



European Commission steps up infringement against Hungary on NGO Law

Brussels, 4 October 2017

Today, the European Commission issued a reasoned opinion - the second step in the infringement procedure - to Hungary for its law on foreign-funded NGOs.

The Commission's **reasoned opinion on the Hungarian NGO Law** follows the [letter of formal notice](#) sent by the Commission on 14 July. The Commission had decided to start legal proceedings against Hungary for failing to fulfil its obligations under the Treaty provisions on the free movement of capital, due to provisions in the NGO Law which indirectly discriminate and disproportionately restrict donations from abroad to civil society organisations. In addition to these concerns, the Commission is also of the opinion that Hungary violates the right to freedom of association and the right to protection of private life and personal data enshrined in the Charter of Fundamental Rights of the European Union, read in conjunction with the EU Treaty provisions.

Hungary replied to the Commission's letter of formal notice on 14 August. Having carefully analysed the explanations put forward by Hungary, the European Commission concludes that **its serious concerns have not been addressed**.

Next steps

Hungary now has **one month** to take the necessary measures to comply with the reasoned opinion. If Hungary fails to reply satisfactorily to the reasoned opinion, then the Commission may refer the case to the Court of Justice of the EU.

Background

The **Hungarian law on foreign-funded NGOs**, adopted on 13 June, introduced new obligations for certain categories of NGOs receiving annual foreign funding above HUF7.2 million (approx. €24,000) to register and label themselves in all their publications, websites and press material as "*organisations supported from abroad*". Such NGOs are also required to report specific information about the funding they receive from abroad to the Hungarian authorities, including when a donor provides funding above HUF500,000 in a given year, detailed data concerning the donor and each donation. This data is included in a special Registry and thus becomes publicly accessible. The concerned organisations face sanctions if they fail to comply with the new registration, reporting and transparency obligations.

For more information

[Letter of Formal Notice on Hungarian NGO Law](#)

On the key decisions in the October 2017 infringements package, see full [MEMO/17/3494](#).

On the general infringements procedure, see [MEMO/12/12\(an info graph\)](#).

On the [EU infringements procedure](#)

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