

2025 Rule of Law Report - additional consultation on single market dimension

Fields marked with * are mandatory.

Introduction

The annual Rule of Law Report lies at the centre of the Annual Rule of Law Cycle, which acts as a preventive tool, deepening multilateral dialogue and joint awareness of rule of law issues. So far, five editions of the Rule of Law Report have been published since 2020.

As announced in the Political Guidelines for the 2024-2029 Commission, a Single Market dimension will be added to the Rule of Law Report to report to address rule of law issues affecting companies, especially SMEs, operating across borders.

Therefore, in addition to the regular stakeholder consultation for the 2025 Rule of Law report which was launched on 29 November 2024 (available [here](#)), **the Commission is now launching an additional targeted stakeholder consultation on the single market dimension of the rule of law**. This short questionnaire covers additional topics that are not yet included in the Report's scope which the Commission considers of particular relevance under this angle. The questionnaire is in particular directed to business stakeholders, but all interested parties are invited to contribute. The deadline for contributions is on 24 January (midnight Brussels time).

Under the questions below, you are invited to provide information both on the **relevant legal framework** as well as information on any relevant developments since January 2024. Under each question, the following types of information may be relevant:

A) Legislative developments

- Newly adopted legislation
- legislative drafts currently discussed in Parliament
- legislative plans envisaged by the Government

B) Policy developments

- Implementation of legislation
- evaluations, impact assessment, surveys
- white papers/strategies/actions plans/consultation processes
- follow-up to reports/recommendations of Council of Europe bodies or other international organisations
- important administrative measures

- generalised practices

C) Developments related to the judiciary / independent authorities

- important case law by national courts
- important decision/opinions from independent bodies/authorities
- state of play on terms, nominations and expired mandates for high-level positions (e.g. Supreme Court, Constitutional Court, Council for the Judiciary, Prosecutor General, heads of independent authorities included in the scope of the questionnaire)

D) Any other relevant developments

About you

* I am giving my contribution as

Civil society organisation/NGO

* Organisation name

250 character(s) maximum

Hungarian Helsinki Committee / Magyar Helsinki Bizottság

Please insert an URL towards your organisation's main online presence or describe your organisation briefly:

500 character(s) maximum

The Hungarian Helsinki Committee (HHC) is a human rights NGO based in Hungary. Focus areas: the rule of law, the rights of refugees and migrants, the human rights performance of law enforcement agencies and the criminal justice system, and equality before the law. Activities: free legal counselling, strategic litigation, monitoring, research, domestic and international advocacy, trainings and capacity-building, awareness-raising, and international cooperation. Website: <https://www.helsinki.hu/>.

Transparency Register Number

Check if your organisation is in the transparency register. It's a voluntary database for organisations seeking to influence EU decision-making

496227428572-68

* Country of origin

Hungary

First Name

Surname

* Email Address of the organisation

helsinki@helsinki.hu

* Publication of your contribution and privacy settings

You can choose whether you wish for your contribution to be published and whether you wish your details to be made public or to remain anonymous.

- ☐ Anonymous - Only your type of respondent, country of origin and contribution will be published. Organisation name, URL, transparency register number, first name and surname given above will not be published. **To maintain anonymity, please refrain from mentioning the name of your organisation and any details from which your organisation can be identified in the rest of your contribution.**
- ☒ Public - Your personal details (name, organisation name, transparency register number, country of origin) will be published with your contribution).
- ☐ No publication - Your contribution will not be published. Elements of your contribution may be referred to anonymously in documents produced by the Commission based on this consultation.

☒ I agree with the personal data protection provisions.

[Specific privacy statement targeted stakeholder consultation 2025 rule of law report.pdf](#)

Topics for input on the single market dimension of the Rule of Law Report

* Country covered in your contribution [only one choice possible]

If you wish to submit information concerning several countries, please fill in the questionnaire separately for each country. There is no limit to the number of contributions submitted by a single participant.

Hungary

Specialisation (of judges/specific courts/chambers within courts) and training for the judiciary to deal with commercial cases.

This question complements the questions in the original questionnaire related to quality and efficiency of justice

5000 character(s) maximum

Alternative dispute resolution and mediation

This question complements the questions in the original questionnaire on quality and efficiency of justice

5000 character(s) maximum

Measures for the prevention of corruption in relation to the issuing of official permits (e.g. related to environment, energy and various types of construction)

This question complements the questions in the original questionnaire on the prevention of corruption

5000 character(s) maximum

Reporting on the use of digital technologies to enhance transparency and oversight in public procurement

This question complements the questions in the original questionnaire on the prevention of corruption

5000 character(s) maximum

Safeguards to ensure legal certainty, the stability of the legal framework and non-discrimination.

This question complements the question in the original questionnaire on rules and use of fast-track and emergency procedures, linked to the overall process for preparing and enacting laws

5000 character(s) maximum

As elaborated in our responses to the questions in the original Rule of Law Report questionnaire on the process for preparing and enacting laws, the finding of the 2024 Rule of Law Report that “[t]he quality of law-making and the frequent changes in legislation remain a significant cause for concern” remains valid. For example, Act LV of 2023 on the Central Budget of Hungary for 2024 was amended 37 times in 2024 (on average, every 9 days and 21 hours). The respective laws on the central budget were amended excessively also in previous years: 55 times in 2023, 61 times in 2022, and 85 times in 2021.

As also raised in our responses to the questions in the original Rule of Law Report questionnaire, the fact that the Government continues to have excessive emergency regulatory powers under the continued “state of danger” undermines legal certainty, results in human rights violations, and has a negative impact on business environment and investment protection. The Government continues to use its carte blanche mandate to issue emergency government decrees and override Acts of Parliament extensively and in an abusive manner, i.e. for purposes not related to the cause of the state of danger (previously the pandemic, presently the war in Ukraine). As also mentioned by the 2023 Rule of Law Report, this happened in the case of Act XXV of 2022 on the Central Budget of Hungary for 2023 as well, which was restructured in an emergency government decree issued on 29 December 2022.

Rule of law backsliding and the lack of legal certainty inevitably undermines the trust in the legal system: as referred to by the 2024 Rule of Law Report, 23% of the companies surveyed for the 2024 EU Justice Scoreboard “perceive[d] the frequent changes in legislation or concerns about quality of law-making process as a reason for the lack of confidence in investment protection”.

As pointed out by a recent study titled “German Companies in Hungary. To adapt, endure, or engage?”, published in 2024, rule of law backsliding in Hungary resulted in characteristic economic policies, such as: “1. Strong instrumentalization of competition law. Ministerial decrees are used to exempt company mergers and concentrations in key strategic branches from competition law requirements and judicial review. Such instrumentalization leads to considerable legal uncertainty, unpredictability, and a lack of transparency in government actions.

2. De facto discrimination against foreign companies by means of extensive regulatory infringements. In particular, economic pressure is exerted on companies through sector-specific special taxes, in order to force them to sell to Hungarian businesspeople. Given the length of proceedings before national or European courts, companies tend to refrain from taking legal action. In some cases, they fear that any public criticism

will lead to further restrictions on their activities.”

As it can be seen, these economic policies are closely intertwined with the general lack of legal certainty and the lack of stability of the legal framework.

Safeguards to ensure the effective independence of supervisory and regulatory authorities with a direct impact on economic operators

This question complements the questions in the original questionnaire on the independence, resources and powers of national human rights institutions, ombudspersons, equality bodies and supreme audit institutions

5000 character(s) maximum

Respect of the good administration principle (including the obligation of the administration to give reasons for decisions)

This question complements the question in the original questionnaire on transparency of administrative decisions

Safeguards (other than judicial review) regarding decisions or inaction of administrative authorities, including remedies

This question complements the question in the original questionnaire on judicial review of administrative decisions

5000 character(s) maximum

Any other points you would like to raise related to the single market dimension in the context of the Rule of Law Report

5000 character(s) maximum

Act LXXXVIII of 2023 on the Protection of National Sovereignty (hereafter: Sovereignty Protection Act), adopted in December 2023, does not only restrict fundamental rights and exerts a chilling effect on civil society, activists and the independent media, but also has implications regarding the single market. According to the action brought by the European Commission against Hungary in the framework of the infringement proceedings launched (Case C-829/24), the Commission claims that by adopting the Sovereignty Protection Act Hungary has infringed Articles 49, 56 and 63 TFEU (i.e. provisions on the free movement of persons, services, and capital), Article 3 of Directive 2000/31/EC of the European Parliament and of the Council on electronic commerce, Articles 14, 16 and 19 of Directive 2006/123/EC of the European Parliament and of the Council on services in the internal market, Articles 7, 8, 11, 12, 47 and 48 of the Charter of Fundamental Rights of the European Union and Articles 5, 6, 9 and 10 of Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data. I.e., the Commission is of the view that the Sovereignty Protection Act violates several fundamental freedoms of the internal market.

If you would like to upload any supplementary document(s), please do so [here](#)

Contact

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