

1. What is CEU?

Central European University, CEU for short, is a postgraduate university founded in 1991. It is incorporated in the State of New York by the State Education Department and accredited in the U.S. by the [Middle States Commission on Higher Education](#). This legal entity is also referred to as CEU NY.

CEU was authorized to operate in Hungary as a foreign university in 1995, by Ministerial Resolution No. 5563/94 dated January 5, 1995, amended on April 18, 2015.

All CEU's degree programs are individually reviewed and authorized by the New York State Education Department/New York Board of Regents. This is one of the oldest accrediting bodies in the U.S. The governance and daily operations of CEU as a US university have to meet the legal requirement set by U.S. law. U.S. accreditation means that CEU's operation is regularly monitored by US accreditation agencies.

2. What is KEE?

KEE is the abbreviation of Közép-európai Egyetem (meaning Central European University in Hungarian). KEE was established in 2005 through Act LXI of 2004 adopted by the Hungarian Parliament on June 21, 2004, that entered into force on April 9, 2005, following a joint declaration of the Governor of the State of New York and the Hungarian Prime Minister dated April 5, 2004.

KEE was created to allow CEU to better integrate into the Hungarian higher education system under Hungarian law. KEE operates in Budapest, Hungary.

The governance and daily operations of KEE as a Hungarian university have to meet the legal requirement set by Hungarian law. The [Hungarian Education Authority](#) monitors KEE's compliance with Hungarian legal rules.

3. What is the relationship between CEU and KEE?

The two legal entities (one American, one Hungarian) constitute one integrated academic community: an American-Hungarian university operating at the same premises in Budapest, Hungary. In English this academic community as a whole is routinely referred to as CEU without regard to legal distinctions.

All academic programs offered at the university are accredited as programs of CEU in the U.S. They are also registered in Hungary and authorized by the Hungarian authorities as programs of CEU, a foreign university. Students studying in these programs receive a U.S. diploma.

A smaller group of programs have Hungarian accreditation as well: this accreditation was granted to KEE programs under Hungarian law. Those students who enroll into these programs and who comply with the special Hungarian requirements receive a Hungarian diploma as well. The Hungarian unit cooperates in delivering CEU's programs relying on a so called license agreement.

4. What is lex CEU?

Lex CEU has become the customary reference to a comprehensive amendment to the Hungarian Act CCIV of 2011 on national higher education. The amendment was passed by the Hungarian Parliament on April 4, 2017, it was then signed into law by the President of the Republic on April 10, 2017 with effective dates as of April 11, 2017, September 1, 2017 and December 31, 2017.

The amendment alters the conditions for the operation of foreign universities under Hungarian law. It also alters the conditions for Hungarian universities to cooperate in delivering educational programs of foreign universities.

These amendments affect all foreign universities operating in Hungary (except of those from EEA countries). Since many of its clauses affect only CEU, the amendment is commonly referred to as lex CEU.

5. How does lex CEU affect CEU?

Among other conditions, under this amendment a foreign university may operate in Hungary on the basis of a bilateral international agreement (*nemzetközi szerződés*) concluded by the Hungarian government and a foreign government. The law prescribes that if the foreign partner is a state in a federation, it needs to obtain the prior agreement (*előzetes megállapodás*) of its federal government to conclude such an international agreement by October 11, 2017. After the prior agreement has been signed, the binding international agreement between the State of New York and the Hungarian government needs to be concluded until January 1, 2018 concerning CEU's continuing operation in Hungary.

Second, under lex CEU the US-accredited legal entity, CEU would need to provide education in the US in order to be permitted to operate in Hungary. This US campus would need to be running by January 1, 2018.

Failing to meet these conditions CEU's operation in Budapest becomes illegal under Hungarian law on January 1, 2018. CEU will not be able to enroll new students into its programs after this date. Students who have enrolled in CEU degree programs before this date will be able to complete their studies, but no later than by the end of the 2020/21 academic year.

6. How does lex CEU affect KEE?

As of September 1, 2018 KEE as a Hungarian university will not be able to collaborate in the framework of a so-called license agreement with a university with seat in an OECD country which is not an EEA country, including, thus, CEU. Programs that have started before 2018 may be completed by 2021, the latest.

7. Why are the new requirements set by lex CEU unacceptable for CEU and KEE?

CEU as a foreign university has been operating in Hungary in compliance with Hungarian law ever since it was opened. Lex CEU radically alters the legal conditions of its operation, as well as the operation of KEE. The Hungarian authorities did not engage in a dialogue with CEU or KEE before these radical legal changes were put in place.

First, several of the passages apply only to CEU: CEU is the only foreign university in Hungary without a campus in its country of origin, the only university from a non-EEA OECD country that relies on license agreements, the only university that has a large number of third country national faculty, etc. As such, these provisions are thereby discriminatory.

Second, the demand for a prior agreement between the federal government of the US and the Hungarian government as a precondition of the operation of a foreign university in Hungary contradicts the fact that higher education in the U.S. is a matter for the states, not for the federal government, to regulate.

Third, a demand of intergovernmental agreements as a precondition of the operation of a foreign university in Hungary means that the right to conduct educational activities will no longer depend on professional

criteria (e.g. the decision of accreditation boards), but on the preferences of politicians.

Fourth, requesting a U.S. campus runs contrary to the model used by dozens of well-established universities worldwide that are incorporated in the U.S., but have no educational activity in America.

Fifth, setting up such a campus would not only entail a considerable new financial burden, but it also lacks academic justification: the channeling of resources into American higher education will not improve the quality of higher education in Budapest.

Sixth, the deadlines set by the law are punitive and unrealistic. The US federal government would need to give its approval for international agreement between the State of New York and Hungary enabling the operation of CEU in Budapest by October 11, 2017. The binding international agreement between the state of New York and the Hungarian government needs to be concluded by January 1, 2018. By the end of 2017 CEU's the educational activities in the US would need to be running.

Seventh, the law was prepared and passed in violation of the rules of the legislative process. The affected institutions or the representatives of the higher education sector were not consulted. No impact study was conducted. When the Presidium of the Hungarian Rectors' Conference asked the government to at least extend the deadlines of the application of the new rules, the Hungarian government responded by making them even shorter.

Eighth, the introduction of the new regulations were accompanied by a hostile propaganda campaign as a part of which the PM called CEU a secondary battlefield in the political war he is waging against the founder of the university and the government representatives began to call the university, even in official communication, Soros-university. The politicized nature of the discourse and the government's rejection of the requests issued several times by CEU to engage into good-faith negotiations reveal that the new regulations are part of a political campaign.