

## Information on Hungary national BOR

The information below has been provided by the countries participating in BORIS in relation to the following questions:

**Question 1:** What does your national central beneficial ownership register(s) offer?

In order to fulfil its statutory duties, the authority operating as financial intelligence unit, the investigative authority, the body established to fulfil general policing duties, the national security services, the internal affairs division that investigates professional misconduct and criminal acts as defined by the Act on Police as well as the anti-terrorist organization of the police, and the national tax and customs administration, the public prosecutor's office, the court and the supervisory body may access all data stored in the beneficial ownership registry – including the data recorded based on the notifications filed by the authorities or the service providers, the previous information changed, the information relating to the date of data provision and data change, as well as the information relating to the institution providing the data and changing the data – without notifying the data providers concerned, without delay and **free of charge**.

In order to fulfil its statutory duties, the authority operating as financial intelligence unit, the investigative authority, the body established to fulfil general policing duties, the national security services, the internal affairs division that investigates professional misconduct and criminal acts as defined by the Act on Police as well as the anti-terrorist organization of the police, and the national tax and customs administration, the public prosecutor's office, the court, and the supervisory authority may release the information accessed

*a)* to the authority operating as financial intelligence unit, the investigative authority, the body established to fulfil general policing duties, the national security services, the internal affairs division that investigates professional misconduct and criminal acts as defined by the Act on Police as well as the anti-terrorist organization of the police, and the national tax and customs administration, public prosecutor's office, court, supervisory authority of another Member State of the European Union, and

*b)* to the authority operating as financial intelligence unit, the investigative authority, the body established to fulfil general policing duties, the national security services, the internal affairs division that investigates professional misconduct and criminal acts as defined by the Act on Police as well as the anti-terrorist organization of the police, and the national tax and customs administration, public prosecutor's office, court, supervisory authority of a third country provided that the data processing complies with the conditions set out in the rules relating to data transmission to third countries.

In order to comply with the customer due diligence measures or the data verification obligations laid down in the AML Act, the service providers may access the BO information of the data providers stored in the beneficial ownership registry, as well as the data produced as a result of the notifications filed by the authorities or the service providers and the date of recording of such information **free of charge**.

The data provider and the beneficial owner are entitled to access their own beneficial ownership information stored in the beneficial ownership registry, as well as the data produced as a result of the notifications filed by the authorities or the service providers and the date of recording of such information **free of charge** within the framework of individual data provision. The request of the beneficial owner for individual data provision shall be submitted – on the basis of the authorization granted by the beneficial owner – by the data provider which it is the beneficial owner of.

Third parties may access the BO information of the beneficial owner of the data provider – except for the data produced as a result of the notifications filed by the authorities or the service providers and the date of recording of such information – **in exchange for the payment of a fee** within the framework of individual data provision.

Third parties may request information relating to the beneficial ownership information of fiduciary asset management relationships in exchange for the payment of a fee within the framework of individual data provision provided that they certify with supporting documents the purpose of using such information and their legitimate interest in accessing the data or related to combating money laundering and terrorist financing. The legitimate interest shall be deemed to be certified in particular if the third party requesting the information and any beneficial owner of the fiduciary asset management relationship concerned by the request for information

- a) are close relatives as referred to in point 2 of Subsection (1) of Section 8:1 of the Civil Code,
- b) are the beneficial owners of the same legal person or organization without legal personality,
- c) are in a close business relationship, or
- d) are involved in a property action.

In addition to the cases set out above, if the asset managed within the framework of a fiduciary asset management relationship contains an asset entitling either directly or indirectly to majority control in a legal person or an organization without legal personality established outside the European Union – including through bearer shares or otherwise –, third parties may request information relating to the beneficial ownership information of the fiduciary asset management relationship by submitting a written request.

In the case specified in the abovementioned two paragraphs, the third party shall submit a request for the preliminary authorization of the performance of the data request to the minister responsible for the regulation of the money, capital, and insurance market (hereinafter referred to as Minister).

The third party's request shall contain all data, facts, circumstances relating to the purpose of use and to the existence of the legitimate interest, as well as those relating to the asset entitling to majority control; furthermore, the documents supporting these shall be attached.

The Minister shall examine the request and make a decision on the existence of the purpose of use and the legitimate interest, or the asset entitling to majority control within 30 days from receipt.

**Question 2:** Is registration and/or authentication and/or authorization required to search in your national central beneficial ownership register(s)?

Registration/approval or review principally depends on:

- the scope of persons/organization entitled to request BO information (distinction is made whether they are authorities, service providers or third persons)
- the data content that they may have access to
- whether access is subject to an additional obligation (such as the payment of a fee for third persons, or permit of the Minister in certain cases)

The NTCA as the registration body has commenced the information-technological developments taking into consideration the abovementioned criteria, in the course of which questions arising are given priority by the relevant areas of expertise of the NTCA.

It is important to note that registration is necessary in any event, regardless whether it is automatic or upon request of an affected actor). In Hungary, a central government service linked to a person ensures the electronic identification of private persons which identifies the person requesting information without doubt. However, this does not certify the role of a given natural person. That is why registration (the preliminary recording of the role) is necessary because this ensures that certain persons who may act in various roles would have access to the appropriate content by means of their suitable registration. (For instance, a member of an authority in a role outside the authority may be entitled to information that third persons may request or data provision request, however the scope of data to be made available is different.)

**Question 3:** Is registration and/or authentication and/or authorization required to access beneficial ownership information in your national central beneficial ownership register(s)?

See answer given to Question 1 and 2.

**Question 4:** Is access to your national central beneficial ownership register(s) free of charge?

See answer given to Question 1

**Question 5:** How can you perform searches in your national central beneficial ownership register(s)?

Developing search options principally depends on the roles linked to requesting BO information as detailed under Question 2. Those persons requesting BO information, that are entitled to have access to the complete data content and history, are planned to be able to run a search based on any data. In case the scope of data to be known is narrower, this shall constrain the search options as well. Third persons will be able to run a search based on the name or part of the name. For further detail, see answer given to Question 1.

**Question 6:** How do you ensure adequacy, accuracy and timeliness of the information held in the national central beneficial ownership register(s)?

The data providers shall record the BO data set out in BO Act applicable to its BOs and shall take care of updating these data. These data include the BO's or BOs' surname and first name, surname and first name at birth, citizenship, date and place of birth, address, in the absence of which, the place of residence, and the nature and extent of the BO interest. The data provider shall also take due care that if there has been any changes in the BO data of its BO or BOs, the data provider shall be fully informed of the data changed. The data provider is obliged to notify its account holder (payment account-holding financial institutions) of such data as set out in the AML/CFT Act.

The account holders shall transfer the BO data set out in Clauses b) –g) of Subsection 1 of Section 4 of the BO Act and the date of recording such BO data to the NTCA as the registration body within 5 days from the last day of every calendar month. Such BO data have already been made available to the payment account-holding financial institutions in accordance with Section 9 and Subsections (3)-(4) of Section 12 of the AML/CFT Act. The registration body shall record such BO data, their changes as well as the date of the submission of such data and the date of the change in such data. In case more than one payment account-holding financial institution has transferred BO data of the same entity, the registration body shall record the data that was recorded by an account holder at a later date.

In addition, the authorities, the PPO, the courts and the supervisors and the service providers other than the account holders also have to notify differences if the BO data made available to them (e. g. in the CDD conducted by the service providers) differs from the BO data recorded in the BO Register. These differences notified by the aforementioned actors decrease the reliability of the BO index assigned to the BO data and may lead to further consequences resulting in the obligation of the entity concerned to clarify its BO data with its account holder (detailed rules are set out in Sections 10-12 of the BO Act).

Consequently, as demonstrated above the BO information is kept accurate and updated on a timely basis.

**Question 7:** Since when is the national central beneficial ownership register(s) operational? Please also provide the link(s) to the national law(s) implementing the national central beneficial ownership register(s).

Act XLIII of 2021 on the establishment and operation of the data reporting background related to the identification duties of the financial and other service providers (BO Act) has been recently adopted and been in force as of the end of May 2021, except for certain provisions of the Act which will enter into force gradually in the near future. The text of the BO Act (in Hungarian) can be accessed at: <https://njt.hu/jogszabaly/2021-43-00-00>

Initial data provision by the account holders has already been accomplished. Normal data provision and data amendment has just started this month (October 2021). Authorities and service providers will have access to the BO data stored in the Registry and the Registry will contain the differences to be notified by

them in February 2022. In July 2022, third person will be able to have access to the information contained in the BO Registry subject to conditions set out in the legislation.