

Government Decree 379/2021. (VI. 30.) amending Government Decree 350/2011 (XII. 30.) on the Financial Management of Civil Society Organizations, on Fundraising Activities and Public-Benefit Status

The Government, acting on the basis of authorisation under Subsection (3) of Section 73 of Act CLXXV of 2011 on the Freedom of Association, on Public-Benefit Status, and on the Activities of and Support for Civil Society Organizations [Civil Society Organizations Act], and acting within its function laid down in Article 15(1) of the Fundamental Law, decrees as follows:

Section 1

The following Section 12/A shall be inserted to Subtitle 4 of Government Decree 350/2011. (XII. 30.) on the Financial Management of Civil Society Organizations, on Fundraising Activities and Public-Benefit Status (hereinafter: 'Decree'): "Section 12/A (1) For the purposes of the application of Section 29 of the Civil Society Organizations Act, civil society organizations shall specify final donors in their public-benefit status report – and in cases specified under Subsection (4) of Section 29 of the Civil Society Organizations Act, also in their notes on the accounts – with respect to persons providing financial support or donations to them (for the purposes of this Section, hereinafter: 'donor').

(2) 'Final donors' shall be:

- a) natural person donors;
- b) natural persons holding at least 25% of the voting rights or ownership shares in the donor either directly or – as provided for under Subsection (4) of Section 8:2 of Act V of 2013 on the Civil Code (hereinafter: 'Civil Code') – indirectly, or natural persons otherwise practising effective management or control over the donor;
- c) natural persons having a dominant influence – as provided for under Subsection (2) of Section 8:2 of the Civil Code – over the donor; or
- d) in lack of natural persons as specified under points b) or c), executive officers of the donor."

Section 2

In the Decree, the following Section 14 shall be inserted:

„Section 14

Section 12/A of this Decree, introduced by Government Decree 379/2021. (VI. 30.) amending Government Decree 350/2011. (XII. 30.) on the Financial Management of Civil Society Organizations, on Fundraising Activities and Public-Benefit Status shall apply for the first time to financial reports concerning the financial year starting after 31 December 2020."

Section 3

This decree shall enter into force on 1 July 2021.

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Provisions referenced by Government Decree 379/2021. (VI. 30.):

Act CLXXV of 2011 on the Freedom of Association, on Public-Benefit Status, and on the Activities of and Support for Civil Society Organizations [Civil Society Organizations Act]

Section 29

(1) The accounts of civil society organizations – depending on their obligation of reporting – shall be kept by the single or double-entry system, in the Hungarian language and in Hungarian forints.

(2) The financial report of civil society organizations shall contain:

- a) the balance sheet (simplified balance sheet);
- b) the profit and loss account (profit and loss statement);
- c) the notes on the accounts, in the case of double-entry bookkeeping.

(3) Civil society organizations shall submit a public-benefit status report together with the financial report.

(4) The notes on the accounts of public-benefit organizations using double-entry bookkeeping shall indicate the sums appropriated definitively within an assistance program, separately for each type of assistance. Assistance program means financial support or donations received from agencies of central or local authorities and/or from international resources, or from other economic entities for the purposes of the maintenance and/or the development of activities. The information specified above shall be indicated separately in the notes on the accounts for repayable support received within the framework of any assistance program (and shown under liabilities).

(5) The notes on the accounts of public-benefit organizations using double-entry bookkeeping shall indicate the organization's main activities and programs carried out during the financial year.

(6) The public-benefit status report shall specify the organization's public benefit activities, the main target groups and achievements of such activities, and the data and indices specified in Section 32 for determining the public-benefit status.

(7) The public-benefit status report shall contain a list of target-specific assistances, the amounts paid to the organization's executive officers and a list of executive offices to which benefits are provided.

Government Decree 350/2011. (XII. 30.) on the Financial Management of Civil Society Organizations, on Fundraising Activities and Public-Benefit Status

4. The public-benefit status report

Section 12

(1) Civil society organizations and their organizational divisions vested with legal personality shall complete the public-benefit status report provided for in Subsection (3) of Section 29 of the Civil Society Organizations Act, and public-benefit organizations and their organizational divisions vested with legal personality shall complete the public-benefit status report provided for in Subsection (1) of Section 46 of the Civil Society Organizations Act – concurrently with the financial report – using the standard form contained in the Annex to this decree for this purpose.

(2) The minister in charge of relations with social and other non-governmental organizations (hereinafter referred to as "Minister") shall publish the standard form electronically, in a downloadable format.

(3) The public-benefit status report shall be done in conformity with the financial report.