

Act CXXXIX of 2005

on Higher Education

By the accession of the Republic of Hungary to the European Union, under the changed circumstances as part of the higher education system of the European Economic Area, for Hungarian higher education in order to be able to complete its designated task of creating, mediating and transferring up-to-date knowledge and in the interest of social cohesion, sustainable developing and maintaining a desirable level of international competitiveness and technological innovation, – by preserving traditions and the intellectual values set forth in the Magna Charta of the European Universities – to improve the competitiveness of Hungarian higher education, to strengthen the efficiency of its cooperation with education, research and the economy, its adaptability to the demands of society, the economy and environmental maintenance and to fiscal conditions, to accomplish student and teacher mobility, to enhance equal opportunities among students, furthermore, to continuously and increasingly achieve within the operation of the education system and individual institutions the freedom to learn, teach, and do scientific research, and the motivation for quality, the Parliament hereby enacts the following Act:

PART ONE

GENERAL PROVISIONS

PURPOSE OF THE ACT

Section 1 (1) The purpose of this Act is to provide for the legal guarantees that are prerequisite for exercising the constitutional right to teaching and learning. Pursuant to the right to learning, each citizen of the Republic of Hungary is entitled to access the services of higher education on condition his/her abilities make him/her qualified for pursuing academic studies. The freedom of teaching, research and artistic creation shall be maintained by means of the autonomy of higher education institutions.

(2) The purpose of this Act is to create legal conditions for higher education institutions enabling them to operate in line with and to benefit from the autonomy guaranteed herein, and to ensure teacher, researcher and student participation in exercising autonomy. The elements of autonomy listed under subsection (3) may be exercised within the limits defined by the law. Provisions pertaining to autonomy may only be governed by the law or subject to authorisation granted by the law. In exercising autonomy, stipulations of the rules and regulations of the given higher education institution shall be observed.

(3) Autonomy in terms of education, research, organisation, operation and management of the higher education institution

a) shall mean the possibility of and responsibility for managing intellectual and material goods the institution and the individuals have been entrusted with,

b) shall incorporate the right of the higher education institution to determine its own educational system, to set up its organisational structure, to establish its rules and regulations, and to decide on matters concerning students, employment and finances relating to the fulfilment of its tasks,

c) shall extend to the choice of topics and the educational and research methods applied in education, research and development as well as in artistically creative work – taking into consideration prevailing conditions – in respect of the teacher, the researcher and the institution alike,

d) shall include the free selection of staff employed by the institution and the designation of their duties based on institutional requirements and expectations concerning performance and quality of work,

e) shall cover the establishment of internal organisational bylaws and operation of the institution, including the setting up, the transformation and the winding up of various (educational, research, service, management and other) units, as well as the right to institute institution-specific statutes,

f) shall include the selection of the heads of the institution by means of an application scheme, and their democratic election,

g) shall ensure the possibility of autonomous management of funds, assets and property provided by the maintainer or acquired through the activities of the institution,

h) shall guarantee the functioning of the individual and community rights of students.

(4) In implementing the educational autonomy of the higher education institution, teachers shall be liable to perform their duties at high standards and in a state-of-the-art and objective manner.

(5) In implementing the research autonomy of the higher education institution, in addition to regularly keeping up to date with scientific achievements and methods necessary for work, researchers shall be liable to strive to achieve new results in line with the rules of the ethics of science, to make such results public and to apply and introduce results in the course of teaching activity compliant with the rules of their profession.

(6) The higher education institution shall maintain its organisational and operational autonomy in accordance with the democratic rules of procedure and decision-making as stipulated both herein and in its own rules and regulations.

(7) The higher education institution shall uphold its autonomy in a way that, at the same time, it ensures lawfulness, efficiency, transparency, accountability and personal responsibility, and in this respect shall warrant the observation of laws, performance of monitoring tasks and the enforcement of the legal consequences of negligence.

(8) The autonomy of students and the student community shall promote the effective and successful education of professionals and intellectuals.

(9) In exercising autonomy, the higher education institution shall create the harmony between the freedom of education, the scientific and artistic life and the students' right to learning.

(10) In maintaining educational and research autonomy, the higher education institution shall be assisted by the Hungarian Accreditation Committee of Higher Education and the Council for Higher Education and Science as defined herein.

Section 2 (1) A further purpose of this Act is

a) to create the framework necessary for Hungarian higher education to integrate into the European Higher Education Area and the European Research Area, as well as to strengthen regional dimensions,

b) to support research conducted in higher education and ensure the necessary conditions thereof, to create the unity of education and research, to further improve links between Hungarian higher education and international research so that higher education institutions constitute one of the most substantial bases for research and development,

c) to strengthen socio-economic integration of Hungarian higher education and guarantee sustainable development of its programmes and operation, and to promote health and environment conscious approaches and values,

d) to create conditions for lifelong learning and, as part of lifelong learning, expand the range of access opportunities to higher education,

e) to prepare students with outstanding results for academic careers so that the transfer of up-to-date knowledge contributes to the establishment of a knowledge-based society,

f) to prepare students to acquire and be advocates of national, European and universal values, to be able to broaden their general education, to carry out autonomous thinking, to be open to social and moral issues, cooperation with civil society, and to feel committed towards professional and intellectual work,

g) to determine the rights and obligations of students and teachers,

h) to establish equal treatment and equal opportunities in higher education,

i) by transforming the training structure of higher education, to allow for professional qualifications guaranteeing employment for the student to be awarded following a short programme, and enable students with outstanding attainments to pursue higher-level studies with a view to obtaining further degrees and other professional qualifications,

j) to determine the legal conditions that are requisite to businesslike, efficient and lawful operation as well as to the economic autonomy of higher education and individual higher education institutions, and to improve the adaptability of higher education institutions to meet the demands of society, economy, and sustainable development as well as their capacity to cooperate therewith,

k) to regulate the system of financing in higher education in such a way that it facilitates the reasonable and fundable transformation of the institutional system and the specific institutions thereby ensuring the most efficient operation, and for the sake of competitive and high-quality education the effective management of higher education institutions, allowing such institutions to also draw on funds other than those allocated from the central budget,

l) through the improvement of quality assurance and quality certification systems of higher education institutions, to ensure that higher education institutions mediate knowledge to students that are exploitable on the national and international labour markets, and are of high quality and serve as solid bases for further development.

(2) Hungarian higher education shall contribute to the development of universal science by means of research and creative-artistic work undertaken in its institutions, by achievements afforded by novel scientific results and

works, the incorporation and transfer of up-to-date knowledge, and the preparation of students with outstanding attainments for academic progress.

SCOPE OF THE ACT

Section 3 The scope of this Act extends to activities in the domain of higher education and the pertaining service-related and administrative activities, to the organisations and institutions facilitating the execution of such tasks as well as to the founders and maintainers of these institutions, to teachers and academic researchers executing work in higher education and other staff employed in higher education, to those applying for admission to higher education and to already enrolled students, and to sponsors of higher education within the territory of the Republic of Hungary as well as to any higher education activity Hungarian higher education institutions are engaged in outside the territory of the Republic of Hungary.

PRINCIPLES OF THE ACT

Section 4 (1) The core activities of higher education institutions shall include education, research and artistic ally creative work.

(2) The core educational activity of the higher education institution shall include undergraduate courses, graduate courses, doctorate courses, higher-level vocational training, and postgraduate specialist training courses. The tasks of higher education shall be undertaken by higher education institutions in compliance with the stipulations of this Act and in cooperation with each other and other actors of society, economy, research and the artistic sphere. The higher education institution may undertake tasks relating to public education and vocational training not qualifying as higher education, as well as other educational tasks specified in sectoral laws as defined herein as well as in Act LXXVI of 1993 on Vocational Education (hereinafter the 'Vocational Education Act'), Act LXXIX of 1993 on Public Education (hereinafter the 'Act on Public Education'), and Act CI of 2001 on Adult Education (hereinafter the 'Adult Education Act').

Section 5 (1) The core research activity of higher education shall incorporate basic, applied and pilot research and development, technological innovation, and other educational forms supporting research.

(2) Higher education institutions shall support gifted students and new generations of researchers in accordance with the provisions of this Act. As part of education institutions shall develop students' mastery in research and development related jobs, in applying acquired knowledge in practice, in entrepreneurial skills, and transfer knowledge pertaining to the protection and utilisation of intellectual property.

(3) The higher education institution shall devise a research, development and innovation strategy, in which it shall outline research programmes, the rules of procedure for awarding funds and scholarships, academic events, duties relating to the enhancement of national and international scientific cooperation, the conditions for promoting the publication of academic works and conducting research activities, and the manner of utilising scientific achievements.

(4) The drafting and implementation of the higher education institution's strategy for research, development and innovation of shall be steered by an academic committee, comprising college and university professors, college and university associate professors, researchers holding a scientific degree, and representatives of students attending doctorate courses (hereinafter 'PhD student').

(5) Researches conducted in the higher education institution shall be assisted by the National Core Programme for Scientific Research and the Research and Technological Innovation Fund by means of an application scheme.

(6) Universities achieving outstanding and recognised results in any branch of science affecting the research activity of the European Research Area may be classified as a 'research university' subject to the conditions laid down by the Government of the Republic of Hungary (hereinafter the 'Government').

(7) In executing its research and development related tasks, the higher education institution may cooperate with the Hungarian Academy of Sciences and its institutions. As part of this cooperation, they may establish and maintain a research team entitled to special support. The research team or organisational unit of the institution of the Academy with offices on the campus of the higher education institution may operate as a department in its own right and may participate in doctoral programmes.

Section 6 (1) The higher education institution shall ensure that knowledge and information are mediated in an objective manner allowing various perspectives of examination. Higher education institutions owned by the state, any local government or national minority government shall not be committed to any religious or secular ideology. In case the higher education institution owned by the state, any local government or national minority government mediates religious or secular information, it shall ensure an objective and multiperspective approach thereto. The operation, activity and management of the higher education institution owned by the state, any local government or national minority government shall not express a standpoint on the verity of any religious and secular doctrine, and shall remain neutral in respect of issues of religious and secular ideologies.

(2) The organisation and operation of higher education institutions shall be independent from any political party, and it may not provide any financial support to such parties. The higher education institution may not yield its premises for operation to organisations and movements pursuing political purposes or to any associated organisations.

(3) Higher education institutions –within ninety days from the end of the academic year at the latest – shall publish and post on their websites their educational, research, development and innovation activities and the most important fields of such activities as well as their latest results.

Section 7 (1) A higher education institution may be established either individually or jointly with other entities authorised to do so

a) by the Hungarian state, a local government or a national minority government,

b) by a religious legal entity registered in the Republic of Hungary, including its organisational unit with legal personality (hereinafter ‘religious legal entity’),

c) by a business organisation with registered seat in the territory of the Republic of Hungary [paragraph *c)* of Section 685 of Act IV of 1959 on the Civil Code (hereinafter the ‘Civil Code’)],

d) by a foundation or public foundation registered in the Republic of Hungary.

(2) The right to exercise founder’s rights may be transferred in line with the stipulations of this Act. The entity exercising founder’s rights shall perform the tasks relating to the maintenance of the higher education institution (hereinafter the ‘maintainer’; any maintainer other than the state hereinafter referred to as ‘maintainer of a non-state institution). If maintainer’s rights are exercised jointly, issues pertaining to both exercising such rights and the fulfilment of obligations shall be laid down in an agreement.

(3) The higher education institution operates as a budgetary organisation if it is maintained by the entities specified in paragraph *a)* of subsection (1). The entities listed under paragraph *a)* of subsection (1) shall exercise maintainer’s rights jointly, and entities listed under paragraphs *b)–d)* of subsection (1) may choose to exercise maintainer’s rights jointly.

(4) Maintainer’s rights shall be exercised on behalf of the state by the Minister of Education unless otherwise stated herein.

(5) The operation of the system of higher education is the responsibility of the state, whilst operation of the higher education institution is the responsibility of the maintainer.

(6) The state shall provide support from the central budget to the maintainer of a non-state institution as defined herein.

(7) In case the higher education institution operates as a budgetary organisation, the maintainer shall be responsible for securing the infrastructure, financial and personnel conditions for the autonomous operation of the institution in line with the stipulations of this Act and giving effect to the realisation of requirements pertaining to public finances.

Section 8 (1) Students may enrol for a higher education programme irrespective of their nationality and freely select a higher education institution for pursuing their studies.

(2) The language of instruction in higher education shall be Hungarian. National or ethnic minority students may pursue studies in their native language, or in their native language and Hungarian, or in Hungarian, as defined in this Act. Instruction in higher education – in part or whole – may be provided in a language other than Hungarian.

Section 9 (1) Persons engaged in the organisation, governance, operation and the execution of the tasks of higher education shall be obliged to adhere to the requirements of equal treatment in making decisions and taking actions affecting students, teachers and staff employed in higher education.

(2) Consequences of non-compliance with the requirement of equal treatment shall be remedied. This, however, may not entail the violation or impairment of the rights of others.

(3) Non-compliance with the requirements of equal treatment, on condition students are affected, shall be remedied in line with the procedure regulated herein. The procedure shall not exclude the possibility to enforce inherent rights in court or the initiation of any other procedure suitable for the establishment of liability and its legal consequences, including the procedure before a public authority with national competence in charge of monitoring the functioning of the requirement of equal treatment.

(4) In applying subsections (1)–(3), the provisions of Act CXXV of 2003 on equal treatment and the promotion of equal opportunities (hereinafter the ‘Equal Treatment Act’) shall also apply.

Section 10 (1) According to Section 29 (1) of the Civil Code, the higher education institution is a legal entity established and operating pursuant to the stipulations of this Act. The higher education institution – depending on the entity of the maintainer – operates subject to the rules of budget management, subject to the rules of management of church organisations, or subject to the rules of management of private higher education institutions.

(2) With respect to higher education institutions owned by the state, Act XXXVIII of 1992 on Public Finances (hereinafter the ‘Public Finances Act’), whereas in the case of higher education institutions operating as a

budgetary organisation Act XXXIII of 1992 on the legal status of public servants (hereinafter the ‘Act on the Legal Status of Public Servants’) shall be applied subject to the derogations defined in this Act.

(3) The higher education institution shall perform its tasks using the subsidy and the funds provided by the maintainer and allocated from the subsystems of the central budget, and revenues from sources other than public finances.

(4) The costs of discharging tasks as well as the operation and the development of the higher education institution shall be covered by appropriations allocated from the annual institutional budget.

(5) The transformation of higher education institutions as defined in Section 36 shall not fall within the scope of market practices under Section 1 (1) of Act LVII of 1996 on the prohibition of unfair market practices and restriction of competition.

Section 11 (1) The hierarchically structured training cycles provided by higher education leading to an academic degree are:

- a) undergraduate course,
- b) graduate course,
- c) doctorate course.

(2) Undergraduate and graduate courses may be organised in separate cycles that are built on each other, in the form of separate programmes, or in cases specified by laws as a one-tier programme. The structure of training offered in separate cycles and that of the one-tier programme is determined by the Government.

(3) As part of higher education, in addition to the forms defined in subsection (1),

- a) higher-level vocational training,
 - b) postgraduate specialist training courses
- may be organised as non-degree programmes.

(4) Pursuant to the stipulations of its founding charter, the higher education institution may participate in adult education without the need for institutional accreditation specified in the Adult Education Act.

PART TWO

THE OPERATION OF INSTITUTIONS OF THE HIGHER EDUCATION SYSTEM

ESTABLISHMENT OF HIGHER EDUCATION INSTITUTIONS

Section 12 (1) Institutions that have been established for the purpose of carrying out activities of higher education defined herein and have received state recognition from the Parliament of the Republic of Hungary may operate as a higher education institution.

(2) The higher education institution can receive state accreditation if it ensures the conditions required for the fulfilment of its mission and provides

- a) undergraduate courses,
- b) undergraduate and graduate courses,
- c) undergraduate, graduate and doctorate courses,
- d) graduate and doctorate courses

in a given training structure defined under paragraphs a)–d), offering more than one programme in at least one field of training, discipline of science or field of art.

(3) The higher education institution shall be deemed to have ensured the conditions necessary for the fulfilment of its tasks if, in consideration of the mission stated in its founding charter, it meets staffing requirements and possesses tangible and financial assets required for its continuous operation, as well as being in possession of required institutional documents.

(4) The higher education institution shall have a permanent seat and a regular faculty of researchers and teaching personnel. For the purposes of these provisions, permanent seat shall mean the place of central administration and where the core higher educational activity is being pursued, provided that it is available for the higher education institution to carry out its tasks at least for eight years as defined by the Government. The higher education institution shall be deemed to have a regular staff of teaching personnel and researchers if it employs at least sixty percent of the teachers and researchers needed for the pursuit of its core activity in the form of a regular employment relationship or in public servant status.

Section 13 (1) For ensuring housing facilities for students, student dormitories may be operated as part of the higher education institution, or a students' hall of residence may be established as an institution not belonging to the organisation of the higher education institution.

(2) The student dormitory may perform tasks pertaining to the preparation of students for pursuing academic studies and may also be involved in higher education activities.

(3) The students' hall of residence may fulfil the tasks specified in subsection (2) on the basis of an agreement concluded with the higher education institution.

(4) The student dormitory is a legal entity operating as a budgetary organisation or as a non-budgetary organisation, depending on the entity of the founder.

(5) The founder of the students' hall of residence can be the higher education institution or any entity entitled to establish a higher education institution.

(6) The student dormitory and the students' hall of residence can conduct student - college activities, and operate as a student college in accordance with the stipulations of this Act.

Section 14 (1) For fulfilling the mission stated in its founding charter, the higher education institution may set up and run institutions and organisational units (for example in the field of public education, vocational education, general education, forensic expert services and library services).

(2) The public education institution maintained by a higher education institution providing teacher training may participate in the practical training of students (hereinafter 'public education institution for teaching practice').

(3) Concerning the establishment, legal status, operation and maintenance of the organisations listed under subsections (1)–(2), the laws pertaining to organisations performing identical tasks shall apply.

Section 15 (1) The higher education institution may start operation if

a) it has been registered, and

b) it has been granted the permit for starting operation as well as

c) Parliament has agreed to its state recognition.

(2) Registration and the permit required for operation can be requested by the maintainer of the higher education institution at the registration centre set up for such a purpose.

(3) Registration may be implemented if, on the basis of available data, it can be confirmed that the infrastructure and financial conditions requisite to the continued execution of the tasks specified in the founding charter are fulfilled to the extent that operation can start, and can gradually be improved to satisfy the needs for full operation. If the registration centre ascertains that the conditions for registration are fulfilled, it shall register the higher education institution and determine what requirements must be satisfied for the institution to be granted a permit for starting operation. At the request of the founder, the higher education institution operating as a budgetary organisation will also be registered by the authority in charge of keeping related master files. Once the higher education institution has been registered, it becomes entitled to make declarations and to undertake any commitments that are necessary to fulfil conditions for issuing the operating permit. The person commissioned by the maintainer to perform organisational tasks and acting as the provisional head of the institution shall be authorised to make declarations, to undertake commitments, and to represent the higher education institution. Such a mandate may be given to persons who comply with the criteria of occupying the rector's position as stipulated in this Act. The mandate of the provisional head of the institution shall be valid until the appointment of the rector.

(4) The higher education institution shall be deemed to have been established if it is registered with the registration centre in case it operates as a non-budgetary organisation, or alternatively if it operates as a budgetary organisation, once it has been registered in the master file. The register kept by the registration centre is authentic, the data contained therein shall be assumed to be genuine until contrary evidence is presented.

(5) In order to prepare the foundation of a higher education institution, the maintainer shall set up a preparatory committee. The preparatory committee shall draft the interim statutes on the basis of which the members of the senate should be selected. At its first meeting, the senate shall decide on actually setting up the senate, the approval of the statutes and the delegation of the members of the financial board. The statutes shall stipulate the professional criteria in respect of the members of the senate, and the rules of election. The preparatory committee is entitled to prepare all institutional documents.

(6) The maintainer may request the permit required for the higher education institution to start operation if it is able to prove that all the conditions defined in Section 12 (2)–(4) necessary for the operation of the higher education institution have been met, or can be met on a gradual basis.

(7) The procedure described under subsections (4) and (6) can be carried out simultaneously.

(8) The permit required for starting operation shall specify in which field of training, discipline of science, field of art, and at what academic level the higher education institution is authorised to provide programmes, and it shall determine – taking into account the premises and other facilities available for students and for providing instruction – the maximum student headcount the higher education institution is ready to admit (hereinafter 'maximum number of admissible students'), considering all years of instruction and assuming full utilisation of

facilities. The authorisation procedure includes the examination of the conditions for offering off-site courses, and extends to the verification whether the quality of education and the academic, artistic and creative activity foreseen by the institution can be ensured. In the case of higher education institutions engaged in teacher training, the public education institution for teaching practice shall also undergo an authorisation procedure. This shall entail the verification of the availability of facilities required for the preparation of students engaged in teacher training. The registration centre issues the operating permit stipulating that the institution can start its educational and research related activity specified in the permit only after Parliament has passed the decision on granting state recognition and the amendment to such act on state recognition has entered into force. *Annex 1* to this Act contains higher education institutions that have so far received state recognition.

(9) The costs associated with the procedures – except when the higher education institution is established by the state – shall be borne by the entity submitting the application. The procedures regulated in this Section shall be subject to the provisions of the Act on general rules of official administrative procedures and services, with the derogation that one hundred and twenty days may elapse until issuance of the operating permit.

(10) With respect to students' hall of residences, only the registration procedure needs to be carried out whereby it should be ascertained whether the students' hall of residence meets staffing, infrastructure and financial requirements necessary for pursuing its activity.

(11) The registration centre shall make its decisions defined in this Section in accordance with the procedure laid down in Section 106.

(12) The Government shall specify the minimum (statutory) requirements for the establishment and operation of higher education institutions, the attachments to the application for establishment, the rules pertaining to the assessment of the application, and the procedure fee. The availability of the teacher and researcher headcount requisite to discharging tasks, of the premises needed for instruction and research, of common rooms, leisure facilities, IT facilities and tools, library and equipment, the budget reflecting the cost of operation, and institutional documents shall in particular be stipulated as minimum (statutory) requirements.

Section 16 (1) The founding charter of the higher education institution shall designate the official name of the higher education institution, the name and address of the maintainer, its core and additional activities, other tasks relating to its core activity, fields of study, disciplines, fields of art, and academic levels where the higher education institution offers courses or is authorised to provide courses. The founding charter shall also indicate if it provides off-site courses, the trade orientations of higher-level vocational training, the tasks it undertakes in the field of public education, general education, public collections, healthcare, agricultural and regional development as well as other duties, the specification of entrepreneurial activity, the address of the seat and any other establishments, the address where the institution provides off-site courses, the principles underpinning the organisational structure of the institution, the immovable properties the institution disposes of, the right of administration of assets, and the maximum number of students.

(2) The registration centre shall keep records of the data contained in the founding charter. The data deposited with the registration centre may be forwarded to the National Higher Education Information Centre. Data recorded in the register are public. Any changes in the recorded data shall be reported. In the case of change in data the procedures regulated under Section 15 shall be carried out in respect of such changes.

(3) If the higher education institution is a budgetary organisation, additional provisions set forth in law may apply to the content of the founding charter, to the registration of the institution and its cancellation from the register.

Section 17 (1) Based on an agreement, the maintainer's rights of the non-state institution of higher education may be transferred to another entity entitled to exercise maintainer's right. In case there is a change in the entity of the maintainer of the higher education institution that does not affect the activity and operation of the higher education institution, the registration centre shall examine whether the new maintainer can secure the conditions necessary for the continued operation of the higher education institution. The agreement on the transfer of maintainer's right shall be effected once the final decision of the registration centre has been made.

(2) Change in maintainer's rights shall not affect the state recognition of the higher education institution. The rights and obligations of the higher education institution shall remain unchanged. Change in maintainer's right shall not affect student status. In the case of a change in maintainer's right the continued employment of staff employed by the higher education institution – with regard to the provisions pertaining to the commencement of employment relationship – shall be ensured.

(3) The registration centre shall make its decisions defined in this Section in accordance with the procedure laid down in Section 106.

Section 18 (1) The higher education institution can operate either as a university or as a college.

(2) The designation 'egyetem' (university) or 'főiskola' (college), and their equivalents in a foreign language may only be used by the higher education institutions listed in Annex 1 to this Act and by the foreign higher education institution operating in the territory of the Republic of Hungary pursuant to this Act.

(3) The university is a higher education institution authorised to provide graduate courses in at least two fields of study, and to offer doctorate course as well as confer a doctoral degree in at least one discipline of science,

two branches of science or one field of art provided that at least one third of the academic staff and researchers of the higher education institution (in employment relationship or public servant status) have a scientific degree.

(4) The university and the college may provide courses in all training cycles.

(5) If the official name of the university or the college changes, the registration centre shall acknowledge the notification thereof and initiate the amendment of Annex 1 to this Act by way of informing the Minister of Education.

(6) Until the decision of Parliament on state recognition is made, the higher education institution may only use the designation 'higher education institution' together with the extension 'state accreditation pending'. The designation 'university' or 'college' may be used only after state recognition has been granted.

PRINCIPLES OF THE OPERATION OF HIGHER EDUCATION INSTITUTIONS

Section 19 (1) The internal organisation of the higher education institution shall be set up in a way so that it ensures businesslike, effective, and efficient execution of the basic tasks on the part of the higher education institution as regards education, research and artistically creative work in the case of art education, as well as similar execution of related additional tasks, and the functional and maintenance tasks that guarantee operation.

(2) In performing its tasks, the higher education institution shall conform to and be responsible for the requirements pertaining to efficient use of public funds and public property.

(3) In line with its core activity, the higher education institution shall provide for library service, language development in the native language and in foreign languages for specific purposes, as well as regular physical exercise.

Section 20 (1) The senate is that body of the higher education institution responsible for decision making and monitoring the implementation of such decisions.

(2) The financial board is that body of the higher education institution that delivers opinions, contributes to the preparation of strategic decisions and cooperates in the monitoring of the implementation thereof.

(3) The head of the higher education institution is the rector.

(4) The higher education institution shall operate a quality assurance system.

(5) The higher education institution shall keep records stipulated by legislation, and shall be obliged to supply data defined in the national programme for statistical data collection and the higher education information system.

Section 21 (1) The higher education institution shall lay down the provisions pertaining to its operation and organisation (hereinafter 'statutes'). The statutes may regulate any issues that, pursuant to legislation or authorisation by legislation, shall not be prescribed in other regulations. If the higher education institution operates as a budgetary organisation, additional provisions set forth in laws may apply to the content of the statutes. Each higher education institution shall have one document as its statutes. The elements of the statutes are as follows: regulations concerning the structure and operation of the institution, employment related requirements and the requirements concerning students.

(2) The rules of organisation and operation shall especially specify the organisational structure of the higher education institution, its divisions, the management structure, the tasks and operation of each organisational unit, the rules pertaining to intra-institutional liaising, and the quality assurance system.

(3) The requirements of employment shall specifically define:

a) the requirements of filling a specific position, the rules of assessing applications, the institutional scholarships available to teachers and researchers as well as conditions pertaining to other grants, as well as the rules of the related calls for applications, and the rules and requirements regarding the habilitation procedure,

b) conditions of conferring appointment and other titles the higher education institution may award,

c) the requirements pertaining to the employment and the performance of teachers, researchers and other staff, the principles for determining salaries on the basis of quality and performance, the evaluation of the fulfilment of the requirements and the publicity related to the evaluation procedure, the consequences of non-compliance with the requirements,

d) the rules pertaining to the assessment of applications for research funds for teachers and researchers,

e) the participation of teachers in the decision-making procedure of the higher education institution, and the rules concerning the revision of appeals filed by teachers, researchers and other staff against institutional decisions.

(4) The requirements for students shall specifically define:

a) the rules of the admission procedure within the confines of this Act,

b) the rules concerning the exercise of students' rights and the fulfilment of students' obligations, the rules pertaining to the consideration of applications lodged in respect of student status as well as the pertaining remedy,

c) the course schedule and the rules pertaining to the acquisition, development and the assessment of knowledge, skills, and abilities (hereinafter the ‘academic and examination regulations’),

d) the rules pertaining to the establishment of the fee charged to the student and the payment thereof, as well as the rules for the allocation of student grants and benefits (hereinafter the ‘regulations concerning fees and grants’),

e) the rules pertaining to the consideration of disciplinary penalties and compensations,

f) the procedural and organisational rules applying to the assessment of applications for dormitory placement,

g) the regulations concerning the prevention of accidents affecting students and the application of such regulations in the case of accidents.

(5) The issues contained in the statutes may be regulated in an annex to the statutes.

(6) The higher education institution shall prepare a quality development programme. The institutional quality development programme shall specify the process of operation of the higher education institution, as part thereof the execution of management, planning, control, measurement, assessment, and consumer protection related tasks. The institutional quality development programme shall also regulate the rules pertaining to the evaluation of teacher performance by the students. The higher education institution shall annually revise the implementation of the institutional quality development programme, and shall publish its findings on the website of the institution as well as in customary manners.

(7) The statutes shall be made public in customary manners and shall be made available to students.

(8) The statutes and their amendments shall be adopted by the senate.

Section 22 (1) The higher education institution shall provide for healthy and safe training conditions and educational settings, the exploration and elimination of the causes for student accidents for the sake of their prevention, and the enforcement of work safety requirements.

(2) For the promotion of equality, the higher education institution shall, by means of the services it provides, contribute to ensuring housing facilities for students, a healthy lifestyle free of addictions, and with its information system and guidance services shall assist with the integration of students during the terms of their studies as well as in their professional career after graduation.

(3) The higher education institution shall undertake tasks relating to the support of gifted students and the facilitation of the social prestige of science, the lectures actually offered by the institution shall be public, and it shall grant the opportunity for those not enrolled in the institution to familiarise themselves with and attend the lectures it provides as is afforded by the available infrastructure facilities.

(4) The higher education institution shall respect the freedom of belief and religion of students, teachers, and researchers. The student, the teacher, and the researcher may not be coerced to state or to deny his/her beliefs, secular or political views. Their beliefs, secular or political views may not prove detrimental to students, teachers, and researchers.

(5) The higher education institution shall determine and publish the requirements pertaining to the establishment of student status as defined herein (hereinafter ‘admission requirements’).

STRUCTURE OF THE HIGHER EDUCATION INSTITUTION

The Financial Board

Section 23 (1) The financial board is a body which shall cooperate in both substantiating the execution of the tasks of the higher education institution, the preparation of strategic decisions promoting the efficient and responsible utilisation of funds, assets, public funds and public property received, and in monitoring their implementation, and shall further contribute to the preparation of maintainer’s decisions as stipulated herein.

(2) The higher education institution maintained by the state shall be required to set up a financial board whereas non-state institutions of higher education may establish a financial board in accordance with their founding charter.

(3) The financial board shall comprise seven or nine members. The number of the members of the financial board shall be determined conditional to the student headcount specified in the permit for starting operation as follows: if the maximum number of admissible students

a) does not reach fifteen thousand, it shall have seven,

b) equals or exceeds fifteen thousand, it shall have nine

members. Members of the financial board shall be required to have a higher education degree. The mandate of the members of the financial board shall be valid for a period of five years, which may be extended at maximum on one occasion.

(4) The senate shall delegate three or four – according to the stipulations of subsection (3) – members to the financial board, one member of which should be delegated based on the proposal of the student union. In

addition to the delegated members, the financial board shall ex officio have as its member the rector and the financial director-general or in the absence of the latter, the financial director.

(5) The Minister of Education shall delegate two or three – according to the stipulations of subsection (3) – members to the financial board, one member of which should be delegated based on the proposal of the Minister of Finance. At least one of the members delegated by the Minister of Education shall possess a higher education degree corresponding to the educational, research, and artistic activity pursued by the higher education institution, and furthermore shall have at least five years of executive experience relevant to his/her qualifications.

(6) The delegating bodies may not give instructions to members of the financial board.

(7) A person who

a) has a criminal history,

b) is a civil servant or holds a mayor's office,

c) is covered by Act LXXIX of 1997 on the legal status and responsibilities of the members of government and undersecretaries of state,

d) has or has had a function in a political party, has had or has a paid employment at a political party, provided that no more than five years have elapsed since the expiry of the said grounds for disqualification,

e) is a representative in any local government, or a member of Parliament or the European Parliament,

f) is a member of the senate,

g) is a member of the financial board of another higher education institution,

h) is employed as public servant by a budgetary organisation supervised by the Minister of Education, except for state higher education institutions,

i) is seventy years of age or older

may not be a member of the financial board.

(8) Subsection (7) – except for paragraphs *a)* and *g)–i)* – shall not apply in respect of the rector.

(9) The financial board shall, by means of forwarding its agenda and proposals, invite the agent of the Hungarian State Treasury to its meeting at least five working days before the meeting takes place, where the said agent shall act in advisory capacity and may put forth his/her opinion on any issue that concerns the expedient and efficient utilisation of public funds and property. The higher education institution shall be obliged to furnish the agent with all the relevant information. Upon his/her request, the opinion of the agent shall be published on the websites of the higher education institution and the Ministry of Education. The agent shall at least once in a year give an account of his/her activity to the maintainer of the higher education institution and the Hungarian State Treasury.

Section 24 (1) The financial board shall – within the confines of the statutes of the institution – decide on its rules of operation with the stipulation that decisions relating to the mandate of the president of the financial board shall require four or five – according to the stipulations of Section 23 (3) – affirmative votes. Any individual whose rights or obligations might be affected by the decision or who cannot be expected to deliver an impartial opinion on the issue due to other reasons (prejudice) shall not be eligible to vote.

(2) The preparations for the establishment of the financial board shall be executed by the rector.

Section 25 (1) The financial board

a) shall cooperate in the preparation of the senate's decisions, thus shall especially give an opinion about:

aa) the plan of the higher education institution for institutional development,

ab) the budget and the financial report of the higher education institution, the latter being drafted in compliance with accounting provisions,

ac) the accounting regulations of the higher education institution,

ad) the launching of development projects,

ae) the founding of a business organisation, acquisition of share in a business organisation, cooperation with a business organisation,

af) utilisation or alienation of real property put at the disposal or owned by the higher education institution,

ag) advance of loan as defined herein,

ah) conclusion of a cooperation agreement,

ai) establishment, transformation, and dissolution of the organisation or organisational unit of the higher education institution;

b) shall in the cases defined in the statutes give an opinion from a financial perspective about calls for applications drafted by the higher education institution;

c) shall decide in matters of which it is in charge pursuant to the authorisation by the senate.

(2) The financial board shall monitor the functioning of professional efficiency and that of cost-effectiveness in the management body of the higher education institution. It shall regularly, but at least on two occasions a year, review the operation and the management of the higher education institution as well as the execution of tasks defined in the founding charter. It shall monitor whether the organisational rules of the higher education institution serve the efficient execution of tasks.

(3) The financial board may report to the senate – or in case it does so to no effect, it may turn to the maintainer – if it finds that the higher education institution jeopardises the operation of the institution with its management, its decision relating to the operation, utilisation, alienation of real property put at the disposal or in the possession of the higher education institution.

(4) The statutes shall specify the amount in excess of which the opinion of the financial board must be sought out before making a commitment.

Section 26 (1) Upon the expiry of its mandate, and in the case of resignation or dismissal – due to reasons specified in subsection (2) – of a member, the financial board shall be dissolved. Acceptance of resignation or dismissal shall belong to the competence of the delegating body.

(2) On the initiation of the president of the financial board, a member

a) who attended less than half of the meetings of the financial board during a year and could not provide adequate proof for his/her absence,

b) who, due to any reason, is incapable of discharging his/her tasks pertaining to his/her membership in the financial board for more than six months,

c) in respect of whom a reason for disqualification evolves subsequent to appointment as a result of which the member concerned becomes ineligible for membership in the financial board shall be dismissed.

(3) In the case of resignation and dismissal the person having delegated the member concerned shall appoint a new member within thirty days. The procedure shall be subject to the provisions of Section 23. The newly elected member's mandate shall be valid for a period of five years irrespective of the time elapsed from the total term of the resigned or dismissed member's mandate.

(4) If the financial board is established in a non-state institution of higher education, the rights and obligations of the Minister of Education shall be exercised and fulfilled by the maintainer. Provisions pertaining to the representative of the Hungarian State Treasury shall not apply.

The Senate

Section 27 (1) The senate, in line with the stipulations of the founding charter, shall define the training and research tasks of the higher education institution, and shall monitor the execution thereof. The senate shall define its rules of operation. The president of the senate is the rector.

(2) Except for the representatives of the student union and representative trade unions, only persons in an employment relationship with the higher education institution or persons employed by the higher education institution in public servant status as teachers, researchers or in any other position may be elected members of the senate.

(3) The senate shall be in charge of adopting the plan for institutional development. The plan for institutional development shall formulate the concepts relating to development, the utilisation, protection and alienation of property made available to the higher education institution by the maintainer, as well as shall establish the projected revenues and expenses. The plan for institutional development shall be devised for medium terms, encompassing a period of at least four years, indicating the tasks to be implemented in an annual breakdown. The employment plan shall form a part of the plan for institutional development. The employment plan shall determine the headcount, which is necessary for the higher education institution to be able to perform its services.

(4) The senate shall adopt the strategy for research, development, and innovation in compliance with the plan for institutional development. The strategy for research, development, and innovation shall be forwarded to the regional development council, so that it can be taken into consideration when drafting and implementing the medium-term programme for the social and economic development of the region.

(5) The senate shall put forward a proposal for the call for applications for the rector's position, shall assess the applications, elect a candidate for the rector's position and notify the maintainer thereof, and shall evaluate the executive work of the rector.

(6) The senate shall be in charge of adopting the higher education institution's

a) educational programme,

b) statutes, regulations applicable to PhD programmes, programme for quality development,

c) principles guiding the amount of salaries to be distributed on the basis of quality and performance,

d) core budget, annual or longer-term plan of commitments and schedule of their implementation, as well as the institution's plan for asset management,

e) annual budget report prepared in accordance with the accounting provisions.

(7) The senate shall lay down the higher education institution's

a) system of student counselling,

b) system of teacher evaluation by students.

(8) In respect of paragraphs *a)–m)* the senate shall decide, whereas with regard to paragraphs *n)–q)* it may decide on

- a)* the launching of a development project,
- b)* the establishment of a business organisation, acquisition of share in a business organisation, cooperation with a business organisation,
- c)* the utilisation or alienation of real property put at the disposal or owned by the higher education institution,
- d)* the advance of loans pursuant to the stipulations of this Act,
- e)* the conclusion of a cooperation agreement,
- f)* the transformation, dissolution of its organisation or organisational units,
- g)* the acceptance of the research programme,
- h)* the establishment of the academic committee, the election of its members and president,
- i)* the establishment of the higher education institution's standing committees and other councils,
- j)* the ranking of teacher, researcher and managerial applications,
- k)* the delegation of the members of the financial board,
- l)* the selection of the person acting on behalf of the senate,
- m)* the initiation of awarding the Scholarship of the Republic of Hungary,
- n)* issues delegated to its powers by its statutes,
- o)* the establishment of a doctoral school and the launching of doctorate courses,
- p)* the regulation of the habilitation procedure,
- q)* the awarding of titles and honours.

(9) The following shall also fall within the powers of the senate:

- a)* initiation of launching and terminating programmes,
- b)* ranking of applications submitted for the rector's position,
- c)* discussion of issues presented by the financial board,
- d)* the assessment of the higher education institution's professional activity and the implementation of its quality development programme,
- e)* the exercise of other authorisations specified herein.

(10) The higher education institution may carry out a habilitation procedure in the discipline or branch of the science or field of art in which it provides a doctorate course.

(11) In case the committee or board established by the senate also proceeds in issues that affect students, participation of student representatives in the committee must be ensured. The senate shall set up a standing committee to deal with academic, examination related and social issues impacting students. Student representation shall be ensured in committees proceeding in matters affecting students on condition that the number of the members delegated by the students to the standing committee responsible for academic, examination related and social issues may not be fewer than fifty percent of the number of committee members.

(12) The senate shall set up a committee for equal opportunities, which shall monitor the balanced representation of women and men in the operation of the higher education institution, shall make proposals for achieving such balanced representation, shall control the effectiveness of related measures, shall explore manifestations of discrimination and the measures prejudicing the balanced representation of women as well as shall initiate the abolishment of such discriminatory measures.

(13) The senate may discuss any issue, may take its standpoint on any matter and may put forth a proposal in respect of any issue. It may forward its positions and proposals to the person authorised to make related decisions or take measures. Such person in turn is liable to make a meaningful reply within thirty days, or in the case of a decision-making body, no later than on the first meeting following the elapse of thirty days.

(14) The right to adopt regulations and programmes shall also extend to any amendments thereto.

(15) The senate shall be obliged to observe the requirement of the efficient and responsible utilisation as well as proper use of public funds and property when making decisions, and observe requirements related to value proportionality in the case of alienation. To this end, it shall monitor the criteria of professional efficiency and those of effectiveness through the management of the higher education institution. It shall regularly, but at least on two occasions a year, review the operation and the management of the higher education institution, the execution of the tasks stated in the founding charter, and shall request the financial director to put forward a report in this area.

Section 28 (1) The statutes of the higher education institution shall set forth the stipulations concerning the establishment and operation of the senate, the expiry/termination of the mandate of its members, as well as the preparation of its agenda, having regard to the following:

- a)* the senate may not have less than seven or nine members – according to the stipulations of Section 23 (3) –, and the members delegated by teachers and researchers together with the chair shall form the majority in the senate,
- b)* the student union shall delegate its representatives in compliance with Section 78 (4),

c) the number of members employed in other positions, and that of the representatives of representative trade unions may not be fewer than five percent of the number of members of the senate each, but shall be at least one person for each,

d) the mandate of the senate members shall be valid for at least three years and a maximum of five years, the respective periods in the case of the student union representative shall be at least one year and three years at the most,

e) the senate may convene a meeting as it deems such a meeting necessary,

f) the meetings of the senate shall be open to employees and students of the higher education institution, as well as to the financial board,

g) a quorum of at least sixty percent of members must be present at a meeting of the senate so that such a meeting can pass decisions,

h) upon the request of more than fifty percent of the attending senate members the senate shall meet in camera and have a secret vote,

i) the meetings of the senate shall be recorded in minutes, the decisions of the senate shall be put down in a resolution and shall be made public as defined in the statutes,

j) the president of the financial board shall be invited to the senate's meeting and shall act in an advisory capacity thereon.

(2) The senate may set up a committee in an ad hoc manner or for a definite period for the preparation of issues that belong under its competency.

(3) The senate may delegate its powers to make decisions and to implement such decisions to certain organisational units of the higher education institution, or the community of teachers and students employed in organisational units or the different bodies set up within organisational units. The powers listed under Section 27 (3)–(4) and paragraphs a)–c) of subsection (6), subsection (7), paragraphs f)–i), k)–l) and o)–p) of subsection (8) and paragraphs a)–b) and d) of subsection (9) may not be delegated. The student union shall be granted representation in decision-making in accordance with paragraph b) of subsection (1) and Section 27 (11), even if the senate has delegated its powers to another body to make decisions.

The Rector

Section 29 (1) The rector of the higher education institution shall govern and represent the institution, and as part of such authorisation shall proceed in issues that are not delegated to the powers of another person or body by laws, the statutes or a collective agreement of the higher education institution.

(2) The rector shall be responsible for the professional and lawful operation of the higher education institution, for creating healthy and safe working conditions and a well-functioning training and research environment, shall exercise employer's rights, and with respect to the operation of the higher education institution shall decide in matters that are not delegated to the powers of another person or body by laws, the statutes or a collective agreement.

(3) The rector shall especially be responsible: for the proper use of assets in the administration, at the disposal or in the possession of the higher education institution; for the pursuit of activities stated in the founding charter in line with the requirements stipulated in laws; for the realisation of professional efficiency and that of economic operation in the management of the higher education institution; for the fulfilment of the obligation of scheming, reporting and information provision, as well as the completeness and authenticity thereof; for establishing proper management practices between opportunities and requirements; for the accounting rules of the institution; for ex ante and ex post executive audits incorporated in the workflows, and for the organisation and effective conduct of internal audits.

(4) The rector shall exercise employer's rights within the framework of the employment plan and pursuant to employment requirements.

(5) The rector on certain occasions or with regard to a specific set of cases may delegate the powers specified in subsections (1)–(4) to his/her deputy or other employee of the institution. The person exercising delegated powers may not further delegate such powers.

(6) The rector shall be responsible for ensuring the conditions necessary for the work of different bodies operating within the higher education institution, the preparation of issues within the powers of the senate, and the implementation of decisions taken.

(7) In order to be eligible for the rector's position, the prospective candidate shall possess knowledge and experience in executive matters and organisational and management related issues, and shall have or establish full-time employment or public servant status with the higher education institution. The rector of a university shall be required to hold a position as university professor, whilst the rector of a college shall be employed as university or college professor, associate professor, scientific advisor or research professor, or senior research fellow.

(8) The senate may initiate the dismissal of the rector by means of obtaining the affirmative votes of two thirds of the members of the senate.

Organisational Units of the Higher Education Institution

Section 30 (1) In consideration of the stipulations of Section 19 (1) and with a view to cost-effectiveness, efficiency and fundability, the higher education institution may establish and operate

- a)* educational, research,
- b)* service,
- c)* functional

oriented organisational units in such a way so as to avoid organisational redundancy as a result of parallel execution of tasks.

(2) Educational and research purpose organisational units of the higher education institution shall in particular mean: faculties, departments, institutes, botanical gardens, university hospitals, research institutes, research teams, and practice farms.

(3) The higher education institution may establish service oriented organisational units to discharge dormitory, IT, sports, library, archive, and museum related as well as social, cultural and other tasks (e.g. workshops providing public education and practical training, facilities for artistic work, or in the fields of health care and prevention, and production).

(4) To ensure that its duties of operation are met, the higher education institution shall establish a functional organisational unit to perform financial and internal auditing tasks, and may set up an organisational unit responsible for administration and organisation (hereinafter the 'office responsible for administration'), or technical services or any other functional organisational unit ensuring operation. The financial and audit organisational unit shall be supervised by the rector.

(5) The library and the library system of the higher education institution shall comprise a public collection of academic and scientific works open to the general public, and shall carry out tasks relating to technical literature, information provision, education and research, and may also fulfil archival and museum related functions and tasks.

(6) The higher education institution may set up a faculty after it has sought out the preliminary opinion of the Hungarian Accreditation Committee of Higher Education. The procedure relating to the delivery of opinion shall be subject to the stipulations of Section 32 (10).

(7) The organisational units of the higher education institution may be transformed into centres or regional centres as defined in this Act.

COOPERATION AGREEMENT BETWEEN HIGHER EDUCATION INSTITUTIONS

Section 31 (1) In order to perform the tasks defined in its founding charter, the higher education institution may enter into a cooperation agreement with any Hungarian or foreign organisation or natural person that has an interest in the fulfilment of the tasks the higher education institution has undertaken. The cooperation agreement shall be in writing. The cooperation may particularly be directed at: the development of training or other programmes, the drawing up of curricula, the organisation of training and practical training, the transfer and acceptance of prior studies, the drafting and implementation of calls for applications, and the completion of research and development tasks.

(2) The higher education may conclude an agreement especially with

- a)* the Hungarian Academy of Sciences, its institutions and other research institutes to attend to joint research and training related tasks,
- b)* other higher education institutions to provide joint programmes and award joint degrees,
- c)* vocational secondary schools to execute the tasks of higher-level vocational training,
- d)* business organisations, foundations, and chambers to finance and support educational and research organisational units and to establish scholarships.

(3) The higher education institution may, in cooperation with the economic, scientific, civil and municipal bodies of the region, create an innovation park, technology centre, or incubation house (hereinafter jointly referred to as 'knowledge centre').

THE TRAINING SYSTEM OF HIGHER EDUCATION

Section 32 (1) Instruction in the higher education institution shall be based on the educational programme. The educational programme shall become valid upon its adoption by the senate. As part of the educational

programme, the higher education institution shall develop the curriculum of the undergraduate and the graduate courses pursuant to the programme and exit requirements issued by the Minister of Education, whereas in the case of postgraduate specialist training courses it shall devise the corresponding programme without any concern to such restrictions.

(2) Higher-level vocational training shall be provided pursuant to the vocational training programme drawn up by the higher education institution and adopted by the senate. The vocational training programme may be developed for higher-level vocational training contained in the National Qualifications Register, on the basis of the vocational and examination related requirements issued by the minister responsible for the qualification.

(3) Based on an agreement concluded with the minister responsible for the qualification, the higher education institution and the economic (professional) chamber shall, in cooperation with the national economic interest groups develop vocational and examination requirements and shall initiate the registering of higher-level vocational training in the National Qualifications Register. The higher-level vocational qualification shall be entered into the National Qualifications Register following a simplified and accelerated accreditation procedure, provided that the minister responsible for the qualification has consented thereto.

(4) The vocational training programme shall allow for the validation of knowledge acquired in the course of vocational training of identical contents, and for the validation of credits obtained in higher-level vocational training in undergraduate courses belonging to the same field of training. The number of credits that can be acknowledged shall be thirty at least and sixty at most. The length of the programme shall extend to four semesters, unless a European Community law provides for a longer period in respect of certain programmes. Credits may only be obtained for a higher-level vocational training offered by a vocational secondary school if the vocational secondary school organises such trainings on the basis of an agreement concluded with a higher education institution.

(5) The undergraduate course shall lead to a Bachelor degree (baccalaureus) and a professional qualification. The Bachelor degree is the first level of academic qualification which shall entitle its holder to commence graduate education. The professional qualification shall entitle its holder to fill the position defined by law. The related programme and exit requirements shall determine what professional qualification may be awarded upon completion of the undergraduate course. In the case of practice-oriented undergraduate programmes a six-month-long uninterrupted practical course shall be organised (hereinafter 'uninterrupted practical course'). Completion of a uninterrupted practical course shall be prerequisite to taking the final examination. Undergraduate courses shall require the taking of at least one hundred and eighty credits – in the case of uninterrupted practical courses a minimum of two hundred and ten credits – but such courses may not exceed more than two hundred and forty credits. The length of the programme shall extend to a minimum of six and a maximum of eight semesters.

(6) The graduate course shall lead to a Master degree (magister) and professional qualification. The Master degree is the second level of academic qualification. The professional qualification that may be awarded after completion of the graduate course shall be determined by the programme and the qualification requirements pertaining to the graduate course. The professional qualification awarded upon completion of the graduate course shall entitle its holder to fill the jobs defined by laws. Having regard to the stipulations of subsection (7), graduate courses shall require doing at least sixty credits but such courses may not exceed more than one hundred and twenty credits. The length of the programme shall extend to a minimum of two and a maximum of four semesters.

(7) The undergraduate course and the corresponding graduate course together, and the one-tier programme alone shall require doing at least three hundred credits but such courses may not exceed more than three hundred and sixty credits. The length of the programme shall extend to a minimum of ten and a maximum of twelve semesters.

(8) The postgraduate specialist training course shall lead to a specialised qualification after the award of the Bachelor or the Master degree. Postgraduate specialist training courses shall require doing at least sixty credits but such courses may not exceed more than one hundred and twenty credits. The length of the programme shall extend to a minimum of two and a maximum of four semesters.

(9) The educational programme shall include the doctorate course, which prepares students for taking a doctoral degree following the conferral of the Master degree. Doctorate courses shall require doing at least one hundred and eighty credits. The length of the programme shall extend to six semesters.

(10) The rector shall forward both the documentation relating to the launching of undergraduate and graduate courses and the regulations pertaining to the doctoral school to the Hungarian Accreditation Committee of Higher Education. The courses may start once the Hungarian Accreditation Committee of Higher Education has given its consent thereto in its expert opinion, and the higher education institution has notified the registration centre of the launching of such courses. In the absence of support from the Hungarian Accreditation Committee of Higher Education, courses may only be launched if the higher education institution has been granted the permit thereto in the procedure laid down in Section 106.

(11) The Government shall determine

a) the fields of study, branches of study, and programmes with reference to undergraduate and graduate education, the number of corresponding credits, and the rules of procedure in connection with the launching of courses, as well as the programmes in the case of which off-site practical training outside the campus of the higher education institution shall be organised,

b) the rules pertaining to the organisation of higher-level vocational training,

c) the requirements of taking a doctoral degree and the rules of procedure pertaining to the establishment of a doctoral school.

Section 33 (1) Higher education courses may be offered in the framework of full-time training, part-time training or distance learning course. Full-time training shall comprise at least three hundred contact hours per semester.

(2) Full-time training – with a view to the exception defined in subsection (4) – shall be organised in compliance with the regular training schedule practices pertaining to day-time training. Courses offered according to the regular schedule of day-time training shall be provided in the framework of a five-day teaching week, on working days. Derogation from these provisions may be allowed subject to the agreement of the higher education institution's student union.

(3) Part-time training may be provided in the framework of the training schedule associated with evening or correspondence training. The length of part-time training shall equal at least thirty but no more than fifty percent of the contact hours of full-time training. Courses offered in line with the training schedule of evening and correspondence training shall be provided on working days or regular holidays, if appropriate, and in consideration of the timetable of the given students.

(4) Practical courses in higher-level vocational training may only be organised in the form of full-time training, pursuant to the provisions applying to vocational training.

DATA MANAGEMENT IN HIGHER EDUCATION INSTITUTIONS, HIGHER EDUCATION INFORMATION SYSTEMS

Section 34 (1) The higher education institution may keep records of data that are indispensable for the proper operation of the institution, the exercise of employer's rights, and training, and further are necessary for the assessment and certification of eligibility for the benefits set forth in laws and the statutes of the higher education institution. To this end, data suitable for the identification of the eligible person and the establishment of his/her eligibility for the benefits may be managed.

(2) The higher education institution shall keep records of enrolled students. It shall make out a master file on the enrolled student, designating the personal data of the student, and data pertaining to progress in studies and the fulfilment of obligations resulting from the student status.

(3) The higher education institution may manage the personal data of employees and students exclusively with respect to employment, the establishment and fulfilment of benefits, allowances, and commitments, the exercise and fulfilment of personal rights and obligations, for reasons of national security, and for the purpose of managing records specified in this Act, in a manner proportionate to such purposes and strictly for such purposes. Unless otherwise provided by social security rules, the higher education institution may manage the personal data of its employees for ten years from the termination of employment. The higher education institution may manage the personal data of students for eighty years from the termination of student status.

(4) Data may only be transferred by the head of the higher education institution or, within the scope of authorisation, any other head or other employee authorised thereto by the head of the higher education institution. The institutional rules of data management and transfer shall be specified in the statutes of the higher education institution.

(5) In the case of voluntary data provision the persons concerned shall be informed of the fact that contribution to data provision is optional.

(6) The higher education institution shall, on the basis of voluntary data provision, perform career monitoring tasks, whereby it shall follow up the labour market position of ex-students having been awarded a certificate or diploma by the institution.

(7) The data managed by higher education institutions and used for statistical purposes and/or delivered for statistical purposes in a format inapt for the establishment of individual identities, are contained in *Annex 2* to this Act.

Section 35 (1) A higher education information system shall be established based on the data managed by higher education institutions. The higher education information system – by ways of a central filing system – shall contain such data on the maintainer, the institution, employment, students, teachers and other employees that are necessary for executing planning at the level of national economy. The higher education information system shall be operated by the National Higher Education Information Centre set up by the Minister of Education. Unless otherwise provided by law, personal data may only be supplied from the higher education information system upon the request of the person concerned and is subject to his/her consent thereto, and

simultaneous notification of such persons must be carried out. Provisions relating to the central filing system herein shall refer to the higher education information system. The Minister of Education shall be responsible for the lawfulness of data management performed in the higher education information system. In respect of one's own data, the person concerned shall be entitled to review such data and request the correction or – except for the management of statutory data – the deletion thereof. The review, correction and deletion of data contained in the information system shall in all cases be free of charge.

(2) Maintainers of the institutions or the higher education institutions shall be obliged to supply data for the higher education information system as defined in a government decree. The higher education institution shall be required to register with the higher education information system within thirty days from starting its core higher education activity. The National Higher Education Information Centre shall issue an institutional identification number (hereinafter 'OM-identifier' /OM standing for the Hungarian abbreviation of the Ministry of Education/) to the higher education institution within fifteen days from registration.

(3) The National Higher Education Information Centre shall issue a teacher identification number to the persons employed as lecturers, researchers, or instructors. The teacher identification number shall serve for the monitoring of employment as lecturers, instructors, or researchers. The higher education information system shall keep records of the holders of such identification numbers. The records shall contain the holder's name, place and date of birth, mother's name, identification number, and data on the degrees and qualifications of the person concerned, as well as the address, type and OM-identifier of such persons' workplace. Except for the persons concerned, personal data may only be transferred from the records for the lawful establishment to entitlement of certain benefits associated with employment, to the party providing the benefits or authorised to carry out the assessment of eligibility. Data may be kept in the information system for ten years from the notification of the termination of employment except when during this period the person concerned is re-registered in the records.

(4) The National Higher Education Information Centre shall issue a student identification number to students. The identification number shall serve for the monitoring of the functioning of rights and the fulfilment of obligations arising in connection with student status. Students having received a student identification number for public education shall not be required to be issued with a new identification number for the purposes of their higher education studies. The higher education information system shall contain the student register. The student register shall contain the student's name, place and date of birth, identification number, mother's name, address, residence, nationality, the number of his/her student pass, data concerning the relevant higher education institution and the terms of study. Except for the person concerned, personal data may only be transferred from the register for the lawful establishment of entitlement to certain benefits associated with employment and of student loans, to the party providing the benefits or authorised to carry out the assessment of eligibility. Data may be kept in the student register for eighty years from the notification of the termination of student status.

(5) On the request of lecturers, instructors, and researchers employed in the form of a regular employment relationship or in public servant status, the employer shall issue a lecturer, researcher, or instructor pass (hereinafter 'teacher pass'). The teacher pass shall be prepared and sent to the person entitled thereto by the National Higher Education Information Centre, via the employer. The teacher pass shall bear the number of the pass, the name of its holder, the holder's mother's name, place and date of birth, the name, address and OM-identifier of the relevant higher education institution, and the holder's photograph and signature. Requests concerning the teacher pass shall be initiated in accordance with the stipulations of the law. Data required for application may be transferred. The producer of the teacher pass may keep the data for five years from the expiry of the pass.

(6) The higher education institution shall issue a student pass for the student. The student pass shall be prepared and sent to the person entitled thereto by the National Higher Education Information Centre, via the higher education institution. The student pass shall display the relevant designation of student pass in Hungarian and English, the student's name, mother's name, place and date of birth, address, residence, nationality, and signature. The student pass shall also bear the student's photograph, identification number, and the name, address, and OM-identifier of the relevant higher education institution. The student pass may also indicate further, non-personal data that are necessary for the benefits. Requests concerning the student pass shall be initiated in accordance with the stipulations of the law. Data required for issuance may be transferred to the producer of the student pass. The producer of the student pass may keep the data for five years from the expiry of the pass.

(7) The National Higher Education Information Centre may manage data relating to the admission procedure of higher education institutions. The Public Education Information Centre may supply data to the National Higher Education Information Centre in connection with secondary school-leaving examinations for the purposes of assessment of admission applications. As part of these data, the Public Education Information Centre shall also forward the student identification number.

(8) The National Higher Education Information Centre shall keep records of the diplomas and doctoral degrees conferred.

(9) Upon request made to that effect, the National Higher Education Information may forward the data kept in its records to the registration centre in a format inapt for establishment of identity.

(10) The teacher and the student pass may be furnished with a device capable of electronic data storage and data control (data chip). The National Higher Education Information Centre shall be obliged to ensure that the holders of teacher passes and student passes check the content of the data chip and, if applicable, request correction. The procedure relating to the review and correction of data shall in all cases be free of charge.

(11) Procedural issues relating to data transfer and the preparation and issuance of student passes, teacher passes, teacher identification numbers and student identification numbers shall be determined by the Government. The Government shall also lay down principle rules pertaining to file management practices of higher education institutions.

TRANSFORMATION OF HIGHER EDUCATION INSTITUTIONS (FUSION, DEMERGER, SECESSION, AFFILIATION AND MERGER)

Section 36 (1) For the purpose of harmonisation of higher education activities, institutions may fuse with each other (hereinafter: ‘fusion’).

(2) In case all preconditions are satisfied, the fusion cannot be refused if the senates of the higher education institutions involved have agreed thereto.

(3) The preparation of the fusion is the task of the preparatory committee comprising the members of the financial boards. Each financial board shall delegate one member to the preparatory committee.

(4) As a result of the fusion, a new higher education institution shall be established, which shall become the successor of the higher education institutions involved in the fusion. Sections 7, 12–18, and 37–38 shall be applied to the establishment of the new institution.

(5) Concurrent with the registration of the new higher education institution, the dissolution of the higher education institutions involved in the fusion shall be initiated with Parliament. The higher education institutions involved in the fusion shall continue operation as educational and research units of the new higher education institution. In the event the higher education institutions involved in the fusion operate in different municipalities, the higher education institution operating outside the town of the seat of the new higher education institution to be dissolved may continue operation as a regional centre of the new higher education institution. The founding charter of the higher education institution shall designate the regional centre.

(6) Regional centres may include any other additional organisation units.

(7) In the case of demerger of higher education institutions the original higher education institution shall be dissolved, and new higher education institutions shall be established. The institutions founded in such manner shall become the successors of the higher education institution dissolved. The issue of succession shall be decided in the course of the procedure pertaining to dissolution and establishment, according to the stipulations of Sections 7, 12–18, and 37–38.

(8) In the event of secession, the original higher education institution shall continue its operation, the seceding organisational unit may be established as a new institution or may become affiliated to another higher education institution. The procedure shall be subject to the provisions of Sections 7, 12–18, and 37–38.

(9) In the case of merger, the merging higher education institution shall be dissolved, and the higher education institution into which it is to merge shall as successor attend to and execute the tasks of the merged higher education institution. The procedure shall be subject to the provisions of Sections 7, 12–18, and 37–38.

(10) The higher education institution operating as a budgetary organisation may fuse with, become affiliated to and merge with another budgetary organisation.

DISSOLUTION OF THE HIGHER EDUCATION INSTITUTION

Section 37 (1) The higher education institution shall be deemed to have been dissolved on the day of its cancellation from the register specified in Section 15 (4). The higher education institution is cancelled from the register once Parliament has withdrawn its state recognition.

(2) The Government shall initiate the withdrawal of state recognition of the higher education institution with Parliament if

a) the pertaining conditions for its dissolution have been ascertained by the court,
b) its maintainer ceases or has ceased to exist with no successor,
c) the right of its maintainer to maintain a higher education institution expires or has expired,
d) its maintainer discontinues or has discontinued to exercise such a right, except when the maintainer’s right has been transferred to a new maintainer.

(3) In respect of higher education institutions owned by the state, the provisions of paragraphs *b)–d)* of subsection (2) shall not apply.

(4) The Government shall initiate with Parliament the withdrawal of state recognition in cases when the maintainer has decided on the dissolution of the higher education institution.

(5) The Government shall initiate with Parliament the withdrawal of state recognition in cases when the higher education institution is to fuse with, merge with or separate from another higher education institution.

(6) In the case defined in paragraph (4), dissolution shall take place in a gradual manner so that students who have already started their studies in the given training cycle are able to complete such studies. The higher education institution can also be dissolved as of the last day of the examination period following the given semester, provided that its students can continue their studies in another higher education institution. The maintainer implementing the dissolution of the higher education institution shall, prior to making a decision to this effect, enter into an agreement with a higher education institution where students may continue their studies they have commenced.

(7) The settlement of the budgetary deficit of the higher education institution operating as a budgetary organisation and the procedure associated therewith shall be subject to the provisions of the Public Finances Act and the related decree of implementation.

(8) The registration centre shall – upon notification by the maintainer; on the basis of the final decision of the court; and in the absence of any notification to this effect in the case specified in paragraphs *b)–d)* of subsection (2), *ex officio* – initiate the procedure relating to the withdrawal of state recognition with the Minister of Education. The registration centre shall publish a communication on launching the procedure in connection with the withdrawal of state recognition on the homepage of the Ministry of Education.

(9) Once Parliament has withdrawn state recognition – that is, it has cancelled the given higher education institution from Annex 1 to this Act – the registration centre shall remove the higher education institution from its register on the day the act stipulating the withdrawal of state recognition enters into force. This decision cannot be appealed against. In the event the higher education institution to be dissolved operated as a budgetary organisation, the registration centre shall also notify the authority in charge of keeping the master file.

(10) If the higher education institution is dissolved, the assets in its possession and the respective right of administration of assets it has been vested with shall be transferred to the higher education institution becoming its successor. The successor higher education institution shall also be vested with the rights and obligations of the dissolving higher education institution. In case the higher education institution is dissolved without a successor, its assets shall be transformed to its maintainer. In the event the higher education institution has more than one maintainer, unless an agreement to the contrary persists, the assets of the dissolving higher education institution shall be distributed among the maintainers in proportion to maintainers' contribution in assets.

Section 38 (1) The registration centre shall publish its final decision on the establishment, transformation, and dissolution of a higher education institution on the homepage of the Ministry of Education and in the manner defined by the Government.

(2) The registration centre shall send a copy of its final decision to the higher education information system.

(3) The registration centre shall keep records on foreign higher education institutions operating under authorisation within the territory of the Republic of Hungary, which it shall publish annually in December in the official journal of the Republic of Hungary and on the homepage of the Ministry of Education.

PART THREE

THE STUDENT

ESTABLISHMENT OF STUDENT STATUS

Section 39 (1) Each Hungarian citizen has the right to pursue studies in a higher education institution under the conditions defined in this Act, enrolled in either state-funded or fee-paying training. The following persons shall also be vested with this right:

- a)* citizens of the member states of the European Economic Area and their family members,
- b)* refugees, asylum-seekers, exiles, immigrants, and residents living in the territory of the Republic of Hungary not falling under the scope of paragraph *a)*,
- c)* foreign nationals enjoying the same rights as Hungarian citizens on the basis of an international agreement,
- d)* the nationals of countries where Hungarian citizens have recourse to the higher education services of the country concerned based on the principle of reciprocity.

(2) Persons not falling under the scope of subsection (1) may only pursue studies in the form of fee-paying training.

(3) Only those admitted to the higher education institution can start their studies in the institution. Admission shall be effected on the basis of application, by submitting the application form designed for such purpose. The person applying for admission to a higher education institution may submit an unlimited number of applications. The application form shall indicate the training schedule of the programme (day, evening, correspondence programme) the applicant wishes to enrol for, and whether the applicant chooses state-funded or fee-paying training. In case the applicant selects more than one option, he/she must indicate the order of priority.

(4) Applicants who have been granted admission or transfer to a higher education institution can acquire student status at the higher education institution concerned. Student status shall commence with enrolment. The higher education institution shall make out a master file on the enrolled student.

(5) The tasks relating to the ranking of applicants to higher education institutions and the assignment of applicants to specific higher education institutions shall be performed by the National Higher Education Information Centre.

(6) The rules pertaining to the assessment of applications, the ranking of applications and that of applicants on the basis of the former, the conditions of fulfilling entry requirements, the level prerequisite to successful admission, the rules pertaining to the imposition of procedure fee to be charged for the admission procedure and the maximum amount of such fee as well as the cases of exemption from payment of such fee shall be defined by the Government.

(7) The Government may order preferential treatment

- a) for disadvantaged student groups,
- b) for those on unpaid leave for childcare purposes, or in receipt of pregnancy-maternity benefits, childcare allowance, child-rearing allowance or childcare benefits,
- c) for those termed disabled applicants

provided that preferential treatment may only be granted with respect to the condition justifying preferential treatment, and may not result in exemption from the fulfilment of basic academic requirements that are requisite to the granting of professional qualifications certified as Bachelor or Master degree, or the vocational qualification evidenced by the certificate of higher-level vocational training.

Section 40 (1) The student

- a) may request the pursuance of studies within the framework of his/her current student status in order to obtain additional qualifications or specialised qualifications,
- b) may request his/her transfer to another higher education institution,
- c) may acquire visiting student status at another higher education institution,
- d) may acquire an additional student status at another higher education institution (simultaneously pursued studies).

(2) The visiting student status entitles the student to pursue studies in another higher education institution in the field that corresponds to his/her actual studies. Visiting student status can be acquired if the higher education institution where the student has been granted student status consents thereto. This higher education institution may refuse to give its consent to visiting student status in case it cannot acknowledge the credits obtained by the visiting student as part of his/her studies. Additional student status (simultaneously pursued studies) can be acquired for the purpose of obtaining a further diploma or certificate.

(3) During the validity of student status no re-enrolment shall be necessary. Prior to the commencement of the term of study, the student shall state in line with the specifications of the statutes of the higher education institution whether he/she wishes to continue his/her studies or alternatively intends to temporarily abandon his/her student status during the given term-time.

(4) The conditions pertaining to the reception of the student (transfer), the establishment of visiting student status, and taking up of studies required for obtaining additional specialised qualifications or professional/vocational qualifications shall be specified by the host higher education institution.

Section 41 (1) The precondition for admission to higher-level vocational training – with the exception defined in subsections (2)–(4) – is the successful passing of the secondary school-leaving examination.

(2) With regard to admission to higher-level vocational training, the higher education institution shall determine the level of the examination to be taken in certain examination subjects as part of the secondary school-leaving examination, the requirements concerning grades of the secondary school-leaving examination and the necessary level of secondary school study performance in order for the candidate to qualify for application. Admission to higher-level vocational training may also be subject to the possession of specialised qualifications.

(3) In case the higher education institution awards a higher-level vocational qualification which requires meeting certain health related requirements and requirements in aptitude, only those who meet such health related requirements and pass the aptitude test can be enrolled for or transferred to higher-level vocational training.

(4) In the event the higher education institution awards a higher-level vocational qualification which requires meeting certain professional aptitude related requirements, the student can be enrolled or transferred if his/her

competence has been established. The requirements concerning the establishment of competence shall be laid down in the vocational training programme. In case the higher education institution provides higher-level vocational training in cooperation with a business organisation, the requirements concerning the establishment of competence shall jointly be determined by the higher education institution and the organiser of the practical training. In case the higher education institution provides higher-level vocational training in cooperation with a secondary school, the requirements concerning the establishment of competence shall jointly be determined by the higher education institution and the secondary school.

(5) Students who have entered into a student contract may not be denied admission to higher-level vocational training provided that the student has met the prescribed requirements concerning aptitude, health related and professional competence as well as complying with the minimum admission criteria specified by the law.

(6) The requirements concerning aptitude, health related and professional competence shall be published in the Guide for Admission to Higher Education.

(7) The setting and the establishment of aptitude and health related requirements shall be subject to the provisions applying to vocational training.

Section 42 (1) The successful passing of the secondary school-leaving examination shall be a precondition for entry to undergraduate courses.

(2) In the case of application for admission to undergraduate courses, the higher education institutions providing courses in the relevant field of training shall jointly decide in which examination subjects the applicants are required to pass the advanced-level secondary school-leaving examination. The higher education institution shall determine the grade requirements of the secondary school-leaving examination and the necessary level of secondary school performance in order for the candidate to qualify for application. In case the fulfilment of the basic academic requirements demand the satisfaction of health and aptitude related requirements, the provisions of Section 41 (3) and (6) shall apply. The Government shall decide in which cases taking the health and aptitude tests is mandatory.

(3) Applications for entry to an undergraduate course – with the exception referred to in subsection (4) – shall be ranked on the basis of the common admission requirements defined for each field of training per branch of training and programme. The applications of those complying with the admission criteria shall be accepted on the basis of their position in the admission rank list in a way that the applications of those who have better ranking shall be considered by observing the order of institutional priority they have established for themselves.

(4) The higher education institution shall be entitled to carry out assessment of professional competence or to hold a practical examination with a view to special abilities necessary for pursuing studies or as a result of the peculiarity of the job available for the holder of the awarded qualification if such abilities cannot be or can insufficiently be assessed by the secondary school-leaving examination. If the higher education institution holds a practical examination, it shall rank applications for admission taking into account such examination results.

(5) The Government shall decide in what way and under what circumstances results achieved on national secondary education competitions or on other scientific competitions as well as outstanding sports achievements should be considered when ranking applications for admission to higher education, and in which cases professional competence can be assessed and practical examinations be held.

Section 43 (1) A Bachelor degree and evidence of professional qualification shall be prerequisite to entry to the graduate course.

(2) A Bachelor or Master degree and professional qualification shall be prerequisite to entry to the postgraduate specialist training course. Entry to postgraduate specialist training courses may be conditional on holding a job stipulated as a precondition for admission, on professional practice of a predefined duration and the possession of additional qualifications.

(3) A Master degree and professional qualification shall be prerequisite to entry to the doctorate course.

(4) Additional conditions of entry to the graduate course, postgraduate specialist training course and doctorate course may be specified by the higher education institution on proviso that it applies the same admission requirements irrespective of which higher education institution has awarded the applicant's diploma.

Section 44 (1) In the event the higher education institution stipulates taking an examination for the assessment of admission applications under the authorisation of this Act, disabled applicants should be granted the same exemption as in secondary education and special arrangements must be made in order for them to take the examination. This right shall also be extended to those who were not granted such opportunities as a result of their disability in secondary education but can in fact furnish proof of their disability.

(2) National or ethnic minority applicants shall be granted the opportunity to use their native language in the admission procedure if in secondary education they pursued studies in the given language or studied in bilingual minority education and took the secondary school-leaving examination in their native language.

(3) The rules pertaining to the establishment and attestation of disability shall be laid down by the Government.

Section 45 (1) The National Higher Education Information Centre – on the basis of data supplied by higher education institutions – shall in the year preceding the due date, and at the latest by 15 December, publish the

Guide for Admission to Higher Education which shall contain the data of programmes launched by the higher education institutions, and all information necessary for establishing student status.

(2) The Guide for Admission to Higher Education shall be made accessible also on the homepage of the Ministry of Education.

INDIVIDUAL RIGHTS AND OBLIGATIONS OF STUDENTS

Section 46 (1) The student has the right to freely select the higher education institution where he/she wishes to pursue studies.

(2) The student has the right to expect dignity from others and especially the observance of

a) his/her personal rights, in particular the right to unfold his/her talent, the right to self-determination, freedom of action, and the right to family life, provided that the exercise of such rights does not impose restrictions on others, and in exercising such rights the student does not jeopardise the health and physical integrity of his/her own, fellow students or the employees of the higher education institution,

b) while respecting dignity, the student has the right to freely form an opinion on any issue, the work of teachers, and the operation of the higher education institution and the student dormitory,

c) the right to be informed of issues relevant to his/her person and studies,

d) the right to put forth proposals, address questions to the heads and teachers of the higher education institution and the student dormitory, and to receive a sufficient answer at the latest within thirty days from the submission of such question,

e) the right to express an opinion on teachers' work,

f) the right to religious, secular or other beliefs, the right to identity as a member of a national or ethnic minority and the free expression thereof provided that the exercise of such rights does not violate the law, others' similar rights and does not restrict the assertion of fellow students' right to learning,

g) the right to correspondence, and the right to accommodation in a student dormitory provided that the exercise of such rights does not violate others' similar rights and does not restrict the assertion of fellow students' right to learning.

(3) The student has the right to pursue his/her studies in a safe and healthy environment in the higher education institution, and to receive assistance with his/her studies and start of a career in line with his/her talent, abilities and interests, and within this scope especially

a) to use the equipment, facilities and services (library, laboratory, computer devices, sport and recreation facilities, health counselling, etc.) available in the higher education institution and the student dormitory,

b) to plan his/her individual schedule in line with the requirements specified by the educational programme, to select between the course-units, and accordingly, have free access to training facilities provided by the higher education institution,

c) to attend lectures and seminars offered by the higher education institution,

d) to select between lectures, practical courses, seminars and other contact hours actually offered by the institution, and to choose his/her teachers, or, as a PhD / DLA student, his/her advisor,

e) to be informed exhaustively and in an objective manner,

f) to receive provisions and services in accordance with his/her condition, personal capabilities, or disability,

g) to receive assistance in his/her integration into the community life of the institution, and in preserving his/her physical condition and leading a healthy life free of addictions,

h) to become a member of an academic student group, to participate in its work as well as in the research and development activity of the higher education institution,

i) to receive academic and research scholarship,

j) to submit an application for academic, artistic scholarship, to publish his/her academic results and artistic works, and to select the topic of his/her degree thesis,

k) to be provided academic and career counselling and have recourse to its services,

l) to temporarily terminate his/her student status,

m) to acquire a visiting student status in another higher education institution, to request his/her transfer to another higher education institution and to establish additional student statuses (simultaneously pursued studies).

(4) The student has the right to get acquainted with international practice and, to this end, study in another higher education institution in the countries of the European Economic Area, and to obtain a student loan for this purpose, or to receive a grant in case he/she executes studies in state-funded training.

(5) The student has the right to receive financial or in-kind benefits relative to his/her financial standing, income situation, and academic performance, in particular

a) to be provided dormitory placement or to receive an accommodation grant,

b) to receive a maintenance grant and other bursaries (thus, in particular, a study grant, a doctorate bursary, or the Scholarship of the Republic of Hungary), social and textbook grants [hereinafter: the facilities listed under paragraphs *a)–b)* jointly referred to as 'student bursaries'],

c) to be granted exemption from, and deferment to as well as to be offered the opportunity to make instalment payments concerning payment obligations,

d) to receive a student pass, and have access to associated services and benefits,

e) to work in the higher education institution and to receive a student salary in consideration thereof,

f) to become a member of the business organisation established or funded by the higher education institution, or to work therein as well as to receive a student salary in consideration thereof,

g) to conclude a study contract or student contract in accordance with the law and in the case of work-study students, to be eligible for study leave.

(6) The student salary specified in paragraphs *e)–f)* of subsection (5) shall be exempt from taxes and deductions up to the amount of the prevailing statutory minimum wage (minimum wage), as defined in a separate act.

(7) The student shall be entitled to assert his/her interests and have the right to legal remedy, in particular

a) to be able to access information necessary for the exercise of his/her rights,

b) to participate in decision making having a bearing on his/her life and interests as a student, and in the governance of both the higher education institution and the student dormitory, either personally or by means of representatives,

c) to file for an action in case his/her rights have been violated and to have recourse to publicity,

d) to seek advice from the Commissioner for Educational Rights,

e) to turn to the Education Mediation Service,

f) to have the right to vote for the members of and to be elected as a member of the student union.

(8) The student can obtain a student loan in accordance with the terms and conditions defined by the Government. Students enrolled in fee-paying training shall be eligible for a greater amount of loan according to special terms as defined by the Government. The student loan may be repaid before the day of payment by applying Section 292 (2) of the Civil Code.

(9) The higher education institution may stipulate participation in community activities as a precondition of receipt of non-statutory student bursaries specified in the statutes.

(10) The student can work for a student salary if he/she has entered into a student employment contract. The employment of students working under a student employment contract shall be subject to the provisions of Act XXII of 1992 on the Labour Code (hereinafter the ‘Labour Code’) as appropriate.

Section 47 (1) With respect to practical training provided as part of an undergraduate course, a postgraduate specialist training course or higher-level vocational training, the student shall be entitled to rights pertaining to interest protection and labour safety stipulated for all employees by the Labour Code [Sections 18, 19, 21, 22 (1)–(2), 24 (1), 26–27, and subsection (2) as well as paragraphs *b)–c)* of subsection (3) of Section 102 of the Labour Code]. Unless otherwise provided by the Vocational Education Act, Sections 104 (1)–(4), 124 (1), and 125 (1)–(2) of the Labour Code, and laws and regulations pertaining to labour safety shall apply to the employment of students. In order to give effect to his/her claims regarding practical training, the student shall be entitled to have recourse to litigation in compliance with the provisions pertaining to labour dispute. For the purposes of these provisions, employee shall mean the student, employer shall refer to the organiser of practical training, whilst employment relationship shall mean student status.

(2) Students studying in higher-level vocational training shall be eligible for bursaries and benefits as specified by laws on vocational training. Bursaries and benefits shall be provided by the organiser of practical training.

(3) The execution of the student contract and the arising rights and obligations shall be subject to the provisions of the Vocational Education Act. In executing the student contract and exercising the rights and discharging the arising obligations, the requirements of equal treatment shall be observed.

(4) The organiser of practical training shall be required to offer liability insurance for the student taking part in higher-level vocational training.

Section 48 (1) Unless there is an agreement to the contrary between the higher education institution, or the dormitory and the student, the higher education institution or the dormitory, as successor, shall be entitled to acquire ownership of all objects of the student – with the exception of intellectual products (Section 86 of the Civil Code) – having been produced by the student in connection with fulfilling the obligations arising from his/her student status, or dormitory placement, provided that the financial and other conditions needed for the production of such objects were provided by the higher education institution or the dormitory. The student shall be eligible for payment if the higher education institution or the dormitory derives revenue from selling or utilising the objects the ownership of which it acquired. In case such revenue is generated through the selling or utilisation of an occasional individually-made object, the student and the higher education institution, or the dormitory shall agree as to the due amount of remuneration. In the event the object is produced regularly in the course of instruction and the training process, due remuneration shall be disbursed from the revenue derived from the activity of the participants of the whole training process – less the related costs. The pertaining rules shall be established in the statutes so as to take account of student performance.

(2) In case the object produced by the student pursuant to subsection (1) is an intellectual product, the provisions of subsection (1) shall apply only to the extent that the transfer of the intellectual product to the higher education institution or the dormitory is subject to the provisions pertaining to the transfer of intellectual products created in an employment relationship or other similar relationship to the employer.

(3) In the event the student on an undergraduate or graduate programme receives continuous in-company training at a business organisation for more than six weeks, the business organisation shall pay him/her a weekly student salary equivalent to fifteen percent of the monthly amount of the statutory minimum wage (minimum wage). The higher education institution and the business organisation may enter into an agreement on the organisation and delivery of professional practice, pursuant to which the student salary shall be disbursed to the student by the higher education institution.

(4) PhD / DLA students' work performed in connection with the education and research related activity of the higher education institution shall also be considered work associated with students' obligations arising from student status. Work shall be performed on the basis of the doctoral contract. The workload of such work may not exceed fifty percent of the weekly full-time working hours on semester average. The training schedule of the PhD / DLA student shall be designed in a way so as to allow the student to meet his/her examination requirements and to prepare properly. The student shall be entitled to a student salary on the basis of the doctoral contract, the monthly amount of which may not be less than the statutory minimum wage (minimum wage). Any dispute arising from the doctoral contract shall be settled pursuant to the provisions applying to the settlement of labour disputes.

Section 49 The student shall be required

a) to fulfil the obligations defined in the academic and examination regulations of the higher education institution,

b) to comply with the stipulations of the statutes of the higher education institution as well as the policies and regulations of the student dormitory,

c) to observe the policies of the higher education institution concerning the use of its premises and areas, and including during practical training sessions, to protect and to properly use the equipment and tools at his/her disposal, to protect the establishments and the equipment of the higher education institution, to protect the physical integrity and health of his/her own and fellow students, and to learn and apply health and safety measures,

d) to respect the traditions of the higher education institution, and the dignity of both the staff of the higher education institution and of fellow students.

Section 50 (1) In the event the student declares that he/she does not intend to meet his/her academic obligations in the following term, his/her student status shall be temporarily terminated. The student status may be temporarily terminated for a continuous period of no longer than two semesters. The student can temporarily terminate his/her student status on more than one occasion. The first such termination may only be requested after the successful completion of the first semester, unless otherwise provided by the academic and examination regulations. Further issues pertaining to the temporary termination of student status – including the opportunity to temporarily terminate student status prior to successful completion of the first semester – shall be governed by academic and examination regulations.

(2) The student status shall also be temporarily terminated if the student cannot meet his/her academic obligations as a result of childbirth, accident, illness or any other unanticipated cause through no fault of his/her own. The restrictions under subsection (1) shall not apply to the cases defined in this subsection.

(3) The student status shall be suspended if the student is barred from continuing his/her studies as a result of disciplinary sanctions [paragraph *d)* of Section 70 (2)].

Section 51 (1) The rights and obligations of the student defined herein shall be exercised and fulfilled in line with the intended purpose of such rights and obligations. Decisions, actions and documents of the higher education institution may not lead to the violation of rights guaranteed in this Act, the Vocational Education Act, and other laws on the implementation of the said acts, namely, the impairment of students' rights, the restriction of interest representation, the repression of expression of opinion, and restrictions of the right to information.

(2) Unless this Act or the statutes of the higher education institution stipulate an earlier date, the rights arising from student status can be exercised as of the day of enrolment in the higher education institution.

(3) The Government shall determine

a) the conditions of access to student bursaries funded from the state budget, and as part thereof may stipulate full-time training or state-funded training as a precondition of eligibility for such benefits and supports,

b) the conditions relating to the issuance of the student pass, the use of dormitory services and accommodation grants, access to certain study grants, and the principles guiding payments for certain services provided by the higher education institution,

c) bursaries awarded to needy students.

(4) The statutes of the higher education institution shall specify the way students' rights and obligations are exercised or fulfilled. The statutes – in respect of student bursaries funded from the state budget – shall define

the conditions of access to specific bursaries within the confines stipulated in the relevant government decree, and may also establish additional rights and obligations for students.

STUDENT DORMITORY PLACEMENTS

Section 52 (1) Dormitory placement shall be determined on the basis of application. Any person who has applied for admission to a higher education institution, or has established student status may request dormitory placement, irrespective of the training cycle and the training schedule of the programme he/she applied for or his/her student status is covered by.

(2) In assessing applications for dormitory placement, disadvantaged students lacking dormitory placement and hence unable to begin or continue their studies in higher education shall enjoy priority.

(3) The student shall pay a dormitory fee for dormitory placement. The dormitory fee shall cover accommodation and basic associated services required to ensure proper operation of the dormitory: the amount to be paid for basic services shall be determined on the basis of the degree of comfort the dormitory provides. The student dormitory may offer supplementary services students can access at their own discretion.

(4) The amount of the dormitory fee, the supplementary services the dormitory provides and the related charges to be paid shall be set upon admission to the dormitory.

(5) Unless otherwise provided herein, issues pertaining to dormitory placement shall be decided by the dormitory board.

(6) Upon winning dormitory placement, the student shall acquire dormitory membership.

(7) Associated with dormitory membership, the statutes shall stipulate the rights and obligations, the policies and regulations of the dormitory, the conditions of accessing the dormitory's supplementary services, the code of conduct of the dormitory, and the rules pertaining to the assessment of applications for dormitory placement.

(8) In the case of dormitories run by the state, the maximum amount of dormitory fee charged for accommodation and the associated compulsorily provide services (hereinafter 'basic services'), the conditions of dormitory rating according to the degree of comfort provided, and the range of basic services shall be determined by the Government.

(9) Dormitory students shall be represented by the student union in the higher education institution.

(10) The provisions of this Section shall also apply to students' hall of residences, with the exception of subsections (2) and (8)–(9), in case the students' hall of residence offers accommodation pursuant to an agreement concluded with the higher education institution.

STATE-FUNDED AND FEE-PAYING TRAINING

Section 53 (1) The higher education institution can provide state-funded or fee-paying training. The costs of state-funded training shall be funded from the state budget whereas the charges of fee-paying training shall be borne by the student.

(2) State-funded training can be provided in any training cycle as well as in higher-level vocational training or on postgraduate specialist training courses, regardless of its training schedule. Additional student status (simultaneously pursued studies in two programmes) can also be acquired in the framework of state-funded training.

(3) The Government shall specify the number of students admissible to the first year of state-funded programmes (hereinafter 'quota for newly admitted students') a year before the year concerned (hereinafter the 'due year') in a resolution. The quota for newly admitted students shall encompass the number of admissible students to higher-level vocational training, the number of admissible students to undergraduate courses, and the number of admissible students to the one-tier programme. The quota for newly admitted students may not exceed the rate of full-time students in formal education currently attending the last year of secondary school, as defined in this Act.

(4) The number of state-funded students admissible to graduate courses shall equal thirty-five percent of the quota for newly admitted students as of the year three years before the due year. The number of students admissible to doctorate courses and postgraduate specialist training courses shall equal ten percent of the quota for students admissible to the graduate course.

(5) The quota for newly admitted students, students admissible to graduate courses, postgraduate specialist training courses, and doctorate courses shall be determined in consideration of medium and long-term labour market demands so that such decisions promote the improvement of economic competitiveness. When establishing the quota for state-funded students, programmes unrelated to labour market demands shall also be taken into account (hereinafter 'programme with small headcount').

(6) The Government shall set the quota for newly admitted students annually, the year before the due year, for each field of training and according to the training schedule of the programme. Such decision of the Government

shall be made with a view to the involvement of labour market players as defined in this Act, and in accordance with labour market forecasts, the data of the career monitoring system, and the assessment of the number of unemployed professionals with a view to considerations of the number of admission applications submitted in the year of decision-making. Any increase or decrease in the quota – within a given field of training – as compared to the previous year may not exceed ten percent.

(7) The quota limit stipulated in subsection (6) shall not apply in the event the change in the number of admission applications lodged in the year of decision-making exceeds ten percent as compared to the number of admission applications of the previous year. In respect of the total headcount defined for graduate courses, postgraduate specialist training courses, and doctorate courses, the Government may allow a deviation of 1–10 percent from predefined rates.

Section 54 (1) State-funded places in undergraduate courses and higher-level vocational training courses shall be distributed in compliance with the ranking of admission applications and as per the order of priority of institutions indicated on the application forms. The given higher education institution may accept as many state-funded students, up to the maximum number of admissible students defined in its statutes, as the number of admission applications allowed for the higher education institution.

(2) With regard to graduate courses, postgraduate specialist training courses, and doctorate courses, admission applications shall be ranked and assessed by the higher education institution. The Minister of Education shall define for the higher education institution the number of state-funded places for such programmes.

(3) The number of state-funded places provided by the Government in a given field of training and higher-level vocational training shall be published in the Guide for Admission to Higher Education.

Section 55 (1) In case the student status of a student who has been admitted against the quota for state-funded students is terminated before the completion of studies, or if the student continues his/her studies in the form of fee-paying training, the state-funded place thus freed up shall be filled by a student who attends fee-paying training in the higher education institution, in line with the procedure specified in the academic and examination regulations of the given higher education institution.

(2) The student is entitled to pursue studies in higher education for twelve semesters as a state-funded student (hereinafter ‘state-funded period’), including higher-level vocational training. The state-funded period may be prolonged by four semesters in the case of students with disabilities. The state-funded period shall also include any uncompleted state-funded semesters the student has enrolled for, unless the student was unable to complete such a semester due to illness, childbirth, or other reason through no fault of his/her own. In calculating the state-funded period, a semester completed as part of the state-funded period shall be disregarded if the higher education institution has been dissolved without allowing the student to complete his/her studies, on condition the student did not have the opportunity to continue such studies in another higher education institution. A semester completed in the dissolved higher education institution but not recognised by the higher education institution where the student continues his/her studies shall also be disregarded. The state-funded period shall be extended by a maximum of two semesters in case the student attends a one-tier programme and the length of the programme exceeds ten semesters in accordance with the related training requirements. The duration of part-time training and that of distance learning courses can be extended by a maximum of four semesters. The state-funded period for students on doctorate courses can be prolonged by six semesters at the most. Possession of a degree and professional qualification shall not exclude the opportunity of students to attend state-funded training, with the stipulation that the student who has taken the final examination in a certain training cycle as state-funded student, may not enrol for state-funded training in the same training cycle. This provision shall also apply to higher-level vocational training.

(3) Once students have depleted the available state-funded period pursuant to subsection (2), they may only be eligible for fee-paying training in higher education.

(4) The available state-funded period rendered to a given programme may only exceed the corresponding duration of the given programme by a maximum of two semesters. In the event the student is unable to complete his/her studies during the state-funded period, he/she may continue such studies as part of fee-paying training.

(5) The National Higher Education Information Centre shall keep records of studies, semesters a given student has enrolled for, and the time used up or left from the state-funded period with respect to each student.

(6) Rules pertaining to the registration of the state-funded period shall be established by the Government.

Section 56 (1) In case the student has enrolled in fee-paying training, the rights and obligations arising from student status shall be subject to the provisions of this Act and Sections 20–27 of the Adult Education Act, except that the contract shall also extend to the following: the amount of the tuition fee to be charged, the services provided in exchange of the tuition fee, and the conditions of reimbursement of the fee paid.

(2) The number of semesters in fee-paying training shall be unlimited. However, the student shall not be eligible for the bursaries, benefits, and services stipulated in laws if the number of semesters he/she has enrolled for – including the duration of the state-funded programme – exceeds sixteen semesters. This provision shall not apply to students who acquire new student status after the elapse of five years from the termination of a former student status.

(3) In calculating the state-funded period or the time available for fee-paying training, student statuses established simultaneously at more than one higher education institution, or enrolment for more than one programme in the same higher education institution shall qualify as one semester.

FULFILMENT OF ACADEMIC REQUIREMENTS

Assessment of Student Performance

Section 57 (1) The term shall consist of the term-time and an examination period. Student performance shall be assessed during the study as well as the examination period.

(2) Assessment of student performance can be carried out according to:

a) a five-grade scale: excellent (5), good (4), satisfactory (3), pass (2), fail (1),

b) a three-grade scale: excellent (5), satisfactory (3), fail (1),

c) any evaluation scheme the higher education has introduced and stipulated in its academic and examination regulations provided that it ensures comparability.

(3) Upon registration, the higher education institution shall furnish the student with a guide containing the information necessary for the continuation and the planning of studies.

(4) The student shall receive a registration book upon registration. The registration book is a public document certifying the completion of studies and serving as the pre-degree certificate stating that all course-units that have been completed, and contains data with reference to the fulfilment of academic requirements.

(5) The Government shall specify the general rules of credit-based education, and furthermore, the number of credits students must earn both for progressing in a certain field of training and to satisfy their academic requirements, as well as the rules pertaining to the institutional registration of credits and the compilation of the Academic Guide.

Section 58 (1) Accomplishment of academic requirements in higher education programmes shall be expressed in terms of education points (hereinafter 'credit') assigned to individual subjects and curricular units. The progress students make in the given programme shall be expressed in terms of credits earned.

(2) Credits can be accrued by satisfying the academic requirements specified by the higher education institution.

(3) The value of the credit is not affected by the rating of the student's knowledge, provided that the student's performance has been accepted by the teacher.

(4) Students shall be granted the opportunity to enrol for optional course-units up to five percent of the credits required for the award of the diploma, and shall be offered a range of credit-earning course-units to select from at least twenty percent in excess of the total number of credits required. Students on state-funded training shall be allowed to develop their individual course schedule in a way that they can take credit-earning course-units ten percent in excess of the compulsory number of credits without having to pay a tuition fee.

(5) Students may enrol for course-units during their studies in another programme of the higher education institution where they acquired student status, or as visiting students, in the programme of any other higher education institution.

(6) The higher education institution shall publish a recommended curriculum to aid the compilation of students' course schedules. In planning individual course schedules, students may deviate from the curriculum recommended by the higher education institution. The student may accrue the credits required for the award of the diploma in a shorter or longer period than the actual duration of the programme.

(7) Acquisition of a given knowledge content shall yield credit only on one occasion. Student performance having earned credit shall be recognised in studies pursued in any other higher education institution – provided that the relevant preconditions are met – irrespective of the higher education institution and the level of training at which it was accrued. Recognition – on the basis of the programme in the subject concerned – shall exclusively be performed by way of comparing the knowledge content serving as the basis for the credit. The credit shall be recognised if there is a seventy-five percent overlap between the contents compared. Comparison shall be performed by a committee of the higher education institution set up for such a purpose (hereinafter 'credit transfer committee').

(8) Issues pertaining to the implementation of subsections (5)–(7) shall be governed in the academic and examination regulations.

(9) Any new or amended version of the academic and examination regulations shall be introduced in the form of a consecutive system of introduction.

Section 59 (1) Examinations shall be organised so that each student concerned can enrol for and take the examination. The higher education institution shall allow the student to retake a previously unsuccessfully taken examination (hereinafter 'retake examination') during the same term. The academic and examination regulations

may allow for the previously unsuccessfully taken retake examination to be repeated (hereinafter 'repeated retake examination'), and for the retake examination and the repeated retake examination to be sat after the end of term.

(2) In case the student fails the repeated retake examination, and has been tested by the same examiner both on the examination and the retake examination, the student can request to sit the repeated retake examination before another teacher or another examination board. The student shall enjoy this right even if the examination is taken in a subsequent term. Absence from the examination shall not affect the assessment of the student's knowledge. In the event the student has not attended the examination, his/her knowledge cannot be assessed. However, the higher education institution may oblige the student to cover the costs thus incurred, provided the student is unable to supply adequate proof for his/her absence from the examination.

(3) Upon commencement of the term-time, the higher education institution shall be required to publish in the Academic Guide, in the manner customary, the methods of student performance assessment and the related dates of such assessment during the given term, as well as the schedule of the examination period, in particular the first and the last day thereof. The higher education institution shall publish, in the manner customary, no later than three weeks before the end of the term-time the dates set for the individual examinations, the name of the examiners, the date and manner of registration for the examinations, the date of publishing examination results, and the possibilities for retake examinations.

(4) The higher education institution shall determine in its academic and examination regulations

a) the terms and their schedules, the rules pertaining to fulfilling academic requirements, and the manner of testing and assessing knowledge,

b) the rules regarding registration for, organisation and administration of examinations,

c) the number of credits students must accrue to continue in state-funded training.

Section 60 (1) Students on higher-level vocational training shall sit a vocational examination in compliance with the provisions applying to vocational education.

(2) The student shall complete his/her studies in the undergraduate, graduate, and postgraduate specialist training courses by taking the final examination.

(3) The final examination shall test and assess the knowledge, skills, and abilities requisite to the award of the diploma, whereby the student shall also prove his/her ability to apply the acquired knowledge in practice. The final examination may consist of several parts – the defence of the degree thesis, and additional oral, written or practical examinations – as defined in the curriculum.

(4) Registration for the final examination shall be subject to having obtained of a pre-degree certificate stating that all course-units have been completed. The higher education institution shall issue the pre-degree certificate to students who have satisfied the curricular academic and examination requirements – except passing the language examination and writing the degree thesis –, completed the required practical courses, and have earned the required number of credits. The final examination may be taken in the examination period following the award of the pre-degree certificate while still enjoying the student status, or after the expiry of student status, with no deadline specified, during any examination period in accordance with the prevailing programme requirements. The academic and examination regulations may stipulate further requirements to be met for sitting for the final examination if the final examination is to be taken seven years after the issue of the pre-degree certificate.

(5) The final examination shall be taken before the final examination board, which shall have a chair and at least two other members. At least one member of the final examination board shall be a university or college professor, or university or college associate professor, and at least one of its members shall have no employment relationship with the higher education institution. Final examinations shall be documented in the form of records.

(6) The academic and examination regulations of the higher education institution shall specify the manner of registration for the final examination, the rules pertaining to the organisation and administration of the final examination, and the method for calculating the results. Higher education institutions may decide to arrange the final examination jointly.

Section 61 (1) Disabled students shall be offered convenient circumstances for preparation and examination, and shall be assisted in their fulfilment of obligations arising from their student status. Where appropriate, they should be exempted from the obligation to take certain course-units or certain parts thereof or to undergo assessment. If necessary, such students shall be exempted from the language examination or a certain part thereof, or the level related requirements of such language examinations. Disabled students shall be given more time to prepare at the examination, and shall be afforded the opportunity to use aids at the written test (typewriter, computer, etc.), or if necessary, to have, in the case of such students, a written test instead of an oral test, or an oral test instead of a written one. The exemption under this subsection shall exclusively be granted in the context of the condition justifying such exemption and may not result in exemption from the fulfilment of basic academic requirements that are requisite to the award of the professional qualification certified by the Bachelor and the Master degree, or of the vocational qualification evidenced by the certificate of higher-level vocational training.

(2) The principles governing the studies of disabled students shall be laid down by the Government. The higher education institution shall determine in its statutes the rules of executing institutional tasks concerning disabled students.

The Diploma and the Certificate

Section 62 (1) Successful completion of the final examination and, unless otherwise provided herein, passing the required language examination shall be prerequisite to the award of the diploma certifying the accomplishment of academic studies. Unless programme and exit requirements stipulate more stringent criteria, for the award of the diploma the student shall present the documents certifying that he/she has passed

a) in the case of an undergraduate course, a type 'C' intermediate-level general language examination,,

b) in the case of a graduate course, a language examination specified in the programme and exit requirements which is recognised by the state or qualifies as an equivalent examination (hereinafter 'language examination'). The higher education institution may specify in the curriculum in what languages the language examination can be taken for it to be accepted, on proviso that it shall recognise as a general language examination any language examination evidenced in the secondary school-leaving certificate, or any language examination accepted as a valid secondary school-leaving examination.

(2) Except for the final examination, the provisions of subsection (1) shall not apply if the language of instruction is not Hungarian.

(3) The diploma or certificate shall be issued and delivered to the student having passed the final examination within thirty days from the presentation of the document in evidence of a valid language examination.

(4) Only the higher education institutions covered by this Act shall be eligible for issuing diplomas. The designation 'diploma' shall only be applied to documents that are issued by higher education institutions pursuant to this Act, certifying a specified academic level and professional qualification.

(5) The diploma is a public document bearing the coat of arms of the Republic of Hungary and displaying the name of the issuing higher education institution, its OM-identifier, the serial number of the diploma, the name, place and date of birth of its holder, the level of qualification, or the degree awarded, the programme, professional qualification, specialisation, and the training schedule of the programme, as well as the place, year, month, and day of issue. The diploma shall also be furnished with the original signature of the head of the higher education institution (or that of the head of institution stipulated in the study and examination regulations) and the chair of the final examination board, and shall bear the stamp of the higher education institution. In the event the student does not possess evidence of the language examination at the time of the final examination, and therefore the diploma is issued after the final examination period, the diploma can be signed by the head specified in the study and examination regulations instead of the chair of the final examination board. The academic and examination regulations of the higher education institution may stipulate additional (non-personal) data to be displayed. The diplomas issued shall be registered.

(6) The higher education institution can issue the diploma in a form compliant with its traditions. In case the higher education institution was established by way of demerger or secession, on the request of the students concerned diplomas shall indicate the name of the predecessor higher education institution.

(7) If the diploma cannot be issued because the actual student cannot present any language certificate, the higher education institution shall issue a certificate. Such certificate shall not evidence any academic or professional qualification, it shall certify the completion of the final examination. The certificates issued shall be registered.

Section 63 (1) The diploma shall be issued in Hungarian and English, or in Hungarian and Latin, or, in the case of national and ethnic minority courses, in Hungarian and the language of the national or ethnic minority, whereas if the instruction is not delivered in Hungarian, in Hungarian and in the language of instruction. On request of the student, the diploma can be issued in another language, the associated costs of which shall be borne by the student.

(2) The Diploma Supplement defined by the European Commission and the European Council shall be issued together with the Bachelor and the Master degree, in Hungarian and English, or in the case of national or ethnic minority courses, on the request of the student, in the language of the minority concerned. The diploma supplement is a public document.

(3) The diploma awarded after completion of a undergraduate course, a graduate course, or a one-tier programme, and a postgraduate specialist training course entitles its holder to hold the jobs and to pursue the activities as defined in laws.

(4) The English description of the levels of education corresponding to the degrees certified by the diplomas awarded in Hungary are as follows:

a) Bachelor degree or 'baccalaureus' (abbreviation: BA, BSc),

b) Master degree or 'magister' (abbreviation: MA, MSc).

(5) Holders of a Master degree are entitled to use the designation 'okleveles' [i.e. Master] before the professional qualification (e.g. engineer, economist, teacher) as certified by their diploma (similarly to the corresponding English abbreviations M.Eng., Mecon, MAT, etc.).

(6) The diplomas of physicians, dentists, veterinarians, and lawyers certify a doctorate title. The associated abbreviated forms are: dr. med., dr. med. dent., dr. vet., dr. jur.

Section 64 (1) On the basis of the vocational examination passed in the scope of higher-level vocational training, the higher education institution, if requested by the student, shall issue a certificate attesting the vocational qualification as defined in the National Qualifications Register as well as a Certificate Supplement. The issued certificate entitles its holder to hold jobs and to pursue activities as defined in laws. The preparation, issuance, content and the registration of the issued certificates shall be subject to the provisions applying to vocational education. The examination board of vocational examinations shall apply a round seal displaying the coat of arms of the Republic of Hungary.

(2) Vocational and examination regulations, or the vocational training programme may stipulate the passing of a language examination as a precondition of the issue of the certificate. The certificates issued shall be recorded in a central registry.

Section 65 (1) The rector of the higher education institution – subject to the prior consent of the President of the Republic of Hungary – shall confer the doctoral degree with *Promotio sub auspiciis praesidentis Rei Publicae* honours upon the student whose educational performance were always highly acknowledged during his/her studies in secondary school, higher education and the doctoral level, provided that he/she also demonstrated outstanding performance in the procedure leading to the award of a doctoral degree. The detailed conditions of receiving a doctoral degree with honours shall be defined by the Government.

(2) The rector of the higher education institution shall confer the honorary title 'doctor honoris causa' upon the person who deserves such a title under the provisions of the doctoral regulations.

(3) The rector of the higher education institution – in accordance with the conditions specified in the statutes – may award a golden, diamond, iron or ruby honorary diploma to the person who received his/her diploma in the same higher education institution fifty, sixty, sixty-five, or seventy years before, respectively, and whose career is worth public esteem.

SUPPORTING GIFTED STUDENTS

Section 66 (1) Students shall be assisted in nurturing their talents by means of high-quality education, the academic student league, the student college and doctorate courses.

(2) As part of high-quality education, students with exceptional abilities shall be provided assistance in satisfying those extra requirements that encourage them to cultivate their talents.

(3) The academic student league shall serve to deepen and expand curricular, academic and artistic knowledge, as well as facilitate research and creative activity by students.

(4) The aim of the student college is to provide high-standard and good quality professional education by way of developing a professional programme, and thereby to give support for gifted students, to encourage them to play an active role in public life, to contribute to the creation of infrastructure conditions and personal criteria of preparation for professional duties, and to educate students so that they become professionals who are receptive to social problems and ambitious enough to sustain a high standard in their profession. The student college rests on the principle of self-governance and the independent activity of student college members. Members of the student college shall especially decide on granting or terminating college membership, the adoption of bylaws of the independent student college, the professional programme of the student college and pertaining performance criteria.

(5) A student college shall qualify and operate as such in case it is established to offer further support for gifted students under the stipulations of subsection (4). The student college may operate as part of the dormitory or the students' hall of residence if it meets the criteria listed under subsection (4). The student college may give home to an academic student league. Students with no college membership can also access the services of the student college.

(6) In the event the student college operates as part of the higher education institution, it shall be entitled to receive funds from the institutional budget for the fulfilment of its tasks.

(7) The higher education institution shall provide assistance in order to support gifted, disadvantaged students by means of a mentoring programme. The principles governing the organisation of the mentoring programme shall be laid down by the Government.

(8) The students' hall of residence may cooperate in discharging the tasks defined in this Section pursuant to an agreement concluded with the higher education institution.

SPECIAL RULES PERTAINING TO DOCTORATE COURSES

Section 67 (1) Higher education institutions offering graduate courses in a given discipline of science or field of art shall be entitled to organise a doctorate programme in the same fields.

(2) The higher education institution shall be authorised to provide doctorate courses and confer doctoral degrees in the given discipline of science, or more specifically in branch of science or field of art, for which it has been granted the operating permit. The higher education institution can earn the right to provide a PhD course preparing students for a scientific degree, or a DLA course leading to a ‘Doctor of Liberal Arts’ degree in art education (hereinafter ‘doctorate course’), and to confer such degrees.

(3) The scientific degree certified by the diploma awarded for the completion of the doctorate course is ‘Doctor of Philosophy’ (abbreviation: PhD), or in art education ‘Doctor of Liberal Arts’ (abbreviation: DLA). The diploma shall be signed by the rector and the president of the doctoral council.

(4) Organisation of the doctorate course and the conferral of the doctoral degree (hereinafter the ‘doctoral procedure’) shall be the right of the doctoral council of the higher education institution. The doctoral council may be organisationally separate as per discipline of science and field of art.

(5) All members of the doctoral council shall hold a scientific degree. In selecting the members of the doctoral council, it shall be ensured that at least two of its members do not have an employment relationship with the higher education institution concerned. One member of the doctoral council shall be appointed by PhD / DLA students.

(6) Any individual who is a close relative of a candidate [paragraph *b*) of Section 685 of the Civil Code] or who cannot be expected to deliver an impartial opinion on issues concerning the given candidate due to certain other reasons shall be excluded from participation in the doctoral procedure.

Section 68 (1) The doctorate course shall be a single programme consisting of thirty-six months divisible into assessment periods.

(2) The doctorate course shall encompass teaching, research, and assessment related activities conducted either individually or in groups, tailored to the particularities of the given branch of science and the actual PhD / DLA students. Only students holding a Master degree are eligible to attend doctorate courses.

(3) After completion of the doctorate course, the doctoral degree shall be taken in the course of a separate procedure of degree award. The student enrolling for the doctoral degree award procedure is the PhD / DLA candidate. Those who have not attended the doctorate course but have prepared for the degree award procedure individually can also become PhD / DLA candidates. In the event the PhD / DLA candidate enrolls for the degree award procedure while still on the programme, then he/she will have student status and at the same time be a PhD / DLA candidate.

(4) The PhD / DLA candidate status is established upon applying for the doctoral degree award procedure and the acceptance by the higher education institution thereof. The higher education institution may not reject the application of the student who has successfully completed the PhD / DLA course in the said institution. The prerequisites listed under subsection (5) shall be met during the PhD / DLA candidacy. The PhD / DLA candidate status shall terminate upon completion of the degree award procedure, or in case the PhD / DLA candidate does not submit the dissertation within two years from the establishment of candidate status. Unless otherwise provided by laws, the rights and obligations of PhD / DLA candidates shall be subject to the provisions applying to the rights and obligations of students.

(5) Prerequisites to the conferral of the doctoral degree:

a) fulfilment of obligations stipulated in the doctoral regulations, and passing the doctoral comprehensive examination;

b) evidence of knowledge of two foreign languages – required for the pursuit of academic activity in the given discipline of science – as defined by the doctoral regulations;

c) presentation of independent academic work such as articles, studies, or in other forms; as a precondition of taking the DLA degree, presentation of the results of independent artistically creative work in line with the specificities of the given field of art;

d) independent execution of academic or artistic assignments appropriate to the requirements of the academic degree; presentation of the dissertation, or the master project; public defence of research results.

Section 69 (1) The doctoral comprehensive examination shall be taken before the comprehensive examination board. The comprehensive examination board shall have three members. The comprehensive examination board shall be set up by the doctoral council. Members of the comprehensive examination board shall hold a scientific degree. In selecting the members of the comprehensive examination board, it shall be ensured that at least one of its members has no employment relationship with the higher education institution.

(2) The dissertation defence shall be conducted publicly, by the dissertation committee. The chair of the dissertation committee shall be a professor or professor emeritus of the higher education institution, as suited to the given field of science. Setting up of the dissertation committee shall otherwise be subject to subsection (1).

(3) The conferred doctoral degrees shall be recorded in a central registry, which shall be accessible to all. The registry shall also be available on the Internet.

(4) The detailed rules of the doctorate course and the doctoral degree award procedure shall be established in the doctoral regulations of the higher education institution.

(5) Holders of a PhD degree shall be entitled to use the abbreviation 'PhD' or 'Dr.' with their names, whilst holders of a DLA degree may use the abbreviation 'DLA' or 'Dr.'.

STUDENTS' DISCIPLINE-RELATED RESPONSIBILITIES AND LIABILITY FOR DAMAGES, LIABILITY FOR DAMAGES ON THE PART OF HIGHER EDUCATION INSTITUTIONS

Section 70 (1) In the event the student is guilty of gross violation of obligations, the student shall be liable to disciplinary sanctions imposed within the scope of a disciplinary procedure and the form of a written decision. In such disciplinary procedures the student or his/her representative (Section 222–223 of the Civil Code) shall be entitled to act.

(2) A disciplinary sanction may entail

- a) a reprimand,
- b) a severe reprimand,
- c) reduction in benefits and bursaries specified in the regulations on fees and grants, or by the complete refusal of paying such benefits and bursaries,
- d) suspension from the programme for a definite period of maximum two semesters,
- e) expulsion from the higher education institution.

(3) In determining the means of disciplinary punishment, all circumstances of the action that grounds such a sanction – in particular, the persons who sustained loss or damage, the consequences, repetition of negligent conduct, and the severity of breach – shall be considered. The duration of the punishment referred to in paragraph c) of subsection (2) may not exceed six months; the period of suspension defined in paragraph d) shall be no more than two semesters. No maintenance grant may be denied as a means of punishment specified in paragraph c) of subsection (2). The disciplinary sanctions listed under paragraphs d)–e) of subsection (2) shall entail a permanent or temporary refusal of bursary and benefit payments due on the basis of holding a student status. Student status shall be suspended for the duration of the disciplinary punishment defined in paragraph d) of subsection (2). Initiation of the disciplinary procedure, or imposition of the disciplinary sanction shall not be affected by the academic performance of the student.

(4) No disciplinary procedure shall be initiated if one month or three months have elapsed since the disciplinary offence was revealed or since such offence was taken, respectively. For the purposes of these provisions, reveal shall mean the time when the competent person authorised to initiate a disciplinary procedure is informed about the action underlying such a procedure.

(5) The student or his/her representative shall be informed of the initiation of a disciplinary procedure and also of the reasons for the procedure. The student shall be interviewed during the disciplinary procedure, and shall be afforded the opportunity to present his/her case and evidence in his/her defence. In the event the student disputes the offence he/she is accused of at the interview, or should clarification of the case nonetheless necessitate so, a hearing shall be arranged. The student shall be called to the hearing. The disciplinary hearing can be held even if the student or his/her representative does not appear at the hearing despite reasonable repeated notification has been sent out. In the event the disciplinary procedure is initiated by the student, the hearing shall nevertheless be arranged and carried out. In case the student's request for presentation of evidence is rejected, the reason shall be indicated in the disciplinary decision, unless it is established that the student is not guilty of any offence.

(6) In the case of breach of obligations on practical training, the disciplinary procedure shall be carried out in the higher education institution.

(7) The provisions of this Section shall be applied also in dormitories, except the stipulations of paragraph d) of subsection (2). In lieu of the punishment defined in paragraph e) of subsection (2), expulsion from the student dormitory shall apply.

Section 71 (1) Disciplinary procedure shall be initiated by the head of the institution or the person specified in the statutes.

(2) The disciplinary committee of the higher education institution, which shall have three members, shall be entitled to exercise disciplinary powers at first instance. Issues pertaining to the administration of disciplinary procedures not regulated herein shall be governed by the statutes, including the dispensation procedure, the establishment of the institutional disciplinary committee, the rules pertaining to the hearing and presentation of evidence, issues relating to the right to defence and the publicity of the disciplinary hearing, on condition that at least one third of the members of the disciplinary committee should be delegated by the student union.

(3) In the event the person against whom a disciplinary procedure has been initiated is also indicted under criminal charges for the same offence, until a final decision is delivered in the case of the latter, or in case the

person subject to the disciplinary procedure cannot be interviewed or is not able to appear at the hearing as defined in Section 70 (5) through no fault of his/her own, the disciplinary procedure shall be suspended at the latest until such obstacle is removed.

(4) Except subsection (3), the disciplinary procedure shall be completed within a month.

(5) Only final disciplinary decisions may be enforced.

(6) The student can be granted relief from the punishment before the expiry of the disciplinary sanction by means of a well-established decision after the procedure defined in the statutes.

(7) The provisions of this Section shall also apply to dormitories.

Section 72 (1) In the event the student's breach of regulations causes damage to the higher education institution or to the organiser of practical training during the student fulfils his/her academic obligations, the student shall be liable in accordance with the provisions of the Civil Code, subject to the derogation stipulated in this Act.

(2) With respect to subsection (1), in the case of negligent damage the amount of compensation may not exceed fifty percent of the monthly amount of the statutory minimum wage (minimum wage) effective on the day the negligence occurred. In the case of intentional damage, compensation shall cover the damage caused.

(3) The student shall assume full liability for any losses of and damages to objects he/she receives and which he/she is bound to return or take into care on the basis of a list or receipt of delivery, provided that the student constantly safe keeps or exclusively uses or handles such objects. The student shall be exempted from liability in case the loss is due to causes beyond the student's control.

(4) The higher education institution, the student dormitory, and the organiser of practical training shall assume full liability for any damages caused to the student incurred during the period of student status, dormitory membership, or practical training, irrespective of culpability. Compensation shall be determined subject to the provisions of the Civil Code, and furthermore, the higher education institution, the dormitory, or the organiser of practical training may only be exempted from liability if it can prove that the given damage has occurred due to an unavoidable cause beyond the scope of operation of the organiser of the practical training. No compensation shall be paid as long as the damage was caused by the injured party's unpreventable conduct.

(5) In case the student has entered into a student contract – pursuant to Section 27 (1) of the Vocational Education Act – the compensation to be paid for the damages caused to the organiser of practical training or to the student shall be subject to the provisions of the Vocational Education Act.

THE RIGHT TO REMEDY

Section 73 (1) The higher education institution shall notify the student in writing on its decisions that concern the student in cases defined either in this Act, in government decrees or in the statutes of the institution, or upon the request of the student.

(2) Within fifteen days from the notification of the student in question, or, in the lack of such notification, from the date when he/she learns about such decision, the student shall be entitled to appeal against decisions or actions of the higher education institution, or against cases when the institution fails to make a decision (hereinafter jointly referred to as 'decision') concerning any issue except decisions concerning the assessment of academic performance. Decisions on performance assessment can also be appealed as long as the decision is not founded on the requirements adopted by the higher education institution, or is in conflict with the provisions of the statutes, or in case rules pertaining to the organisation of the examination have been violated. The student or his/her representative (Section 222–223 of the Civil Code) shall be entitled to act in the remedial proceedings.

(3) The appeal claim shall be dealt with by the head of the higher education institution or the committee set up by him (hereinafter: the head of the higher education institution and the committee are jointly referred to as 'reviewer of the appeal claim') in accordance with the rules of procedure set forth in the statutes. The number of members of the committee, its composition and operation shall be stipulated in the statutes on proviso that at least one third of the members shall be delegated by the student union. The appeal claim shall be reviewed by the head of the higher education institution if it has been lodged on grounds of injury of interest.

(4) The person

- a) who has taken the appealed decision, or failed to make a decision,
 - b) who is a close relative of the person defined in paragraph a) [paragraph b) of Section 685],
 - c) who cannot be expected to deliver an impartial opinion
- may not review the appeal claim.

(5) The reviewer of the appeal claim may make the following decisions:

- a) rejects the claim,
- b) orders the person or body having failed to make the decision to actually make the decision,
- c) changes the decision,
- d) annuls the decision, and orders the decision-maker to conduct a new procedure.

(6) The decision shall be in writing and must be duly explained. The decision shall indicate the possibility of appeal, and the student at least on one occasion shall be interviewed during the procedure. In case the student or his/her representative does not appear at the meeting of the committee despite reasonable notice of such an event having been given repeatedly, his/her personal hearing may be disregarded. The student or his/her representative may submit comments in writing requesting that the personal hearing be dropped.

(7) The student may request the judicial review of the decision made by the reviewer of the appeal claim within thirty days from notice thereof, on grounds of legal violation or violation of the provisions relating to student status. Such court proceedings shall be subject to Chapter XX of Act III of 1952 on the Code of Civil Procedure. The court may overrule the decision. The court shall review the case without delay.

(8) The decision of the higher education institution shall become final if no appeal has been lodged within the time limit specified in subsection (2), or if such right has been waived. The decision at second instance shall become final upon its communication. The final decision shall be enforceable unless the student has requested the judicial review of the case.

(9) For the purposes of these provisions, the provisions applying to student status shall mean the provisions of laws and institutional documents stipulating the rights and obligations of students.

(10) The provisions of the Act on the general rules of official administrative procedures and services shall precisely be applied concerning the clarification of the case, the determination of time limits, proof of evidence, the form, content and communication of the decision, adjustment of the decision on request or ex officio, its replacement, amendment, modification or revocation.

Section 74 (1) Any decision that concerns the student and violates the requirement of equal treatment made within the powers of the maintainer or the institution or in the course of practical training shall be deemed null and void. Invalidity of an annulled decision may be cited anytime.

(2) Request for annulment, in case the decision has been made by the higher education institution, shall be filed within the framework of the procedure regulated in Section 73 (2)–(9), or if such decision has been taken by the organiser of practical training or the maintainer, it shall be lodged with the court.

(3) Annulment may be requested by the person affected by the decision, or in case no such person can be identified, by anyone. No time limit shall be specified for filing a request for annulment provided that the preliminary conciliation proceedings involving the decision-maker, in the case defined in point (2), yield no results.

(4) The burden of proof as to the non-existence of grounds for annulment shall be borne by the decision-maker in the annulment proceedings.

(5) Annulment shall not prejudice the rights acquired and exercised in good faith.

(6) In case of declaration of nullity, the court may order

a) the decision-maker to cease and desist from the infringement,

b) the decision-maker to remedy the decision by means of a declaration or in any other appropriate way, and further to make such remedial action public at its own expense,

c) the decision-maker to restore the condition existing before the infringement or to bear related costs, and the destruction of the object produced through the infringement, or that the object be deprived of its infringement nature.

(7) An unlawful decision may be declared valid if the grounds for annulment can be abolished.

(8) The court may order the suspension of a part of or the entire normative grant, in case the higher education institution or the maintainer of the institution fails to remedy the consequences of infringement of the requirement of equal treatment until the date defined in the infringement ruling. The suspension may last until the execution of the ruling. The court shall decide such matters within thirty days.

Section 75 (1) No appeal stipulated under Section 73 may be lodged in case the higher education institution and the student agree to the provision of services. In the event of breach of such an agreement, the injured party shall have the right to seek legal action in court.

(2) In the event of violation of his/her rights, the student may seek advice from the Education Mediation Service.

(3) The student may request the Commissioner for Educational Rights to proceed if he/she has utilised all possible remedial proceedings governed by this Act except court proceedings.

(4) The right to remedial proceedings shall extend to the procedure pertaining to the assessment of admission applications. Those with expired student status shall also have the right to remedial proceedings and to complete such proceedings.

TERMINATION OF STUDENT STATUS AND DORMITORY MEMBERSHIP

Section 76 (1) The student status shall be terminated

a) if the student has been transferred to another higher education institution, on the day of such transfer,

- b) if the student announces the termination of his/her student status, on the day such announcement is made,
 - c) if the student discontinues his/her studies in state-funded training, and does not wish to transfer to fee-paying training,
 - d) on the last day of the first final examination period following the given training cycle, or in the case of postgraduate specialist training courses, on the last day of the first final examination period following the last term, or on the last day of the term of the doctorate course,
 - e) in the case of higher-level vocational training on the last day of the first vocational examination,
 - f) as regards higher-level vocational training, in the event the student becomes medically unfit to continue his/her studies, and the higher education institution cannot offer any other suitable higher-level vocation training course, or the student does not wish to continue his/her studies, or the conditions necessary for the pursuance of further studies cannot be met, on the day the decision on termination becomes final,
 - g) in the event the rector terminates his/her student status – after giving warning to no avail and after reviewing the social condition of the student – because the student is in arrears with payment, on the day the decision on termination becomes final,
 - h) on the day the decision on expulsion becomes final.
- (2) By means of a unilateral declaration, the higher education institution may terminate the student status of the student, who
- a) does not fulfil his/her academic obligations stipulated in the academic and examination regulations or the curriculum,
 - b) has not registered for the subsequent semester on two consecutive occasions,
 - c) does not commence his/her studies after the temporary termination of student status,
- provided, in each case specified above, that the student has been reminded in writing at least on two occasions to discharge his/her obligations within the specified deadline, and has been informed of the consequences of default.
- (3) The person whose student status has been terminated shall be removed from the student registry.
- (4) The student's dormitory membership shall be terminated
- a) on the date of expiry specified in the decision on admission,
 - b) with the termination of student status,
 - c) on the day the decision on expulsion from the dormitory becomes final,
 - d) in the event the student is denied dormitory placement – after giving warning to no avail and after reviewing the social condition of the student – because he/she is in arrears with payment, on the day the decision on termination becomes final,
 - e) in case the student cancels his/her dormitory membership in writing, on the day indicated in the declaration,
 - f) in the event the student has been transferred to another dormitory, on the day of such transfer.
- (5) The student status shall not be terminated in case the student enrolls for the next level of multi-cycle training, or continues his/her studies in an undergraduate programme after a higher-level vocational training programme provided that the student continues his/her studies without adjournment, in the subsequent semester in the same higher education institution.

STUDENT COMMUNITIES, STUDENT UNIONS, NATIONAL STUDENT REPRESENTATION

Section 77 (1) For the representation of students' interests in the higher education institution, a student union shall be operated as part of the higher education institution. Each student shall be a member of the student union. The activity of the student union shall encompass all issues involving students. The student union may act on the basis of its mandate as representative of the student in the procedures regulated herein. The student union shall be entitled to exercise its entitlement specified in this Act, once it has elected its officers and its bylaws have been approved.

(2) The student union shall decide on its operation, on the utilisation of funds granted for its operation, on exercising its powers, and the establishment and operation of the institutional information system. No instructions may be given to the student union in the scope of its representation activity. The student union shall elect its officers, whereby all students concerned shall qualify as voters or potential candidates. The election shall be valid if at least twenty percent of the students have cast their votes.

(3) The bylaws of the student union shall specify the rules of operation of the student union. The bylaws shall be adopted by the student union assembly, and it shall become valid upon approval from the senate. Approval of the bylaws shall only be denied if it is in breach of the law or in conflict with the statutes of the higher education institution. The senate shall deliver its statement on the approval of the bylaws at the latest on its first meeting that is held after thirty days have elapsed since the submission for approval. The bylaws or its amendment shall be deemed to have been approved if the senate does not deliver its statement within the specified time limit.

(4) The higher education institution shall provide the necessary conditions for the operation of the student union and for the execution of its tasks, the lawful utilisation of which it shall be entitled to control. To perform its function, the student union shall be entitled to use the premises and equipment of the higher education institution and the dormitory free of charge as long as it does not impede the operation of the higher education institution or the dormitory.

(5) The student union in the event of violation of the rights stipulated in this Act – including the denial of approval of its bylaws – may take the case to court within thirty days from the notice of the maintainer's decision on grounds of legal violation or the provisions of institutional bylaws.

(6) The court shall come to a ruling during a non-contentious procedure out of turn. Missing the deadline shall result in forfeiture. The court may change the ruling. The body competent to conduct such procedure is the Budapest Metropolitan Court. The handing of the request has adjourning effect on the execution of the decision.

Section 78 (1) Assent of the student union shall be necessary for adoption and amendment of the statutes, in respect of the following:

- a) academic and examination regulations,
- b) regulations concerning fees and grants,
- c) the rules pertaining to teacher evaluation by students.

(2) The student union shall cooperate in students' evaluation of instructors' teaching activity, and its consent shall be necessary for the utilisation of funds allocated for youth policy and other student related purposes.

(3) The student union shall propose one member to the financial board, and one of its representatives may attend the meetings of the financial board.

(4) The student union shall be entitled to delegate members to the senate in the number specified in the statutes – equalling at least one quarter and maximum one third of senate members. In case at least one quarter of the students have cast their votes for the members of the student union, the student union shall be entitled to delegate one member to the senate. In case the student union is entitled to delegate more than one member, one student member shall be delegated by the union of PhD students.

(5) The student union

a) may put forward a proposal as regards the introduction of optional course-units and seminars, and the invitation of visiting lecturers not affiliated with the given higher education institution;

b) shall contribute to the organisation of academic and professional student leagues; to the publication of papers; to the development of national and international educational, cultural and academic relations with the aim of enhancing students' training opportunities;

c) may, as provided in the statutes, participate in the organisation of social, cultural, sports or other recreational activities, and shall cater for the proper use and protection of premises and tools put at its disposal;

d) shall deliver an opinion on the rules regarding the use of premises, tools, and equipment at the disposal of students;

e) shall provide for delegation in case this Act or other law or the statutes stipulate student participation;

f) shall decide on matters defined in the regulations concerning fees and grants, and shall contribute, in compliance with the provisions of regulations concerning fees and grants, to the administration of student affairs relating to study grants, maintenance grants and other support;

g) shall deliver an opinion on the utilisation of sporting facilities of the higher education institution;

h) shall contribute to the governance of dormitories as defined in the statutes.

(6) The student union may form an opinion and make a proposal on any issues concerning the operation of the higher education institution or students. The statutes of the higher education institution shall also determine other affairs in the case of which the opinion of the student union must be requested, its consent required, or concerning which issues it may decide.

(7) The student union shall exercise its rights in accordance with the relevant stipulations of its bylaws.

(8) The person or body authorised to take action shall respond to the proposal of the student union within thirty days – in the case of financial board or the senate on its first meeting held after thirty days have elapsed. .

Section 79 (1) The national representation of students – with the exception of subsections (4)–(6) – shall be performed by the National Union of Students in Hungary, which may convey an opinion or put forward a proposal with respect to any matter that involves higher education. The National Union of Students in Hungary shall represent students in the national organisations of higher education.

(2) The National Union of Students in Hungary is a legal person, its seat is in Budapest, may be represented by its president. The National Union of Students is entitled to use the coat of arms of Hungary.

(3) The National Union of Students in Hungary is a body consisting of student unions, which shall adopt its own bylaws. The National Union of Students in Hungary shall determine the order on the basis of which student unions can represent themselves in the National Union of Students in Hungary.

(4) The representation of students on doctorate courses of higher education institutions shall be performed by the Association of Hungarian Ph.D. Students. The Association of Hungarian Ph.D. Students shall exercise the powers defined in subsection (1) with respect to matters concerning PhD students.

(5) The representative of the Hungarian Rectors Conference shall be invited to the meetings of the National Union of Students in Hungary and the Association of Hungarian Ph.D. Students and shall have the right to act in advisory capacity thereon.

(6) The National Council of Academic Student Leagues is a professional organisation of students engaged in academic student league activities and teachers supporting such activities. The National Council of Academic Student Leagues shall be responsible for the national representation and coordination of students' academic and artistic activities pursued in higher education institutions and the national level representation of the student league movement, as well as the organisation of nationwide scientific and artistic forums for students. The operation of the National Academic Student Circle Council shall adopt its own bylaws and act accordingly.

PART FOUR

EMPLOYEES IN HIGHER EDUCATION (PUBLIC SERVANTS, EMPLOYEES)

THE SCOPE OF EMPLOYEES IN HIGHER EDUCATION AND GENERAL RULES OF EMPLOYMENT

Section 80 (1) The tasks of the higher education institution pertaining to teaching activities shall be performed by

a) assistant lecturers, assistant professors, college associate professors, university associate professors, college professors, university professors, and

b) instructors (thus especially foreign language teachers, sport trainers, art instructors, trainers, dormitory teachers, engineering instructors, technical instructors)

[positions listed under paragraph b) hereinafter jointly referred to as 'instructor positions'].

(2) The higher education institution may establish research positions for the pursuit of independent research activities.

(3) The work of lecturers, researchers, and instructors shall be supported by expert assistants and administrators. The conditions of employment in the positions listed under this subsection shall be laid down by the Government.

(4) For the execution of tasks pertaining to the operation of the higher education institution, financial-economic, technical-service provider, professional-service provider, administrative and assistant positions may be established.

(5) In the event the higher education institution sets up an institution or organisational unit to perform tasks pertaining to public education, general education, public collection, healthcare, social and other affairs, those employed in such institutions and units shall be subject to the provisions applicable to the relevant sector, task or activity (persons listed under subsections (1)–(5) hereinafter jointly referred to as 'employees').

(6) In the event the employee employed in the organisational unit referred to in subsection (5) also performs tasks pertaining to the higher education institution, the employment contract or the letter of appointment to the position of public servant shall specify the ratio of (full-time or part-time) hours of work for the duration of which the employee shall perform the above specific tasks.

Section 81 (1) Employment in the higher education institution operating as a budgetary organisation shall be covered by the Act on the legal status of public servants, whereas in the case of other higher education institutions the Labour Code shall apply subject to the derogations defined in this Act.

(2) In order to be eligible for employment in higher education, the employee

a) shall possess the required degree or certificate and qualification,

b) shall have clean criminal records and legal capacity.

RIGHTS AND OBLIGATIONS OF EMPLOYEES

Section 82 (1) All employees of the higher education institution shall have the right to

a) make a proposal as to the operation of the higher education institution, and receive a sufficient answer within thirty days from the submission of such proposal,

b) take part in the election of bodies of the higher education institution in line with the stipulations of this Act and the statutes of the higher education institution, as well as in the work of the given body provided he/she has been elected as a member thereof,

c) have recourse to the Commissioner for Educational Rights,

d) seek advice from the Educational Mediation Service.

(2) All employees of the higher education institution shall be obliged to

a) observe the rules stipulated in the statutes of the higher education institution,

b) perform the duties as defined in their job description.

(3) Subject to the provisions of this Act, the higher education institution shall lay down the duties specific to the positions in the employment requirements, may stipulate additional professional criteria as prerequisites to occupying specific positions beyond the ones prescribed herein, may stipulate a period of professional experience, may establish rules concerning conflict of interests, and may bar the employee from attaining a position in another higher education institution similar to the one occupied in the given institution.

SPECIAL RULES PERTAINING TO LECTURERS

Lecturer Positions, Titles

Section 83 (1) With the exception defined in subsection (4), only those holding a lecturer position shall execute lecturer's tasks in public servant status in the case of higher education institutions operating as a budgetary organisation, or on a regular employment basis in the case of other higher education institutions. Foreign nationals may also be employed in lecturer positions.

(2) Attainment of a lecturer position shall be conditional on the possession of a Master degree and professional qualification in addition to other criteria set out in this Act.

(3) Lecturers' and researchers' tasks may simultaneously be performed in the same position, however, in this case the contract of employment or the letter of appointment to public servant status shall specify the ratio of (full-time or part-time) hours of work for the duration of which the above specific tasks shall be performed.

(4) Lecturers' tasks may be fulfilled in fixed-term employment only if the nature of the activity pursued by the lecturer allows for such conditions, and the time allotted to work does not exceed seventy percent of the full-time working hours (hereinafter 'part time lecturer'). To the employment of part time lecturers, the provisions of Section 81 (2) and subsection (2) of this Section shall apply. Contractual and non-regular lecturers' duties may also be arranged for by fixed-term employment: for the execution of lecturer's tasks falling outside the scope of such positions, the higher education institution may enter into a fixed-term employment contract with those it employs in the form of a regular employment relationship or in public servant status.

Section 84 (1) The higher education institution shall specify in its employment requirements the aptitude, career advancement, and performance criteria lecturers must satisfy, as well as the consequences which shall apply in case the lecturer fails to fulfil the above requirements.

(2) Lecturers shall allot at least ten hours a week from their total weekly working hours – on average per two semesters – to lectures, seminars, practical courses, and consultations dedicated to student preparation (hereinafter 'time allotted to teaching'). Lecturers shall conduct research, and – as part of the duties associated with their position – in their time not dedicated to dealing with students and research shall attend to tasks, assigned to them by the employer, related to the operation of the higher education institution and requiring the lecturer's expertise.

(3) Subject to employment requirements, the employer shall be entitled to raise the time allotted to teaching by seventy percent, or to reduce it by twenty-five percent on proviso that, subject to subsection (4), the time allotted to teaching defined for employees in lecturer positions in the higher education institution may not be less than twelve hours a week per lecturer, on an average of two semesters. The principles guiding the determination of teaching time shall be laid down in the employment requirements with the stipulation that when determining the time allotted to teaching, activities related to examination and research shall also be considered. A continuous period of reduction and increase shall cover no more than two semesters.

(4) In the event the lecturer has part-time employment with the higher education institution, the time allotted to teaching, and any reduction thereof, shall be determined pro rata to hours of work.

(5) In assessing the fulfilment of the conditions of operation in the case of a higher education institution, lecturers – irrespective of the number of higher education institutions where they perform instruction – shall be considered in two higher education institutions at the most, whereas in allocating the amount of subsidy, they shall be taken into account in only one higher education institution. The lecturer shall declare in writing in which higher education institution he/she shall be considered in line with the aforementioned stipulations. In the

absence of such a declaration, the lecturer may not be taken into consideration in the case of any higher education institution.

Section 85 (1) University and college associate professors, as well as university and college professors shall be eligible for sabbatical leave – in accordance with the employment requirements – in every seven years in order to conduct research or carry out art projects, and to receive further professional education. The duration of sabbatical leave shall not exceed one year. For the duration of the leave, sabbatical pay shall be due.

(2) In case the aim of the sabbatical leave is to do research or to execute creative artistic activity, the employer and the lecturer shall lay down in an agreement the objectives to be achieved and the consequences of failing to meet such objectives.

Establishment and Termination of Lecturer Positions

Section 86 (1) Lecturer positions in the higher education institution shall include the following:

- a) assistant lecturer,
- b) assistant professor
- c) college or university associate professor,
- d) college or university professor.

(2) For filling a lecturer position – with the exception of assistant lecturer – a regular employment relationship or a public servant status may be established with a person who satisfies the prescribed criteria.

(3) Employment as lecturer shall entail the award of the title corresponding to the name of the position and the right to possess such a title. Assistant lecturers may be employed as teaching assistants without any title for three years.

(4) Employment as college or university professor shall be conditional on appointment as college professor by the Prime Minister, or to university professor by the President of the Republic of Hungary, respectively.

(5) Upon termination of employment – except the title of college professor and university professor – the right to use the title shall be renounced. College and university professors shall remain eligible to use their titles until they are released from service by the Prime Minister or the President of the Republic of Hungary.

Section 87 (1) Unless the employment requirements of the higher education institution stipulate more stringent criteria,

- a) employment as assistant lecturer shall be subject to enrolment in a doctorate course,
- b) employment as assistant professor shall be subject to the establishment of PhD / DLA candidacy.

(2) The possession of a PhD / DLA degree and professional experience relating to the given field of science, as well as the ability to supervise the academic, scientific, or artistic work of students and assistant lecturers shall be prerequisite to employment as college associate professor.

(3) The possession of a PhD / DLA degree and professional experience in education, as well as the ability to supervise the academic, scientific, or artistic work of students, PhD / DLA students and assistant lecturers and furthermore being able to deliver lectures in a foreign language shall be prerequisite to employment as college professor and university associate professor.

(4) The possession of a PhD / DLA degree, international reputation in the given discipline of science or field of art and having outstanding research or artistic achievements shall be prerequisite to employment as university professor. Based on their experience acquired in education, research, and organisation of research activity, university professors shall be capable of supervising the academic, scientific, or artistic work of students, PhD / DLA students and assistant lecturers, as well as shall publish their research and works and deliver seminars and lectures in a foreign language. University professors shall be entitled to possess the title of professor.

(5) The higher education institution's employment requirements shall specify the documents and procedures on the basis of which the senate can ascertain that the conditions of employment as college and university associate professor or for the initiation of appointment as college and university professor have been met. As part of this procedure, the higher education institution may stipulate the execution of the habilitation procedure.

Section 88 (1) Candidates for the positions of university and college associate professor, and university and college professor to be appointed for a period of longer than one year shall be selected by means of an open application procedure. The higher education institution – be it a university or college – may put out a call for applications for any lecturer position. The call for applications shall be announced by the rector subject to the employment requirements. An open call for applications may also be put out for assistant lecturer and assistant professor positions. Those employed by the higher education institution and also those having no employment or public servant status with the higher education institution shall be entitled to submit applications. The applications shall be assessed by the senate. Applications deemed to satisfy the requirements of the position shall be ranked by the senate. The senate shall make the decision regulated in this section by obtaining the affirmative votes of at least two thirds of its members. The rector shall establish an employment or public servant status or shall initiate appointment as college or university professor by selecting from among the ranked applications.

(2) In case the applications ranked by the senate include an applicant who is already employed in the higher education institution in a lecturer position (hereinafter ‘employed lecturer’), the provisions of subsection (1) shall apply subject to the derogations hereunder:

a) based on the decision of the rector, in lieu of establishing an employment or public servant status, the contract of employment or the letter of appointment as public servant shall accordingly be amended,

b) an already employed lecturer may only be disregarded on condition the rector selects an applicant who ranks better than the above-specified employed lecturer.

(3) Open calls for applications shall be published in the manner defined by the Government. Issues pertaining to the preparation of applications, the rules of procedure relating to the call for applications as well as the assessment of applications shall be regulated in the employment requirements with the restriction that the time specified for the submission of applications is not less than thirty days.

Section 89 (1) The rector shall send the maintainer of the higher education institution his/her proposal for appointment as college or university professor, so that the maintainer forwards it to the competent body or person authorised to execute such appointments.

(2) The maintainer of a non-state institution of higher education shall initiate appointment as college professor with the Prime Minister through the Minister of Education.

(3) The maintainer of a non-state institution of higher education shall initiate appointment as university professor with the Prime Minister through the Minister of Education.

Section 90 (1) Those eligible to possess the title of college or university professor may hold a lecturer position at another employer without any further appointment.

(2) In the event the lecturer changes employment, or establishes a new or an additional employment relationship or public servant status, the employer may employ the lecturer in a position corresponding to or lower than the title possessed at the former employer.

Section 91 (1) Lecturers’ term of employment shall not be extended in case they have not fulfilled

a) the requirements specified for the assistant lecturer position within three years,

b) the requirements specified for the assistant professor position within eight years from the date of commencement of employment. Nor shall the employment be maintained of a lecturer who has not obtained a scientific degree within twelve years from the date of commencement of employment. A period during which the employment or public servant status is suspended for more than ninety days due to maternity leave, childcare, provision of home care to a close relative, incapacity to work, employment in a higher education institution abroad or professional field trip shall not be included in the above time limits. Upon expiry of the deadline, employment or public servant status of the lecturer shall be terminated on the basis of this Act. The rector shall notify the lecturer of termination in writing. In the letter of appointment or the contract of employment, the employer shall determine the schedule for satisfying the conditions of employment in the position, and shall indicate the consequences of failing to satisfy such conditions defined in this Section. The lecturer may be employed as college professor, university professor, research professor, and scientific advisor even if he/she is over sixty-five years of age, but no older than seventy years of age.

(2) By means of a notice of dismissal or release from service – in addition to the provisions of the Labour Code and the Act on the Legal Status of Public Servants – the employer shall terminate employment as lecturer, in case the lecturer

a) has not fulfilled the relevant employment related requirements,

b) cannot be assigned work taking up at least up to fifty percent of the time allotted to teaching on an average of two semesters,

c) has not satisfied the requirements the employer has specified in the contract of employment or the letter of appointment for filling the position, allowing for an appropriate time limit.

(3) On the basis of this Act, employment as college professor or university professor shall be terminated in the event the Prime Minister or the President of the Republic of Hungary has released the college professor or the university professor, respectively, from service. The release from service of the college or university professor shall be initiated by the rector in line with the procedure defined in Section 89. The rector shall be required to initiate the release from service of the college or university professor when so requested by the person concerned, or in case the college or university professor has been dismissed as ordered by a final decision on disciplinary sanction, or if the court has deprived him/her of the right to pursue the profession, or if the person concerned has been sentenced to imprisonment by definitive judgement on grounds of intentional crime. In the event the person entitled to possess the title of college or university professor has no employment relationship with any higher education institution, release from service shall be initiated by the Minister of Education.

Titles Unrelated to Position

Section 92 (1) The senate may award the title Professor Emeritus or Professor Emerita (hereinafter jointly referred to as ‘Professor Emeritus’) to those who possess the title of college or university professor and whose

employment is terminated due to their retirement. The rights and obligations, as well as benefits associated with the title Professor Emeritus and the duration thereof shall be specified in the employment requirements of the higher education institution.

(2) The senate may award the part-time lecturer the title of

- a) private professor if he/she holds a PhD / DLA degree,
- b) honorary university or college associate professor, or honorary university or college professor if he/she has an established national reputation, and
- c) master instructor for excellence in practical training.

(3) The senate may award the title of master instructor to the person employed as instructor having demonstrated or demonstrating excellence in practical training.

(4) The conditions of awarding of and withdrawal of titles referred to in subsections (2)–(3), the rules of the award procedure, the benefits associated with the title, and the rules of the withdrawal procedure shall be laid down in the employment requirements.

SPECIAL PROVISIONS PERTAINING TO EMPLOYEES IN RESEARCHER POSITIONS

Section 93 (1) Those who – pursuant to their contract of employment or the letter of appointment – allot at least ninety percent of their total hours of work to scientific activity pursued by the higher education institution and as part of their duties associated with their position also contribute to the educational activities of the higher education institution shall be employed in researcher position.

(2) Researcher positions that may be established in the higher education institution shall be as follows:

- a) research assistant,
- b) research fellow,
- c) senior research fellow,
- d) scientific advisor,
- e) research professor.

(3) Employment of researchers shall be subject to, among others, the provisions of Sections 83, 84 (5), 85, 86 (2)–(3), 88 and 90 (2) except that the provisions contained therein must be understood to refer to fixed-term researcher instead of part-time lecturer. Research assistants may not be employed as teaching assistant without having been awarded a title.

(4) The Government shall lay down the conditions pertaining to the attainment of researcher positions, and as part thereof especially the conditions for holding specific positions and the related benefits associated with such positions.

SPECIAL PROVISIONS PERTAINING TO EMPLOYEES IN INSTRUCTOR POSITIONS

Section 94 (1) Any instructor position shall be conditional on holding an academic degree and professional qualifications.

(2) Concerning employees in instructor positions, Sections 83 (1) and (4) and 84 (1)–(2) shall apply. The allotted time to teaching in the case of employees in instructor positions shall be twenty hours a week on an average of two semesters. Subject to the employment requirements, the employer shall be entitled to raise or reduce the time allotted to teaching by fifteen percent on proviso that the time allotted to teaching defined for employees in instructor positions in the higher education institution may not be fewer than eighteen hours a week per instructor, on an average of two semesters.

(3) The rules pertaining to the status of employees in instructor positions shall be laid down by the Government.

RIGHTS AND OBLIGATIONS OF THOSE PERFORMING TASKS PERTAINING TO EDUCATION

Section 95 (1) Employees in lecturer positions shall have the right to

- a) expect others to show dignity and respect for personal rights, recognition and appreciation of their work as lecturers,
- b) define the syllabus within the framework of the programme, select the educational and training methods to be applied,

- c) provide instruction in compliance with their personal convictions and value systems, without forcing students to accept such convictions and value systems or coercing them into the acceptance thereof,
 - d) select students in line with the provisions of the statutes as well as supervise and evaluate their work,
 - e) have access to knowledge relevant to their work,
 - f) enhance their professional know-how and knowledge through continuing education and training, participate in pedagogical pilot projects and research,
 - g) submit applications for scientific or art competitions,
 - h) conduct research on the subject of their choice in addition to research tasks specific to their position,
 - i) publish their research results and artistic achievements.
- (2) The provisions of subsection (1) shall also apply to those employed in an instructor position and PhD / DLA students discharging lecturer's tasks.
- (3) Those employed as lecturer, researcher, or instructor in the form of a regular employment relationship or in public servant status, and those who retired as lecturer, researcher, or instructor shall be entitled to visit and use libraries, museums and other exhibition halls maintained by governmental bodies or local governments free of charge. Such entitlement shall be verified by the teacher pass or in the case of retired academic staff by a document issued by the last employer. By presenting such document, teachers can also verify their eligibility for other benefits provided for teachers. The pass is a public document. Production and distribution of such passes shall be subject to authorisation by the Minister of Education.
- (4) Those employed as lecturer, researcher, or instructor in an employment or public servant status shall be entitled to receive grants – in the amount stipulated in the Annual Budget Act – for the purchase of related literature (books, textbooks, notes, journals, electronic information carriers, etc.) and payment of library registration fees.
- (5) Those performing tasks pertaining to education shall be obliged to
- a) mediate knowledge in an objective manner and exhibit a multi-perspective approach,
 - b) consider individual abilities, gifts, and disabilities of students in the course of tutorial activity,
 - c) regularly inform students on matters of their concern, provide serviceable answers to their questions,
 - d) respect the dignity and rights of the student.
- (6) Issues with respect to accessing grants provided for library and museum visits and the purchase of literature as well as special rules pertaining to employment shall be established by the Government.
- (7) Concerning the execution of teaching tasks and in connection with activities involving students, those employed as lecturer or instructor as well as researcher shall qualify as persons performing public duties in terms of defence under criminal law.

EXECUTIVE POSITIONS AND EXECUTIVE POSTS

Section 96 (1) The following senior executive positions may be offered in higher education institutions in accordance with the stipulations of the statutes:

- a) rector,
- b) vice rector,
- c) director-general,
- d) dean,
- e) financial director-general, or in the absence thereof, financial director,
- f) head of the administrative office (secretary-general or equivalent under any other name defined in the statutes).

(2) The following executive posts may be offered in higher education institutions in accordance with the stipulations of the statutes and with the exception of assignments listed under subsection (1):

- a) deputies of executives referred to in subsection (1) – except paragraphs a) and b),
- b) heads and deputy heads of organisational units.

(3) The number of senior executives and executives in the higher education institution shall be at least two, but the headcount of such executives may not exceed twenty percent of the headcount calculated by way of dividing the weekly hours of work of those employed as lecturer or researcher by the total weekly working hours.

(4) The head of the regional centre may be appointed to senior executive posts listed under paragraphs b)–d) of subsection (1).

(5) The executive posts listed under subsections (1)–(2) shall be given for a definite period of three to five years, whereas the positions referred to in paragraphs a)–d) of subsection (1) may be extended on one occasion, while those listed under paragraphs e)–f) of subsection (1) and in subsection (2) may be extended on several occasions.

(6) For senior executive posts defined in subsection (1) an open call for applications shall be announced, whilst for executive posts specified under subsection (2) an open call for applications may be announced as stipulated in the statutes. The rules of procedure relating to the calls for applications, the form of applications,

and rules pertaining to conflicts of interests regarding executive posts shall be laid down by the Government. Content related requirements of applications, the professional requirements of executive posts – except in the case of the rector’s office – the principles and the procedural rules of assessing applications shall be specified in the statutes.

(7) All applications submitted for the rector’s office shall be assessed and ranked by the senate. The senate shall elect the rector by means of a majority vote.

(8) Applications submitted for senior executive posts and executive posts shall be ranked by the senate. The senate shall send its decision to the rector except in the case referred to in subsection (7). The rector shall decide on appointment to the executive post in view of the opinion of the senate.

(9) Senior executive posts and executive posts may be held by persons up to the age of sixty-five years.

(10) The provisions of this Section shall be applied in the case of an employer covered by the Labour Code with the exception that executive post shall refer to the employee holding an executive position.

(11) The procedure relating to the appointment and dismissal of the rector of college or university shall be subject to provisions of Section 89.

PROVISIONS PERTAINING TO REMUNERATIONS

Section 97 (1) The salaries and remunerations (hereinafter jointly referred to as ‘regular monthly payment’) of those employed as lecturer or researcher in the higher education institution shall be established pursuant to guaranteed payment defined, in the act on the annual budget, for university professors in the first payroll status, and by applying Annex 2 to Act on the Legal Status of Public Servants. The regular monthly payment of teaching assistants shall be determined on the basis of the provisions concerning those employed in lecturer positions.

(2) The act on the annual budget shall specify the amount on the basis of which the institutional appropriation available for the higher education institution and distributable relative to lecturer and researcher performance can be established. This amount may not be less than twenty percent of the guaranteed payment defined for university professors in the first payroll status (hereinafter ‘calculation basis’). The annual appropriation to be distributed shall be calculated as the generated number of those employed as lecturer and researcher and the calculation basis multiplied by thirteen.

(3) The employer may increase the amount of the regular monthly payment of instructors or researchers against the appropriation defined in subsection (2), or may, for a fixed term of at least one year, specify an income supplement (hereinafter ‘extra payment’). The amount of the extra payment payable to one person pursuant to this subsection may not be less than three times the calculation basis.

EMPLOYEE ORGANISATIONS, INDIVIDUAL AND COLLECTIVE RIGHTS, INTEREST PROTECTION, INTEREST RECONCILIATION

Section 98 (1) The higher education institution may operate an Institutional Reconciliation Council with the participation of the institutional trade union(s) and the employer (hereinafter the ‘Council’). The bylaws of the Council shall be laid down in an agreement concluded by the higher education institution and the institutional trade union(s).

(2) On the initiation of the representative trade union(s) of the higher education institution the Council shall be established and operated.

(3) For the reconciliation of issues pertaining to labour, social affairs, living and working conditions as well as personal benefits with sectoral relevance in higher education, a Reconciliation Council of Higher Education shall be set up. Delegates from representative trade unions of the sector, the representative of the Hungarian Rectors Conference as well as representatives of the Ministry of Education and other ministries concerned shall be members of the Reconciliation Council of Higher Education.

PART FIVE

THE ORGANISATION AND GOVERNANCE OF HIGHER EDUCATION STATE POWERS RELATING TO HIGHER EDUCATION

The Powers of Parliament

Section 99 (1) Parliament shall lay down the operation principles of the higher education system by passing the Higher Education Act, determine the development trends of higher education by adopting the Higher Education Development Plan, and establish the amount of state contribution allocated to the development and functioning of higher education in the Annual Budget Act.

(2) Parliament shall grant state recognition to higher education institutions by way of listing them in Annex 1 to this Act, and shall withdraw state recognition through cancellation from Annex 1 to this Act.

Powers of the President of the Republic of Hungary

Section 100 The President of the Republic of Hungary shall

- a)* appoint and release from service university rectors,
- b)* appoint and release from service university professors,
- c)* grant preliminary approval to the conferral of doctoral degrees with *Promotio sub auspiciis praesidentis Rei Publicae* honours.

Powers of the Government and the Prime Minister

Section 101 (1) The Government of the Republic of Hungary shall

- a)* submit to Parliament bills and draft resolutions that have a bearing on higher education, the Higher Education Development Plan for medium term (at least six years), and its implementation report,
- b)* adopt a resolution to establish the quota of students admissible to state-funded training in the year concerned, and distribute such quota according to area of study, the work schedule of programme, and the level of training,
- c)* have the right to establish a scholarship or grant.

(2) The economic chambers shall express an opinion on government proposals concerning the establishment of the quota of students admissible to state-funded training; the Government shall be informed of such opinion.

(3) The Prime Minister of the Republic of Hungary shall

- a)* appoint and release from service college rectors,
- b)* appoint and release from service college professors,
- c)* appoint and release from service the President and members of the Hungarian Accreditation Committee of Higher Education and the Higher Education and Scientific Council.

Sectoral Governance

Section 102 (1) In compliance with the provisions of this Act, the Minister of Education shall be responsible for the sectoral management of higher education.

(2) The competence of the Minister of Education in sectoral management shall extend to all activities covered by this Act regardless of the type of institution where such activities are pursued and of the maintainer's status.

(3) The Minister of Education shall participate in the preparation and forming of Government decisions on higher education policy and development, oversee science policy in each sector and its implementation, coordinate the adoption of a national conception of science policy, and shall put forward proposals in such matters.

(4) With respect to higher-level vocational training, governance powers shall be determined by the Vocational Education Act.

(5) The Minister of Education shall request an opinion for his/her decisions from the Hungarian Accreditation Committee of Higher Education and the Higher Education and Scientific Council when this Act so stipulates.

(6) The Minister of Education shall request an opinion from the National Committee for Minorities on the decisions that concern national or ethnic minority education.

Section 103 (1) As part of the responsibilities relating to the organisation of higher education, the Minister of Education shall

- a)* operate
 - aa)* the information system of higher education,
 - ab)* the graduate career monitoring system,
 - ac)* the Office of the Commissioner for Educational Rights, the National Higher Education Information Centre, the registration centre, and the Hungarian Equivalence and Information Centre,
 - ad)* the Education Mediation Service;
- b)* lay down the requirements that higher education institutions shall observe in institutional planning and in ensuring a healthy and safe operation;

c) send proposals to the Prime Minister for the appointment and release from service of college rectors and college professors, and to the President of the Republic of Hungary for the appointment and release from service of university rectors and university professors;

d) establish the principles governing sectoral quality policy;

e) propose statistical reporting;

f) oversee the lawful operation of higher education institutions;

g) oversee the internal audit of the relevant budget chapter;

h) determine the distribution of the quota of students admissible to state-funded graduate and doctorate courses and to postgraduate specialist training courses among the institutions on the basis of their applications.

(2) Based on the proposals of the Hungarian Accreditation Committee of Higher Education, the Minister of Education shall institute court proceedings, pursuant to the provisions of Section 105, to annul the results of examinations organised by higher education institutions and to invalidate the certificates and diplomas issued.

Section 104 (1) As part of the duties of higher education development, the Minister of Education shall

a) operate the professional supervision system,

b) provide for the scheming of development plans for the higher education system, including the medium-term development plan and the sectoral quality policy,

c) review the problems emerging in higher education in relation to training and education, and provide for solutions,

d) ensure the organisational conditions and funds required for research in higher education,

e) promote the dissemination of new methods, solutions and organisational forms of training and education,

f) organise the educational and professional services of higher education, and initiate the evaluation of education and research in higher education at the national level,

g) evaluate regularly, but at least once in every three years education and training experience in higher education, and review the structure of higher-level vocational training courses, and undergraduate and graduate programmes,

h) evaluate regularly, but at least once in every three years the relationship between higher education and the economy.

(2) In determining development trends, the aims and quality policy of higher education, the principle of a balanced representation for women shall be respected.

(3) The Education Mediation Service shall facilitate the settlement of disputes arising in connection with the rights specified in this Act, unless the dispute is subject to any mediation or arbitration procedure regulated in a separate act. Mediation is a particular conflict management and dispute settlement procedure aimed at the conclusion of a written agreement that offers a solution to the dispute between the parties. The procedure is conducted with the involvement of a mediator. Mediators have a duty to cooperate in an impartial and conscientious way to the best of their abilities in order to settle the dispute through the negotiation of an agreement.

(4) Where any of the national minority governments starts to create, pursuant to paragraph *a)* of Section 18 (3) of Act LXXVII of 1993 on the Rights of National and Ethnic Minorities, conditions for higher education in a native language or native language studies in higher education, the Minister of Education shall consider all demands and ensure such conditions by initiating the conclusion of an international agreement, executing a work plan or inviting applications for higher education courses in the home country or proposals for creating the necessary conditions in Hungarian higher education institutions.

(5) Upon recommendation of the Senate, the Minister of Education shall award the Scholarship of the Republic of Hungary to students with remarkable academic achievements. The rules and conditions of awarding the Scholarship shall be defined by the Government.

(6) Unless otherwise provided for by this Act, the Minister of Education shall attend to the tasks of maintainer control in the case of state higher education institutions.

Section 105 (1) The Minister of Education shall oversee the lawful maintenance of non-state institutions of higher education. Within the framework of such supervision, the Minister of Education may examine whether the maintainer operates the higher education institution in compliance with the laws, institutional documents, and its license to commence operation, and whether it fulfils the obligations arising from maintainer control.

(2) In supervising lawfulness, the Minister of Education shall call on the maintainer to satisfy its obligations under subsection (1) and set an appropriate deadline for compliance. In the event the maintainer fails to take the necessary steps within the specified deadline, the Minister of Education may institute court proceedings to establish the maintainer's default. Such a lawsuit shall be commenced within thirty days from expiry of the specified deadline. Where the court establishes a breach of law under Chapter XX of Act III of 1952 on the Code of Civil Procedure, and the maintainer fails to remedy such breach within the deadline stipulated by the court, the court shall, upon the Minister of Education's application, establish the conditions that justify the dissolution of the higher education institution.

(3) As a result of examining lawfulness, the Minister of Higher Education may suspend the higher education institution's right to administer examinations if the warning regulated in subsection (1) has proved to be of no avail. Concurrently with suspension, the Minister shall institute court proceedings to establish the maintainer's default on obligations. The decision of the Minister of Education shall address questions such as the studies and examinations of the students concerned.

(4) Procedures regulated in this Section shall be subject to the Act on the General Rules of Administrative Procedures and Services as appropriate. The registration centre shall cooperate in all procedures. In the case of the court proceedings defined under subsections (2)–(3), Act III of 1952 on the Code of Civil Procedure shall apply. The court may overrule any decision. The court shall decide the case without delay.

(5) The supervision of lawfulness by the Minister of Education shall not affect control and supervision authorisations exercised on the basis of other laws.

Procedures Pertaining to the Operation of Higher Education Institutions

Section 106 (1) The registration centre shall act at first instance in matters regarding the establishment and transformation of higher education institutions. Prior to its decision it shall request an expert opinion from the Hungarian Accreditation Committee of Higher Education. Any appeal lodged against the decision of the registration centre shall be reviewed by the Minister of Education. Prior to the decision on the state higher education institution, the Minister of Education shall request an expert opinion from the Hungarian Accreditation Committee of Higher Education. The expert opinion shall be binding on the Minister of Education where its content conforms to the first-instance expert opinion. This subsection shall also apply if any higher education institution plans to provide off-site training outside the territory of the Republic of Hungary.

(2) Prior to launching an undergraduate or graduate course, or establishing a faculty, the higher education institution shall request an expert opinion from the Hungarian Accreditation Committee of Higher Education. Where the higher education institution disputes the expert opinion, it may apply to the registration centre to start a procedure. The registration centre shall obtain a second expert opinion from the Hungarian Accreditation Committee of Higher Education and take a first-instance decision. The expert opinion shall be binding on the registration centre where its content conforms to the expert opinion preceding the first-instance procedure. Any appeal lodged against the decision of the registration centre shall be reviewed by the Minister of Education.

(3) Prior to establishing a doctoral school, the higher education institution shall request an expert opinion from the Hungarian Accreditation Committee of Higher Education. If the higher education institution disputes the expert opinion, it may apply to the Minister of Education to start a procedure. The Minister of Education shall obtain a second expert opinion from the Hungarian Accreditation Committee of Higher Education and take a first-instance decision. The Minister of Education shall be bound by the expert opinion of the Hungarian Accreditation Committee of Higher Education.

(4) Prior to preparing a proposal for the appointment of a university professor, the rector of the higher education institution shall request an expert opinion from the Hungarian Accreditation Committee of Higher Education. The rector of the higher education institution shall prepare the proposal for the appointment of the university professor by taking into account the expert opinion, which the Minister shall send together with the expert opinion to the maintainer of the higher education institution. The maintainer of a non-state institution of higher education shall send the rector's proposal together with the expert opinion of the Hungarian Accreditation Committee of Higher Education and a review on its position to the Minister of Education. The Minister of Education shall obtain a second expert opinion from the Hungarian Accreditation Committee of Higher Education if the proposal of the rector of the higher education institution is incongruous with the expert opinion of the Hungarian Accreditation Committee of Higher Education. Where the rector's proposal and the expert opinion of the Hungarian Accreditation Committee of Higher Education are in accordance, the Minister of Education shall recommend the President of the Republic of Hungary to appoint the university professor. If the rector's proposal and the expert opinion of the Hungarian Accreditation Committee of Higher Education are incongruous, the Minister of Education may, at his/her discretion, initiate the appointment of the university professor.

(5) Except for the provisions of subsection (7), the Hungarian Accreditation Committee of Higher Education shall, in cases regulated in this subsection, draft an expert opinion in compliance with the relevant laws. In respect of the procedure regulated in subsection (3), the Hungarian Accreditation Committee of Higher Education shall consider the scientific activity of the higher education institution in addition to the relevant laws. With respect to the procedure regulated in subsection (4), the Hungarian Accreditation Committee of Higher Education shall assess the candidate's educational, academic, or artistic attainments in addition to the relevant laws.

(6) Apart from the expert opinion of the Hungarian Accreditation Committee of Higher Education, the Minister of Education may apply to any independent international organisation for an expert opinion or may arrange for a comparative survey to support his/her decision.

(7) Upon request of the Hungarian Equivalence and Information Centre, the Hungarian Accreditation Committee of Higher Education shall draft an expert opinion to authorise the operation in Hungary of foreign higher education institutions.

(8) Where the Hungarian Accreditation Committee of Higher Education is required to commission an additional expert opinion as part of the procedure detailed under this subsection, it shall be carried out in the framework of a procedure conducted by the Review Committee established under Section 111 (7).

(9) The applicant for the procedures laid down in this Section shall pay a procedure fee.

The Registration Centre

Section 107 (1) The registration centre is an administrative body with national competence, operating as a central budgetary organ under Government control and the supervision of the Minister of Education.

(2) The registration centre shall have official responsibilities. Specifically, it shall register higher education institutions, authorise the commencement and modification of their activities, record changes in the register, strike them off the register, and take first-instance decisions.

(3) As part of the control and supervisory responsibilities of the Minister of Education, the registration centre shall conduct official inspections and request the Minister of Education to exercise the powers specified in Section 105 in order to eliminate any irregularity thus revealed.

(4) The registration centre shall carry out an inspection upon the request of the Commissioner for Educational Rights, his/her deputy, or any special commissioner.

(5) The procedures referred to in subsection (2) and the official inspection shall be subject, among other regulations, to the Act on the General Rules of Administrative Procedures and Services.

(6) The registration centre shall keep authentic records of higher education institutions and decide on the registration of higher education institutions as a public benefit organisation where they operate as non-public organisations.

(7) The establishment, operation, and the detailed scope of activities and responsibilities of the registration centre shall be stipulated by the Government.

The Sectoral Quality Development System of Higher Education

Section 108 (1) With a view to the implementation of sectoral quality policy, the sectoral quality development system shall include

- a) the principles of sectoral quality policy,
- b) accreditation of the establishment and operation of institutions,
- c) institutional quality development schemes.

(2) Sectoral quality policy shall formulate recommendations for the anticipated development trends and aims of higher education and the tools required for their implementation, as well as for the completion of the institutional quality development schemes.

(3) The Hungarian Accreditation Committee of Higher Education shall regularly, once in every eight years, evaluate the education and research activity of higher education institutions. Such evaluation shall extend to the fulfilment of staff and infrastructure requirements, and the adequacy of the institutional quality development scheme.

(4) For the purpose of appreciating the activity of higher education institutions, the Government shall establish a quality award for higher education.

(5) The Hungarian Accreditation Committee of Higher Education and the registration centre shall play an active role in the implementation of the sectoral quality policy.

BODIES IMPLEMENTING STATE POWERS

The Hungarian Accreditation Committee of Higher Education

Section 109 (1) The Hungarian Accreditation Committee of Higher Education is an independent national body of experts assessing quality in education, research, and artistic activities in higher education, and examining the operation of the institutional quality development scheme. The Hungarian Accreditation Committee of Higher Education shall

a) contribute to the formulation of principles for sectoral quality policy and the monitoring of its implementation,

- b) provide professional support for the drafting and operation of the quality development schemes of higher education institutions,
- c) carry out accreditation in connection with the establishment and operation of institutions,
- d) propose requirements for attaining the position of university professor,
- e) monitor the convergence of the sectoral quality development system with the higher education systems of the European Economic Area,
- f) express, upon request of the higher education institution, an opinion on education, research and artistic activities,
- g) deliver expert opinions on the introduction of undergraduate and graduate courses, the establishment of doctoral schools, the introduction of doctorate courses and on doctoral regulations,
- h) express, upon request of the higher education institution, an opinion in respect of awarding the title of university professor,
- i) prepare and publish the National List of Higher Education Experts.

(2) The Hungarian Accreditation Committee of Higher Education shall express an opinion on the Higher Education Bill and its draft implementing decrees, as well as on the draft ministerial decrees regulating higher education.

(3) The Hungarian Accreditation Committee of Higher Education shall cooperate in

- a) the evaluation of the education, research, and artistic activities of higher education,
- b) the preparation of plans aiming at higher education development.

Section 110 (1) As part of the accreditation duties relating to the establishment and operation of institutions, the Hungarian Accreditation Committee of Higher Education shall,

- a) upon establishment of the institution, and
- b) when the core activity of the institution is modified,
- c) once in every eight years and in accordance with its work plan

ascertain whether the conditions for the pursuance of education, research, and artistic activities are fulfilled, and examine in which area of study, discipline of science and at what level of training the higher education institution satisfies such conditions. Moreover, in the case referred to in paragraph c), it shall also examine whether the higher education institution operates the institutional quality development scheme in an appropriate manner, and whether the quality development objectives defined in the action plan have been implemented.

(2) Where the Hungarian Accreditation Committee of Higher Education adopts a position on any issue with relevance to national or ethnic minority education, it shall a priori request an opinion from the national minority government concerned.

(3) Upon request of the Minister of Education, the Hungarian Accreditation Committee of Higher Education shall participate in the procedure regulated in Section 106.

(4) The Hungarian Accreditation Committee of Higher Education may request the Minister of Education to exercise the powers defined in Section 105.

(5) Where the Hungarian Accreditation Committee of Higher Education is required to adopt several positions in the same matter, arrangements shall be made to prevent any person who contributed to the former expert opinion from participating in the procedures aiming at the delivery of additional expert opinions. Expert opinions shall be prepared within 120 days. Such deadline may be extended on one occasion by no more than 30 days subject to a concurrent notification to the originator of the procedure.

(6) The Hungarian Accreditation Committee of Higher Education shall deliver its expert opinion for any official inspection ordered by the Minister of Education within 30 days.

(7) The Hungarian Accreditation Committee of Higher Education may request institutional documents to facilitate the performance of its tasks, or may review these on the premises.

(8) The Hungarian Accreditation Committee of Higher Education may request the disclosure of its positions and proposals on the homepage of the Ministry of Education in compliance with the relevant Government rules.

Section 111 (1) The Hungarian Accreditation Committee of Higher Education shall be comprised of 29 members. The Hungarian Rectors Conference shall delegate 15 members, the Hungarian Academy of Sciences 3 members, research institutes 5 members, the National Public Education Council and the National Committee for Minorities shall delegate 1 member each. Chambers and professional organisations that have a stake in higher education shall delegate 4 members. Members of the Higher Education and Scientific Council, rectors, members of financial boards and civil servants may not become members of the Hungarian Accreditation Committee of Higher Education. The Hungarian Accreditation Committee of Higher Education shall elect its president and other officers from its members, and shall determine its order of operation.

(2) The members and the president shall be appointed by the Prime Minister for a period of three years on the recommendation of the Minister of Education. The mandate may be extended on one occasion. The list of the president and the members of the Hungarian Accreditation Committee of Higher Education shall be published in the Official Gazette of the Republic of Hungary and on the homepage of the Ministry of Education.

(3) The Hungarian Accreditation Committee of Higher Education may set up standing and interim professional and expert committees and advisory boards to facilitate the execution of its tasks. The Hungarian Accreditation Committee of Higher Education shall also establish a committee of quality development experts.

(4) The Hungarian Accreditation Committee of Higher Education may employ the services of national and international experts.

(5) The Hungarian Accreditation Committee of Higher Education is a legal person and shall consist of the body established under subsection (1) and a secretariat. The seat of the Hungarian Accreditation Committee of Higher Education shall be in Budapest, and it shall be represented by its president. The Hungarian Accreditation Committee of Higher Education shall not be registered as a public benefit organisation but shall exist as a public benefit organisation with special legal status. The employer's rights in respect of employees of the secretariat shall be exercised by the president of the Hungarian Accreditation Committee of Higher Education. The secretariat shall be headed by the secretary-general to whom the president of the Hungarian Accreditation Committee of Higher Education may delegate some of his/her powers. The emoluments and leaves of employees at the secretariat of the Hungarian Accreditation Committee of Higher Education shall be governed by the provisions applying to public servants. The operation of the Hungarian Accreditation Committee of Higher Education shall be funded from a special appropriation allocated from the budget of the Ministry of Education. The president of the Hungarian Accreditation Committee of Higher Education shall enjoy the right of disposal of the budget of the Hungarian Accreditation Committee of Higher Education. The Hungarian Accreditation Committee of Higher Education may not be given instructions as to the performance of its tasks and management. The Hungarian Accreditation Committee of Higher Education may participate in open invitations to proposals in accordance with its functions.

(6) The Hungarian Accreditation Committee of Higher Education shall draw up its bylaws subject to the Minister of Education's approval.

(7) The Hungarian Accreditation Committee of Higher Education shall set up a Review Committee to attend to the tasks defined in Section 106 (8). The Review Committee shall be comprised of three members. One member shall be delegated by the Hungarian Rectors Conference, and the other two members shall be nominated by the membership of the Hungarian Accreditation Committee of Higher Education for a period of three years. Membership in the Review Committee is subject to three years of membership in the Hungarian Accreditation Committee of Higher Education or in any of its subcommittees, provided that such previous membership has been cancelled. The conflict of interests rules specified in subsection (1) shall also apply to members of the Review Committee.

(8) Issues pertaining to the establishment of the Hungarian Accreditation Committee of Higher Education, the conflict of interests as regards membership, termination of membership, the operation of the Hungarian Accreditation Committee of Higher Education, and the execution of its tasks shall be specified by the Government on condition that one representative of the National Union of Students in Hungary – or in the event of the discussion of an agenda item relating to doctorate programmes the representative of the Association of Hungarian Ph.D. Students as well – shall act in advisory capacity at the meetings of the Hungarian Accreditation Committee of Higher Education. The lawfulness of operation of the Hungarian Accreditation Committee of Higher Education shall be controlled by the Minister of Education as defined by the Government. The rules concerning the compilation of the National List of Higher Education Experts shall be determined by the Government.

The Higher Education and Scientific Council

Section 112 (1) The Higher Education and Scientific Council is an independent board of experts advising the Minister of Education and contributing to the preparation of decisions, delivering opinions, and making proposals with respect to issues of improvement, funding, research and development in higher education.

(2) The Higher Education and Scientific Council shall contribute to the preparation of decisions that address the socio-economic embedding of the training and research scheme of higher education, its development and funding, and shall cooperate in monitoring its implementation.

(3) The Higher Education and Scientific Council shall monitor the linkage between higher education and society, in particular labour market demands for professionals with college or university degree. It shall make proposals as to the annual quota of students admissible to state-funded training and the distribution of such quota per the area of study and the level of training. The Council shall adopt a position on education policy issues that have a bearing on the linkage between higher education and the labour market, shall draw up forecasts on prospective labour market changes, and shall make recommendations for the modernisation of the training scheme accordingly.

(4) The Higher Education and Scientific Council shall comment on the annual draft budget of the higher education system, and shall adopt a position on the annual budget report. It shall produce analyses and present proposals in connection with the budget allocated to higher education.

(5) The Higher Education and Scientific Council shall comment on the Higher Education Bill and its draft implementing decrees, as well as on the draft ministerial decrees regulating higher education.

(6) Upon request of the Minister of Education, the Higher Education and Scientific Council shall deliver an opinion, adopt a position, and put forward a proposal on any issue that affects higher education.

(7) The Higher Education and Scientific Council

a) shall, when so requested, convey an opinion on

aa) proposals for institutional development plans,

ab) applications for grants provided on the basis of an agreement,

b) may draft a proposal on any issue that concerns higher education,

c) may make recommendations for higher education institutions on the initiative of governmental bodies or higher education institutions.

(8) The Higher Education and Scientific Council shall request an opinion from the ministry concerned when adopting the proposal or opinion specified in subsection (7).

(9) The Higher Education and Scientific Council shall convey its opinion on the appointment or release from service of the Commissioner for Educational Rights.

Section 113 (1) The Higher Education and Scientific Council shall be comprised of 19 members. Six members shall be delegated by chambers, 3 members by the Hungarian Rectors Conference, 2 members by the Hungarian Academy of Sciences and a further 2 by the Minister of Education. The National Union of Students in Hungary, the Association of Hungarian Ph.D. Students, the Trade Union of Employees in Higher Education, and the Ministers of Employment and Labour, Agriculture and Rural Development, and Economy and Transport shall delegate 1 member each. Members of the Hungarian Accreditation Committee of Higher Education, rectors, members of financial boards and civil servants may not become members of the Higher Education and Scientific Council. The Higher Education and Scientific Council shall elect its president and other officers from its members, and shall determine its order of operation.

(2) The members and the president of the Higher Education and Scientific Council shall be appointed by the Prime Minister for a period of three years on the recommendation of the Minister of Education. The mandate may be extended on one occasion. The list of the president and the members of the Higher Education and Scientific Council shall be disclosed in the Government Gazette of the Republic of Hungary and on the homepage of the Ministry of Education.

(3) Simultaneously with the Higher Education and Scientific Council, other standing and interim professional and expert committees may be set up. The expert committees shall involve the ministries concerned, a representative from each employer organisation of the National Interest Reconciliation Council, and one member delegated by the national minority governments.

(4) The Higher Education and Scientific Council may employ Hungarian and foreign experts.

(5) The Higher Education and Scientific Council is a legal person and shall consist of the body established under subsection (1) and a secretariat. The seat of the Higher Education and Scientific Council shall be in Budapest, and it shall be represented by its president. The Higher Education and Scientific Council shall not be registered as a public benefit organisation, but shall exist as a public benefit organisation with special legal status. The employer's rights in respect of employees of the secretariat shall be exercised by the president of the Higher Education and Scientific Council. The emoluments and leaves of employees at the secretariat of the Higher Education and Scientific Council shall be governed by the provisions applying to public servants. The operation of the Higher Education and Scientific Council shall be funded from a special appropriation allocated from the budget of the Ministry of Education. The president of the Higher Education and Scientific Council shall enjoy the right of disposal of the budget of the Higher Education and Scientific Council and may not be given instructions in this respect. The Higher Education and Scientific Council may participate in open invitations to proposals in accordance with its functions. The secretariat shall be headed by the secretary-general to whom the president of the Higher Education and Scientific Council may delegate some of its powers.

(6) The Higher Education and Scientific Council shall prepare and publish a list of experts in line with its scope of activities, as part of the National List of Higher Education Experts.

(7) The Higher Education and Scientific Council shall prepare its bylaws subject to the Minister of Education's approval.

(8) The Government shall pass a decree on the establishment of the Higher Education and Scientific Council, the conflict of interests as regards membership, termination of membership, the operation of the Higher Education and Scientific Council, the execution of its tasks, and the functioning of its secretariat, as well as the rules concerning the compilation of the list of experts. The lawful operation of the Higher Education and Scientific Council shall be controlled by the Minister of Education as defined by the Government.

Boards of Executives of Higher Education Institutions

Section 114 (1) The Hungarian Rectors Conference is a body entitled to represent higher education institutions and to protect their interests. It may deliver an opinion on any issue with relevance to the operation of the higher education system and make proposals for decision-makers or those in charge of preparing decisions.

(2) The members of the Hungarian Rectors Conference shall comprise the rectors of higher education institutions. The National Union of Students in Hungary, the Association of Hungarian Ph.D. Students, and the Trade Union of Employees in Higher Education shall each send one representative to the meetings of the Hungarian Rectors Conference, who shall act in an advisory capacity.

(3) The Hungarian Rectors Conference shall stipulate its order of operation in its bylaws, and shall elect its officers and authorise some of its members to represent the organisation. The Hungarian Rectors Conference is entitled to use the coat of arms of Hungary.

(4) The financial and administrative conditions for the operation of the Hungarian Rectors Conference shall be ensured by higher education institutions. Such costs shall be borne by the specific higher education institutions in compliance with the bylaws that govern the order of operation.

(5) The National Doctoral Council is a body consisting of the chairs of the doctoral councils of higher education institutions, adopting positions in affairs relating to doctorate courses and the conferral of doctoral degrees. The National Doctoral Council shall determine the principles governing the distribution of the quota of students admissible to state-funded doctorate courses among the higher education institutions.

(6) The National Credit Council shall be responsible for the national development of the credit system, its harmonisation and the promotion of its function in international student mobility. The National Credit Council shall assist higher education institutions in operating and developing the credit system. The National Credit Council shall draft proposals for the Minister of Education with a view to the approximation of the Hungarian and international credit systems. The order of operation of the National Credit Council shall be laid down by the Government.

Maintainer Control

Section 115 (1) Maintainer control shall be exercised by the entity ensuring the conditions of operation of the higher education institution in line with the provisions of this Act. Unless otherwise provided for herein, the rights and obligations pertaining to maintainer control shall be identical irrespective of the entity exercising such rights and discharging such obligations. Rights and obligations pertaining to maintainer control may be transferred subject to an agreement or exercised and fulfilled jointly.

(2) The maintainer shall

a) apply to the registration centre for the procedure of state recognition of the higher education institution or of withdrawal of its state recognition;

b) issue or amend the founding charter of the higher education institution;

c) communicate the budgetary appropriations (principals) of the higher education institution and evaluate its annual accounts drafted in compliance with the accounting regulations;

d) review

da) the statutes of the higher education institution,

db) the institutional development plan of the higher education institution,

dc) the institution's core budget, plan for commitments and its implementation schedule;

e) monitor

ea) the higher education institution's management, lawful and efficient operation, and evaluate the pro rata execution of its core budget, plan for commitments and their implementation schedule,

eb) the effectiveness of professional work;

f) originate the appointment and release from office of the rector, and shall exercise the employer's rights with regard to the rector;

g) on the rector's proposal, appoint the financial head or the head of the internal audit unit within higher education institutions operating as budgetary organisations, and withdraw such appointment at the initiative of the rector, the financial board or its own;

h) provide for the control of the annual budget report of the higher education institution operating as a budgetary organisation.

(3) The maintainer shall examine the uniformity, completeness, and lawfulness of the statutes and their compliance with the requirement of efficiency.

(4) In ensuring lawfulness, the contents of institutional documents shall be observed, with their legality as well as that of the operation of the higher education institution and decision-making shall be verified. For the procedure regulated in this subsection, the provisions of Chapter VI of the Act on the General Rules of Administrative Procedures and Services shall apply.

(5) As a result of the control regulated in subsection (4), the maintainer may call on the head of the higher education institution to remedy any unlawful decision or to take the necessary action, and set an appropriate deadline for compliance.

(6) The maintainer shall evaluate the effectiveness of professional activity and the efficiency of institution operation on the basis of the annual report produced by the higher education institution in compliance with the accounting regulations and the report on the implementation of the institutional quality development scheme, and shall undertake action by specifying an appropriate deadline where necessary.

(7) The higher education institution shall send the maintainer its statutes, institutional development plan, budget, plan for commitments and implementation schedule, as well as any amendments within fifteen days from the Senate's decision. Where the higher education institution plans to take a decision that is contrary to its budget or plan for commitments, it shall notify the maintainer in advance. The maintainer may request notice of any other decision of the Senate.

(8) The maintainer may communicate to the higher education institution its comments on the higher education institution's budget, plan for commitments and the implementation schedule of the budget within 30 days from receipt. Comments on the statutes shall be made within 60 days from receipt and those concerning the institutional development plan within 90 days. Such deadlines may be extended on one occasion by no more than 30 days. If the maintainer raises any objection to the higher education institution's budget, plan for commitments and the pertaining implementation schedule, or the contents of the statutes or the institutional development plan, it shall return the same on one occasion and by setting an appropriate deadline to the higher education institution urging its revision.

(9) The maintainer may institute court proceedings if the higher education institution fails to meet the obligations detailed in subsections (5)–(8).

(10) A lawsuit may be filed within 30 days from expiry of the specified deadline. The court shall adjudicate the matter through out-of-court proceedings without delay. Missing the deadline shall result in forfeiture. Based on the maintainer's claim, the court may overrule the higher education institution's decision or order the higher education institution to comply, whether partly or entirely, with the maintainer's instructions. The procedure shall fall within the jurisdiction of the Budapest Metropolitan Court. The submission of the claim shall suspend the implementation of the decision.

(11) Where a higher education institution plans to take a decision that is contrary to its budget or plan for commitments, the maintainer shall communicate its objections within 15 days from the date on which notice of such decision has been sent. The higher education institution may pass the disputed decision by the unanimous vote of the Senate.

(12) In the case of state higher education institutions, the maintainer shall,

a) on the financial board's proposal,

aa) determine the rector's emoluments,

ab) approve the rector's job description;

b) have the right to transfer additional employer rights to the financial board with regard to the rector.

(13) In the case of state higher education institutions,

a) the maintainer may refuse to send the senate's decision on the candidate for the rector's office to the President of the Republic of Hungary or the Prime Minister, if the candidate does not meet the specified requirements or the senate's decision-making procedure has been invalid,

b) the registration centre's decision cannot be appealed in cases defined in Section 106 (1) of this Act.

(14) Maintainer control shall not affect the autonomy of the higher education institution granted by this Act nor its powers to make decisions. Based on the decision of the higher education institution's senate, the rector may institute court proceedings within 30 days from communication of the maintainer's action to appeal such action – except for the maintainer's comments and the return for revision under subsection (8), and the maintainer's objections pursuant to subsection (11) – on the grounds that the maintainer's decision violates its autonomy granted by this Act. The court shall decide the case through out-of-court proceedings without delay. Missing the deadline shall result in forfeiture. The court may overrule the maintainer's decision. The procedure shall fall within the jurisdiction of the Budapest Metropolitan Court. The submission of the claim shall suspend the implementation of the decision.

PART SIX

PROVISIONS WITH INTERNATIONAL RELEVANCE

FOREIGN HIGHER EDUCATION INSTITUTIONS IN HUNGARY HUNGARIAN HIGHER EDUCATION INSTITUTIONS ABROAD

Section 116 (1) Foreign higher education institutions may operate or issue foreign diplomas or certificates in the territory of the Republic of Hungary, if the institution and the diploma or certificate it issues are legally recognised in the state of origin as a higher education institution and a duly corresponding diploma or certificate, and such recognition has been genuinely certified, and furthermore, the permit required for commencement of operation has been issued by the registration centre. Unless otherwise provided for by law, the establishment of the foreign higher education institution, its education and research activities, the pertaining monitoring procedures, the operation of the institution and the specification of entry requirements shall be subject to the relevant provisions of the state which recognises the higher education institution as its own.

(2) The foreign higher education institution shall be registered by the registration centre. Once it has ascertained the fulfilment of the conditions defined in subsection (1), the registration centre shall authorise the maintainer to start operation. The Hungarian Accreditation Committee of Higher Education and, pursuant to Act C of 2001 on the Recognition of Foreign Certificates and Degrees (hereinafter: 'Recognition Act'), the Hungarian Equivalence and Information Centre shall cooperate as expert bodies in the authorisation procedure. The license for starting operation may be denied if the degree or the qualification certified by the diploma cannot be recognised in Hungary. The Minister of Education shall exercise the powers defined in Section 105 in respect of the operation of foreign higher education institutions and may, within the confines of such powers, request at least once in every eight years that satisfaction of the conditions stipulated in subsection (1) be verified.

(3) The higher education institution referred to in subsection (1) which awards foreign diplomas or certificates may also be established and operate in Hungary on the basis of an international agreement. Higher education institutions established and operating pursuant to an international agreement shall ex officio be recorded by the registration centre in the register regulated in subsection (2). The provisions pertaining to the control of lawfulness – as defined in subsection (2) – of higher education institutions established and operating pursuant to an international agreement shall be applied unless otherwise prescribed by the international agreement.

(4) Unless otherwise provided for by an international agreement, no state-funded places may be reserved for foreign higher education institutions operating in the territory of the Republic of Hungary.

(5) Higher education institutions regulated in this Section shall be required to register in the information system of higher education and supply data accordingly.

Section 117 (1) Subject to the authorisation of the Minister of Education and the laws of the country concerned, Hungarian higher education institutions may offer training outside the territory of the Republic of Hungary.

(2) The Hungarian Accreditation Committee of Higher Education shall cooperate as an expert body in the authorisation of training provision regulated in this Section.

(3) The Hungarian State may contribute to the operation of the higher education institution under subsection (1) through normative funding stipulated in law, on the basis of an international agreement or a work plan, or by means of applications or an agreement. The call for applications shall be put out by the Minister of Education, and the Minister of Education shall be authorised to conclude agreements.

(4) Hungarian and foreign higher education institutions may provide joint programmes awarding a Hungarian or foreign or joint diploma or certificate if all the following criteria are met:

- a) the higher education institutions are entitled to provide such programmes,
- b) the higher education institutions concerned have agreed as to the organisation of the programme,
- c) the higher education institutions concerned have been granted state recognition in their state of residence,
- d) the diploma or certificate issued is accepted as a diploma or certificate awarded in higher education pursuant to the relevant national law of the countries concerned,
- e) the agreement expressly specifies the Hungarian undergraduate, graduate or doctorate course or postgraduate specialist training course requirements to which the joint programme conforms.

STUDIES OF HUNGARIAN NATIONALS ABROAD

Section 118 (1) Hungarian nationals shall have the right to pursue studies in foreign higher educations without the need for any authorisation.

(2) The Ministry of Education may support the studies of Hungarian nationals in foreign state-recognised higher education institutions through scholarships awarded on the basis of applications.

(3) If a Hungarian national is a member of a national or ethnic minority, the Ministry of Education shall support higher-level studies in the native language through scholarships awarded on the basis of applications.

(4) Hungarian nationals may obtain a student loan for studies in a degree programme offered by state recognised higher education institutions in the countries of the European Economic Area.

(5) Those pursuing studies abroad as defined under this Section shall be eligible for a student pass.

(6) The rules pertaining to the call for, and the assessment of, applications referred to under subsections (2)–(3), the application, disbursement, and settlement of the student loan, and requests for and issuance of student passes shall be regulated by the Government with the proviso that the call for applications defined in subsection (3) shall be published and assessed subject to the consent of the national minority government concerned.

Studies of Non-Hungarian Nationals in Hungary

Section 119 (1) The recognition of diplomas and certificates of completion of secondary studies awarded by foreign education institutions that have been granted an operating permit abroad or in Hungary shall be subject to the provisions of the Recognition Act.

(2) For the studies of non-Hungarian nationals in Hungary, the provisions of this Act shall apply subject to the following derogations:

a) if a non-Hungarian national has no residence in the territory of Hungary, prior to acquiring student status he/she shall obtain an entry visa and a residence permit as stipulated by other laws,

b) if the student specified in Section 39 (1), except for people listed under paragraphs *b)–c)* of Section 39 (1), enrolls for state-funded training, he/she shall only be eligible for maintenance, welfare, textbook, accommodation or other grants on the basis of an international agreement, law, work plan or reciprocity,

c) studies may be supported from the central budget through scholarships awarded on the basis of applications,

d) Hungarians living abroad shall be eligible for enrolment in state-funded training under the conditions stipulated in Act LXII of 2001 on Hungarians Living in Neighbouring Countries (hereinafter: 'Preference Act'),

e) non-Hungarian nationals may undertake preparatory studies in student status prior to enrolling in higher education for a period of maximum two semesters.

(3) The rules pertaining to the funding of the studies of foreign nationals in Hungary and the studies of Hungarian nationals abroad shall be determined by the Government, whereby it may extend the state-funded period defined in this Act in respect of persons coming under the scope of the Preference Act.

PART SEVEN

THE FUNDING OF HIGHER EDUCATION

THE ECONOMIC ACTIVITIES OF HIGHER EDUCATION INSTITUTIONS

Section 120 (1) Higher education institutions shall perform their tasks in accordance with their annual budgets. Within the scope of their economic activities, higher education institutions may take any decision or action that contributes to the execution of the tasks specified in their founding charters, unless such move jeopardises their core activities and the efficient utilization of public funds and public property. Thus, in particular, they may conclude contracts, acquire ownership, affiliate with other institutions, undertake business activities, establish a business organisation, encumber or alienate their assets, and use and utilise the assets at their disposal. Higher education institutions shall be committed to the proper and efficient use of funds at their disposal and the protection of intellectual and other properties.

(2) State-run higher education institutions shall act as administrators whereas the non-state higher education institutions shall be users – unless the maintainer assigns ownership of the assets – of the assets put at their disposal by the maintainer for the execution of their tasks (hereinafter: 'assets put at the disposal of the higher education institution'). Higher education institutions shall use the movable and immovable property at their disposal for discharging the tasks specified in their founding charters. State higher education institutions shall dispose of the assets put at their disposal in accordance with the Public Finances Act and the provisions of this Act. Higher education institutions shall make separate records of the assets put at their disposal and their own assets.

(3) Higher education institutions shall manage independently the funds put at their disposal and their own revenues by observing the requirement of rational and economical management, and may not be deprived thereof. Higher education institutions may invest their temporarily free funds from their own revenues in government securities traded in the network of the Hungarian State Treasury (hereinafter: 'Treasury'). Higher education institutions operating as budgetary organisations may use the appropriation and funds surplus left over from the budget year for the fulfilment of their institutional tasks in subsequent years, after their eligibility has been ascertained. Higher education institutions operating as budgetary organisations shall be exempted from paying the dues charged to the revenues allocated in the Annual Budget Act if they spend such amount on renovation or investments as defined in Section 122 (2).

(4) As an additional activity pertaining to their core activities, higher education institutions may pursue the activities regulated in Section 4 (1)–(2). Furthermore, they may pursue business activities unless this jeopardises the fulfilment of their basic tasks. Higher education institutions operating as budgetary organisations need not pay tax on their business profit, provided they use such profit to perform their basic tasks or acquire ownership to facilitate the execution of their basic tasks, or to invest in the hedge fund, nor on the revenues earned through their core and additional activities. Higher education institutions operating as budgetary organisations may

manage their cash flow from their own revenues on a settlement sub account kept with the Treasury. The year-end balance of the settlement sub account kept with the Treasury shall be disregarded when calculating higher education institutions' surplus left over from the previous year.

(5) Higher education institutions shall cover the costs and expenses incurred in connection with their own revenues from the same.

(6) Higher education institutions operating as budgetary organisations shall prepare a balance sheet report quarterly, and send it to the maintainer.

Section 121 (1) State higher education institutions may establish a business organisation drawing on its own revenues or assets, or may acquire participation in it without any consent by the Government, provided that no treasury assets are used as capital contribution.

(2) State higher education institutions may establish or acquire participation in a business organisation unless its liability exceeds the rate of its capital contribution, which may not be higher than the share of eligible dividend payments. The business organisation may not found any additional business organisation and may not acquire participation in any business organisation.

(3) State higher education institutions shall make all cash contributions to business organisations from their own revenues.

(4) Rectors of state higher education institutions shall submit to the financial board an annual report on the operation of the business organisations they have established or those in which they have acquired participation. Based on the report, the financial board shall draft a proposal for actions to be taken in connection with the continued operation of the business organisation or to avoid any asset loss.

(5) Higher education institutions operating as budgetary organisations may only establish business organisations if their business plan forecasts profit within three years, and any deficit is covered by the higher education institutions' revenues kept on a separate account.

(6) Higher education institutions shall establish or acquire participation in business organisations which do not harm their own interests. No business organisation may be established for the execution of tasks in connection with the courses specified in Section 11 (1) and (3), except for organisation activities.

(7) Where a higher education institution is the beneficial owner of an intellectual product, it may transfer such property as contribution in kind to a business organisation. Business organisations established for such purpose shall be subject, among other laws, to Act CXXXIV of 2004 on Research and Development and Technological Innovation.

(8) Holders of senior executive and executive positions in higher education institutions as well as their close relatives [paragraph *b*] of Section 685 of the Civil Code] may not be appointed to executive positions, become members of the supervisory board, or perform auditing tasks in business organisations established by higher education institutions or in which such institutions have acquired participation.

(9) Ownership rights of business organisations founded by higher education institutions or those in which such institutions have participation shall be exercised by the rector.

Section 122 (1) Within the framework of the institutional development plan, state higher education institutions shall

a) attend to development tasks,

b) have the right to launch investments or contribute to the joint implementation of investment projects with assets at their disposal or in their possession.

(2) Consent to alienation of treasury assets state higher education institutions administer may not be denied if the revenue earned through the sale of real property is used for renovation, investment or any other development projects that serve the execution of higher education institutions' basic tasks. The remaining amount of the revenue earned through the alienation of real property, which is part of the treasury assets administered by the state higher education institution, following the payment of public dues and the costs of alienation shall be used for renovation, investment, including the repayment instalments for investments in the framework of Public Private Partnerships (PPP), or any other development projects that serve the execution of higher education institutions' basic tasks.

(3) In the case of joint investment with a non-public investor, state higher education institutions shall be entitled to transfer the real property they administer to the investor without a competition or grant the investor land tenure rights in respect of the property concerned. Assignment of use or land tenure rights may be made in accordance with the terms of the agreement concluded with the investor without any consideration. Nonetheless, its duration may not exceed twenty years.

(4) State higher education institutions may undertake long-term commitments (maximum 20 years) against their budgets for accumulation purposes or the purchase of services substituting for investment. The total aggregate amount of annual payment obligations arising from such commitments may not exceed in any year 10% of the appropriation of their annual budgets allocated for tangible and accumulation purposes. If the total aggregate amount of annual payment obligations exceeds this ceiling due to a decrease in the budget of the higher education institution in the year concerned, no further commitments may be made until such imbalance is

remedied. Long-term commitments shall be presented in an annual statement, which shall form part of the annual budget and financial report. The Ministry of Education may assume 50% of the higher education institutions' commitments against the approved annual appropriation under the relevant budget chapter. The aggregate amount of assumed commitments may not exceed 33% of the approved central investment appropriations of the Ministry of Education. Assumed commitments in excess of this limit shall be subject to the assent of the Minister of Finance.

Section 123 (1) State higher education institutions may acquire assets by way of the profit earned (dividend) in the business organisations they established or those in which they acquired participation, after-tax profit from their business activities, profit on revenues derived from fee-paying training, cash donations and donation of movable and immovable properties or inheritance. Higher education institutions may acquire assets, except for donation and inheritance, if they have provided for the protection of the condition or replacement of assets put at their disposal.

(2) State higher education institutions may draw a loan

a) to fund their own contributions required for projects,

b) for the management of liquidity problems resulting from post-financing of projects,

c) for the completion of development tasks envisaged in the institutional development plan

in an open application procedure announced in accordance with the conditions set by the Government. The credit facility available for higher education institutions shall be specified in the Annual Budget Act.

(3) The loan shall be covered by higher education institutions' assets and the profit earned by the business organisations they established, or the profit gained through the institutions' business activities, and the investment assets from development.

(4) Unless otherwise provided for by this Act,

a) the provisions of this Act pertaining to assets and acquisition of assets shall refer to trusteeship in the case of state higher education institutions,

b) if any state higher education institution acquires assets under any title, the ownership of such assets shall be due to the state. However, a trusteeship agreement for an indefinite period shall be concluded with the higher education institution.

(5) The provisions of subsection (4) shall not apply if the assets acquired have been debited to the institutions' own revenues.

(6) Intellectual products generated through the activity defined in Sections 4–5 in the framework of the lecturer's or researcher's employment shall be subject to the provisions pertaining to the transfer of intellectual products created in an employment relationship or other similar relationship to the employer.

Section 124 With respect to state higher education institutions, Sections 18/C (7), 92 (2) and paragraph *a)* of Section 95 (2) of the Public Finances Act shall not apply. Paragraphs *a)* and *c)* of Section 100 (1) of the Public Finances Act shall be applied subject to the derogations defined in this Act.

Free-of-Charge and Fee-Paying Services

Section 125 (1) Free-of-charge services available to state-funded students shall be as follows:

a) lectures, seminars, consultations, practical courses, field practice courses, recitals, examinations, the retake of failed recitals and examinations on one occasion, and the taking of the final examination that are requisite to the fulfilment of instruction and academic requirements specified in the educational programme and to the conferral of the certificate or diploma and the doctoral pre-degree certificate, as well as the degree award procedure during student status in accordance with the provisions of Section 68 (3),

b) college and student college courses,

c) use of the facilities, including library and basic library services, laboratories, computer, sporting and recreational facilities, and the equipment of the higher education institution in connection with free-of-charge services,

d) in the case of higher-level vocational training, work and protective clothing and sanitary accessories supplied for practical training, and in the case of other types of training, protective clothing and sanitary accessories,

e) academic and career counselling,

f) the first issuance of all documents relating to training and to the conferral of the doctoral degree,

g) attendance of compulsory award ceremonies or other ceremonies or commemorations organised by the higher education institution.

(2) Unless otherwise provided for by the relevant laws, no higher education institution may charge any administrative service fees (e.g. enrolment fee) to students on state-funded training.

(3) The fee-paying services available to state-funded students shall be as follows:

a) teaching of a body of knowledge in any language other than Hungarian as chosen by the student, which is defined in the curricula of the undergraduate and graduate courses in Hungarian and is taught in Hungarian,

b) objects produced with the tools and equipment of the higher education institution, supplied for the student by the higher education institution, becoming the property of the student (e.g. reproduced materials),

c) use of the facilities, including library, laboratories, computer, sporting and recreational facilities, and the equipment of the higher education institution outside the scope of free services,

d) dormitory placement and placement in the students' hall of residence, and hence the use of the facilities, especially the library, laboratory, computer, sporting and recreational facilities, and equipment of the dormitory or the hall.

(4) The academic and examination regulations of the higher education institution may stipulate a fee for the third or any additional retake of an examination in the same subject.

(5) The rules pertaining to the determination of the fee charged on the basis of subsections (3)–(4) shall be laid down in the fees and grants regulations with the proviso that the rate of such fee shall not exceed the first cost.

(6) If the student is enrolled in state-funded training, the provisions of this Section shall also apply to guest students.

(7) Fees for any supplementary service that the dormitory provides in addition to its basic services shall be charged in cases defined in the fees and grants regulations.

Fee Payment Obligation

Section 126 (1) Fee-paying students shall have a duty to pay tuition fees for the free-of-charge services defined in Section 125 (1)–(2), and to pay fees for the services listed under subsection (3). The rules pertaining to the determination and modification of the tuition and other fees shall be specified in the fees and grants regulations. Based on the fees and grants regulations, the student and the higher education institution shall stipulate in an agreement the amount of the tuition fee and other fees. The rate of the tuition fee shall be published in the guide for admission to higher education. The provisions of this subsection shall not cover the establishment of the students' hall of residence fee. The rate of the students' hall of residence fee shall be freely determined on the basis of an agreement between the parties concerned.

(2) The amount of the tuition fee shall be set by the higher education institution, taking into consideration all expenditure arising from instruction, with the proviso that such an amount must be at least 50% of the per student rate of current expenditure on professional tasks. If a student is non-eligible for the statutorily stipulated bursaries, benefits, and services pursuant to Section 56 (2), the amount of the tuition fee may not be less than the per student rate of current expenditure on professional tasks. If a student reports the termination or temporary termination of his/her student status prior to the commencement of the term of study, a proportionate amount of the tuition fee, as defined in the statutes, shall be reimbursed.

(3) The statutes shall stipulate the way in which the rector shall decide on the benefits due to fee-paying students on the basis of their academic performance or social conditions and on the authorisation of instalment payments.

(4) Any higher education institution may agree with a business organisation to grant student status to the persons appointed by the business organisation. Student status may be established on the basis of such agreement with the person who otherwise satisfies all criteria specified in this Act. The agreement shall stipulate that all costs relating to the student's studies shall be borne by the business organisation.

The Principles of Higher Education Financing

Section 127 (1) The operation of higher education institutions shall be financed from the subsidy and funds provided by the maintainer and allocated from the subsystems of the central budget, and its revenues from sources other than public finances. Persons obliged to pay vocational training contribution pursuant to Act LXXXVI of 2003 on Vocational Training Contribution and Support for The Development of the Training System may contribute to the costs of higher education.

(2) The Annual Budget Act shall specify the amount in consideration of which the Government shall determine the system of normative funding granted for the operation of higher education institutions pursuant to the provisions of this Act. Higher education institutions may receive support on the basis of an application or an agreement.

(3) The normative grant may be provided for

a) student bursaries,

b) training,

c) research,

d) management,

e) specific tasks.

Higher education institutions shall be eligible for the normative grant from the central budget on an equal footing, except the normative grant specified in paragraph *d*). The titles defined in this subsection, except for the titles referred to in paragraphs *a*) and *e*), shall not impose any restrictions on utilisation.

(4) The Ministry of Education shall transfer the normative grant from the central budget directly to state higher education institutions, and through the maintainer in the case of non-state higher education institutions. Based on the maintainer's declaration of consent, the Ministry of Education shall transfer the normative grant directly to the non-state higher education institution. The normative grant shall be requested in line with the statutory stipulations. Such requests shall require the provision of certain data defined in the relevant laws. Where a higher education institution operates as a non-state higher education institution, it shall be financed on the basis of an agreement concluded with the Minister of Education.

Section 128 (1) Grants available through applications shall especially be provided for

- a*) disbursements of institutional teacher and researcher scholarships,
- b*) the execution of research and development tasks, and the utilisation of research results,
- c*) the implementation of accumulation (investment, renovation) objectives,
- d*) rewarding holders of the 'quality award',
- e*) the implementation of European Communities objectives, international education and research relationships, for supporting the activities of the higher education institution providing undergraduate, graduate, and doctorate courses in the territory of the Republic of Hungary to non-Hungarian nationals in fee-paying training,
- f*) training in Hungarian language outside Hungary,
- g*) the promotion of equal opportunities,
- h*) launching and maintaining programmes with a small headcount,
- i*) the completion of cost-intensive degree theses and master projects,
- j*) the performance of library tasks of higher education institutions,
- k*) discharging student college tasks,
- l*) the activities of the academic student league,
- m*) the activities of the (PhD) student union,
- n*) courses relating to Hungarian studies,
- o*) activities supporting gifted students.

The budgetary contribution regulated under this subsection shall be distributed on the basis of applications. Applications shall be submitted by the head of the higher education institution or the maintainer of the students' hall of residence. Social organisations, foundations and public foundations may also apply for grants under the call for applications put out for the tasks defined under paragraphs *k*)–*l*) and *o*).

(2) The Ministry of Education may provide grants on the basis of an agreement, in particular for

- a*) ad-hoc special institutional tasks,
- b*) the implementation of development objectives,
- c*) the activities of the National Academic Student Circle Council,
- d*) the activities of the National Union of Students in Hungary and the Association of Hungarian Ph.D. Students,
- e*) doctoral schools, including the activities of the National Doctoral Council;
- f*) the support of higher education institutions pursuing outstanding instruction, research, and development activities,
- g*) the operation of high-value equipment.

(3) The aggregate amount of grant provided on the basis of an agreement for the purposes regulated in paragraph *h*) of subsection (1) and paragraph of subsection (2) may not exceed 5% of the normative grant specified in paragraph *b*) of Section 127 (3) per budget year. The agreement shall be concluded for a term of at least three years. The appropriation planned under the chapter of the Ministry of Education shall

- a*) equal 0.0025 times the national allocation for normative funding per student in the case of support for the National Union of Students in Hungary,
- b*) amount to 0.0065 times the national allocation for normative funding per PhD / DLA student in the case of support for the Association of Hungarian Ph.D. Students,
- c*) equal 0.001 times the national allocation for normative funding per student in the case of support for the National Academic Student Circle Council.

(4) Non-Hungarian higher education institutions in neighbouring countries providing courses in Hungarian may also apply for grants under the call for applications put out for Hungarian higher education institutions.

(5) Provisions shall be made for 0.002 times the aggregate amount of grants available under paragraphs *b*)–*d*) of Section 127 (3) for the operation of the Hungarian Accreditation Committee of Higher Education, and 0.07 times 0.001 times the aggregate amount of grants available under paragraphs *b*)–*d*) of Section 127 (3) for the operation of the Higher Education and Scientific Council.

(6) The conditions and rules of submitting applications regulated in this Section shall be determined by the Government on condition that the total number of students in programmes with a small headcount may not exceed 5% of the number of students enrolled in higher education institutions. Eligibility for budgetary contribution to programmes with a small headcount shall be ensured for five to eight years per higher education institution.

(7) Funds for the contributions and grants specified in this Section shall be planned under the budget chapter of the Ministry of Education. The rate of normative grants shall be laid down in the Annual Budget Act.

Section 129 (1) The student bursaries defined in this Act shall be covered from the grants provided for student bursaries.

(2) The grant for student bursaries shall be established according to the number of students enrolled in state-funded training who can be considered in terms of eligibility for student bursaries. With normative grants provided for student bursaries, the rules of establishing the scope and the number of eligible students shall be determined by the Government.

(3) The amount of grant provided for student bursaries shall be determined so that

a) its amount available for study grants, calculated for ten months per student may not be less than the average national gross monthly wage – calculated for the second year before the budget year and published by the Hungarian Central Statistical Office (hereinafter: 'CSO') – multiplied by 0.8,

b) its amount available for dormitory grants, calculated for ten months per student may not be less than the average national gross monthly wage – calculated for the second year before the budget year and published by the CSO – multiplied by 0.8,

c) its amount available for accommodation grants, calculated for ten months per student may not be less than the average national gross monthly wage – calculated for the second year before the budget year and published by the CSO – multiplied by 0.4,

d) the amount of the doctorate bursary calculated for twelve months may not be less than the average national gross monthly wage – calculated for the second year before the budget year and published by the CSO – multiplied by 7.5,

e) the amount available for textbook grants and sports and cultural activities may not be less than the average national gross monthly wage – calculated for the second year before the budget year and published by the CSO – multiplied by 0.808,

f) its amount available for the Scholarship of the Republic of Hungary, calculated for ten months per student may not be less than the average national gross monthly wage – calculated for the second year before the budget year and published by the CSO – multiplied by 2.3.

(4) The amount available for textbook grants may be used up to the limit specified by the Government for textbooks and teaching materials produced in an electronic format and for the purchase of electronic devices facilitating preparation.

(5) If the maintainer of the students' hall of residence provides for the accommodation of state-funded students pursuant to an agreement concluded with the higher education institution, it shall become eligible for a grant in an amount equivalent to the normative dormitory grant. The grant shall be disbursed in accordance with an agreement with the Minister of Education.

(6) The higher education institution and the maintainer of the students' hall of residence shall freely agree on the clauses of the agreement with the proviso that the agreement shall contain

a) the basic and supplementary services provided by the students' hall of residence,

b) the placement capacity of the students' hall of residence accommodating students of the higher education institution and the monthly amount of the fee charged for the basic services of the students' hall of residence.

Section 130 (1) The organisation of the instruction services delivered by the higher education institution shall be supported from the central budget by means of a training grant.

(2) The training grant shall be determined on the basis of the calculated number of students enrolled in state-funded training. The amount of the training grant shall be specified by training cycle considering the professional particularities of the training (e.g. theory-oriented, practice-oriented).

(3) Training provided in higher education shall be categorised into funding groups in terms of eligibility for a normative training grant. The annual amount of the normative training grant shall be established by applying the multiplier defined in *Annex 3* to this Act.

(4) As a result of evaluation of the career monitoring system, the training grant may be either decreased or increased by a maximum of 10%.

(5) If a student has enrolled in state-funded training studies in another higher education institution in any country of the European Economic Area and such studies may be validated in the course provided by the Hungarian higher education institution, for the term of such studies the student shall be eligible for scholarship from the higher education institution where he/she established student status in line with the provisions of subsection (6).

(6) A student shall be eligible for the scholarship defined in subsection (5) if he/she has commenced studies abroad with the approval of the higher education institution. The higher education institution shall specify in its academic regulations the conditions for approving any studies abroad, provided that if the student continues his/her studies in an undergraduate course, he/she shall become eligible for scholarship only if at least 60% of the necessary credits have been accrued. The annual amount of the scholarship may not be less than three times the amount of the study grant. Higher education institutions shall provide for scholarship funds in their annual budgets.

(7) The Government shall determine

a) the rules pertaining to the calculation and distribution of, and application for, the training grant, and the programmes belonging to the specific funding groups,

b) the rules concerning the creation of the scholarship fund for students studying abroad in any country of the European Economic Area, and the rules of the establishment and disbursement of the scholarship,

c) the rules of disbursement of the normative training grant in the case of transfer into any other higher education institution.

Section 131 (1) Any research grant shall serve research which is in connection with the training provided in the higher education institution. The amount available for research grants may not be less than 50% of the training grant in the year concerned.

(2) In establishing the amount of the research grant, the research results achieved by the higher education institution shall be considered and 50% of the amount available for supporting such tasks shall be distributed among higher education institutions accordingly.

(3) The amount left after the distribution of the research grant pursuant to subsection (2) shall be distributed among higher education institutions on the basis of the number and performance of academic staff employed in lecturer or researcher positions in an employment relationship or as public servants, including PhD / DLA students in state-funded training. The eligible number of lecturers and researchers shall be determined in line with the provisions of Section 84 (5).

(4) The rules pertaining to the calculation and distribution of, and application for, the research grant, and the evaluation of research attainments and the subsequent ranking of higher education institutions shall be laid down by the Government.

Section 132 (1) The amount available as management grant may not be less than 50% of the total amount of the training grant in the year concerned.

(2) The management grant shall contribute to the maintenance costs of state higher education institutions. The management grant shall be distributed on the basis of the number of students enrolled in state-funded training and the number of staff calculated for the number of students.

(3) The rules pertaining to the calculation and distribution of, and application for, the management grant shall be specified by the Government.

Section 133 (1) The activities of student unions operating in higher education institutions shall be supported by a normative grant provided for such institutions as part of the normative funding per student. The normative grant shall equal 1% of the normative funding per student.

(2) The rules pertaining to the calculation and distribution of, and application for, the normative grant awarded to support the activities of the student union shall be specified by the Government.

Other Funding Provisions

Section 134 (1) With a view to improving the quality of instruction and research, the Government may establish scholarships for students, teachers and researchers. The scholarship established by the Government shall be exempt from public dues pursuant to a separate Act.

(2) The conditions and rules of application for scholarship shall be laid down by the Government.

Section 135 (1) Higher education institutions may set up a hedge fund for investment, development and training in connection with their tasks defined in Section 4. The hedge fund may be established if at least ten higher education institutions agree to participate and adopt the deed of foundation. The fund shall be managed by a financial institute selected through a public procurement procedure. The bylaws of the hedge fund shall stipulate, in accordance with the provisions of this Act, the cases, terms and conditions and the extent to which the fund is willing to assume risk liability.

(2) Any higher education institution may join the hedge fund in case it undertakes to pay the fund an amount equivalent to 1% of its annual operational budget. In the case of higher education institutions operating as budgetary organisations, such payment may be made against their own revenues. Where a higher education institution does not operate as a budgetary organisation, any payment to the hedge fund shall constitute a commitment in the public interest. The payment obligation of the higher education institution shall be reduced by the support provided to the hedge fund by the business organisation established by the higher education institution or in which it has acquired participation.

(3) The hedge fund may offer collateral for a preferential business loan necessary for the development of the higher education institution and investment.

(4) The hedge fund may – within the scope defined in subsection (1) – contribute partly or entirely to the mitigation of damage due to unexpected or unavoidable events, and to the costs associated with the transfer of students into another higher education institution as a result of the dissolution of the higher education institution.

Section 136 (1) No service may be provided by the hedge fund within three years from commencement of affiliation. The available services of the hedge fund shall depend on the payments made by the joining higher education institution and the time elapsed from the date of affiliation.

(2) The hedge fund shall be entitled to invest the payments of higher education institutions or buy government securities. The bylaws shall specify the distribution of payments among the different investment forms.

(3) If a higher education institution leaves the hedge fund, it shall be entitled to the reimbursement, interest free, of the amount paid, and the fund shall repay such amount within three years from the year following the year in which notice was given thereof. Where a higher education institution is dissolved and there is no need to bear the costs of student transfer, the amount paid shall be due to the maintainer or its successor pursuant to the terms stipulated.

(4) The decision-making body of the hedge fund shall be a board of trustees comprising the rectors of the higher education institutions.

(5) For the operation of the hedge fund, no more than 4% of the payments made shall be used.

(6) In respect of payments made in the hedge fund, Sections 18/C (5) and 100 (1) of the Public Finances Act shall not apply.

PART EIGHT

MISCELLANEOUS PROVISIONS

SPECIAL PROVISIONS PERTAINING TO THE OPERATION OF NON-STATE HIGHER EDUCATION INSTITUTIONS

Private Higher Education Institutions

Section 137 (1) Where a higher education institution is not maintained by the state, local government or a national minority government (hereinafter the entities listed in this subsection – except for religious legal entities – jointly referred to as ‘private higher education institutions’), it may operate as an institution committed to a certain religious or secular conviction, and may incorporate in its educational programme philosophical, ethical and cultural knowledge relevant to its religious or secular conviction. Private higher education institutions – unless they receive funds from the budget for training provision – may stipulate as a precondition of admission the acceptance of a religion or ideology and the attestation of such acceptance.

(2) Private higher education institutions may in their statutes depart from the provisions of Section 88 (1), 96 (3), (5)–(6) and (9), and 126 (1)–(2) and (4), except for the third sentence of subsection (2). Furthermore, the provisions of Section 97 (2)–(3) shall not apply unless the number of students enrolled in state-funded training reaches 50% of the total number of students enrolled in the higher education institution on an average of five years.

(3) Private higher education institutions shall be eligible for the grants specified in paragraphs *a)–c)* and *e)* of Section 127 (3) under the same conditions as state higher education institutions. Private higher education institutions may submit applications for the grants listed under Section 128 (1) in the same way and under the same conditions as state higher education institutions, and the same terms shall apply to agreements executed pursuant to Section 128 (2) between any private higher education institution and the Ministry of Education as in the case of state higher education institutions.

(4) Subsection (3) shall also apply to higher education institutions maintained by a local government or national minority government.

Section 138 (1) Private higher education institutions may engage in activities aimed at the fulfilment of the tasks defined under Section 4, and shall manage the institution accordingly, in line with the provisions of this Act and as defined by the Government (hereinafter: ‘management system of private higher education institutions’). Private higher education institutions shall state in their founding charters whether they foresee to pursue their activities as public benefit organisations or as business undertakings. If a private higher education institution meets the criteria set forth in Section 137 (2), the provisions of Section 115 (2) shall apply except that the higher education institution’s budget, annual report – drafted in compliance with the accounting regulations – , statutes, and institutional development plan shall be approved by the maintainer. In addition, higher education institutions shall institute court proceedings according to Section 115 (14).

(2) Where a private higher education institution operates as a public benefit organisation, the performance of its objects defined in Section 4 shall constitute non-profit (target) activities. If a private higher education institution does not operate as a public benefit organisation, then it shall pursue its objects under Section 4 as business activities, exempt from the provisions of Section 120 (4). Private higher education institutions operating as public benefit organisations may pursue business activities in addition to the functions under Section 4. In respect of the target activity and the business activity, private higher education institutions operating as public benefit organisations shall be eligible for all benefits specified in Section 6 of Act CLVI of 1997 on Public Benefit Organisations.

(3) With regard to private higher education institutions, the provisions of Section 121 (1)–(5) and Sections 122–123 shall apply unless otherwise provided for by their respective founding charters. Maintainers may define in the founding charter the way in which the higher education institution's earnings shall be distributed and the maintainer's share in the earnings. As regards private higher education institutions, the restrictive provisions pertaining to the purchase of government securities and the maintenance of treasury accounts by state higher education institutions shall not apply.

(4) Private higher education institutions shall manage the assets at their disposal independently, in line with the stipulations of their founding charters, or within the confines of their budget if they have treasury assets compliant with the provisions relating to public finances.

(5) The revenues of private higher education institutions may include:

- a) funds provided by the maintainer,
- b) state funding,
- c) other revenues.

(6) Costs and expenses of private higher education institutions may include:

- a) direct and indirect costs arising in connection with the tasks under Section 4,
- b) direct and indirect costs of business activities,
- c) other expenses.

(7) Private higher education institutions shall keep revenue and expenditure accounts in line with the accounting standards.

(8) Maintainers shall be liable as guarantors for any commitment of their respective private higher education institutions which they cannot fulfil due to a shortfall in their assets.

(9) Where a private higher education institution is dissolved without a successor, its rights and obligations shall be assumed by the maintainer.

Church Higher Education Institutions

Section 139 (1) Training in religious practice together with studies in theology (hereinafter jointly referred to as 'religious training') may be provided by higher education institutions maintained by a religious legal entity (hereinafter: 'church higher education institution'). Church higher education institutions may provide training other than religious training.

(2) With respect to church higher education institutions,

a) they may define conditions of employment within the scope of Section 22 of the Equal Treatment Act when establishing employment,

b) they may distinguish between applicants on grounds of religious or secular conviction provided that such conviction directly follows from the intellectuality that underpins the organisational character of the higher education institution and is based on a proportionate and real expectation justified by the content or nature of the given instruction activity,

c) their maintainer may specify provisions other than those of Section 29 (2)–(4) with regard to the exercise of the employer's rights, assets and management tasks,

d) the provisions of Section 98 (1) shall not be applied.

(3) Notwithstanding Section 18 (3), higher education institutions providing religious training shall be entitled to use the designation university even if they are authorised to offer a graduate course only in one field of training, and to organise a doctorate course and confer a doctoral degree in at least one discipline of science or area of art.

(4) Church higher education institutions shall have the right to determine the content of religious training and the requirements set for the lecturers and instructors involved in training. In respect of religious training, the procedure regulated in Section 15 shall only be aimed at examining whether the necessary infrastructure conditions are ensured. Furthermore, higher education institutions shall determine the rules of the admission procedure and – except for the possession of a secondary school leaving certificate – the entry requirements.

(5) Based on the agreement executed between the Republic of Hungary and the Holy See, higher education institutions maintained by the Hungarian Catholic Church or a church that has entered into an agreement with the

Government for the performance of higher education tasks shall also be eligible for the normative grant specified in paragraph *d*) of Section 127 (3), as well as occasional and single grants.

(6) Higher education institutions maintained by a church that has entered into an agreement with the Minister of Education for the performance of higher education tasks shall also become eligible for the normative grant specified in subsection (5).

(7) The quota of students admissible to training other than religious training offered by the higher education institutions that are maintained by the churches listed under subsection (5) shall be established by the Minister of Education on the basis of an agreement concluded each year with the religious legal entities concerned, on condition that the ratio of annual state-funded places and the total number of students admissible to state-funded places may not be less than the ratio of state-funded students enrolled in the higher education institutions maintained by the same church in the academic year 1997/1998 and the number of all state-funded students. The quota of students admissible to state-funded places in religious training shall be determined in accordance with the clauses of the agreements listed under subsection (5) in a way that the number of students admissible to the graduate course shall equal the number of students admissible to the undergraduate course. Applicants of Hungarian nationality living in neighbouring countries may also be admitted to state-funded places in religious training or to religious training even if not covered by Section 39 (1). Students' hall of residences maintained by a religious legal entity shall become eligible for the grant defined in Section 129 (5) also on the basis of an agreement concluded with the Minister of Education.

(8) With respect to religious training,

a) the acceptance of a certain religion or ideology and its attestation may be stipulated as a precondition of admission,

b) the statutes of church higher education institutions may state provisions other than those of Section 20 (4), 21 (3) and (6), 22 (4) and (5) – except on political views –, 27–28, 29 (2)–(8), 30 (4), and paragraph *f*) of Section 46 (2) except on the identity as a member of national or ethnic minority,

c) notwithstanding Section 12 (2), church higher education institutions can be granted state recognition even if they offer only one programme,

d) maintainers may reserve the right to establish positions, exercise the employer's rights, award appointment and other titles except for the titles of college and university professor, and to determine the rules pertaining to basic services regulated under Section 52 (3),

e) the provisions of Section 15 (8) – with the exception of the public education institution for teaching practice –, 84 (5), 105 (3), and 108, as well as the provisions relating to the institutional development plan shall not be applied; nonetheless, the rules on state recognition shall be complied with,

f) Section 15 (1)–(7) and (9), and Section 106 shall be applied subject to the derogation specified in subsection (4) of this Section,

g) the preliminary expert opinion of the Hungarian Accreditation Committee of Higher Education shall not be necessary for awarding the title of university professor.

(9) The normative grant available for religious training provided by church higher education institutions shall equal the normative grant supplied for humanities courses, and humanities courses with teacher training. The appropriation allocated for the instruction of students enrolled in religious training at church higher education institutions shall be planned as a separate budget appropriation.

(10) Where this Act refers to employment, such relationship shall also mean affiliation to the clergy in the case of church higher education institutions.

(11) In respect of religious training, the Minister of Education shall regulate the programme and exit requirements of the undergraduate and graduate course upon the request of the religious legal entity.

(12) Upon the request of religious legal entities that maintain higher education institutions, a theology subcommittee shall be set up within the Hungarian Accreditation Committee of Higher Education.

(13) With regard to higher education institutions maintained by religious legal entities,

a) the pertaining provisions of Act IV of 1990 on the Freedom of Conscience and Religion and Churches and Act CXXIV of 1997 on the Financial Conditions of Religious and Public Purpose Activities of Churches,

b) the provisions of Section 137 (2)–(4) and Section 138 (3) and (9)

shall be applied. The legal entity maintained by a religious legal entity may operate as a public benefit organisation if so allowed by its founding charter.

SPECIAL PROVISIONS PERTAINING TO MILITARY AND LAW ENFORCEMENT HIGHER EDUCATION INSTITUTIONS

Section 140 (1) Military and law enforcement higher education institutions shall not be required to set up a financial board. The maintainer's rights shall be exercised by the Minister of Defence and the Minister of the Interior, respectively. Where a financial board is established in a military and law enforcement higher education institution, the right of delegation specified in Section 23 (5) of this Act shall be exercised by the Minister of

Defence and the Minister of the Interior. The state funding for military and law enforcement higher education institutions shall be planned in the budget of the Ministry of Defence and the Ministry of the Interior, respectively.

(2) In respect of the higher education institutions specified in subsection (1), other legal provisions may apply to

- a)* the exercise of trusteeship and management,
- b)* the rules of establishment of organisational units and the order of their operation,
- c)* employment, appointment and the legal status of the heads of institution,
- d)* the determination of entry requirements, status, bursaries of, and fees payable by, students.

(3) In respect of higher education institutions specified in subsection (1), the Minister of Defence or the Minister of the Interior shall be responsible for the regulation of

- a)* the number of students admissible per year and the special conditions of admission,
- b)* the detailed rules of admission and status of foreign students, and the pertaining academic regulations, as well as the system of bursaries and the rules of fee payment.

(4) In respect of higher education institutions specified in subsection (1), the Minister of Defence or the Minister of the Interior shall

- a)* submit to the Government the annual budget report and the funding plan,
- b)* oversee the efficiency and lawfulness of the use of assets provided by the state,
- c)* exercise the rights defined in Section 105 (1),
- d)* lay down special rules of management and funding other than those specified in this Act.

(5) Military higher education institutions and law enforcement higher education institutions may provide training outside the scope of military higher education and higher education in law enforcement. The stipulations of paragraph *d)* of subsection (2), paragraphs *a)-b)* of subsection (3), and paragraphs *b)-c)* of subsection (4) shall not apply to such training. Such training shall be subject to the provisions of this Act, including those on state-funded places and their financing.

(6) The establishment of military and law enforcement higher education institutions and training provision in them shall be conditional on the prior authorisation of the Ministry of Defence or the Ministry of the Interior, respectively.

SPECIAL PROVISIONS PERTAINING TO HIGHER EDUCATION INSTITUTIONS OF MEDICINE AND HEALTH SCIENCE

Section 141 (1) Universities offering courses in medicine and health science (hereinafter: ‘medical higher education institution’) shall participate in medical care provision, and shall to this end establish and maintain a medical service provider or shall enter into a partnership with a medical service provider. For the purpose of practical training, medical higher education institutions may enter into an agreement with the medical service provider to ensure university hospital, specialist consultation and pharmaceutical practice. Medical higher education institutions- as defined in a separate Act- shall pursue forensic activities. If a higher education institution is not a medical higher education institution, but delivers courses in health science, the provisions of this subsection shall apply to the organisation of practical training.

(2) Medical higher education institutions, within higher education institutions or as independent organisational units, may operate one medical service provider. Medical service providers may operate as part of a medical higher education institution (hereinafter: ‘teaching hospital centre’) or separately (hereinafter: ‘university hospital centre’). Teaching hospital centres shall operate as public units with partial rights if the medical higher education institution in question is a budgetary organisation. Budgetary units with partial rights shall have a treasury account. University hospital centres shall be legal entities whose founders are medical higher education institutions.

(3) Based on an agreement, medical service providers of medical higher education institutions shall participate in the provision of territorial medical services and progressive patient care. In such cases the competent health insurance fund of the county or Budapest shall execute a funding contract with the medical service provider of the medical higher education institution. The amount disbursed by the health insurance fund in consideration of medical services shall only be used for the purposes stipulated in the contract.

(4) Medical higher education institutions may cooperate in regional health improvement activities, and may participate in restructuring and funding modelling experiments.

(5) Where a medical service provider operates as part of a central budgetary organisation, the budgetary investment, renovation, and development funds of the medical higher education institution shall be planned in the Ministry of Health chapter of the budget. The Ministry of Health shall have the right to control management in connection with the budget appropriations allocated from the chapter. The Minister may request preliminary information or reports, and may initiate the discussion of medical service issues at university forums. Where a

medical service provider is maintained by a business organisation or a public benefit organisation, the Ministry of Health may participate in its establishment as a founding member.

(6) Medical higher education institutions shall organise specialist, dentistry, pharmaceuticals, clinical psychology, and public health specialist programmes, and vocational or postgraduate training in medicine for holders of other academic degrees, and shall at the same time provide such medical services under the professional supervision and coordination of the Minister of Health. The Minister of Health shall supervise and coordinate medical higher education institutions' activities in education, remedy, prevention and sectoral research and development. The Ministry of Education shall grant state funding for such activities. The medical activities performed by medical higher education institutions, medical research, and medical vocational and postgraduate training shall be subject to the provisions pertaining to the professional governance and organisation of health care and the powers of the Minister of Health as to professional governance, as well as to laws that determine the organisation of medical services, the qualifications of those discharging the tasks, and the funding of medical services.

(7) Where – as part of their positions – staff are involved in the performance of both the training tasks and tasks relating to medical services of a medical higher education institution, the ratio of working hours up to which the training tasks and the tasks relating to medical services are performed shall be specified. The rules of employment and remuneration – appropriate to the split of working hours – pertaining to the specific activities shall be applied.

(8) If no centre is established, the head responsible for the management of medical services, who shall hold a senior executive position, shall be specified in the statutes (hereinafter: 'head responsible for medical services'). Heads responsible for medical services shall control the organisation of medical service provision independently, and shall in this respect exercise the employer's rights. Where a head responsible for medical services is a person other than the rector, his/her duties, obligations and powers to undertake commitments shall be regulated in the statutes. Heads responsible for medical services may act in an advisory capacity at the meetings of the financial board.

(9) The rules of the supervision and funding of medical higher education shall be laid down by the Government.

(10) Where a higher education institution foresees to provide courses in medicine and health science, the registration centre shall obtain the opinion of the Ministry of Health as a competent authority. The competent authority's opinion shall be delivered within 60 days. The registration centre may not act contrary to the competent authority's opinion.

Section 142 (1) Upon the initiative of their organisational units that provide courses in medicine and health science as faculties, medical higher education institutions which are established by way of merger and which supply courses in at least three disciplines of science, may set up a medical and health science centre (hereinafter: 'health science centre'). Health science centres shall comprise the higher education institution's faculties of medicine and health science, teaching hospitals, research institutes engaged in medical services, and other organisational units of instruction. The president of the health science centre shall exercise trusteeship in respect of the assets available for medical and health science training and health care and remedial and preventive activities.

(2) The health science centre shall be headed by the president, who shall carry out his/her work in a senior executive position. The rules of election of the president shall be laid down in the statutes. The president of the centre shall also be responsible for the executive tasks defined in Section 141 (8). In respect of the health care centre, the university shall be represented by the head of the centre. The head of the health care centre may act in an advisory capacity at the meetings of the financial board. Heads of health science centres shall exercise the right of disposal over the appropriations allocated for the execution of the tasks specified under Section 141 (2), and (5)–(6).

SPECIAL PROVISIONS PERTAINING TO HIGHER EDUCATION INSTITUTIONS OF AGRISCIENCE

Section 143 (1) For the coordination of instruction, research, and agricultural tasks, the faculties of universities of agriscience established by way of merger and offering courses in at least two disciplines of science, and the separate practice facilities, practice farms, research institutes, museums, and botanic gardens may be operated as part of an agriscience centre. Agriscience centres shall operate as budgetary units with partial rights where the higher education institution in question is a budgetary organisation. Budgetary units with partial rights shall have a treasury account.

(2) Agriscience centres shall contribute to the pursuit of sectoral research, development and innovation, specialised counselling, postgraduate education in agriscience, and the tasks of practical training. To this end, scaled-to-function state funding shall be planned separately in the budget-financed funds allocated for the

agricultural sector under the Ministry of Agriculture and Rural Development chapter so that this amount shall not be less than the resources for the development of agriculture.

(3) In respect of heads of the agriscience centres and their budgets, the rules pertaining to health science centres [Section 142 (2)] shall apply.

(4) The rules of the supervision and funding of agricultural higher education shall be laid down by the Government.

SPECIAL PROVISIONS PERTAINING TO ART HIGHER EDUCATION INSTITUTIONS

Section 144 (1) Where a higher education institution provides training exclusively in any branch of art (hereinafter: 'art higher education institution'), the provisions of this Act shall be applied subject to the derogations under subsections (2)–(7).

(2) Higher education institutions of art may establish and maintain art workshops.

(3) Academic studies in the branch of dancing arts may be started during secondary education prior to the secondary school-leaving examination in a way that students acquire student status in the given higher education institution in addition to their secondary school student status. Students shall acquire the requirements of the secondary school-leaving examination concurrently with those of art education. With respect to students regulated in this subsection, Sections 129/A (2)–(6) of the Labour Code shall also apply.

(4) Art higher education institutions shall have university status, even if they are entitled to provide graduate courses in one field of training, and to offer DLA courses and confer a DLA degree in any one branch of art.

(5) Holders of a Bachelor degree and professional qualification may also attain the position of lecturer or instructor if a Master's course in art has been offered for less than 10 years, unless the scientific degree is a precondition of holding a lecturer position.

(6) For completion of undergraduate and graduate courses in art education, in addition to the requirements specified in Section 60 (3), the final examination shall include the creation of a work of art, or the production, presentation and defence of a performance.

(7) Art higher education institutions may undertake tasks in primary art education and vocational training in art by setting up a public education institution. Art higher education institutions may prepare secondary school students for admission to any art higher education institution. Higher education institutions shall register students without establishing student status (hereinafter: 'preparatory status'). In respect of students in preparatory status, higher education institutions shall be eligible for the normative per student grant calculated for students in primary art education. On the basis of preparatory status, students shall be offered at least four contact hours a week either with a lecturer or an instructor. The rights and obligations of students enrolled in the training shall be stipulated in the statutes of higher education institutions.

(8) Where a higher education institution offers art courses without having the status of art higher education institution within the meaning of this Section, its operation shall be subject to the provisions of subsections (2)–(3) and (5)–(7).

SPECIAL PROVISIONS PERTAINING TO TEACHER TRAINING

Section 145 (1) Higher education institutions engaged in teacher training may provide public education tasks – as defined in a separate Act – in addition to their duties specified herein. Higher education institutions providing teacher training shall pursue their activities in conformity with the demands of public education. Higher education institutions providing teacher training may maintain public education institutions or foster a connection and cooperate with public education institutions.

(2) Students enrolled in higher education institutions offering teacher training shall complete their teaching practice in a public education institution. If the public education institution is maintained by the higher education institution, it shall operate as a public education institution for teaching practice. The higher education institution may maintain the public education institution for teaching practice together with an entity authorised to establish an institution under the Public Education Act. The teaching practice of students may be delivered in any public education institution on the basis of an agreement. Public education tasks performed by a public education institution for teaching practices shall be eligible for twice the normative funding disbursed for local governments as defined in the Annual Budget Act.

(3) Higher education institutions providing teacher training shall contribute to in-service teacher training, educational research, and shall facilitate the implementation of sectoral tasks of the Minister of Education in the domain of public education.

(4) Within the scope of sectoral responsibilities, the Minister of Education shall set up and operate a regional service and research network – to be founded on the higher education institutions providing teacher training – to

aid the development of the higher education system involved in public education and teacher training, the modernisation of teacher training, and to cater for the requisite professional conditions. The Minister of Education shall enter into an agreement with the higher education institution concerned for the execution of the tasks defined in this subsection and subsection (2). The Minister of Education shall organise the performance of national service providing and research tasks of teacher training development.

(5) Where teacher training is provided by more than one organisational unit of instruction in any higher education institution, the statutes shall specify the organisational unit of instruction or the body established by the senate which shall be in charge of coordinating the instruction work carried out in the different organisational units and the associated practical training. The head of such organisational unit shall be responsible for the coordination of teacher training in the higher education institution.

(6) Secondary school teacher qualification may only be obtained in a graduate course. The conferral of secondary school teacher qualification shall be subject to completion of a continuous practical course. Graduate courses leading to secondary school teacher qualification shall award 150 credits.

(7) The Government shall determine the undergraduate and graduate programmes in teacher training, and the general rules of the specialisation system in the graduate course. The Minister of Education shall define in a decree the programme and exit requirements of the teaching profession.

(8) The Hungarian Accreditation Committee of Higher Education shall operate a standing professional and expert subcommittee on teacher training.

Section 146 (1) Where a higher education institution may provide national or ethnic minority teacher training as stated in its founding charter, such training shall be organised for applicants who meet the entry requirements.

(2) Applicants belonging to the minority concerned shall be accorded priority in respect of admission to national or ethnic minority teacher training. Affiliation to any minority shall be deemed confirmed if the secondary school-leaving examination has been taken in the minority language.

(3) The language of the minority concerned shall be taught throughout the whole length of the programme in national or ethnic minority teacher training.

(4) National and ethnic minority teacher training shall be considered as a programme with a small headcount in terms of funding.

(5) Where the Hungarian Accreditation Committee of Higher Education delivers an expert opinion on national or ethnic minority teacher training, it shall seek the cooperation of the expert delegated by the national minority government concerned.

DEFINITIONS

Section 147 For the purposes of this Act:

1. *Doctoral dissertation* means a written work, composition or paper whereby the PhD / DLA candidate demonstrates in the course of the doctoral degree award procedure that he/she is capable of fulfilling an independent research assignment appropriate to the degree requirements,

2. *Doctoral school* means the organised framework of a doctorate course which ensures preparation for the scientific degree,

3. *Health test* means a medical examination involving physical endowments and health condition to determine whether a person is capable of pursuing the chosen activity and whether such activity could jeopardise his/her health,

4. *Mid-term grade* means the mark that reflects the mid-term performance of the student and is awarded during term-time in the framework of an assessment procedure specified in the academic and examination regulations,

5. *Phasing-out system* means an organisation principle on the basis of which compliance with the new and amended academic and examination regulations can be demanded from students who started their studies after the introduction of the regulations or from students who started their studies before introduction but chose to read for their degree in accordance with the new and amended academic and examination regulations,

6. *Semester* means an instruction provision period of five months,

7. *Higher-level vocational training* means vocational training provided by higher education institutions in the framework of student status at the higher education institution – or in the event of an agreement concluded with the higher education institution, by the vocational secondary school for students having secondary student status –, which is integrated into the undergraduate course of the higher education institution and awards a higher-level vocational qualification contained in the National Qualifications Register,

8. *Student with disability* means a student who, as a result of physical, sense, speech, psychic development disorder or autism, is permanently and severely impeded in the learning process (e.g. dyslexia, dysgraphia, dyscalculia, mutism),

9. *Habilitation* means the assessment of instruction and lecturing skills and the academic performance of holders of a scientific degree,

10. *Disadvantaged student* means a student in respect of whom the notary arranged for child protection care during secondary education due to family or social background, or for whom regular child welfare benefit has been disbursed, or who has been a ward of the state,

11. *Publication on homepage* means publication of information in a domain on the homepage that is accessible to all,

12. *Institute* means the organisational unit which coordinates the activities of several departments or performs the function of several departments,

13. *Institutional document* means the founding charter and the regulations, programmes, plans stipulated in this Act, thus in particular the statutes, educational programme, institutional development plan, bylaws of the student union, strategy for research, development, and innovation,

14. *Faculty* means the organisational unit in charge of the instruction, research, and artistic activities of related degree programmes in one or more fields of training, discipline of science, or branch of art as defined in the educational programme,

15. *Qualification framework* means the general characteristics of the specific degrees in the multi-cycle training system that are identical in each field of training,

16. *Minister with competence in training* means the minister specified in the Vocational Education Act, responsible for the qualification,

17. *Branch of training* means the programmes in a certain field of training whose contents are identical in the initial phase of training,

18. *Programme and graduation requirements* mean the knowledge, skills, proficiency and abilities (competencies) whose acquisition is a precondition for a diploma evidencing the degree and the professional qualification to be awarded,

19. *Length of programme* means the legal duration of the course required for obtaining the necessary credits, degree, professional qualification, and specialised qualification as defined in the corresponding laws,

20. *Term of study* means the articulation of the length of the programme into term-time and the pertaining examination period,

21. *Educational programme* means the complex training document of the institution, which contains

a) a detailed programme and academic requirements of the undergraduate, graduate and specialist postgraduate programmes,

b) a vocational training programme in higher-level vocational training, and

c) the plan of the doctorate course,

together with detailed rules of training, thus the curriculum, the programme of studies and course-units, and the evaluation and assessment methods together with the pertaining procedures and rules,

22. *Field of training* means the programmes and branches of training defined in a Government decree, whose contents are similar or partly identical,

23. *Programme with a small headcount* means a course launched on the basis of international commitment, cultural or education policy concerns, whose annual quota of admissible students may not exceed 20 persons at the national level; a national or ethnic minority training course,

24. *Teaching hospital* means the medical service provider which contributes to the instruction and research tasks of training in medicine,

25. *Consultation* means an opportunity for personal discussion provided by the lecturer of the higher education institution in connection with the student's studies at a venue specified by the higher education institution,

26. *Credit* means a unit of students' work which represents in relation to the course-unit or curricular unit the estimated time necessary for the acquisition of a specific body of knowledge and the fulfilment of requirements; one credit equals 30 study hours,

27. *Mentoring programme* means a particular form of training where disadvantaged students are assisted with preparation by the student or lecturer of the higher education institution,

28. *Aptitude test* means the verification of abilities to determine whether the applicant possesses the abilities and characteristics that enable him or her to undertake the studies and to pursue the activity that corresponds to the professional or specialised qualification,

29. *Regional centre* means a unit of a higher education institution established by way of merger as defined in this Act, which operates on a site other than the seat — the site of the predecessor higher education institution — and integrates the operation of the organisational units of the higher education institution,

30. *Study in another higher education institution* means the period when a student obtains credit in another higher education institution in visiting student status,

31. *Own revenue* means sources other than public finances (including all supports of the European Union that are transferred to higher education institutions without the involvement of the central budget, and funds accounted for as payment of the vocational training contribution), and revenues from the Research and Technological Innovation Fund,

32. *Programme* means training towards a professional qualification, which comprises the pertaining content requirements (knowledge, proficiency, skills) in a uniform system,

33. *Specialisation* means training aimed at the acquisition of specialised knowledge which is certified as part of the professional qualification,

34. *Professional qualification* means evidence of specialised knowledge awarded with a Bachelor's or Master degree, such knowledge being determined by the content of the programme and specialisation preparing the student for access to the profession,

35. *Attestation of competence* means an examination determined by the higher education institution – in the case of higher-level vocational training together with the organiser of practical training – which measures the abilities required for the selected professional or specialised qualification and examines whether the examinee possesses the abilities whose optimal development ensures completion of the preparatory phase,

36. *Current expenditure on professional tasks* means expenditure on operation, maintenance and accumulation accounted for any specific task,

37. *Extra mural training* means full-time or part-time higher education provided at a site other than the place of operation (seat, establishment) of a higher education institution,

38. *Academic year* means an instruction provision period of ten months,

39. *Contact hour* means a class requiring the personal cooperation of the lecturer for the fulfilment of the academic requirements specified in the curriculum (lecture, seminar, practice, consultation),

40. *Department* means an organisational unit in charge of education, research and instruction provision in connection with at least one subject,

41. *Distance education* means a particular form of training, involving the use of ICT teaching aids and teaching-learning methods based on the interactive relationship between teacher and student and the student's individual work, where the number of contact hours is less than 30% of the contact hours in full-time training,

42. *Establishment* means a location other than the seat designated in the founding charter, where the organisational unit fulfils its functions,

43. *Knowledge centre* means an institution promoting research, development and innovation and managing knowledge and research results in a given statistical and development region, which fosters the utilisation of knowledge and research results in the economy through the creation of demand and its services,

44. *Disciplines of science* mean humanities, religion, agriculture, engineering, medicine, social sciences, natural sciences, and arts which diverge into branches of science,

45. *Pre-degree certificate* means a certificate that states that the student has passed the curricular examinations and – except for passing the language examination and writing the degree thesis – satisfied other academic requirements and has earned the number of credits prescribed in the academic and examination regulations – except the credit points rendered to the degree thesis,

46. *Examination* means a form of assessment to verify and evaluate the acquisition of knowledge, skills and abilities.

MISCELLANEOUS PROVISIONS

Section 148 (1) Any issues to be regulated in the employment requirements pursuant to this Act may be regulated in the collective agreements of higher education institutions.

(2) The coat of arms of the Republic of Hungary may be displayed on the premises of higher education institutions that serve the pursuit of their core activities, on their signboards, facades, circular stamps and diplomas and diploma supplements issued.

(3) The Centre for Foreign Language Education, the Institute of Post-graduate Legal Studies of Eötvös Loránd University of Budapest, and the Institute of Economics of Corvinus University of Budapest shall operate as part of the higher education institution. Institutes of postgraduate studies may offer foreign language education and examinations, and may organise postgraduate specialist training courses and extra-curricular courses. Institutes of postgraduate studies shall function under higher education institutions as independent legal entities, being budgetary units with partial rights.

(4) International Pető András Institute of Conductive Education for the Motor Disabled and Conductor-Teacher Training College, Budapest may function as a college until 31 December 2010 in a way as to provide a programme in at least one training field. The college shall continue operation as of 1 January 2011 in accordance with the provisions of this Act. If the college fails to comply with this obligation, it may not admit any students to the first year for the academic year starting on 1 September 2011. Students enrolled in preceding years may complete their studies under unaltered conditions.

(5) The Zrínyi Miklós University of National Defence shall use the designation “university” even though it is entitled to offer graduate education in one training field, and to provide doctorate course and confer the doctoral degree in one discipline of science.

(6) The entry into force of this Act shall not affect the functions of state university libraries which perform public library tasks within the meaning of Section 63 of Act CXL of 1997 on Museum Institutions, Public Library Provision, and General Education. These shall continue to perform tasks related to public libraries, specialist libraries and academic libraries. University libraries shall be eligible for funds from the National Document Supply System as defined in the relevant laws.

(7) As from 1 January 2007 – following the conclusion of the authorisation procedure on secession and operation as an independent institution – the Faculty of Physical Education and Sport Sciences of Semmelweis University, Budapest shall function as an independent higher education institution pursuant to the provisions of this Act concerning higher education institutions. Semmelweis University, Budapest shall continue operation with the designation “Semmelweis Egyetem”, its seat being in Budapest.

Section 149 (1) The title “university doctor” awarded in doctoral procedures before 1 September 1984 or at a later date in doctoral procedures authorised before the aforementioned date shall remain in use.

(2) A person who earned the title “doctor universitatis” after 1 September 1984 shall remain eligible to use the abbreviated form ‘Dr. Univ.’.

(3) The title “Doctor of Theology” awarded by theological universities before 1 September 1993 shall remain in use.

(4) The doctoral degree conferred by universities until 31 December 1997 or any equivalence to the established doctoral degree shall remain valid.

(5) Where a law stipulates a scientific degree as a precondition of employment or qualification, this shall be construed as a doctoral degree, Candidate of Sciences, or nostrified and recognised scientific degrees awarded abroad.

(6) Holders of the Candidate of Sciences degree shall be entitled to use the designation ‘doktori fokozat’ [doctoral degree].

(7) Any DLA degree conferred pursuant to Act LXXX of 1993 on Higher Education shall correspond to the DLA degree available in the area of art according to this Act.

(8) A person who received a diploma at a Hungarian university or college before the implementation of this Act, shall be entitled to use the following titles:

a) the doctorate title of physicians, dentists, veterinarians, and lawyers which certifies a university degree (corresponding abbreviated forms: Dr. Med., Dr. Med. Dent., Dr. Vet., Dr. Jur.),

b) holders of a university degree not listed under paragraph a) shall be “certified” engineer, “certified” economist, “certified” teacher, or – depending on the programme – any other title defined in the qualification requirements,

c) holders of a college degree – depending on the orientation of studies – shall be engineers, economists, teachers, primary school teachers, pre-school teachers, special education teachers, trainers, or any other title specified in the qualification requirements.

(9) The following titles awarded before the entry into force of this Act and their abbreviated forms shall remain in use:

a) titles:

aa) *Promotio sub auspiciis praesidentis Rei Publicae*,

ab) *Doctor Honoris Causa*,

ac) *Doctor with Habilitation*;

b) abbreviated forms:

ba) in the case of holders of a PhD degree the abbreviation “PhD” or “Dr.”, for holders of a DLA degree the abbreviation “DLA” or “Dr.”,

bb) in the case of paragraph ab) the abbreviation “Dr. H. C.”,

bc) for the title under paragraph ac) the abbreviation “dr. habil.”.

(10) Higher education institutions awarding a diploma (or its successor) shall issue a certificate on the entitlement referred to in subsection (8).

(11) Nostrified (recognised) diplomas shall be subject to subsections (7) and (8) unless recognition or nostrification was carried out by a former, governing ministry, in which case the certificate shall be issued by the Ministry of Education.

(12) The professional qualification evidenced by the specialisation certificate awarded before 1 September 1996 for completion of higher education institutions’ postgraduate specialisation programmes shall be equivalent to the professional qualification available in any postgraduate specialist training course defined in this Act in terms of accessible positions and pursuit of a profession (activity).

(13) College professors who are entitled to use the title Professor at the time of entry into force of this Act shall remain eligible for such title after this Act has entered into force.

(14) The rights affiliated with Professor Emeritus titles conferred prior to the entry into force of this Act shall be as follows: unless the exercise of the entitlement associated with the title – including the claim for the pertaining financial benefits – is subject to any deadline, it shall be due until 31 December 2010 on condition

that the rate of the grant may not be less than in the year 2005. After expiry of the deadline, higher education institutions may enter into an agreement for a definite term of maximum five years as to the duties and benefits affiliated with the title of Professor Emeritus, or may define a greater amount for the benefits. The awardees of Professor Emeritus shall be entitled to use such title even when they are not eligible for the benefits anymore. The rights associated with Professor Emeritus titles given for a definite period shall remain unchanged.

Section 150 (1) Where the conferral of a diploma or certificate is conditional on passing a general foreign language examination, students having turned at least the age of 40 in the year of starting their first-year studies shall be exempted from the fulfilment of this requirement. This provision shall be applied for the last time in respect of those who take their final examination in academic year 2015/2016.

(2) The equivalency between the six-level language examination system recommended by the Common European Framework of Reference for Languages produced by the Council of Europe and the basic, intermediate and advanced state accredited or an equivalent language examination, as well as the rules pertaining to state accredited language examination which certifies knowledge of a foreign language shall be laid down by the Government.

(3) Until 31 December 2010, in respect of the accreditation procedure conducted to assess the conditions of employment and the establishment and operation of the institution,

a) the award specified in Act XII of 1990 on the Kossuth and the Széchenyi Award,

b) in physical higher education

ba) any of the first three places won in the Olympic Games, adult world championship, or adult European championship,

bb) a sports trainer qualification relating to the place listed under paragraph ba) and determined by the national association of the competent international sports association, or in its absence, the competent national sports association,

c) in art higher education, an arts recognition award receivable on the basis of a Government decree or other law, or a foreign arts recognition award of equal value

shall be deemed equivalent to the doctoral degree as per the owner of the award, the place, the qualification, and the recognition award, provided that the person concerned holds at least a Bachelor degree.

(4) Higher education institutions may effect an appointment on the basis of the provisions of subsection (3) only on one occasion.

PART NINE

ENACTING PROVISIONS

CLOSING PROVISIONS

Section 151 (1) This Act shall enter into force on 1 March 2006, subject to the derogations defined in subsection (2).

(2) Sections 170–172 shall enter into force on 1 July 2006, whereas Section 46 (8) and Section 118 (4) shall enter into force on 1 September 2006.

(3) On 1 March 2006

a) Act LXXX of 1993 on Higher Education (hereinafter the ‘Higher Education Act of 1993’), and amending Acts – Act LVIII of 1994, Act LXI of 1996, Act VIII of 1997, Act CXXVI of 1997, Act CXXVII of 1997, Act XXXVIII of 1998, Act LII of 1999, Act CVII of 2000, Act LXV of 2001, Act XCI of 2001, Act XXXVIII of 2003, and Act CVI of 2005 shall be repealed;

b) the following shall also be repealed:

ba) Sections 67–68, and 69 (1) of Act CIV of 1994 on the Annual Budget 1995 of the Republic of Hungary,

bb) Section 124–125 of Act XLVIII of 1995 on the Amendment of Specific Acts for Economic Stabilisation,

bc) paragraph d) of Section 26 (1) of Act LXXII of 1995 on the Supplementary Budget 1995 of the Republic of Hungary,

bd) Section 52 of Act XLV of 1996 on the Legal Status of Heads, Teachers, and Students of Military and Law Enforcement Higher Education Institutions,

be) Section 69 of Act CXXIV of 1996 on the Annual Budget 1997 of the Republic of Hungary,

bf) Section 81 and paragraph e) of Section 88 (1) of Act CXLVI of 1997 on the Annual Budget 1998 of the Republic of Hungary,

bg) Section 88 of Act XC of 1998 on the Annual Budget 1999 of the Republic of Hungary,

bh) Section 72 of Act CXXV of 1999 on the Annual Budget 2000 of the Republic of Hungary,
bi) Sections 1–17, 19–21, 22 (1), 23 (2)–(8), and 24 of Act XCVII of 2000 Amending Act LXXX of 1993 on Higher Education and Act LXXIX of 1993 on Public Education,

bj) Section 89 of Act CXXXIII of 2000 on the Annual Budget 2001 and 2002 of the Republic of Hungary,

bk) paragraph c) of Section 68 (1) of Act C of 2001 on the Recognition of Foreign Certificates and Degrees,

bl) the text “and Sections 3 (3) and 11 (6), and in respect of Sections 116 (2)–(4) of Act LXXX of 1993 on Higher Education the provisions pertaining to the teaching hospital centre” in Section 35 (1) of Act XXIII of 2002 Amending Act CXXXIII of 2000 on the Annual Budget 2001 and 2002 of the Republic of Hungary,

bm) paragraph e) of Section 49 (5) of Act LVIII of 2002 Amending Specific Acts Concerning Health Care and Social Security,

bn) Sections 4–6, paragraph b) of Section 7 (3) and Section (4) of Act LX of 2004 Amending Specific Acts Concerning Education, Facilitating the Functioning of Educational Rights, and Promoting the Development of the Institutional and Training System of Higher Education,

bo) Section 3 (2) of Act LXI of 2004 on the State Recognition of the Central European University.

(4) Act LXVI of 2001 on the State Recognition of Andrásy Gyula University, Budapest and Act LXI of 2004 on the State Recognition of the Central European University shall be repealed on 31 December 2010. As of 1 January 2011, Andrásy Gyula University, Budapest and the Central European University shall continue operation pursuant to the provisions of this Act. Where a university fails to comply with this obligation, it may not admit any students to the first year for the academic year starting on 1 September 2011. Students enrolled in preceding years may complete their studies under unaltered conditions. The Minister of Education shall conduct the procedure regulated in Section 105.

(5) The entry into force of this Act shall not affect the validity of institutional agreements concluded under the Higher Education Act of 1993. However, their content shall be reviewed before 1 September 2006, and the institutional development plan shall be drafted before 31 December 2006. In the absence of revision, agreements executed for training provision that is in conflict with this Act shall be annulled on the above date so that programmes launched on the basis of the agreement shall be terminated.

(6) As for official administrative procedures regulated in this Act and in the event the provisions of the Act on the General Rules of Official Administrative Procedures and Services apply to a procedure defined in this Act, procedural actions may be performed electronically.

(7) Foreign higher education institutions having started operation before the entry into force of this Act on the basis of authorisation from the Minister of Education shall be liable to execute the authorisation procedure necessary for the pursuit of their activities until 31 December 2010, again in accordance with this Act. If they fail to comply with this obligation, they may not admit any students to the first year for the academic year starting on 1 September 2011. Nonetheless, students enrolled in preceding years may complete their studies under unaltered conditions. The Minister of Education shall conduct the procedure regulated in Section 105.

Section 152 (1) The entry into force of this Act shall not affect the mandate and operation of the bodies established under the Higher Education Act of 1993 and its implementing provisions, nor that of their heads and members, unless otherwise provided for by this Act. The bodies shall continue operation until expiry of their mandates.

(2) As from 1 January 2006, the name of the Hungarian Accreditation Committee shall change to Hungarian Accreditation Committee of Higher Education. The Secretariat of the Hungarian Accreditation Committee as an independent budgetary organisation with full powers shall be dissolved as of 1 July 2006. The successor of the Secretariat shall be the Hungarian Accreditation Committee of Higher Education. The Hungarian Accreditation Committee of Higher Education and the Higher Education and Scientific Council shall function as a legal entity defined in this Act, in the same composition. Succession shall take place without prejudice to cases pending before both bodies which are to be judged pursuant to the provisions in effect at the time of their initiation. Succession shall furthermore not affect decisions made, commitments undertaken, or rights acquired before succession. Members of the Hungarian Accreditation Committee of Higher Education and the Higher Education and Scientific Council shall attend to their tasks until expiry of their mandates, and only after such expiry shall the bodies be established in conformity with the new provisions. Until foundation in line with the new provisions, the Higher Education and Scientific Council shall grow to include four new members and thus continue operation with 25 members. These members shall be delegated by the chambers from their own members who are not employees of the higher education institution.

(3) In respect of the further employment of employees at the Secretariats of the Hungarian Accreditation Committee and the Higher Education and Scientific Council, the provisions of Act on the Legal Status of Public Servants Concerning Change in the Employer’s Entity shall apply, taking into account the stipulations of Sections 111 (5) and 113 (5).

(4) Courses launched under the Higher Education Act 1993 shall be completed – in continuous provision – without modification of the programme requirements, the examination rules or the diplomas issued.

(5) Academic scholarships may be disbursed at the latest in 2006 within the meaning of Sections 10/A and 10/B of the Higher Education Act 1993. Scholarships already established shall not be affected by the entry into force of this Act.

(6) The rules of awarding grants, their specific amounts, and the scope of eligible persons and any further transitional rules in connection with the introduction of this Act shall be determined by the Government.

ENABLING PROVISIONS

Section 153 (1) The Government shall be authorised to regulate by way of a decree

1. the conditions of awarding the research university classification [Section 5 (6)],
 2. the structure of training [Section 11 (2)],
 3. the minimum (statutory) conditions of establishment of higher education institutions, the rules of procedure in connection with establishment and the pertaining procedure fee, and the conditions of founding the public education institution for teaching practice [Sections 12 (4), 15 (12), and 38 (1)],
 4. the establishment of the quality award [Section 108 (4)],
 5. the order of multi-cycle training, the qualification framework, the procedure of launching a programme, and the rules of doctoral education [paragraphs a) and c) of Section 32 (11), and Section 145 (7)],
 6. the rules of state accredited foreign language examinations [Section 150 (2)],
 7. procedural issues pertaining to the operation of the higher education information system, the file management of higher education institutions, data provision, and the student pass, teacher pass, and teacher and student identification number, as well as the rules of keeping records on the state-funded period [Sections 35 (2) and (11), 55 (6), and 73 (1)],
 8. the rules on the organisation of higher-level vocational training [paragraph b) of Section 32 (11)],
 9. the rules pertaining to the assessment of applications, entry requirements, and the amount of procedure fees [Sections 39 (6), and 42 (2) and (5)],
 10. the requirements for preferential treatment to promote equal opportunities among applicants and students; the rules on the organisation of mentoring programmes [Sections 39 (7), and 66 (6)],
 11. the rules pertaining to the establishment and verification of disability, the principles relating to the studies of disabled students [Sections 44 (3), and 61 (2)],
 12. the rules on access to student bursaries and other benefits [Sections 51 (3), 104 (5), 118 (6), and 119 (3)],
 13. the rules on the provision of housing facilities [Section 52 (8)],
 14. the general rules of credit-based education [Section 57 (5)],
 15. the rules of conferring doctorate degrees with honours [Section 65 (1)],
 16. the application system with respect to employment [Section 88 (3)],
 17. the rules concerning employment, benefits, and executive assignments [Sections 80 (3), 93 (4), 94 (3), 95 (6), and 96 (6)],
 18. the establishment and rules of operation and supervision of the registration centre [Section 107 (7)],
 19. issues regarding the functioning of the Hungarian Accreditation Committee of Higher Education, the Higher Education and Scientific Council, and the National Credit Council [Sections 110 (8), 111 (8), 113 (8), and 114 (6)],
 20. issues relating to the funding and management of higher education institutions [Sections 123 (2), 127 (2), 128 (6), 129 (2), 130 (7), 131 (4), 132 (3), 133 (2), 141 (9), and 143 (4)], and matters pertaining to the management of private institutions [Section 138 (1)],
 21. the establishment of academic scholarships [Sections 134 (1)–(2), 152 (6)],
 22. the rules of procedure of loan applications [Section 123 (2)].
- (2) The Minister of Education shall be authorised to regulate by way of a decree
- a) the duties and operational rules of the Office of the Commissioner for Educational Rights,
 - b) the programme and exit requirements in undergraduate and graduate education,
 - c) the general rules on the organisation of postgraduate specialist training courses.
- (3) The Government shall exercise
- a) its governance powers in connection with items 2, and 14–15 of subsection (1), and item 5 – in respect of determining the order of multi-cycle training, the qualification framework, and the procedure of launching a programme – subject to the consent of the Hungarian Rectors Conference,
 - b) its powers to determine item 1 of subsection (1), and the rules of doctoral education under item 5 subject to the consent of the Hungarian Accreditation Committee of Higher Education.
- (4) The Minister of Education shall request the consent of the Hungarian Rectors Conference when issuing a decree pursuant to the authorisation granted under paragraphs b)–c) of subsection (2).

TRANSITIONAL PROVISIONS

Transformation of higher education institutions, establishment of new institutions

Section 154 (1) The institution council of higher education institutions in operation at the time of the entry into force of this Act shall continue functioning as the senate as of 1 March 2006 within the meaning of this Act. Where the composition of the senate does not comply with the stipulations of this Act, it shall be transformed in accordance with this Act until 31 December 2006.

(2) State higher education institutions in operation at the time of the entry into force of this Act shall be required to set up a financial board before 1 March 2006. The number of the members in the financial board shall be determined on the basis of the number of students actually enrolled.

(3) Higher education institutions shall create an institutional and organisational structure compliant with the provisions of this Act before 31 December 2006. In this respect, off-site training provision and cooperation and partnership agreements shall be reviewed.

(4) State higher education institutions in operation at the time of the entry into force of this Act shall review their statutes until 30 June 2006, and shall send the revised statutes to the rector. The new statutes shall be applied as of 1 September 2006 to all students, irrespective of the date of commencement of student status. The new statutes shall stipulate transitional rules, including academic and examination regulations, that are requisite to the completion of studies started in the former training system. Student unions shall be required to produce their bylaws before 30 June 2006 and send them to the senate for approval.

Section 155 (1) The founding charter of higher education institutions listed under Annex 1 to the Higher Education Act 1993 shall be amended according to the stipulations of Section 16 (1), and shall be sent by the maintainer before 30 June 2006 to the registration centre in a way that the fields of training, branches of training, disciplines of science, areas of art, and levels of training where the institution is authorised to provide courses, as well as the maximum number of admissible students shall be indicated for the period between 1 September 2006 and 31 December 2007 in the founding charter.

(2) The circle of founders and maintainers defined in this Act may first initiate the establishment procedure on 1 September 2006.

(3) As from 1 July 2006, the maintainer's right shall be assigned pursuant to the provisions of Section 17.

Section 156 (1) In accordance with the stipulations of paragraph a) of Section 101 (1), the Government shall present a medium-term higher education development plan – following a review of the experiences gained from the application of this Act – for the first time before 31 December 2008.

(2) Higher education institutions shall introduce a career monitoring system as from the academic year starting on 1 September 2006.

Executive assignments, issues of employment

Section 157 (1) Executive assignments shall remain valid in line with the original appointment until the new organisational structure of higher education institutions has been created, but no longer than 31 December 2006. Until that date the rector shall re-examine all executive assignments and shall, in compliance with this Act, either confirm or cancel such assignments. In applying the rule pertaining to the extension of executive assignments as defined in Section 96 (5), executive assignments in place at the time of the entry into force of this Act shall be considered.

(2) The entry into force of this Act shall not affect the employment of lecturers and researchers, their contracts of employment or letters of appointment to public servant, or the college or university titles they received in connection with employment. Following the entry into force of this Act, lecturers and researchers may still be employed according to the provisions of the Higher Education Act 1993. The status and employment of lecturers and researchers having entered into employment under the former conditions may only be altered if they satisfy the new requirements. As of 1 September 2008, lecturer and researcher positions may only be established in accordance with the provisions of this Act. Lecturers and researchers employed pursuant to the provisions of the Higher Education Act 1993 and satisfying the new requirements shall be ranked in line with the positions specified for 'university' lecturers, regardless of the fact whether they are to be employed in college or university. In this case employment shall be subject to the new provisions, except that the period of employment in the given lecturer position shall be included in the time limits defined in Section 91. Where less than five years are available for achieving compliance with the prescribed criteria, lecturers shall be required to meet such criteria within five years from the date of signing the new contract of employment or appointment to public servant. Lecturers shall be assigned to the same 'university lecturer' payroll status as the one they enjoyed as 'college lecturers', and reckoning of the time spent in the payroll status shall be started over.

(3) The regular monthly payment of staff employed in lecturer or researcher positions may not be reduced on the grounds of transition to a new remuneration system. With a view to the phasing in of the remuneration

system that serves the rewarding of outstanding lecturer or researcher performance as regulated in Sections 97 (2)–(3), a proportion – to be defined by the Annual Budget Act – of the amount available for the increase of the regular payment of lecturers and researchers shall be allocated to the appropriation available for rewarding instructor or researcher performance until it reaches the required level, on condition that this amount may not be less than one third of the amount available. As long as the appropriation is less than required, the amount of the awardable extra monthly payment per capita may not be less than three times the amount available per capita in the given year.

(4) Where a lecturer or instructor employed in art education holds a Bachelor degree, and such option is no longer possible pursuant to Section 144 (5), such lecturers or instructors may remain in employment, provided that they have turned the age of 50 at the time the new employment conditions emerge.

Transition to the Training System

Section 158 (1) With effect from 1 September 2006, higher education institutions shall start the first term of the undergraduate course on the basis of their educational programmes drafted in accordance with this Act, including the first term of their one-tier programmes. From this date on, no first year shall be launched in any college or university degree course under the former training system. Higher education institutions shall be entitled to launch courses that have been adopted by the senate before 30 June 2006 as part of the educational programme. At the initiative of the Hungarian Accreditation Committee of Higher Education, the Minister of Education may grant exemption from this provision for no longer than one academic year, provided that the absence of the approved programme and exit requirements would prevent the provision of the educational programme.

(2) Students who started their higher education studies before 1 September 2006 may complete such studies in line with the former degree requirements on the basis of the curricular requirements adopted by the respective higher education institutions, and pursuant to the provisions of the Higher Education Act of 1993, they shall be awarded a diploma with college degree or a diploma with university degree.

(3) Students who started their studies before 1 September 2006, but – having regard to the transitional rules established in the academic and examination regulations pursuant to Section 154 (4) of this Act – have not completed such studies under the provisions of the Higher Education Act of 1993, may continue their studies in accordance with the provisions of this Act, subject to the validation system of studies and examinations.

(4) Where any law provides for a diploma with college degree and professional qualification, it shall be read to also mean a Bachelor degree and professional qualification. Where any law provides for a Bachelor degree and professional qualification, it shall be read to also mean a diploma with college degree and professional qualification.

(5) Where any law provides for a diploma with university degree and professional qualification, it shall be read to also mean a Master degree and professional qualification. Where any law provides for a Master degree and professional qualification, it shall be read to also mean a diploma with university degree and professional qualification.

(6) Holders of a diploma with college degree and professional qualification shall be entitled to enrol for graduate courses provided in accordance with this Act. Holders of a diploma with college or university degree and professional qualification may enrol for postgraduate specialist training courses launched pursuant to this Act.

Section 159 (1) Higher education institutions shall be entitled to launch postgraduate specialist training courses and courses supplementing a college degree to a university degree, which conform to the requirements issued in line with the Higher Education Act of 1993 until – building on the undergraduate course started in compliance with this Act – the postgraduate specialist training course and the graduate course can be launched.

(2) Higher education institutions may ground their doctorate courses on the requirements of university degree courses as long as the doctorate courses resting on the graduate course regulated in this Act can be launched. From this date on, doctorate courses shall be launched so that they are built on the graduate course. However, holders of a diploma with university degree shall be afforded the opportunity to enrol in doctoral education.

(3) Where a PhD / DLA student enrolled for a doctorate course pursuant to the provisions of the Higher Education Act of 1993, he/she may complete the studies in line with the prescribed requirements. Procedural issues pertaining to the doctorate course and the degree award procedure shall be subject to the provisions of this Act. PhD / DLA students shall receive the degree defined in this Act. Doctoral degrees conferred in accordance with the Higher Education Act of 1993 shall be deemed equivalent to the doctoral degrees conferred pursuant to this Act. The rights and obligations of PhD and DLA students shall remain intact.

(4) The provision concerning the quota of state-funded students admissible to doctorate courses under Section 53 (4) shall be applied as of the academic year 2009/2010 in a way that as from the academic year 2006/2007 the number of students enrolled for doctorate courses may not be less than in the academic year 2005/2006.

The Rights and Obligations of Students

Section 160 (1) With effect from 1 September 2006 higher education institutions shall be obliged to organise the examination period on the basis of the new academic and examination regulations, as defined in Section 59.

(2) The provisions of Section 62 shall be applied in respect of courses launched and the diplomas issued on the basis of this Act. The conferral of the diploma shall only be subject to a language examination certificate pursuant to the provisions of the Higher Education Act of 1993, if it was so stipulated when the course was launched.

(3) As from the final examination period in June 2006, the diploma shall display the Ministry of Education identifier of the higher education institution, and the National Higher Education Information Centre shall be notified of the diploma issued as defined in this Act.

Section 161 (1) The provisions of Sections 53–56 shall be applied in respect of courses launched on 1 September 2006.

(2) Following the entry into force of this Act, persons who can certify that they obtained a diploma in a higher education institution as fee-paying students shall be eligible for state-funded training under Sections 53–55. In respect of persons who obtained their diplomas or certificates in higher education after 1 January 2006, and wish to pursue further studies in higher education but cannot prove to have been enrolled in fee-paying training, for the purposes of Sections 55 (2)–(3) – in any training cycle – seven semesters shall be assumed to have been spent in state-funded training. Students may furnish proof to the contrary upon enrolment to challenge this assumption.

(3) The credit transfer committee of higher education institutions shall determine on the basis of Section 58 (7) conditions under which certificates and diplomas issued pursuant to the provisions of the Higher Education Act of 1993 can be validated in courses launched under this Act, and the number of credits such certificates and diplomas merit. The respective bodies of knowledge shall be compared, regardless of the fact whether the student read for his/her degree in credit-based education or non-credit-based education.

(4) With effect from 1 March 2006, the provisions pertaining to the right to remedy as regulated in Sections 73–75 shall also be applied to cases pending at the time of entry into force of this Act.

(5) The provisions on the termination of student status shall also apply to persons who acquired student status before the entry into force of this Act.

(6) The liability insurance stipulated in Section 47 (4) shall be taken out as from 1 September 2006.

Introduction of the New Funding System

Section 162 (1) The stipulations of Section 53 (3) shall for the first time be applied to undergraduate courses launched on 1 September 2006. The quota of state-funded students admissible to graduate, doctorate, and postgraduate specialist training courses shall be determined for the first time pursuant to the provisions herein in 2009. The Government shall determine the quota of state-funded students admissible to graduate courses for academic years 2006–2009 at its discretion, on the basis of the total number of state-funded students in higher education.

(2) The ratio of newly admitted students as defined under Section 53 (3) and full-time students in formal education who attend the last year of secondary school may not exceed the ratio of the quota of state-funded students determined in 2005 and full-time students in formal education who attend the last year of secondary school in 2005.

(3) Under the funding system specified in Sections 127–133, and Section 141 (5) and Section 143 (2), first the annual budget for 2007 shall be produced, and the application of paragraph *e*) of Section 128 (2) and subsection (3) shall be compulsory as of 1 January 2007. The amount of student bursaries may not be less in the introductory phase of the funding system than the amount specified in 2005 for the same purpose.

(4) The provisions of Section 129 (3) shall be applied with effect from 1 September 2006.

(5) The system of scholarships for studies abroad shall be introduced with effect from 1 September 2006.

Section 163 Non-state higher education institutions in operation at the time of entry into force of this Act shall be required to function in line with the provisions concerning the permanent staff of lecturers and researchers as from 1 September 2008.

Introduction of the New Authorisation System

Section 164 The authorisation procedures regulated in this Act shall be applied to applications submitted after 31 August 2006. Applications lodged before the above mentioned date shall be judged pursuant to the implementing provisions of the Higher Education Act of 1993.

PART TEN

AMENDMENTS

Section 165 (1) Paragraph *ja*) of Section 61 (1) of Act XXXIII of 1992 on the Legal Status of Public Servants (Hungarian abbreviation: 'Kjt. ') shall be replaced by the following:

[Public servant positions shall be divided into payroll statuses according to the required school qualification specified in the relevant law, or vocational qualification, professional qualification, doctorate title, scientific degree, or Academy membership recognised by the state.

j) payroll class "J"]

"ja) position conditional on a diploma with university degree and professional qualification and a scientific degree as defined in the Higher Education Act,"

(2) Sections 79/C–79/E of the Kjt. shall be replaced by the following:

79/C (1) The issues of employment in lecturer, researcher, instructor, and other positions in higher education institutions (fixed-term employment, questions of the application procedure, reduction of waiting period, consideration for additional professional qualifications, extra pay, executive allowance, salary supplement) shall be laid down by the Government.

(2) As research positions – with the exception of higher education institutions – the positions of research professor, scientific advisor, senior research fellow, research fellow, and research assistant may be established. The conditions of promotion to the research positions defined in this subsection shall be defined by the Government.

79/D (1) The positions of university professor, university associate professor, college professor, college associate professor, and university assistant professor in higher education institution, and the positions of research professor, scientific advisor and senior research fellow in central budgetary organs (including institutions affiliated with the Hungarian Academy of Sciences, financed from the central budget) shall be divided into three payroll statuses. The positions of university assistant lecturer and college assistant professor in higher education institutions shall be divided into two payroll statuses.

(2) The payroll status of public servants shall be determined on the basis of the period of time served in a specific position, in a work-related relationship – except for fixed-term employment – in any higher education institution or central budgetary organ (including institutions affiliated with the Hungarian Academy of Sciences, financed from the central budget). If during the same period more than one work-related relationship exists in respect of the given position, only one shall be considered.

(3) Public servants holding one of the positions listed under subsection (1) shall be promoted to a higher payroll status if they fulfil the criteria specified in subsection (4), as follows:

a) university professor, college professor, research professor, and scientific advisor after five years of service in the given position in the lower payroll status,

b) university associate professor, college associate professor, senior research fellow, university assistant professor, and college assistant professor after ten years of service in the given position in the lower payroll status,

c) university assistant lecturer (teaching assistant) having met the prescribed requirements. Public servants shall be promoted to the higher payroll status on the first day of the year concerned.

(4) For advancement to the second and third payroll status, public servants should satisfy any requirements their employers specify for lecturers and researchers in respect of the given payroll status and position.

(5) The periods referred to in Section 22 (3) shall not be included in the waiting period between the payroll statuses under subsection (3).

(6) In the case of a change of position, public servants shall be ranked in the first payroll status of the new position. Notwithstanding the above, such public servants shall be eligible for the same payroll status if the ratio assigned by Annex 2 to the new position is identical to the one assigned to the previous status.

79/E The guaranteed salary of public servants employed as lecturers or researchers in higher education institutions shall be established pursuant to Annex 2 to this Act as a percentage of the amount of the guaranteed salary defined for the first payroll status of university professor in the Annual Budget Act."

(3) Annex 2 of the Kjt. shall be replaced by *Annex 4* to this Act.

Section 166 In Act LXXXVI of 2003 on Vocational Training Contributions and Support for the Development of the Training System,

a) in paragraph b) of Section 1 (1) the text "Act LXXX of 1993 on Higher Education" shall be replaced by "Act CXXXIX of 2005 on Higher Education",

b) The first sentence of Section 4 (5) shall be replaced by the following:

“(5) Entities liable to pay contributions and not having complied with their vocational contribution obligations in full under Sections (2) – (4) shall be entitled to settle such arrears – on the basis of a development agreement – by granting support for accumulation purposes that directly serves the development of the infrastructure conditions (hereinafter: ‘development support’) of basic vocational training in vocational schools, the practical training of vocational school students in central training establishments that operate under the regional integrated vocational training centre (hereinafter: ‘central training establishment’), and the practical training in higher education institutions falling under the scope of the Ftv.”

c) Section 4 (6) shall be replaced by the following:

“(6) No more than 15% of the development support granted under subsection (5) shall be used for financing the operational costs of tangible assets produced by means of the development support, serving the organisation of basic vocational training in vocational schools, the practical training of vocational school students in central training establishments, and the practical training in higher education institutions falling under the scope of the Ftv.”

d) The first sentence in paragraph a) of Section 5 (2) shall be replaced by the following:

[The entity liable to pay the contribution defined in subsection (1) may reduce its gross commitment up to 80% by the following:]

“a) the amount of development support granted for vocational schools, central training establishments, and higher education institutions; such amount, however, shall be considered as an item reducing the gross commitment of the entity liable to pay contribution up to 75% of the gross commitment.”

e) Section 14 (1) shall be replaced by the following:

“(1) Any funds available from fund allocation may be used to support the practical training provided at the entity liable to pay contribution, in vocational schools, central training establishments, labour centres as defined in paragraph e) of Section 53 (1) of the Szt., and in higher education institutions – in the framework of training awarding a vocational qualification, and pre-vocational training that can be validated in vocational studies pursuant to Section 11 of the Szt. –, and investments directed at infrastructure development for state-of-the-art education in information and computer technology in general secondary schools (hereinafter: ‘investment support’). By means of an open application procedure, the financial assets of the fund may be used to grant investment support to vocational school maintainers for the creation of a regional integrated vocational training centre, in a system of financing crossing tax year boundaries.”

f) paragraph a) of Section 28 (4) shall be replaced by the following:

[(4) The Minister of Education shall request the opinion of the minister responsible for the qualification and the Minister of Employment and Labour, and in agreement with the Minister of Finance, in order to determine by way of a decree:]

“a) the conditions, rate, and procedural rules as to the settlement of the vocational contribution commitment, the provision, reception and use of development support, and application for reimbursement, as well as the pertaining audit system.”

Section 167 In Act LXXVI of 1993 on Vocational Education (Hungarian abbreviation ‘Szt.’)

a) in Section 1 (1) the text “the training regulated in paragraphs b), c) and d) of Section 84 (2) of Act LXXX of 1993 on Higher Education (hereinafter: ‘Higher Education Act’)” shall be replaced by “the training regulated in Sections 11 (1)–(2) and paragraph b) of subsection (3) of Act CXXXIX of 2005 on Higher Education (hereinafter: ‘Higher Education Act’)”,

b) Section 2 shall be replaced by the following:

“2 (1) The institutions of vocational training are as follows:

a) vocational secondary schools;

b) vocational training schools, including special vocational training schools and the skill-developing special vocational training schools [the institutions defined under paragraphs a) and b) hereinafter jointly referred to as ‘vocational school’];

c) higher education institutions;

d) regional training centres (hereinafter: ‘training centre’);

e) institutions defined in the Adult Education Act providing non-formal vocational training;

f) central training establishments.

(2) The establishment, maintenance, and operation of vocational schools shall be subject to the provisions of the Public Education Act, the establishment, maintenance, and operation of higher education institutions providing higher-level vocational training shall be covered by the Higher Education Act, whilst the establishment and maintenance of training centres shall fall under scope of the Adult Education Act.

(3) Except for the specifications of Section 15 (2) of this Act, natural persons and legal entities – complying with the statutory criteria –, and their business organisations without legal personality may provide vocational training without maintaining a vocational school, in other organisational frameworks [the entities listed under subsections (1) and (3) hereinafter jointly referred to as ‘institution providing vocational training’].

(4) Central training establishments shall participate in the organisation of formal practical training, and may participate in the organisation of non-formal training, contribute to the execution of the tasks of career counselling and career monitoring. Central training establishments are created as budgetary organs or as part of a legal entity which pursues its business activities without the aim of realising profit or acquiring assets, with a view to facilitating its public benefit activities. Central training establishments shall function within the framework of regional integrated vocational training centres.

(5) Maintainers of vocational schools or higher education institutions providing higher-level vocational training may set up a regional integrated vocational training centre on the basis of an agreement. The advisory board of the regional integrated vocational training centre shall consist of the representatives of stakeholders in vocational training as defined in the relevant laws. The advisory board may pass decisions and control their implementation as defined in the relevant laws.”

c) The following subsection shall be added to Section 5 of the Szt.:

“(6) In respect of higher-level vocational training, the provisions of paragraph *a)* of Section (1), paragraphs *a)* and *b)* – except for the development of the central programme – and *f)* and *g)* of subsection (2), and subsection (4) shall apply.”

d) The following subsection shall be inserted in Section 7 of the Szt.:

“(6) The powers of economic chambers in respect of the organisation of higher-level vocational training shall be determined by the Higher Education Act.”

e) The following subsection shall be added to Section 10 of the Szt.:

“(4) Higher-level vocational training shall be organised as a vocational training programme contained in the educational programme of the higher education institution.”

f) Section 15 (3) of the Szt. shall be replaced by the following:

“(3) Practical training of the student may be organised and provided at any training establishment maintained and operated by a vocational school or legal entity arranging practical training, business organisation without legal personality, or sole proprietor (hereinafter: ‘business organisation’), where the statutory conditions for preparation for the practical requirements are ensured (the vocational school and the business organisation hereinafter jointly referred to as ‘organiser of practical training’). Central training establishments may be involved in the organisation of practical training based on an agreement concluded with the organiser of practical training.”

g) The Szt. shall be supplemented with the following section:

“26/A The theoretical and practical component of higher-level vocational training shall be organised in accordance with the vocational training programme contained in the educational programme of the higher education institution.”

Section 168 Section 26 (7) of Act XXIX of 2003 amending Act LXXVI of 1993 on Vocational Education shall be replaced by the following:

“(7) Ministers responsible for qualification shall review the vocational and examination requirements of vocational qualifications coming under the scope of their sector by 31 August 2006, and shall afterwards introduce the necessary modifications.”

Section 169 In Act LXXIX of 1993 on Public Education (Hungarian abbreviation: ‘Kt.’)

a) Section 12 (2) shall be replaced by the following:

“(2) Unless there is an agreement to the contrary between the education institution and the student, the education institution as successor shall be entitled to acquire ownership of all objects that came into the student’s possession or were produced by the student in connection with discharging the obligations arising from his/her student status, or dormitory placement, provided that the financial and other conditions needed for the production of such objects were provided by the education institution. Students shall be eligible for consideration if the education institution derives revenues from selling or utilising the object of which it acquired ownership. Where the object produced by the student is an intellectual product (Section 86 of the Civil Code), these provisions shall apply only to the extent that the transfer of the intellectual product to the education institution is subject to the provisions pertaining to the transfer of intellectual products created in employment or other similar relationship to the employer.”

b) Section 12 (4) of the Kt. shall be replaced by the following:

“(4) Students shall be eligible for appropriate consideration in the case defined in subsection (2). The student – students younger than 14 years old need parental consent – and the education institution shall agree as to the due amount of consideration if such revenues are generated through the sale or utilisation of a one-off, individually made object. In the event the object is produced regularly in the course of instruction and the education process, the due consideration shall be offset against the profit projected for the activities of the participants of the whole education process. The pertaining rules shall be established in the statutes so that student performance is taken into account.”

Section 170 The following paragraph shall be added to Section 4 (1) of Act CXXVI of 1996 on the Use of a Specified Amount of Personal Income Tax in Accordance with the Taxpayer’s Instruction :

[For the purposes of this Act, beneficiary shall mean]

“i) higher education institutions defined in Annex 1 to the Higher Education Act.”

Section 171 (1) Section 2 (2) of Act LXXXI of 1996 on Corporate Tax and Dividend Tax (Hungarian abbreviation: “Tao.”) shall be supplemented by the following paragraph:

[Tax resident among domestic persons]

“h) higher education institutions (including the institutions they established), and students’ hall of residences.”

(2) Section 5 (7) of the Tao. shall be replaced by the following:

“(7) Foundations, public foundations, social organisations, public bodies, higher education institutions and public benefit companies may apply the provisions relating to public benefit organisations and public benefit organisations with special legal status for the first time in the tax year in which they are granted such status. Taxpayers may not apply the provisions relating to public benefit organisations and public benefit organisations with special legal status – except until the date of deletion the issue of the certificate – in the tax year in which they are deleted from the Public Benefit Entities Register. In the event of reclassification – before the end of the tax year – as public benefit organisation, public benefit organisations with special legal status may effect the provisions pertaining to public benefit organisations – except until the date of reclassification the issue of the certificate – for the whole tax year.”

(3) Section 9 (1) of the Tao. shall be replaced by the following:

“(1) The tax base of foundations, public foundations, social organisations, public bodies, churches, condominiums and voluntary mutual insurance funds, and higher education institutions classified as public benefit organisations or public benefit organisations with special legal status shall be the pre-tax profit earned on business activities as modified by the provisions of Sections (2)–(5) and having regard to the provisions of Sections (6)–(9).”

(4) Paragraph c) of Section 9 (3) of the Tao. shall be replaced by the following:

[Pre-tax profit shall be increased]

“c) of foundations, public foundations, social organisations, public corporations and higher education institutions as regards the donation indicated in the entitlement certificate issued by such entity, for the taxpayers to reduce pre-tax profit, for individuals to receive tax allowance

ca) by the full amount of such donation, if under the Taxation Rules Act it is incurred in any public debt on the last day of the tax year,

cb) by a certain portion of the donation calculated with the rate specified in subsection (7), if its clear of public debt as defined in the Taxation Rules Act on the last day of the tax year, but its revenue from business activities exceeds that from beneficiary activities.”

(5) Section 9 (6) of the Tao. shall be replaced by the following:

“(6) The tax base of foundations, public foundations, social organisations, public corporations and higher education institutions classified as public benefit organisations or public benefit organisations with special legal status shall be the part of the amount specified under subsections (1)–(4) calculated with the rate defined in subsection (7).”

(6) Section 26 (11) of the Tao. shall be replaced by the following:

“(11) Provisions of subsections (1)–(10) shall not apply to taxpayers in the case of dissolution or a tax return submitted due to the completion of the incorporation procedure, nor to ESOP (Employee Stock Ownership Plan), public benefit companies, water associations, foundations, public foundations, social organisations, public corporations, churches, condominiums, higher education institutions classified as public benefit organisations or public benefit organisations with special legal status, and voluntary mutual insurance funds.”

(7) The title of Annex 6 to the Tao. shall be replaced by the following:

“Beneficiary activities pursued by foundations, public foundations, social organisations, public corporations, condominiums, public benefit organisations and higher education institutions classified as public benefit organisations, public benefit organisations with special legal status”.

(8) The following Chapter shall be added to Annex 6 of Tao.:

“D)

Beneficiary activities pursued by higher education institutions classified as public benefit organisations, public benefit organisations with special legal status

In respect of the business activities of higher education institutions classified as public benefit organisations or public benefit organisations with special legal status, which are aimed at or result in income earnings or acquisition of property pursuant to Section 1 (1), the following shall not constitute business activities for the purposes of this Act:

1. public benefit activities, including supports and grants received for such activities;
2. revenues from intangible assets, tangible assets, and inventories sold;
3. following the investment of liquid assets in deposits or securities, the part of the interest received from credit institutes or the issuer of the securities, or that of the return on Government securities which the revenue

derived from public benefit activities represents in total revenue, if both revenues are taken into account without such interest and yield.”

Section 172 (1) The following paragraphs shall be added to Section 2 (1) of Act CLVI of 1997 on Public Benefit Organisations (Hungarian abbreviation: ‘Kszt.’):

[The following entities registered in Hungary may be classified as public benefit organisations:]

“g) higher education institutions operating as non-budgetary organs,

h) the Hungarian Accreditation Committee of Higher Education, the Higher Education and Scientific Council.”

(2) Section 22 (1) of the Kszt. shall be replaced by the following:

“(1) Application for registration as a public benefit entity, for reclassification to another public benefit status, and for the cancellation of public benefit status shall be submitted to the court with competent jurisdiction in registration of the organisation, or if the court does not have such competence, to the organisation entitled thereto (hereinafter jointly referred to as the ‘court’).”

Section 173 In Act CI of 2001 on Adult Education

a) in Section 2 (2) the text “Act LXXX of 1993 on Higher Education” shall be replaced by “Act CXXXIX of 2005 on Higher Education”,

b) the following section shall be inserted:

“3/A In addition to the provisions of Section 3 (2), as regards Section 20 and 27 of the Act, training falling under the scope of the Higher Education Act, provided in higher education institutions for students and pursuant to said Act not granted any state funding shall constitute adult education activities.”

c) Section 12 (7) shall be repealed.

Section 174 (1) In Act CXL of 1997 on Museum Institutions, Public Library Provision, and General Education

a) in Sections 63 (1) and (2) the text “Central Library of Kossuth Lajos University” shall be replaced by “University and National Library of the University of Debrecen”,

b) Section 97 (2) shall be replaced by the following:

“(2) The library shall be deemed to dispose of the infrastructure necessary pursuant to Sections 12 (3), 15 (12), and 19 (3) of Act CXXXIX of 2005 on Higher Education, if it complies with professional and normative criteria”,

c) in paragraph a) of Annex 1 the text “Act LXXX of 1993 on Higher Education” shall be replaced by “Higher Education Act”.

(2) In Act XLV of 1996 on the Legal Status of Heads, Teachers, and Students of Military and Law Enforcement Higher Education Institutions,

a) in the preamble the text “pursuant to Section 115 (1) of Act LXXX of 1993 on Higher Education,” shall be replaced by “pursuant to Section 140 (2) of Act CXXXIX of 2005 on Higher Education,”

b) paragraph a) of Section 3 (2) shall be replaced by the following:

[*The lecturer or researcher in public servant status*]

“a) shall comply with the requirements under the Higher Education Act (Hungarian abbreviation: ‘Ftv.’) in line with his/her position, and”

c) in Section 15 (2) the text “the student under Section 27 (1) of the Ftv.” shall be replaced by “the student under Section 39 (4) of the Ftv.”,

d) paragraph e) of Section 16 (1) shall be replaced by the following:

[*Student status shall be terminated*]

“e) upon deletion from the Students Register in the case referred to in paragraphs b)–c) of Section 76 (2) of the Ftv., on the day of deletion.”

e) in Section 30 (2) the text “within the meaning of paragraph c) of Section 39 (1) of the Ftv.” shall be replaced by “within the meaning of paragraph d) of Section 70 (2) of the Ftv.”,

f) Section 32 (5) shall be replaced by the following:

“(5) In the case of students with dual status – in addition to the provisions listed under Section 48 – Sections 35 (6) and 70–72. of the Ftv. shall neither be applied.”

g) Section 48 (1) shall be replaced by the following:

“(1) The rules of the Ftv. shall be applied to heads, lecturers, and students of institutions subject to the derogations specified in this Act, paragraphs a)–b), e) –g) of Section 46 (5) of the Ftv. shall not be applied.”

(3) Paragraph a) of Section 48/A (4) of Act XXIII of 1992 on the Legal Status of Public Servants shall be replaced by the following:

[*The rate of the qualifications allowance:*]

“a) in the case of a doctoral (PhD) degree or any equivalent or higher scientific degree as defined in Section 149 (5) of Act CXXXIX of 2005 on Higher Education, 75% of the base salary,”

(4) Item 14 of Section 52 of Act 1990 on Local Taxes shall be replaced by the following:

[*For the purposes of this Act:*]

“14. *Education institution* means an institution defined in Sections 20–23 of Act LXXIX of 1993 on Public Education, in Sections 18 (1)–(2) of Act CXXXIX of 2005 on Higher Education, and in Section 2 of Act LXXVI of 1993 on Vocational Education;”.

(5) In Section 4 (3) of Act C of 2001 on the recognition of foreign certificates and diplomas, the text “Act LXXX of 1993 on Higher Education” shall be replaced by the text “Higher Education Act”.

Annex 1 to Act CXXXIX of 2005

State Recognised Higher Education Institutions of the Republic of Hungary

State universities

Budapesti Corvinus Egyetem, Budapest

Corvinus University of Budapest

Budapesti Műszaki és Gazdaságtudományi Egyetem, Budapest

Budapest University of Technology and Economics

Debreceni Egyetem, Debrecen

University of Debrecen

Eötvös Loránd Tudományegyetem, Budapest

Eötvös Loránd University, Budapest

Kaposvári Egyetem, Kaposvár

University of Kaposvár

Liszt Ferenc Zeneművészeti Egyetem, Budapest

Liszt Ferenc Academy of Music (University), Budapest

Magyar Képzőművészeti Egyetem, Budapest

Hungarian Academy of Fine Arts, Budapest

Miskolci Egyetem, Miskolc

University of Miskolc

Moholy-Nagy Művészeti Egyetem, Budapest

Moholy-Nagy University of Art and Design, Budapest

Nyugat-Magyarországi Egyetem, Sopron

University of West Hungary, Sopron

Pannon Egyetem, Veszprém

Pannon University, Veszprém

Pécsi Tudományegyetem, Pécs

University of Pécs

Semmelweis Egyetem, Budapest

Semmelweis University, Budapest

Szegedi Tudományegyetem, Szeged

University of Szeged

Szent István Egyetem, Gödöllő

Szent István University, Gödöllő

Széchenyi István Egyetem, Győr

Széchenyi István University, Győr

Színház- és Filmművészeti Egyetem, Budapest

University of Drama and Film, Budapest

Zrínyi Miklós Nemzetvédelmi Egyetem, Budapest

Zrínyi Miklós University of National Defence, Budapest

Non-state universities

Andrássy Gyula Budapesti Német Nyelvű Egyetem, Budapest

Andrássy Gyula University, Budapest

Debreceni Református Hittudományi Egyetem, Debrecen

Debrecen University of Reformed Theology

Evangelikus Hittudományi Egyetem, Budapest

Evangelical-Lutheran Theological University, Budapest

Károli Gáspár Református Egyetem, Budapest

Károli Gáspár University of the Reformed Church, Budapest

Közép-európai Egyetem, Budapest

Central European University, Budapest

Országos Rabbiképző - Zsidó Egyetem, Budapest

Jewish Theological Seminary – University of Jewish Studies, Budapest

Pázmány Péter Katolikus Egyetem, Budapest

Pázmány Péter Catholic University, Budapest

State colleges

Berzsényi Dániel Főiskola, Szombathely

Berzsényi Dániel College, Szombathely

Budapesti Gazdasági Főiskola, Budapest

Budapest Business School

Budapesti Műszaki Főiskola, Budapest

Budapest TECH Polytechnical Institution

Dunaújvárosi Főiskola, Dunaújváros

College of Dunaújváros

Eötvös József Főiskola, Baja

Eötvös József College, Baja

Eszterházy Károly Főiskola, Eger

Eszterházy Károly College, Eger

Károly Róbert Főiskola, Gyöngyös

Károly Róbert College, Gyöngyös

Kecskeméti Főiskola, Kecskemét

Kecskemét College

Magyar Táncművészeti Főiskola, Budapest

Hungarian Dance Academy, Budapest

Nyíregyházi Főiskola, Nyíregyháza

College of Nyíregyháza

Rendőrtisztai Főiskola, Budapest

Police College, Budapest

Szolnoki Főiskola, Szolnok

College of Szolnok

Tessedik Sámuel Főiskola, Szarvas

Tessedik Sámuel College, Szarvas

Non-state colleges

A Tan Kapuja Buddhista Főiskola, Budapest

“The Gate of the Teaching” Buddhist College, Budapest

Adventista Teológiai Főiskola, Pécel

Adventist Theological College, Pécel

Általános Vállalkozási Főiskola, Budapest

Budapest College of Management

Apor Vilmos Katolikus Főiskola, Vác

Apor Vilmos Catholic College, Vác

Baptista Teológiai Akadémia, Budapest

Baptist Theological Academy, Budapest

Bhaktivedanta Hittudományi Főiskola, Budapest

Bhaktivedanta College, Budapest

Budapest Kortárstánc Főiskola, Budapest
Budapest Contemporary Dance Academy

Budapesti Kommunikációs Főiskola, Budapest
Budapest School of Communication

Egri Hittudományi Főiskola, Eger
Theological College of Eger

Esztergomi Hittudományi Főiskola, Esztergom
Theological College of Esztergom

Gábor Dénes Főiskola, Budapest
Gábor Dénes College, Budapest

Győri Hittudományi Főiskola, Győr
Theological College of Győr

Harsányi János Főiskola, Budapest
Harsányi János College, Budapest

Heller Farkas Gazdasági és Turisztikai Szolgáltatások Főiskolája, Budapest
Heller Farkas College of Economics and Tourism, Budapest

Kodolányi János Főiskola, Székesfehérvár
Kodolányi János University College, Székesfehérvár

Kölcsey Ferenc Református Tanítóképző Főiskola, Debrecen
Kölcsey Ferenc Reformed Teacher Training College, Debrecen

Modern Üzleti Tudományok Főiskolája, Tatabánya
College of Modern Business Studies, Tatabánya

Mozgássérültek Pető András Nevelőképző és Nevelőintézete, Budapest
International Pető András Institute of Conductive Education for the Motor Disabled and Conductor-Teacher Training College, Budapest

Nemzetközi Üzleti Főiskola (International Business School), Budapest
International Business School, Budapest

Pápai Református Teológiai Akadémia, Pápa
Pápa Theological Academy of the Reformed Church

Pécsi Püspöki Hittudományi Főiskola, Pécs
Theological College of Pécs

Pünkösdi Teológiai Főiskola, Budapest
Pentecostal Theological College, Budapest

Sapientia Szerzetesi Hittudományi Főiskola, Budapest
Sapientia School of Theology, Budapest

Sárospataki Református Teológiai Akadémia, Sárospatak
Sárospatak Theological Academy of the Reformed Church

Sola Scriptura Teológiai Főiskola, Budapest
Sola Scriptura College of Theology, Budapest

Szegedi Hittudományi Főiskola, Szeged
Theological College of Szeged

Szent Atanáz Görög Katolikus Hittudományi Főiskola, Nyíregyháza
Szent Atanáz Greek-Catholic Theological Institute, Nyíregyháza

Szent Bernát Hittudományi Főiskola, Zirc
Szent Bernát Theological College, Zirc

Szent Pál Akadémia, Budapest
Szent Pál Academy, Budapest

Tomori Pál Főiskola, Kalocsa
Tomori Pál College, Kalocsa

Veszprémi Érseki Hittudományi Főiskola, Veszprém
Archiepiscopal Theological College of Veszprém

Vitéz János Római Katolikus Tanítóképző Főiskola, Esztergom
Vitéz János Catholic College, Esztergom

Wesley János Lelkészképző Főiskola, Budapest
John Wesley Theological College, Budapest

Annex 2 to Act CXXXIX of 2005

Personal and Special Data Registered and Managed by Higher Education Institutions

Data pertaining to employees

1. Data registered pursuant to this Act:
 - a) name, birth name, place and date of birth, mother's maiden name, nationality, identification number;
 - b) address and residence;
 - c) data pertaining to employment, public servant status, fixed-term employment:
 - ca) name of employer – if more than one, all shall be named, indicating where additional work-related relationship is established,
 - cb) level of qualification, professional qualifications, vocational qualifications, command of languages, scientific degree,
 - cc) time spent in employment, time that can imputed in public servant status, data pertaining to payroll status,
 - cd) honours, awards and other recognition awards, titles,
 - ce) position, executive assignment, assignment for tasks not specified for position, additional work-related relationships, disciplinary sanctions, orders to pay damages,
 - cf) hours of work, hours of overtime, wage, salary, and any related dues and its beneficiary,
 - cg) leaves, leaves taken,
 - ch) disbursements made to employee and their title,
 - ci) benefits granted to the employee and their title,
 - cj) debts of employee owed to employer and their title,
 - ck) research activities, scientific work, artistic activities, their results.
2. The registration of any other data shall be subject to the consent of the person concerned.
3. The data listed under point 1 may be forwarded: to the maintainer all data as necessitated by the exercise of maintainer's rights; to the social security payment office or any other payment office disbursing salary and wages or other benefits all data that are necessary for establishing eligibility for and disbursing the salary, wage or other benefits; to the National Higher Education Information Centre all data that the information system of higher education may handle pursuant to this Act; to the Hungarian Accreditation Committee of Higher Education all data that are necessary for ascertaining the existence of the conditions requisite to the operation of the Higher Education Institution; to the court, the police, the public prosecutor's office, the bailiff, the public administration body the data required for judging the specific case; to those authorised to monitor compliance with the provisions on work, to the national security service all data.

Data pertaining to students

1. Data registered pursuant to this Act:
 - a) data pertaining to admission:
 - aa) applicant's name, birth name, mother's maiden name, place and date of birth, nationality, address and residence and phone number, in the case of a non-Hungarian national the legal grounds for stay in the territory of the Republic of Hungary and the designation and number of the supporting document,
 - ab) data pertaining to the secondary school leaving examination,
 - ac) data pertaining to the secondary school,
 - ad) data necessary for assessment of the admission application,
 - ae) data pertaining to the admission procedure;
 - b) data pertaining to student status (dormitory membership, PhD / DLA student, PhD / DLA candidate):
 - ba) the student's name, birth name, mother's maiden name, place and date of birth, nationality, address and residence and phone number, in the case of a non-Hungarian national the legal grounds for stay in the territory of the Republic of Hungary and the designation and number of the document entitling the holder thereto,
 - bb) evaluation of the studies of the student, data pertaining to examinations, semesters the student enrolled for, state-funded period used, time of temporary termination/suspension of student status,
 - bc) time and place of studies abroad,
 - bd) credits accrued and validated, validated studies,

- be) data pertaining to student bursaries and dormitory placement, data necessary for establishing eligibility for bursaries (social situation, data pertaining to parents, data pertaining to support),
- bf) data pertaining to the student's employment,
- bg) data pertaining to disciplinary and compensation issues,
- bh) data necessary for establishing special treatment due to disabled students,
- bi) data pertaining to student accidents,
- bj) serial number of the student pass,
- bk) identification number of the student.

2. The registration of any other data shall be subject to the consent of the person concerned.

3. The data listed under point 1 may be forwarded: to the maintainer all data as necessitated by the exercise of maintainer's rights; to the court, the police, the public prosecutor's office, the bailiff, the public administration body the data required for judging the specific case; to the national security service all data; to the National Higher Education Information Centre all data; to the Centre for Student Loans data pertaining to studies.

Annex 3 to Act CXXXIX of 2005

Multipliers Applied to Determine the Annual Amount of Normative Funding

Funding group	Undergraduate course	Graduate course	Doctorate course	Higher-level vocational training	Postgraduate specialist training course
First	1	1.75	2.5	1	1
Second	1.5	2.625	3.75	1.5	1.5
Third	2.25	4	-	2.25	-

1. The calculation basis (1) is the average national gross monthly wage – calculated for the second year before the budget year and published by the CSO – multiplied by 0.6.

2. In the case of one-tier programmes, in the first three years the provisions concerning undergraduate education shall apply, whereas the subsequent years shall be covered by the provisions pertaining to graduate education, except that the training grant for one-tier programmes in medicine shall be three times the calculation basis.

3. Training grants due to higher education institutions shall be determined on the basis of the calculated number of students. In determining the calculated number of students, full-time students shall be regarded as one student each, whereas the number of part-time students shall be divided by two.

Annex 4 to Act CXXXIX of 2005

[Annex 2 to Act XXXIII of 1992]

Ratios Assigned to the Guaranteed Salary Defined for the First Payroll Status of University Professor in the Annual Budget Act, to Determine the Guaranteed Salary of Public Servants Employed as Lecturers or Researchers in Higher Education Institutions

Position	Payroll status	Ratio (%)
University professor	3.	106
University professor	2.	103
University professor	1.	100
University associate professor	3.	76
University associate professor	2.	73
University associate professor	1.	70
University assistant professor	3.	53
University assistant professor	2.	50
University assistant professor	1.	50
University assistant lecturer	2.	40
University assistant professor (teaching assistant)	1.	37
College professor	3.	81
College professor	2.	78

College professor	1.	75
College associate professor	3.	61
College associate professor	2.	58
College associate professor	1.	55
College assistant professor	2.	48
College assistant professor	1.	45
College assistant professor	-	45
College assistant lecturer	-	40
Research professor, scientific advisor	3.	106
Research professor, scientific advisor	2.	103
Research professor, scientific advisor	1.	100
Senior research fellow	3.	76
Senior research fellow	2.	73
Senior research fellow	1.	70
Research fellow	-	50
Research assistant	-	40