

RESOLUTION OF THE FISCAL COUNCIL
for the final vote on the 2014 central budget bill of Hungary

I

Antecedents, legal basis and publicity of the approval

According to Indent (3) of § 25/A. of Act CXCV of 2011 on the Economic Stability of Hungary (henceforth: Stability Act), the Fiscal Council (hereinafter: the Council) shall formulate its prior approval required for the acceptance of the budget bill. In this connection the Council shall examine if the 2014 central budget bill of Hungary – together with the amendments voted prior to the final vote – are in harmony with the stipulations of the obligation of decreasing, as per Indent (5), Article 36 of the Basic Law of Hungary.

As regards the feasibility of the public debt rule, in its Opinion no. 16/2013.12.13. the Council found that on the basis of the uniform budget bill no. T/12415/1041. the measure of the GDP proportionate public debt expected by the end of 2014 is in harmony with the stipulations of regression as required by Indent (5), Article 36 of the Basic Law of Hungary.

Next the Government submitted an amendment motion under file no. T/12415/1043. to the uniform budget bill, prior to the final vote. This was forwarded to the Chairman of the Council by the Speaker of the National Assembly, as an attachment of his letter OE-706-5/2013.

The Council jointly reviewed the uniform budget bill and the amendment motion prior to the final vote from the aspect of the feasibility of the public debt rule.

In his letter of 17th December 2013 the Speaker of the National Assembly asked for the prior consent of the Fiscal Council required for the final vote on the budget bill.

II

The Resolution of the Fiscal Council

At its meeting held on 17th December 2013, with univocal decision, the Fiscal Council made the following resolution:

1. The Council settles that on the basis of the Bill on the 2014 central budget of Hungary – together with the amendment endorsed prior to the final vote – the GDP proportionate public debt expected by the end of 2014 is in harmony with the requirement stipulated by Indent (5) Article 36 of the Basic Law of Hungary.

2. According to Indent (3) §25/A. of Act CXCV of 2011 on the Economic Stability of Hungary the Council shall give its prior approval to submit the bill on the 2014 central Budget of Hungary for final vote.
3. The Council shall authorise its Chairman to inform the Speaker of the National Assembly of this resolution with no delay. Additionally it shall authorise the Chairman to expound the standpoint of the Council concerning the prior approval of the body at the plenary session of the National Assembly.

III

Justification of the Council's resolution

The Council reviewed the effects of the uniform budget motion (T/12415/1041.) together with the amendment motion (T/12415/1043.) adopted prior to the final vote, from the aspect of the feasibility of the public debt rule.

As to the amendment motion prior to the final vote transcribes the effect of the resolution that promotes the continuation of the debt consolidation of local governments via the internal structure of public debt on the one hand; on the other hand, it contains amendments concerning technical-legal, textual and appropriation-related clarifications. Considering all these aspects the Council found that the measure of GDP proportionate public debt expected by the end of 2014 shall decrease, i.e. it is in harmony with the stipulations of Indent (5) Article 36 of the Basic Law of Hungary.

The Council expounded its detailed evaluation attached to the uniform budget bill in its Opinion no. 16/2013.12.13. No supervision of this Opinion was necessary as the amendments adopted prior to the final vote have not resulted in fundamental changes in the uniform bill.

According to the above the Council hereby shall give its prior approval to the final vote on the 2014 budget bill.

Budapest, 17th December, 2013

Domokos László

Member of the Fiscal Council

Dr Matolcsy György

Member of the Fiscal Council

Dr Kovács Árpád

Chairman of the Fiscal Council