rights and obligations, with the exception of the provisions of Section 31 (1). Upon the establishment of HUN-REN, the State shall be obliged to establish these organisational units with legal personality in accordance with the rules of the Civil Code. The employer's rights shall be exercised by the President in respect of the head of the organisational unit and by the head of the organisational unit in respect of other employees.

(3) Succession under Paragraphs (1) and (2) shall not render any outstanding claims time-barred and shall not be used as grounds for a claim for a breach of contract or for the provision of a financial security.

(4) The HRN Centre and the HRN research institute concerned by the succession shall prepare final financial statements in accordance with the rules of public accounting as of the balance sheet date preceding the date of the succession, on the understanding that the closing of the accounts on which the final financial statements are based shall not require the derecognition of accrued income and accrued expenses. The general and sole legal successor HUN-REN shall prepare an opening balance sheet on the date of the succession, in which it shall include the assets and liabilities shown in the balance sheet of the final financial statements of the HRN Centre and the HRN research institutes in accordance with their classification and the book value shown in the balance sheet of the final financial statements, it being implied that the opening value of the national assets at the time of the opening balance sheet shall be included as subscribed capital, the opening value and changes in the national assets and other assets shall be included as capital reserves, and the balance sheet profit and retained earnings shall be included as retained earnings in the opening balance sheet.

(5) In respect of the real estates, HUN-REN shall be entitled to the right of free use until the date of transfer of ownership pursuant to Section 24, in order to perform the public functions specified in Section 1 (2).

Section 30

(1) The Hungarian State shall provide HUN-REN with the free use of the assets for the operation of the HRN Centre and the HRN research institutes which shall become State property under the contract concluded between the Hungarian Academy of Sciences and the Hungarian National Asset Management Ltd.

(2) The asset transfer concerning movable and immovable assets transferred to the State by the contract referred to in Paragraph (1) concluded between the Hungarian Academy of Sciences and the Hungarian National Asset Management Company shall be deemed to be a transfer under the conditions set out in Section 17 (1) of Act CXXVII of 2007 on Value Added Tax.

Section 31

(1) Notwithstanding the provisions of Section 29 (2), the employment of the employees of the HRN Centre and of the HRN research institutes shall be transformed into an employment relationship with HUN-REN as of the date specified in Section 28 (3), on the understanding that the wages shall be equal to the wages under the employment relationship with the HRN Centre and the HRN Research Institute at the time of the entry into force of this Act, and that the successor organisational unit pursuant to Section 29(2) shall be specified in the employment contract for employees of the HRN Research Institutes.

(2) If the employment of an employee affected by the change of employment referred to in Paragraph (1) was established pursuant to Section 47/A (1) of the R&D Act, the provisions of Act XXXIII of 1992 on the Status of Public Service Employees on jubilee bonuses shall apply to the employee until 31 December 2025.

Section 32

The Government may, by way of an individual decision, transfer the expenditure appropriations of Chapter XXXVI THE HUNGARIAN RESEARCH NETWORK of Annex 1 of Act of 2024 on the Central Budget of Hungary for the year 2025, in order to facilitate the implementation of the public functions of HUN-REN pursuant to Section 1 (2).

14. Cardinal Provisions

Section 33

(1) Paragraphs (2), (3), (6) to (8) of Section 18, Paragraphs (1), (3), (8) and (9) of Section 23, Paragraphs (1), (4), (5) of Section 24, Sections 25, 26, 60 and 87 shall be recognised as cardinal provisions pursuant to and within the meaning of Article 38 (1) and (2) of the Fundamental Law of Hungary.

(2) Paragraph (2) of Section 23 and Title 28 shall be recognised as cardinal provisions pursuant to and within the meaning of Article 38 (1) and (2) of the Fundamental Law of Hungary.

(3) Paragraph (10) of Section 23 shall be recognised as a cardinal provision pursuant to and within the meaning of Article 38 (1) and (2), and Article P) (2) of the Fundamental Law of Hungary.

(4) Section 63 shall be recognised as a cardinal provision pursuant to and within the meaning of Article P) (2) of the Fundamental Law of Hungary.

(5) Subsection a) of Section 56 shall be recognised as a cardinal provision pursuant to and within the meaning of Article 31 (3) of the Fundamental Law of Hungary.

(6) Subsection b) of Section 56 shall be recognised as a cardinal provision pursuant to and within the meaning of Article 38 (1) of the Fundamental Law of Hungary.