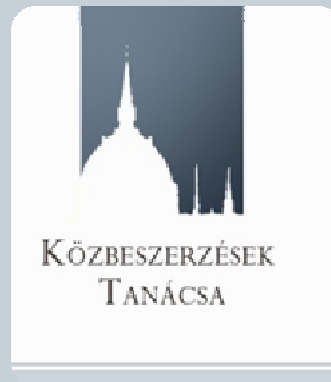


# The characteristics of the Hungarian procurement system



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# I. The background of the adoption of the new Act on Public Procurement (PPA)

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## The antecedents of the regulation:

1995 - Act XL of 1995

2003 - Act CXXIX of 2003

2010 - Act LXXXVIII of 2010

2011 - Act CVIII of 2011



Several comprehensive reforms of the public procurement law, amendments to the Act almost fifty times, the need for the revision of the Implementing Decrees.



## II. The structure of the new PPA, the objectives of making the Act

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### The structure of the Act

According to the main criticism expressed to the current Public Procurement Act, this regulation is ***complicated and confused***, which was attributable mainly ***to the structure of the Act*** due to the provisions containing cross-references and multiple repeated references.

**The solution in the new PPA:** In order to remedy this problem, the new PPA changed the structure of the former Act → framework Act + implementing decrees.



## The structure of the new PPA

**Part One:** General provisions → governing all public procurements.

**Part Two:** The rules pertaining to public procurements reaching or exceeding European thresholds.

**Part Three:** The rules pertaining to public procurements below European thresholds.

**Part Four:** The rules pertaining to public procurement contracts.

**Part Five:** The rules concerning public procurement remedies.

**Part Six:** The rules concerning the Public Procurement Authority.

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## The objectives of the new PPA

- enhancing the flexibility and the simplification of the contract award procedures, clearer regulation of certain types of procedures,
- system of tools in the new Act for preventing abuse and corruption,
- simplifying the certification of suitability.

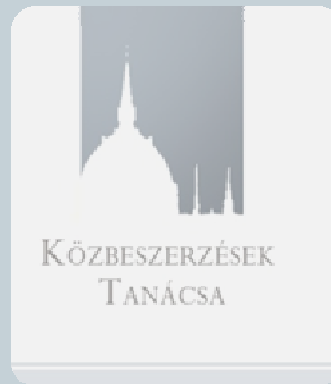


# III. The Hungarian institutional system of public procurement

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- Ministry of National Development/Minister for National Development;
  - Public Procurement Council;
  - Directorate General for Public Procurement and Supply,
  - National Development Agency
- The division of competences for supervision.

Specific: Public Procurement Arbitration Board, quasi-judicial procedure.



# IV. The national system of public procurements - problems and solutions

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- **A system complying with the Directives;**
- **the new rules applicable for the national regime;**
- **the issue of subcontractor – organisation providing resources;**
- **the re-regulation of the scope of exceptions;**
- **aggregation;**
- **joint submission of tenders, performance exceeding 25 %, joint invitation to tender;**
- **enhancement of SMEs;**
- **alleviation of administrative burden;**
- **a new regulatory system for the prevention of go-round-debts;**
- **the legislative guarantees for the performance of the contract.**

*Thank you for your attention!*

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