

Act CIX of 2011

on the Hungarian Academy of Arts

The duty of the nation is to establish the Hungarian Academy of Arts operating as an independent public-law association with returning to the European academic idea in order to protect and multiply cultural values, to protect art and historical traditions, to strengthen the high quality community environment of artistic creation and to protect the freedom of art creation in order to honour the representatives of the Hungarian art life of remarkable achievements.

To achieve these ends, Parliament has passed the following Act.

Section I

The legal status and duties of the Hungarian Academy of Arts

1. The legal status of the Hungarian Academy of Arts

1. § (1) The Hungarian Academy of Arts (hereinafter referred to as: HAA) is an independent public-law association standing on the grounds of self-government performing national public duties concerning art – including especially literature, music, fine- and applied arts, architecture, photography, film, performance and folk arts – their evaluation, support, education, national and international presentation and rendering public domain of the above, as well as representation of Hungarian artists.

(2) The HAA consists of Full and Corresponding, Honorary and Advocatory Members, who exercise their independent public-law association member rights set out in this Act through direct participation – in the manner determined by this Act.

2. § (1) The opinion of the HAA shall be requested on the preparation of laws, government programs or measures concerning national art – and in connection with the above the fulfilment of its public duties – and concerning the conditions of the operation of the HAA.

(2) The HAA expresses its professional opinion – within its competence related to arts and its public duties – on questions concerning society and economy, when requested by the Parliament, the Government or any member of the Government, or upon initiation by the members of HAA.

(3) The seat of the HAA is in Budapest.

(4) The name: Hungarian Academy of Arts may exclusively be used by the independent public-law association established by this Act.

(5) The HAA is to be regarded a non-profit organization irrespective of the fulfilment of the conditions set out in the act on freedom of association, on public-law association status, and the operation and support of civil organizations. The HAA is registered at the Metropolitan Tribunal of Budapest.

3. § (1) The HAA constitutes an individual section in the central budget, containing the budget of the budgetary institutions controlled by the HAA.

(2) The regulations of the act on public finances and its implementing regulations shall apply to the management of the HAA with the specific provisions laid down in this act.

2. The duties of the Hungarian Academy of Arts

4. § (1) With its activity performed as a public duty the HAA incorporates representatives of the Hungarian art life with remarkable achievements.

(2) The public duties of the HAA are the followings:

a) to support the cultivation and protection of values of the universal culture and the future valuable creations,

b) to follow the issues and considerable intellectual streams of art life and share its opinions and proposals with the general public,

c) to contribute to enrich and make Hungarian art traditions public domain,

d) to support the education of arts and artists,

e) to support art-related scientific activity,

f) to inspire national art life by launching tenders, establishing prizes and fellowships,

g) to support the publicity of artistic creations, especially by organizing reading sessions, exhibitions, music events, professional receptions, conferences and debates; to create a forum for the national art life,

h) to support the works revealing new contexts, and the appearance of professional and scientific publications as well as to publish field-specific and informational publications,

i) to operate an art library and a documentation centre according to the organizational and operational rules of the HAA (hereinafter referred to as: Statutes)

j) to take part in the realization of the national registration of Hungarian cultural values,

k) to cooperate with the national art organizations and the Hungarian Academy of Sciences,

l) to cooperate with the national audiovisual public media providers,

m) to support national civil organizations of different artistic branches by providing operational and program subsidies,

n) to represent artists based on the laws or personal requests before various decision supporting, advising and other bodies, organizations,

o) to cooperate with cross-border Hungarian art organizations and foreign institutions with similar purposes,

p) to bear responsibility for the personal appreciation of the artists of the Hungarian art life,

q) to establish and operate sections for the cultivation of different art branches.

(3) The HAA fulfils its public duties within the frame of an annual program.

5. § (1) The President of the HAA shall report to the Parliament on a bi-annual basis on the work carried out by the HAA and the overview of Hungarian art life.

(2) The President of the HAA shall submit an annual report on its work to the Government.

(3) While compiling the above reports, the HAA may not only use public data, but also data acquired from voluntary sources, or from other institutions with regard to the provisions set out in the act on the right of informational self-determination and on freedom of information.

Section II.

The Structure and Governance of the Hungarian Academy of Arts

3. Members of the public-law association

6. § Members of the HAA are Full, Corresponding, Honorary and Advocatory Members. The members of the HAA are elected by the General Assembly with a direct and secret ballot – with the exception set out in 7. § (2).

7. § (1) Full Members are artists or creators with remarkable intellectual achievements in the Hungarian art life. Remarkable achievement means wide public recognition and acknowledgement

in a certain art branch, especially

a) the verifiable appearance before large public of the artist or the creation or
b) a recognition by a state or international organization or by other cultural, artistic institution granted to artists exclusively or artists among others.

(2) The members registered according to 30. § are Full Members of the HAA.

(3) The number of Full Members of the HAA shall not exceed 250.

(4) If an artist complies with the conditions of the HAA set out in this Act and the Statutes concerning Full Membership and has the recommendation of at least four Full Members of the HAA, the Section of the HAA defined in 20. § (1) and (2) will decide about the nomination for full membership. In case of obtained support of the Section the artist becomes a registered candidate for membership. Full Members are elected by the General Assembly from among the registered candidates.

8. § (1) With exceeding the number set out in 7. § (3) the General Assembly may elect Corresponding Members according to article 7. § (4). Corresponding Members need to comply with the provisions of 7. § (1) and the conditions set out in the Statutes.

(2) The Corresponding Member exercises its public-law association member rights according to 13. § (2) and 20. § (3).

9. § Honorary Members of the HAA may be nationally and internationally recognized personalities recommended by the Presidium.

10. § Advocatory Members of the HAA may be persons providing outstanding intellectual or financial support if recommended by the Presidium.

11. § The HAA – according to 4. § (2) - as part of the recognition of the outstanding intellectual and artistic achievements of its Full and Corresponding Members grants a monthly fee to them; in case of their death, their family (widow/widower and orphan) will be entitled for a certain part of their fee.

(2) The conditions concerning the membership and the detailed provisions of the recommendation and the election not set out in this Act are regulated in the Statutes of the HAA within the frame of this Act.

4. Associated organization

12. § (1) The HAA promotes the maintenance and development of the professional and public activity of the Hungarian civil organizations and is eager to cooperate with them.

(2) On the proposal of the Presidium the General Assembly decides on the cooperation with the civil organizations set out in the above Section (1), including especially the granting of the associated organization status and the conditions of the cooperation.

(3) The HAA enters into a cooperation agreement with the associated organization.

5. The General Assembly

13. § (1) The General Assembly is the main decision-making body of the public-law association.

(2) The General Assembly consists of Full Members, who exercise in the General Assembly their public-law association member rights through their voting rights. The Corresponding, Honorary and Advocatory Members and the representatives of the associated organizations may take part in the meetings of the General Assembly with advisory capacity.

14. § (1) The General Assembly of the HAA

a) approves the Statute of the HAA and modifies it when needed;

b) approves the reports made for the Parliament and the Government;

c) elects and removes the officials of the HAA – except for the leaders of Sections;

- d) approves the proposal of the budget and its implementing regulations of the HAA in the frame of the act on public finances and the act on the central budget;
- e) expresses its opinion concerning the fundamental issues of art life and arts;
- f) decides on the establishment, restructuring and termination of budgetary institutions;
- g) may establish a working group from among the members of the HAA for carrying out certain public duties;
- h) decides on the conclusion of cooperation agreements set out in 12. § (3) as well as the cooperation and the method of cooperation with Hungarian cross-border art organizations and similar foreign institutions;
- i) according to the provisions of the relevant laws decides on the
 - ia) disposal and encumbrance of the assets of the HAA if the commercial value of the assets exceeds HUF 25 million and – irrespective of the value limit – the principles of the disposal and encumbrance of the assets,
 - ib) principles of granting right of use on the assets of the HAA and other rights of utilisation.
- j) decides on the principles of the establishment of private limited companies or private limited-liability companies and the participation in gaining interest in them;
- k) decides on the undertakings of the HAA (hereinafter referred to as: other undertakings) – except for the provisions of point *ia*) –, if its value does not exceed HUF 100 million;
- l) accepts the rules on asset management and public procurement;
- m) agrees to the rules of procedure of the Supervisory Board;
- n) decides on any other issue in its competence as laid down in any law or the Statutes.

15. § (1) The HAA holds a General Assembly when needed but at least twice a year.

(2) The General Assembly is convened by the president of the HAA with an indication of its agenda.

(3) A General Assembly is to be held, if it is requested by one-fifth of the Full Members or the Supervisory Board by indicating the agenda. The Statutes may define further cases of the obligatory convocation of the General Assembly.

16. § (1) The General Assembly has a quorum, if more than half of the Full Members are present. If the quorum is not met, the procedure that needs to be followed is set out in the Statutes.

(2) The General Assembly adopts its resolutions with more than half of the Full Members being present at the meeting, except if this Act or the Statutes set out differently. The officials specified in this Act as well as the member of the Supervisory Board to be elected by General Assembly, shall be elected with secret ballot.

(3) For the adoption of the Statutes the vote of two-third of the Full Members is needed.

6. The Presidium

17. § (1) Between two General Assemblies the supreme decision-making body of the HAA is the Presidium with the reservation, that in cases set out in 14. § *a)-d), f)* and *h)-m)* only the General Assembly is entitled to decide, in case of article 14. § *ia*) according to the value limit, with regard to paragraph (5).

(2) The Presidium is obliged to report to the General Assembly between two General Assemblies on the first General Assembly after the resolutions adopted according to paragraph (1).

(3) The members of Presidium of the HAA are: the president, the two vice-presidents, the General Secretary and four Full Members elected by the General Assembly for three years, furthermore the honorary president in case of article 25. §.

(4) The Supervisory Board members, the heads of the art Sections and the representatives of the associated organizations shall be invited to the meetings of the Presidium with voice.

(5) Apart from paragraph (1) the Presidium

- a) directs the operation of the HAA,
- b) prepares the annual program of the HAA and supervises its implementation;

- c) decides on the reports laid down in paragraph (1) and (2) of 5§;
 - d) decides on the annual budget and financial report of the HAA;
 - e) ensures the execution of the resolutions adopted by the General Assembly;
 - f) informs the Supervisory Board about the resolutions of the General Assembly and their implementation;
 - g) decides according to 14. § i) and j) about
 - ga) the disposal and encumbrance of the assets of the HAA if the commercial value of the asset does not exceed HUF 25 million ,
 - gb) the granting of right of use on the assets of the HAA and other rights of utilization,
 - gc) the establishment of private limited companies or private limited-liability companies and gaining interest in them;
 - h) decides on the undertakings of the HAA if their value exceeds HUF 50 million and the decision does not fall within the exclusive competence of the General Assembly;
 - i) performs the duties that the General Assembly or the Statutes refer to its competences.
- (6) The Presidium holds a meeting when needed, but at least once a month. The Statutes may regulate the more frequent convocation of the Presidium, and may define the obligatory cases of it.
- (7) The Presidium adopts its resolutions by single majority voting. In the event of a tie the vote of the president is decisive. The Presidium has a quorum if more than half of its members are present.

7. The Supervisory Board

18. § (1) It is the duty of the Supervisory Board consisting of five members to monitor the lawfulness of the asset management and the financial management of the public-law association as well as the implementation of the principles of the present law during the asset management and the financial management. Any Hungarian citizen without police records with active voting right eligible at the national elections may be member of the Supervisory Board. One member is elected and removed by the Government, one member by the committee of the Parliament responsible for cultural matters and the remaining three members by the General Assembly. The General Assembly elects one member from among its Full Members. The term of office of the Supervisory Board members shall be five years. The members of the Supervisory Board elect a president from among themselves for the period of the term of office of the Board.

(2) The Supervisory Board is obliged to previously examine and deliver its opinion on the relevant proposals set out by the agenda of the General Assembly and the Presidium concerning its controlling functions regulated in Section (1).

(3) The General Assembly and the Presidium may request the Supervisory Board to run a test concerning the matters set out by it. The Supervisory Board member is obliged to immediately fulfil such request.

(4) The Supervisory Board within and in connection with its scope of duties may look into the documents of the HAA and may ask for information from the members of the HAA.

(5) The Security Board acts collectively. The Supervisory Board defines its own rules of procedure, which is approved by the General Assembly. The rules of procedure shall contain the rules concerning the convocation and the course of the meetings, the rules of the voting and the quorum requirements.

(6) If the Supervisory Board detects during the performance of its duties conditions that are contrary to laws, the Statutes, to the resolutions of any institution of the HAA, or to the interests of the HAA, it proposes a measure to the person concerned – in case of breach of laws or the Statutes – convenes the General Assembly by indicating the agenda.

(7) The Statutes regulate the detailed rules of the operation of the Supervisory Board and of the remuneration of its members.

19. § (1) The members of the Presidium and their close relatives – according to the Civil Code of the Republic of Hungary – may not be members of the Supervisory Board.

- (2) The person concerned shall make a declaration on the existence of conflict and the termination of it in case of his/her appointment. If the conflict emerges after the appointment, the person concerned must terminate the conflict within fifteen days.
- (3) If the person concerned does not terminate the grounds of the conflict within the period set out in paragraph (2) above, the appointing person or the body entitled to decide on the appointment according to article 18. § (1) decides on the conflict and the removal from office in the same time at the initiative of the Supervisory Board or at the initiative of such person or body.
- (4) The Statutes may define other cases of conflict as well.

8. Sections

- 20. §** (1) During the performance of its duties the HAA is supported by Sections established according to art branches or art branch groups.
- (2) The Sections involve both the Full and Corresponding Members of the HAA. The list of the Sections is laid down in the Statutes.
- (3) Full and Corresponding Members may be members of several Sections in the same time, but shall between two General Assemblies only have voting right in one Section, and advisory right in other Section(s).
- (4) The Section elects its own officials according to the Statutes.
- (5) Further rules of the Sections are to be found in the Statutes.
- (6) In order to become a member of a Section, the Statutes define special conditions determining remarkable intellectual or artistic achievements according to the characteristics of an art branch or art branches and within the framework of this Act, the above shall qualify as conditions of the election of Full and Corresponding Members according to 7. § (1), if the artist requesting the admission belongs to such field of art and requests the membership to an already existing Section of the HAA.

9. Officials

- 21. §** Officials of the HAA are the Presidium members and the Section leaders.
- 22. §** The president of the HAA is elected by the General Assembly from among the Full Members with Hungarian citizenship for three years, and approved by the President of Hungary. No countersigning on the part of the President of Hungary is required. The president of the HAA may be re-elected once.
- (2) The activity of the HAA is led by the president according to the decisions adopted by the General Assembly and according to the Statutes. Furthermore, the president exercises and manages the proprietary rights according to the present Act and other laws. The HAA is represented by the president. The president controls the body managing the budgetary section concerning the HAA.
- (3) In case of hindrance, the president is replaced by the vice-president.
- 23. §** The president is assisted by two vice-presidents – responsible for Hungarian cross-border and international matters – elected for three years by the General Assembly from among the Full Members of the HAA . The vice-presidents may be re-elected once.
- 24. §** (1) The General Secretary is elected by the General Assembly for five years according to the procedure set out in the Statutes. The General Secretary may be re-elected once.
- (2) The General Secretary controls the budgetary institution ensuring the operation of the HAA – according to article 28. § (1).
- (3) The detailed duties of the General Secretary – with regard to (2) – are set out in the Statutes and the Articles of Association of article 28. § (2).
- 25. §** (1) The General Assembly – upon the initiative of the Presidium – may grant honorary president status for Full Members of the HAA.

- (2) The honorary president is the member of the Presidium and has voting rights at the meetings of the Presidium.
 - (3) The HAA may only have one honorary president at a time.
 - (4) The conditions on granting honorary president status are regulated in the Statutes.
- 26. § (1)** The president is entitled to the same remuneration as a minister, the General Secretary to the same remuneration as a secretary of state, as well as to 40 days vacation annually. Concerning other allowances the provisions of act on the central public administration bodies and on the legal status of members of the Government and Secretaries of State shall apply as well as the Government regulation on the remuneration for the head officials of the state and the civil servants of public administration and on their conditions. The president and the General Secretary is granted reimbursement for expenses.
- (2) The officials not mentioned in (1) are entitled to remuneration and reimbursement according to the conditions laid down in the Statutes.
 - (3) The amount of the personal allowances granted for the officials is regarded as data of public interest.

Section III.

The financial management and assets of the Hungarian Academy of Arts

- 27. § (1)** The HAA manages its assets independently concerning the performance of its duties; detailed rules of this shall be laid down in the Statutes.
- (2) The followings may make up the properties of the HAA (hereinafter referred to as: assets):
 - a) real property, personal property,
 - b) securities representing different membership rights, other membership interests,
 - c) immaterial assets, assets of value.
 - (3) The assets of the HAA may be
 - a) state assets transferred to the HAA by force of law,
 - b) assets transferred (donated) to the HAA free of charge (including assets donated by a member according to 6. §),
 - c) the assets gained during the performance of the public duties of the HAA, notwithstanding a) and b).
 - (4) The General Assembly or the Presidium decides on the alienation, encumbrance, use, surrender to use (hereinafter referred to as: utilization with regard to this §) of the assets, on the grounds of the directives of the General Assembly on asset management according to the provisions of this Act.
 - (5) The assets of the HAA may only be utilized after a valid appraisal. The HAA is obliged to disclose a public tender for the utilization of the assets according to the detailed rules set out in the Statutes, if the validly appraised commercial price exceeds HUF 25 million in case of real property, and HUF 1 million in case of other assets.
 - (6) The HAA is obliged to open a separate bank account at the Hungarian State Treasury for the conclusion of transactions concerning the utilization of its assets. The HAA may utilize its assets temporarily not in use by acquiring gilt-edged securities marketed within the network of the Hungarian State Treasury.
 - (7) The HAA may debit its assets by establishing a private limited company or a private limited-liability company or may acquire interest in such company, in accordance with the purposes of this Act, on the condition that it keeps at least the majority control in the business association – if the law does not regulate it otherwise.
 - (8) The business association set out in (7) may not establish further business associations and may not gain interest in business organizations.
 - (9) The HAA may not initiate the establishment of a business organization for the purposes of

operating and executing the duties in connection with the use of the sources deriving from the public finances, furthermore may not organize public tenders and may not exercise founder's (proprietary) rights, establish membership (shareholder) rights or acquire interest in it.

(10) The extent of personal allowances and remuneration (especially: fee, premium, salary, termination benefits, dividend, employee business share, other remuneration) granted to head officials and Supervisory Board members by the business organization set out in (7) is regarded as data of public interest.

(11) The business organization according to (7) is obliged to inform the General Assembly of the HAA, if the total amount of its debts exceed 10% of its balance sheet total.

(12) The HAA contracts with the budgetary agencies, which fall under the control of the HAA concerning the surrender of assets for use. The provisions of 14. § k) and 17. § (5) h) is to be used in case of concluding a contract for the use of assets. The main operational and formal details of the contract is to be set out in the Statutes.

(13) The HAA may accept donations and subsidies – which will be transferred to the ownership of the HAA – in order to promote the operation and development of it.

(14) The state assets that have been transferred free of charge to the ownership of the HAA according to the act on state assets may not be alienated and encumbered, therefore in case the HAA ceases to exist – with the conditions set out in (13) – will return in the ownership of the Hungarian State, and may not be subject to the satisfaction of the creditors of the HAA.

(15) The management of the HAA and its budgetary institutions managed by it is controlled by the State Audit Office of Hungary.

28. § (1) The organization of the public duties of the HAA and the administrative, management duties especially financial, asset management and control duties in connection with the performance of the public duties of the public-law association concerning the budgetary section institutions and budgetary institutions lead by the HAA are performed by the budgetary institution lead by the HAA (hereinafter referred to as: the Secretary of the HAA). The employees responsible for the administrative, organizational and management duties of the public tasks at the Secretary of the HAA – including the General Secretary – are public servants and administrators of the public service

(2) The duties of the secretary of the HAA is laid down by the Articles of Association, which is published by the president of the HAA.

(3) The provisions of the act on the legal status of civil servants is to be applied for employees at the budgetary institutions lead by the HAA – except for the civil servants, administrators and employees administering, organizing and managing the duties of the Secretary of the HAA.

Section IV.

Closing provisions

9/A. Authorizing provision

28/A. § The Government is hereby authorized to issue a regulation on the amount of the annuities granted for the Full and Corresponding Members, the detailed rules for the disbursement and the provisions for the family benefits in case of the decease of the member entitled to annuity.

10. Entry into force

29. § (1) This Act – except for (2) – enters into force on the 15th day after publication.

(2) Article 33. § enters into force on the 1st January, 2012.

(3) Articles 3. §, 14. § d) and 32. § (3) need first to be applied at the time of the preparatory work of the annual budget of 2012.

11. Transitional provisions

30. § (1) The HAA holds an inaugural General Meeting within 120 days after the entry into force of this Act – but after the 15 days available for the declaration of (4) at the earliest.

(2) For the preparation of the inaugural General Meeting a Committee of 8 members (hereinafter referred to as: Organization Committee) is being established. Within 15 days of the entering into force of this Act two members of the Organization Committee are requested by the President of Hungary, two members by the Prime Minister, two members by the President of the Parliament and two members by the parliamentary committee responsible for cultural matters.

(3) The role of the Organization Committee is the qualification and registration of the participants of the inaugural Meeting.

(4) Those members may participate in the inaugural General Meeting of the Hungarian Academy of Arts association, established on 31st January, 1992, who were Full Members of the association on 1st January 2011 and comply with the conditions set out in 7. § (1) and if they express their will upon the request of the Organizational Committee in writing within 45 days after the entry into force of this Act.

(5) The inaugural Meeting is convened by the Organization Committee according to paragraph (1) in the frame of paragraph (4). The inaugural Meeting decides about the adoption of the Statutes, elects the president, the two vice-presidents, the general secretary and further Presidium members and one member of the Supervisory Board.

(6) The first members of the Supervisory Board shall be appointed within 120 days after the entry into force of this Act. 30 days following the appointment and election of its all members the Supervisory Board shall lay down the rules of procedure, which shall be approved at the first General Assembly.

(7) After the inauguration General Meeting the HAA is obliged to elect its members, so that the number of Full Members of the HAA reaches 200 until 31st December 2012.

(8) The term of office of the Supervisory Board members appointed and elected until 31st December 2012 according to paragraph (6) is terminated on 31st May 2014. The new Supervisory Board members need to be appointed and elected until 31st May 2014 with the effect of 1st June 2014 according to article 18. § (1) of Act CCXXI of 2012 on the modification of laws on the strengthening of the culture strategic role of the Hungarian Academy of Arts and the modification of laws on other laws concerning the cultural field. The new Supervisory Board is obliged to lay down its rules of procedure until 30th June 2014, which is affirmed by the first General Assembly after the inauguration meeting of the new body.