



## GAZDASÁGI VERSENYHIVATAL

In accordance with Article 88 (4) of the several times amended Act XXXVIII of 1992 on public finances and Article 10 (2) of Government Regulation decree No. 217/1998 (XII.30.) on the management of public finances, the head of the institution supervising the budget chapter is entitled to establish the charter document of the budgetary institution which has been established by law and does not have a supervisor organ. Empowered by law I determine the charter document of the Gazdasági Versenyhivatal (Hungarian Competition Authority, hereinafter referred to as Authority) as follows:

### CHARTER DOCUMENT

The Parliament of the Republic of Hungary (hereinafter referred to as: Parliament) adopted Act LXXXVI of 1990 on the prohibition of unfair market practices in order to protect public interest attached to the maintenance of competition on the market ensuring economic efficiency and social progress, the interests of undertakings complying with the requirements of business fairness and the interests of consumers; and thus established the Authority as well. This Act was overruled on 1 January 1997 by the Act LVII of 1996 on the prohibition of unfair and restrictive market practices (hereinafter PURA), which also arranged the legal status of the Authority.

#### 1. Identification data

The state budget institution

- *Name:* Gazdasági Versenyhivatal
- *Abbreviated name:* GVH
- *Foreign-language name:*  
in English: the Hungarian Competition Authority  
in German: Die Ungarische Wettbewerbsbehörde  
in French: Autorité de la Concurrence de Hongrie
- *Headquarter:* 1054 Budapest, V., Alkotmány u. 5.
- *Postal address:* 1245 Budapest, 5. POB. 1036
- *Leader of the institution (leader of the institution supervising the budget chapter):*  
President of the Authority
- *Founder:* The Hungarian Parliament
- *Date of foundation:* 1st January 1991
- *Legal status:* independent budgetary institution constituting a separate chapter in the central budget
- *According to type of activity:* a budgetary institution with executive power
- *Function:* a central budgetary institution which functions and manages its budgetary appropriation independently and without restriction

- *Entitlement for disposal over budgetary appropriation:* a central budgetary institution with independent management over its budgetary appropriation
- *The account of the budgetary institution is kept by the* Hungarian Treasury
- *General account for using the allocated budgetary appropriations:* 10032000-01468223-00000000
- *TAX ID number:* 15325275-1-41
- *PIR registration number:* 325279
- *Function code:* 751131 administration activity of organs with nationwide scope
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- *Its internal budgetary entity with partial independence:* Competition Culture Centre

## 2. **Basic activities of the Authority to be performed**

The Authority performs – except where any provision of PURA provides otherwise – all the competition supervision-, competition advocacy-related and other tasks emanating from PURA, from the Act on Price Setting and from any other laws prescribed for the Authority or for the President of the Authority. In particular the Authority:

- initiates and performs competition supervision proceedings in the case of an alleged violation of competition law,
- decides on concentrations of undertakings which are subject to notifications,
- takes measures on and assesses informal complaints and complaints submitted to it,
- participates in the coordination of opinions on draft legislations and concepts of legal acts which may fall within the scope of activity of the Authority,
- may turn to the court by requesting review of resolutions of administrative organs which may violate the freedom of competition if the administrative organ does not follow the requisition of the Authority aiming at the amendment or withdrawal of the resolution,
- may file to the court a public interest action if the violation affects a large group of consumers or it causes significant damage for consumers,
- cooperates with supervisory bodies,
- prepares economic or legal analyses about the national and international application of competition policy related issues,
- at the request of the Parliament, Government or ministers or international organisations the President of the Authority reports on experience gained in the course of his activities relating to economic competition and on issues relating to economic competition,
- contributes to the development of the Hungarian competition culture and to the development of the regional institutional system of competition law,
- as from 1 June 2006 performs all the tasks stemming from the supervision of commercial undertakings having substantial market power as it is regulated in Act No. CLXIV of 2005 (Act on Trade) and tasks stemming from the approval of self-regulatory Codes of these undertakings.

In addition to these, the Authority performs all the tasks referred to the competence of the competition authorities of the Member States by the competition rules of the European Community. Task for the Authority may be determined exclusively by an Act of the Parliament.

The Authority reports to the Parliament annually and, upon request, to the competent parliamentary committee on the activities of the Hungarian Competition Authority and, on the basis of his law enforcement experience, on how fairness and freedom of competition are observed.

### **3. Order of appointing the leader of the Authority**

The Authority is headed by the president. The president of the Authority is appointed by the President of the Republic of Hungary in accordance with the nomination of the Prime Minister. Preceding the proposal of the Prime Minister, the candidate attends a public hearing before the competent committee of the Parliament. The president is appointed for six years.

### **4. Financial management of the Authority**

The Authority is an independent budgetary institution, constituting a separate chapter in the central budget, the sums of total expenditure and total income of which may be reduced only by Parliament. The Authority constitutes Chapter XXX in the Hungarian State budget.

Within the Authority, there is a separate unit, the Budget Office (as the financial unit of the Authority) for the accomplishment of the activities as planning, budget appropriation management, budget appropriation modification within its scope of activity, cash management, book-keeping, reporting obligations, and the supplying of data.

Besides its basic activity the Authority may not be engaged in business activities.

There is no other budgetary organisation under the supervision or control of the Authority.

### **5. The structural and functioning order of the Authority**

The activity of the Authority is led by the president.

The president is assisted by two vice-presidents. The president of the Authority nominates the persons of the vice-presidents to the Prime Minister who – if agrees with the proposal – submits it to the President of the Republic of Hungary. The vice-presidents are appointed by the President of the Republic of Hungary for six years; one of them is also appointed the Chair of the Competition Council. The other vice-president is charged with the supervision of the professional sections of the Authority.

The investigations and the related activities aiming to enhance the efficiency of the investigations are led by the investigators. The investigators are appointed by the president of the Authority. The investigators work in professional sections organised according to sectors and case types, and also in other sections assisting in the functioning of the Authority. The sections are headed by the heads of office.

In competition supervision cases the Competition Council has the right to make decisions. The Competition Council consists of its chair and members. Following the proposal of the president of the Authority, members of the Competition Council are appointed or dismissed by the President of the Republic of Hungary. They are appointed for six years. Members of the Competition Council are subject only to the law in the course of the competition supervision proceedings.

The detailed organisational and operational order of the Authority is set in the Organisational and Operational Rules of the Authority, which is established by the order of the president of the Authority. The Organisational and Operational Rules of the Competition Council is prepared by the chair of the Competition Council and submitted by him to the President of the Authority for approval.

### **6. Representation of the Authority**

The Authority is represented by the president in full competence. The representation right of the vice-presidents, heads of office and other civil servants of the Authority, the manner of representation and replacement are all included in the Organizational and Operational Rules of the Authority.

## **7. Final provisions**

The charter document enters into force on the day of its publishing and the charter document published on 1 January 2006 is thus overruled. All the questions and matters that are not set in the charter document are regulated in the Organizational and Operational Rules of the Authority.