



REGULATORY UPDATES FROM HUNGARY

August 2026 – EU Funding, Institutional Reform and Sectoral Developments in Hungary

August, 2026

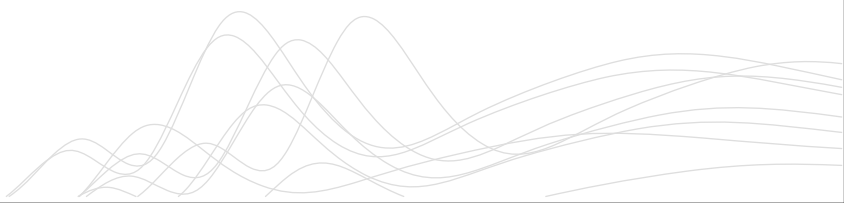
Key takeaways of August

- Hungary announced that it had completed the legislative and institutional measures required to access Recovery and Resilience Facility funding, while any payment remains subject to the European Commission's formal assessment of the relevant milestones and targets.
- The Government launched a review of the Supervisory Authority for Regulated Activities, an autonomous authority supervising several sensitive sectors, including mining, court bailiffs, tobacco retail, gambling and insolvency. The review includes the possible abolition of the authority and the transfer of its functions.
- Rail reform creates a national transport organiser and a State rolling-stock company. The Baross Gábor Plan adds major rail, vehicle, station and digital passenger-information procurements.
- Energy changes support wind grid-access tenders and grid upgrades for additional wind generation.
- Housing policy targets more supply, affordable rental housing, brownfield development, simpler permitting and a review of priority investment status.

1. Personnel and institutional changes

a. New President elected and confirmed by the Constitutional Court

Parliament elected Mr. András Baka as President. Mr. Baka served as a judge of the European Court of Human Rights between 1991 and 2008 and as President of the Supreme Court of Hungary from 2009 until the end of 2011. Despite challenges from the opposition, the Constitutional Court did not annul András Baka's appointment and Tamás Sulyok's earlier removal.





b. The possible abolition of the Supervisory Authority for Regulated Activities

Government Resolution No. 1277/2026 (VIII. 31) endorsed a review of the operation of the Supervisory Authority for Regulated Activities ("**SARA**") and the related statutory framework, with a view to identifying regulatory options for abolishing SARA and transferring its functions to bodies controlled by the Government. It instructed the Minister of Justice to prepare a report on the feasibility of these regulatory objectives and submit it to the Government by 30 September 2026.

SARA is a powerful autonomous regulatory body established in 2021. It reports to Parliament rather than to a ministry and supervises several unrelated but economically sensitive sectors. These include gambling, tobacco retail licensing, the independent judicial bailiff system, mining activities, cybersecurity and the register of insolvency practitioners, as well as ESG-related registers and certain restructuring-expert functions.

Before the creation of SARA, these areas did not form a single regulatory field. The previous regime placed several functions under different government bodies, including the Ministry of Justice and the Ministry of the Interior, while other activities remained with sectoral ministries, agencies or separate regulatory authorities. SARA consolidated these functions under one independent regulator and exercises licensing, registration, supervisory and enforcement powers in the relevant sectors.

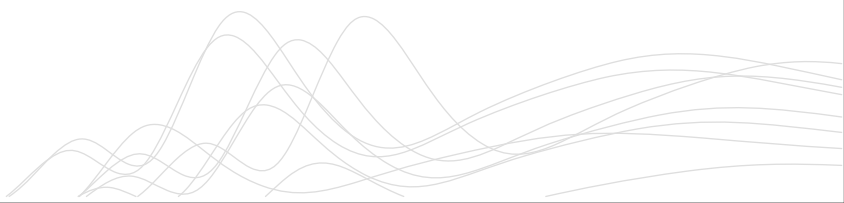
Therefore, market participants in each of the sectors supervised by SARA should monitor the expected abolition of SARA closely.

For more information on anticipated changes in Hungarian gambling regulation, please visit our relevant blog at [DLA Piper Hungary Gambling Law Services - Advocatus](#)

2. EU funding milestones and sectoral changes

a. RRF implementation deadline

According to the Government, by 31 August 2026 Hungary had completed the legislative and institutional measures presented as necessary to access all previously frozen RRF funds, amounting to approximately EUR 10 billion under the Recovery and Resilience Facility, as well as a further EUR 6.4 billion in cohesion-policy funding. Most of the changes detailed in this section were implemented to meet RRF milestones. Overall, the measures included amendments to more than 100 laws; reviews and redesigns of ongoing projects; new procurement procedures; broader anti-corruption rules; stronger powers for the Integrity Authority, including asset-declaration reviews; steps towards participation in the European Public Prosecutor's Office; stricter public-procurement transparency and single-bidder reporting; greater transparency for private equity funds; new conflict-of-interest rules; and systematic use of the ARACHNE+ risk-scoring tool for EU-funded projects. The European Commission has three months to review the completion documents and may transfer EUR 10 billion by 31 December 2026 if it accepts them.





b. Transport and railway investment

Recent legislative developments have designated a nationwide transport organiser and a separate rolling-stock management company. The model separates the ordering, coordination and monitoring of public passenger services from vehicle ownership, financing and life-cycle management activities.

The ten-year Baross Gábor Railway Development Plan has an announced framework of HUF 3,550 billion, including HUF 1,100 billion from cohesion funds and HUF 700 billion from the RRF in the current EU cycle, HUF 950 billion of commitments for projects to be launched under the 2028–2034 EU cycle, HUF 400 billion of EIB lending and HUF 400 billion of concession-structured financing. The programme includes 35 high-capacity InterCity multiple units and 42 new suburban rail trainsets, together with major station, mainline and digital passenger-information investments. The announced programme may generate procurements and transactions in rolling stock, public-service operation, project and asset finance, manufacturing, maintenance, spare parts, technology and professional advisory services.

c. Energy and energy infrastructure

Wind power and grid connection capacity

The Government announced grid development to integrate additional wind generation. Hungary initially targeted at least 700 MW of new wind grid-connection capacity and indicated that the first tender could allocate close to 1,000 MW if technical and network conditions permitted. The funding supports grid infrastructure rather than the direct construction of wind farms.

The Hungarian Energy and Public Utility Regulatory Authority published a call for tenders for the allocation of available capacity on medium- and high-voltage networks. The notice targets developers seeking grid access.

d. EU-funded project compliance

ARACHNE+ risk scoring

ARACHNE+ is the European Commission's data-mining and risk-scoring tool used by Member State authorities to identify and prioritise higher-risk EU-funded projects, beneficiaries, contractors and contracts for control purposes. Government Decrees No. 121/2026 (VIII. 7) and No. 125/2026 (VIII. 14), and Ministerial Decree No. 15/2026 (VIII. 26) of the Minister of Agriculture, introduce obligations relating to the use of ARACHNE+ for EU and agricultural support schemes. In practice, the Hungarian measures require more systematic and regular data uploads, broader screening of ownership, contractual and beneficiary links, and more structured documentation of conflict-of-interest, fraud, corruption, irregularity and double-funding risks.



e. Construction and housing

Housing supply and review of priority investments

Government Resolution No. 1275/2026 (VIII. 31) ordered the preparation of the Wekerle Housing Construction Programme. The programme aims to increase the housing supply and the availability of affordable housing. It prioritises brownfield development, simpler permitting, energy-efficient construction, institutional rental housing and institutional investor participation. The resolution requires a review of housing-related priority investments by 31 October 2026. The review must propose whether to maintain, conditionally maintain or terminate priority status. The resolution also calls for financial and regulatory incentives for affordable rental housing and a regulatory concept for a State housing-agency system.

Sustainable water management

Government Resolution No. 1265/2026 (VIII. 25) adopted a Sustainable Water Management Action Plan linked to RRF funding. The plan addresses alignment of water use with available resources and climate projections, acceleration of flood, drought and river-basin planning, integration of nature-based water retention into land-use and agricultural-support rules, and identification of areas suitable for water retention.

Battery recycling plant siting

Act XLII of 2026 removed the minister's discretionary power to designate the locations of battery-recycling plants. The amendment shifts siting decisions to objective permitting criteria. It also strengthens transparency, competitive neutrality and environmental safeguards in battery-industry and waste-management activities.

f. Review of casino concessions

In addition to the previously discussed possible abolition of SARA, the Government has also launched a review of the Hungarian casino concession framework, covering both land-based and online casino licences.

For further details, please read our article at:

[New land-based and online casino licences in Hungary? | DLA Piper](#)



3. Emerging disputes over State-backed business arrangements

Several ministries are reviewing contracts, transactions and expenditure involving the State. These reviews may give rise to contractual, financial and regulatory disputes in various sectors. Recent examples include reviews of State-related arrangements in the telecommunications, IT, defence and space sectors; the termination of major office-development transactions and the proposed recovery of related payments; the review of motorway concession arrangements; and a criminal complaint following an internal review of ministerial private and military flights. These measures have already resulted in contractual, financial and political disputes and may lead to further litigation, regulatory proceedings and claims against the State.

This article forms part of the series [*Regulatory Updates from Hungary*](#).

