



EUROPEAN COURT OF HUMAN RIGHTS
COUR EUROPÉENNE DES DROITS DE L'HOMME

FOURTH SECTION

**CASE OF MAGYAR KERESZTÉNY MENNONITA EGYHÁZ AND
OTHERS v. HUNGARY**

*(Application nos. 70945/11, 23611/12, 26998/12, 41150/12, 41155/12,
41553/12, 54977/12 and 56581/12)*

Partial judgment
(Just satisfaction)

STRASBOURG

28 June 2016

FINAL

28/09/2016

*This judgment has become final under Article 44 § 2 of the Convention. It may be
subject to editorial revision.*

**In the case of Magyar Keresztény Mennonita Egyház and Others
v. Hungary,**

The European Court of Human Rights (Fourth Section), sitting as a Chamber composed of:

Paulo Pinto de Albuquerque, *President*,

András Sajó,

Krzysztof Wojtyczek,

Egidijus Kūris,

Iulia Motoc,

Gabriele Kucsko-Stadlmayer,

Marko Bošnjak, *judges*,

and Marialena Tsirli, *Section Registrar*,

Having deliberated in private on 7 June 2016,

Delivers the following judgment, which was adopted on that date:

PROCEDURE

1. The case originated in nine applications (nos. 70945/11, 23611/12, 26998/12, 41150/12, 41155/12, 41463/12, 41553/12, 54977/12 and 56581/12) against Hungary lodged with the Court under Article 34 of the Convention for the Protection of Human Rights and Fundamental Freedoms (“the Convention”) by various religious communities active in Hungary, and their ministers and members (see Annex), on 16 November 2011, 3 and 24 April, 25 and 28 June, and 19 and 29 August 2012, respectively. Given that the applications raised the same issue in essence, the Court decided to join them in accordance with Rule 42 § 1 of the Rules of Court.

2. In a judgment delivered on 8 April 2014 (“the principal judgment”), the Court declared application no. 41463/12 inadmissible and held, as regards the remaining applications, that in removing the applicants’ church status altogether rather than applying less stringent measures, in establishing a politically tainted re-registration procedure and in treating the applicants differently from the so-called incorporated churches in certain aspects, the authorities disregarded their duty of neutrality vis-à-vis the applicant communities. The Court found a violation of Article 11 of the Convention read in the light of Article 9 (see *Magyar Keresztény Mennonita Egyház and Others v. Hungary*, nos. 70945/11, 23611/12, 26998/12, 41150/12, 41155/12, 41463/12, 41553/12, 54977/12 and 56581/12, ECHR 2014 (extracts)).

3. Under Article 41 of the Convention the applicants sought just satisfaction in regard to the pecuniary damage sustained, corresponding in essence to tax donations and State subsidies lost or expected to be lost in the

future, as well as non-pecuniary damage and the costs and expenses incurred before the Court.

4. The Court held that, as regards the claims in respect of non-pecuniary damage made by Mr Izsák-Bács (in application no. 70945/11), Mr Soós (in application no. 23611/12), Mr Görbicz (in application no. 26998/12), Mr Guba (in application no. 41150/12) and Ms Bruck (in application no. 41155/12), the finding of a violation constituted sufficient just satisfaction. However, it also considered that the remaining questions as to the application of Article 41 were not ready for decision, especially in view of the complex array of material advantages which the applicants claimed to have lost. The Court thus reserved that matter and invited the Government and the applicants to submit, within six months from the date on which the judgment became final, their written observations on that issue and, in particular, to notify the Court of any agreement they might reach (see paragraph 132, and point 11 of the operative provisions, of the principal judgment).

5. On 8 September 2014 the panel of the Grand Chamber declined to accept a referral request from the respondent Government. Accordingly, the principal judgment became final on that date.

6. On 5 March 2015 the Government requested an extension of the time-limit to reach an agreement on the applicants' claims for just satisfaction. In view of the reasonable prospects of reaching a settlement, the President of the Chamber decided to extend the time-limit until 15 May 2015.

7. On 15 May 2015 the Government notified the Court about an agreement concluded with six of the applicants, notably *Magyar Keresztény Mennonita Egyház* in application no. 70945/11, *Evangéliumi Szolnoki Gyülekezet Egyház* in application no. 23611/12, *Budapesti Autonóm Gyülekezet* in application no. 26998/12, *Árpád Rendjének Jogalapja Tradicionális Egyház* and *Fény Gyermekei Magyar Esszénus Egyház* in application no. 41553/12, and *Magyarországi Biblia Szól Egyház* in application 56581/12. These applicants also confirmed the conclusion of the agreements and waived any further claims against Hungary in respect of the facts giving rise to their applications.

8. On the same date the Government further submitted that settlement negotiations were still pending, with a view to concluding partial agreements, with *Szim Shalom Egyház* in application no. 41150/12, *Magyar Reform Zsidó Hitközségek Szövetsége Egyház* in application no. 41155/12, *Dharmaling Magyarország Buddhista Egyház* in application no. 41553/12 and *Magyarországi Evangéliumi Testvérközösség* in application no. 54977/12.

9. On 23 July 2015 *Út és Erény Közössége Egyház* (one of the applicants in application no. 41553/12) informed the Court that it had changed lawyer and was thereafter represented by Mr T. Percz, a lawyer practising in Budapest.

10. On 28 July 2015 the Government informed the Court about the conclusion of partial agreements with three applicants out of those four mentioned in paragraph 8 above, notably *Szim Shalom Egyház* in application no. 41150/12, *Magyar Reform Zsidó Hitközségek Szövetsége Egyház* in application no. 41155/12, and *Magyarországi Evangéliumi Testvérközösség* in application no. 54977/12.

In respect of the latter applicant, the agreement contains the following passage:

“8. The parties note that they could not reach an agreement concerning the legal basis and the amount of the damage allegedly caused by the lack of access to grants obtainable from the State budget, European Union sources or internationally financed programmes via individually appraised calls for project proposals.

9. The parties agree to continue until 31 December 2015 their negotiations in good faith concerning the reparation of the breach found by the [Court’s] judgment. For the reparation of damage occurring between 1 January 2015 and the date of the dispute’s resolution, they shall follow the principles laid down in the present agreement [concerning the damage occurred in the 2012-2014 period].

10. The parties shall inform the [Court] that, in the light of point 8 above, their agreement is to be considered a partial one, covering the damage which occurred until 31 December 2014.”

In regard to *Szim Shalom Egyház* and *Magyar Reform Zsidó Hitközségek Szövetsége Egyház*, the respective agreements contain the following passage:

“The applicant accepts the Government’s proposal and declares that it no longer maintains any claim against the Hungarian State in respect of damage sustained until 31 December 2014 concerning the matters covered by the agreement, notably the loss of 1 per cent personal income tax donations and the corresponding supplementary State subsidy, the legal costs and expenses, the default interest and the non-pecuniary damage. In these respects, the applicant considers that the Government fulfilled its obligation, flowing from the judgment of the [Court], to provide just satisfaction.”

11. As regards the remaining just satisfaction claims, the applicants and the Government each filed observations.

12. On 4 and 18 May 2016 the Government and *Magyarországi Evangéliumi Testvérközösség*, respectively, informed the Court of their continuing negotiations with a view to an agreement that would cover the period following 31 December 2014.

13. The Court finds it appropriate to reserve the questions related to the claims of *Magyarországi Evangéliumi Testvérközösség* and to adopt, at the same time, a partial judgment concerning the remaining applicants.

THE LAW

14. Article 41 of the Convention provides:

“If the Court finds that there has been a violation of the Convention or the Protocols thereto, and if the internal law of the High Contracting Party concerned allows only partial reparation to be made, the Court shall, if necessary, afford just satisfaction to the injured party.”

A. Pecuniary and non-pecuniary damage

1. *The parties' submissions*

(a) The applicants

15. Subsequently to the agreements mentioned in paragraphs 7 and 10 above, and excluding *Magyarországi Evangéliumi Testvérközösség* (see paragraphs 12 and 13 above), only the applicants listed below maintained certain claims in respect of pecuniary and non-pecuniary damage, as follows.

(i) *Szim Shalom Egyház*

16. *Szim Shalom Egyház* submitted that in 1998 and 2000 the Hungarian State and the umbrella organisation of Jewish religious communities in Hungary (*Magyarországi Zsidó Hitközségek Szövetsége [MAZSIHISZ]*, Alliance of Hungarian Jewish Communities) concluded agreements with a view to compensating Jewish communities for the losses they had suffered during the Holocaust and the Communist era – with special regard to loss of real estate property – and to subsidise their activities. The compensation scheme was based on the legislation referred to in paragraph 33 of the principal judgment, notably on section 3 of the Church Funding Act which provides as follows:

Section 3

“Any pecuniary claim related to real estate properties that fall under the scope of Act no. XXXII of 1991 on settling the ownership of former church properties and whose restitution was not claimed *in rem* by the incorporated church ... may be transformed into the source of an annuity, which can be used to finance the religious and public-interest activities of the church. The disbursement of the annuity shall last until the incorporated church ceases to exist without legal successor.”

17. This applicant explained that on 31 January 2012 *MAZSIHISZ* and two other incorporated Jewish religious communities concluded another agreement, according to which *MAZSIHISZ* subrogated a substantial part of its annuity entitlement to those churches. The amount of the annuity was to

be adjusted each year according to inflation. Paragraph 15 of the agreement stipulated that “if Hungarian Parliament recognises further Jewish organisations as churches”, *MAZSIHISZ* and the other two Jewish incorporated communities would conclude a separate agreement, in order to provide those newly recognised churches with the necessary financial sources. The agreement was acknowledged by a Government decision (1120/2012. (IV. 21.) Korm. határozat) enabling the State Treasury to disburse the annuity as agreed between the parties.

18. The Jewish religious communities conducted negotiations to secure the applicant’s participation in the annuity scheme and a redistribution plan had already been drafted by the time when the 2011 Church Act deprived the applicant of its church status. Had it not been so, the applicant would have been allegedly entitled to a share in the annuity.

19. Based on that draft distribution agreement, the applicant claimed, for the years 2012 to 2014, a total sum of 148,156,298 Hungarian forints (HUF), approximately 487,000 euros (EUR).

It further claimed interests at a rate equal to the double of the marginal lending rate of the Hungarian National Bank for the period between the end of the relevant years, respectively, and the date of the delivery of the Court’s judgment. According to the applicant’s calculations, those interests amounted, as of 15 September 2015, to HUF 11,611,172 (EUR 37,500).

In sum, the applicant claimed HUF 159,767,470 (EUR 524,500) in respect of pecuniary damage.

(ii) Magyar Reform Zsidó Hitközségek Szövetsége Egyház

20. *Magyar Reform Zsidó Hitközségek Szövetsége Egyház*, with a reasoning similar to that of *Szim Shalom Egyház*, claimed HUF 72,116,864 (EUR 232,600) in respect of the loss of expected share in the compensation annuity, as well as HUF 5,651,878 (EUR 18,200) in interests, amounting to a total sum of HUF 77,768,742 (EUR 250,800).

(iii) ANKH Az Örök Élet Egyháza

21. *ANKH Az Örök Élet Egyháza* (in application no. 41553/12) claimed EUR 118,000 in respect of loss of personal income tax donations and the corresponding supplementary State subsidy (see paragraph 25, fourth sentence, as well as section 4 of the Church Funding Act cited in paragraph 33 of the principal judgment).

22. It further claimed HUF 265,000,000 (EUR 883,000) in respect of loss of regular offerings from believers as well as from external persons; HUF 13,000,000 (EUR 43,000) for loss of State subsidies; HUF 10,000,000 (EUR 33,000) for its exclusion from religious teaching and religious activities in prisons and in the army, resulting in the loss of prospective believers; HUF 6,500,000 (EUR 21,000) in respect of grants it could have allegedly obtained via different calls for project proposals had it not been

for the loss of its church status; HUF 24,500,000 (EUR 82,000) in respect of loss of expected gain from various public events as well as the marketing of religious objects and printed material; HUF 8,100,000 (EUR 27,000) in respect of loss of income from various immovable properties; HUF 5,000,000 (EUR 17,000) for the frustration of the purchase of a share in a real property; HUF 240,000,000 (EUR 800,000) in respect of depreciation of a land plot due to the failure of its re-qualification as non-agricultural territory; HUF 10,000,000 (EUR 33,000) for frustration of contract opportunities; HUF 1,000,000 (EUR 3,000) for the costs of software development; HUF 16,000,000 (EUR 53,000) for the material degradation of its properties due to the lack of resources for guarding and protection; and HUF 4,000,000 (EUR 13,000) for the increased administrative costs.

23. The applicant further contended that the 2011 Church Act entailed the frustration of the activity of certain specific religious institutions functioning within its framework. Notably, its “Cosmic Vitality Clinic” where the applicant’s main spiritual healer had been serving, had to close down because the healer moved abroad. This allegedly caused a damage of HUF 50,000 (EUR 170) per working days, and a further HUF 4,000,000 (EUR 13,000) resulting from the futility of investments in the Clinic. The entities called “Horus of Malta Spiritual Order”, “Isis of Malta Charity” and “ANKH Foundation for the Security”, all attached to the applicant, also ceased their activity due to the 2011 Church Act. The damage relating to the former two entities amounted, respectively, to 20 and 10 per cent of the total damage otherwise sustained by the applicant, while the collapse of the latter one allegedly caused a damage of HUF 2,000,000 (EUR 7,000).

24. In respect of non-pecuniary damage, the applicant claimed EUR 500,000 plus a *per capita* compensation for the non-pecuniary damage suffered by its believers individually. In the latter respect, the applicant calculated with 10,000 believers and requested the Court to set the *per capita* amount at its discretion.

(iv) *Dharmaling Magyarország Buddhista Egyház*

25. *Dharmaling Magyarország Buddhista Egyház* claimed HUF 39,349,918 in respect of loss of personal income tax donations and the corresponding supplementary State subsidy plus accrued interests in the amount of HUF 2,793,516. In total, the applicant claimed HUF 42,143,434 (EUR 141,260) in respect of pecuniary damage.

26. The applicant further claimed EUR 100,000 in respect of non-pecuniary damage.

(v) *Mantra Magyarországi Buddhista Egyháza*

27. *Mantra Magyarországi Buddhista Egyháza* (in application no. 41553/12) claimed HUF 171,873,224 (EUR 573,000) in respect of loss

of personal income tax donations and the corresponding supplementary State subsidy. It further claimed HUF 24,000,000 (EUR 80,000) for the loss of opportunity to participate in various calls for project proposals; HUF 5,650,000 (EUR 19,000) for the loss of expected gain from religious events as well as from the marketing of religious objects and printed material; HUF 7,455,000 (EUR 25,000) for the loss of regular offerings from believers and external persons; and HUF 1,852,302 (EUR 6,000) for costs of administrative tasks related to the modification of the applicant's legal status. In total, with accrued interests, it claimed HUF 230,312,361 (EUR 768,000).

28. The applicant further claimed HUF 109,297,372 (EUR 365,000) in respect of non-pecuniary damage.

(vi) *Szangye Menlai Gedün, a Gyógyító Buddha Közössége Egyház*

29. *Szangye Menlai Gedün, a Gyógyító Buddha Közössége Egyház* (in application no. 41553/12) claimed HUF 17,530,925 (EUR 58,000) in respect of loss of personal income tax donations and the supplementary State subsidy and HUF 2,611,680 (EUR 9,000) in respect of interests.

30. In respect of non-pecuniary damage it further claimed EUR 100,000.

(vii) *Univerzum Egyháza*

31. *Univerzum Egyháza* (in application no. 41553/12) claimed HUF 28,481,942 (EUR 95,000) in respect of loss of personal income tax donations and the supplementary State subsidy.

32. It further claimed HUF 31,298,000 (EUR 100,000) in non-pecuniary damage.

(viii) *Usui Szellemi Iskola Közösség Egyház*

33. *Usui Szellemi Iskola Közösség Egyház* (in application no. 41553/12) claimed HUF 54,000,000 (EUR 180,000) in respect of loss of personal income tax donations and the supplementary State subsidy; HUF 350,000,000 (EUR 1,167,000) on account of the decrease in the number of persons offering personal income tax donations; HUF 158,244,000 (EUR 527,000) for a "decrease" in the contributions collected for the community's financing and, as a separate demand, HUF 400,000,000 (EUR 1,333,000) for a "drastic decrease" in the same income; HUF 294,800,000 (EUR 983,000) in respect of loss of State subsidies; as well as HUF 500,000,000 (EUR 1,667,000) for the closure of ten out of the applicant's twelve venues for healing. In total, the applicant claimed HUF 1,757,044,000 (EUR 5,857,000) in respect of pecuniary damage.

34. In respect of non-pecuniary damage, the applicant claimed HUF 105,000,000 for the desertion of its spiritual teachers and monks; HUF 30,000,000 for the cancellation of pilgrimages and study visits;

HUF 5,000,000 for medical damage; HUF 120,000,000 for the dispersal of twelve of its sub-communities; and HUF 30,000,000 for its disenfranchisement and tarnished reputation. In total under the head of non-pecuniary damage the applicant claimed HUF 290,000,000 (EUR 967,000).

(ix) *Út és Erény Községe Egyház*

35. *Út és Erény Községe Egyház* (in application no. 41553/12) submitted that, prior to the removal of its church status, it had been involved in social activities at several places in Hungary, pursuing the teachings of Taoism. In particular, it maintained twelve centres providing different kinds of services for people in need, such as care for disabled persons and addicts, domiciliary help, social-care catering and child care. When it became clear that the applicant would no longer be entitled to State subsidies, it decided to transfer, as of 1 July 2011, its institutions and immovable property free of charge to the Hungarian Baptist Aid so as to ensure the maintenance of the services. In January 2013 the same institutions were transferred to the Hungarian Islamic Community.

36. The applicant claimed HUF 10,266,667 (EUR 34,000) in respect of loss of personal income tax donations; HUF 36,500,000 (EUR 122,000) for the decrease of donations coming from believers and benefactors; HUF 126,400,000 (EUR 421,000) in respect of the real property which it decided to cede under the pressure of circumstances; HUF 192,048,061 (EUR 640,000) in respect of grants it could have allegedly obtained via different calls for project proposals had it not been for the loss of its church status; HUF 1,249,297,313 (EUR 4,164,000) in respect of the usually unused part of the State subsidy for the operation of the applicant's social institutions; HUF 1,620,250,825 (EUR 5,401,000) for the loss of contributions required from those benefiting from the applicant's services; and HUF 4,064,000 (EUR 14,000) for legal costs related to the modification of the applicant's legal status.

In total, the applicant claimed HUF 3,238,826,866 (EUR 10,796,000) in respect of pecuniary damage.

37. The applicant further claimed HUF 100,000,000 (EUR 333,000) in respect of non-pecuniary damage.

38. The applicant's religious leader, Mr K. Szűcs also submitted a claim for HUF 50,000,000 (EUR 167,000) in respect of non-pecuniary damage personally suffered.

(b) The Government

39. As regards the claim of the Jewish religious communities (see paragraphs 16 to 20 above), the Government argued that the relevant legislation did not prevent the communities concerned from amending their agreement of 31 January 2012 in order to extend the annuity scheme to the applicants. They underlined that the 2013 amendment of the 2011 Church

Act entitled all types of religious communities to use the word “church” in their names (see paragraph 23 of the principal judgment). Accordingly, since the applicants were to be considered churches, they could have sought in justice the enforcement of the provision in paragraph 15 of the agreement concluded between the three incorporated Jewish religious communities. Instead, the applicants turned directly to the Court. In the Government’s view, there was therefore no basis for their claim to be granted, for want of the exhaustion of domestic legal avenues.

40. As regards the applicants with whom no partial agreement had been concluded, the Government submitted, on a general note, that it considered well-founded only the claims that concerned State subsidies intended to support faith-related activities, the supplementary State subsidies to public-interest tasks (social care and education) which were actually performed by the respective applicants, the costs incurred in the course of the domestic proceedings, as well as the default interest on those sums.

41. In respect of the claims for subsidies not granted to churches as substantive right but as a function of other conditions (in particular, grants obtainable via calls for project proposals or subsidies for public-interest services which were not actually provided or in respect of which they had not had an agreement with the State even before the entry into force of the 2011 Church Act) the Government did not find any causal link to be established.

42. In their submissions concerning the lost tax donations, the Government applied a calculation method based on the amount of the income tax donations in the last year when those donations had been validly registered by the Tax Authority for the respective applicants as well as the number of persons from whom those donations had been received. They then indexed that amount according to the general tendency of such donations among incorporated churches in the years following the entry into force of the 2011 Church Act and the amendment of the rules concerning the supplementary State subsidy. This calculation method was accepted by the nine applicants who reached a partial or full agreement on just satisfaction with the Government.

43. In application of those general considerations, the Government invited the Court to establish the amount of just satisfaction in respect of pecuniary damage as follows:

- (a) *ANKH Az Örök Élet Egyháza*: EUR 23,000;
- (b) *Dharmaling Magyarország Buddhista Egyház*: EUR 63,000;
- (c) *Mantra Magyarországi Buddhista Egyháza*: EUR 100,000;
- (d) *Szangye Menlai Gedün, a Gyógyító Buddha Közössége Egyház*: EUR 27,000;
- (e) *Univerzum Egyháza*: EUR 38,000;
- (f) *Usui Szellemi Iskola Közösség Egyház*: EUR 73,000;
- (g) *Út és Erény Közössége Egyház*: EUR 26,000.

44. In respect of non-pecuniary damage, the Government accepted part of the applicants' claims as follows:

- (a) for *ANKH Az Örök Élet Egyháza*: EUR 13,000;
- (b) for *Dharmaling Magyarország Buddhista Egyház*: EUR 7,100;
- (c) for *Mantra Magyarországi Buddhista Egyháza*: EUR 6,100;
- (d) for *Szangye Menlai Gedün, a Gyógyító Buddha Közössége Egyház*: EUR 20,400;
- (e) for *Univerzum Egyháza*: EUR 15,300;
- (f) for *Usui Szellemi Iskola Közösség Egyház*: EUR 5,600;
- (g) for *Út és Erény Közössége Egyház*: EUR 6,600;
- (h) for Mr Szűcs: none.

2. The Court's assessment

(a) General principles

45. The Court reiterates that a judgment in which it finds a breach imposes on the respondent State a legal obligation to put an end to the breach and make reparation for its consequences in such a way as to restore as far as possible the situation existing before the breach. The Contracting States that are parties to a case are in principle free to choose the means whereby they will comply with a judgment in which the Court has found a breach. This discretion as to the manner of execution of a judgment reflects the freedom of choice attaching to the primary obligation of the Contracting States under the Convention to secure the rights and freedoms guaranteed (Article 1). If the nature of the breach allows of *restitutio in integrum*, it is for the respondent State to effect it, the Court having neither the power nor the practical possibility of doing so itself. If, on the other hand, national law does not allow – or allows only partial – reparation to be made, Article 41 empowers the Court to afford the injured party such satisfaction as appears to it to be appropriate (see, among many authorities, *Papamichalopoulos and Others v. Greece* (Article 50), 31 October 1995, § 34, Series A no. 330-B; *Iatridis v. Greece* (just satisfaction) [GC], no. 31107/96, §§ 32-33, ECHR 2000-XI; and *Kurić and Others v. Slovenia* (just satisfaction) [GC], no. 26828/06, § 80, ECHR 2014).

46. There must be a clear causal connection between the damage claimed by the applicants and the violation of the Convention. In appropriate cases, this may include compensation in respect of loss of earnings (see, among other authorities, *Barberà, Messegue and Jabardo v. Spain* (Article 50), 13 June 1994, § 16-20, Series A no. 285-C; and *Kurić*, cited above, § 81).

47. A precise calculation of the sums necessary to make complete reparation (*restitutio in integrum*) in respect of the pecuniary losses suffered by the applicants may be prevented by the inherently uncertain character of the damage flowing from the violation. An award may still be made

notwithstanding the large number of imponderables involved in the assessment of future losses, though the greater the lapse of time involved, the more uncertain the link becomes between the breach and the damage. The question to be decided in such cases is the level of just satisfaction, in respect of both past and future pecuniary losses, which it is necessary to award each applicant, the matter to be determined by the Court at its discretion, having regard to what is equitable (see, *mutatis mutandis*, *The Sunday Times v. the United Kingdom (no. 1)* (Article 50), 6 November 1980, § 15, Series A no. 38; and *Kurić*, cited above, § 82).

48. The Court further notes that where a loss of earnings (*lucrum cessans*) is alleged, it must be conclusively established and must not be based on mere conjecture or probability (see *Centro Europa 7 S.r.l. and Di Stefano v. Italy* [GC], no. 38433/09, § 219, ECHR 2012).

(b) Application of these principles to the present case

49. The Court notes at the outset that on 10 November 2015 members of the Fidesz-KDNP governing coalition submitted a bill with a view to amending the 2011 Church Act. However, the bill was rejected by Parliament on 15 December 2015. As a result, the applicants' situation has remained unchanged since the principal judgment was delivered.

(i) General considerations as regards the different heads of damage claimed by the applicants

(α) Loss of personal income tax donations and supplementary State subsidy

50. Apart from *Szim Shalom Egyház* and *Magyar Reform Zsidó Hitközségek Szövetsége Egyház* (and excluding *Magyarországi Evangéliumi Testvérközösség*), all other applicants submitted claims in respect of the loss of personal income tax donations, the corresponding supplementary State subsidy and default interests.

51. The Government accepted those claims in principle and challenged only the applicants' calculation of the respective amounts due.

52. In view of the Government's position, the Court accepts that the applicants sustained some pecuniary damage in this connection.

53. The Court observes that the Government proposed compensation for the damage which occurred in the years 2012 to 2014 on the basis of a method which was accepted by nine applicants in the negotiations (see paragraph 42 above).

54. The applicants followed divergent approaches in their calculations.

ANKH Az Örök Élet Egyháza did not challenge the method applied by the Government; rather, it simply specified an amount allegedly representing an "average" of regular donations. Moreover, in the documents submitted to the Court the applicant first claimed HUF 22,000,000 under this head, then modified its claim to EUR 118,000 (approximately

HUF 35,400,000), without providing any kind of explanation for this amendment.

Dharmaling Magyarország Buddhista Egyház calculated with an average of several years, rather than with the amount of most recent valid donations as proposed by the Government.

Mantra Magyarországi Buddhista Egyháza took the aggregate amount received by five incorporated Buddhist churches each year between 2012 and 2015 and claimed one fifth of those sums.

Szangye Menlai Gedün, a Gyógyító Buddha Közössége Egyház and *Univerzum Egyháza* claimed compensation also for 2011.

Usui Szellemi Iskola Közösség Egyház calculated with a prospective increase of fifty per cent per year in the volume of the donations, based on a tendency of three years from 2009.

Lastly, *Út és Erény Közössége Egyház* argued that the Government's calculation method failed to take into account the "specific tendencies" which were relevant to its situation (namely, that as a recently founded church it was in a stage of intensive expansion in terms of the number of donators); it only assessed a "general tendency" inferred from the volume of donations received by other churches.

55. The Court is not persuaded by the applicants' approaches which appear to be speculative in many of their elements. Moreover, as regards the method proposed by *Mantra Magyarországi Buddhista Egyháza*, the Court is of the view that the applicant's way of calculation does not seem to take into account the inevitable differences between the number of believers and donators of each church (for example, in 2010 the five incorporated Buddhist churches received donations from 4787, 3034, 1628, 1225 and 1121 persons respectively, whereas the applicant had only 577 donators). The Court further notes that, according to publicly available information published by the Tax Authority, *Szangye Menlai Gedün, a Gyógyító Buddha Közössége Egyház* and *Univerzum Egyháza* did receive tax donations in 2011.

56. Therefore the Court finds it reasonable to follow, as a basis for its calculation, the Government's method as outlined in paragraph 42 above. Notably, this method reflects more objectively the losses sustained by the applicants in that it is based on a time period closer to the alleged loss of gains and takes into account the actual tendency of tax donations and the relevant legislative changes. At the same time, it is also appropriate to increase the amounts proposed by the Government for the period 2012 to 2014 proportionately, in order to provide compensation for the period that has elapsed since the end of 2014, during which the applicants' situation has not improved (see paragraph 49 above).

(β) Loss of opportunity to participate in calls for projects open for incorporated churches

57. Three applicants (*ANKH Az Örök Élet Egyháza*, *Mantra Magyarországi Buddhista Egyháza* and *Út és Erény Közössége Egyház*) claimed compensation in respect of their loss of opportunity to participate in calls for project proposals open to incorporated churches only.

58. The Government were of the view that there was no causal link between the violation of the applicants' Convention rights and their claims for subsidies not granted as of right but dependent on further conditions.

59. As regards *ANKH Az Örök Élet Egyháza* and *Mantra Magyarországi Buddhista Egyháza*, the Court notes that they did not substantiate their participation in such calls for projects prior to the entry into force of the 2011 Church Act.

As far as *Út és Erény Közössége Egyház* is concerned, the Court observes that, by the time of the loss of its church status, the applicant had already ceded all its institutions providing public-interest services in respect of which it could have applied for grants distributed via calls for projects.

60. Therefore, the Court is of the view that the applicants did not suffer an effective loss of opportunities in connection with their ineligibility for grants distributed via calls for public-interest project proposals.

(γ) Loss of State subsidies other than the subsidy supplementing the income tax donations

61. *ANKH Az Örök Élet Egyháza* and *Usui Szellemi Iskola Közösség Egyház* also claimed compensation for their alleged loss of State subsidies under a different head than that mentioned in paragraph 50 above.

62. As regards, on the one hand, *ANKH Az Örök Élet Egyháza*, the Court observes that the Government did not refute the applicant's allegation according to which it had received, prior to the entry into force of the 2011 Church Act, a subsidy for the purposes of religious teaching. According to the applicant's submission, that subsidy amounted to HUF 1,184,000 (EUR 4,000) in 2010 alone. The Court further notes that the Government found acceptable the claims concerning State subsidies intended to support faith-related activities (see paragraph 40 above). Therefore, without speculating on the amount of subsidies which the applicant would have obtained if the violation of the Convention had not occurred, the Court considers that it is reasonable to award the applicant just satisfaction under this head, on an estimated basis.

63. On the other hand, the Court notes that *Usui Szellemi Iskola Közösség Egyház* stated in its observations that its activities had never been financed by the Hungarian State. In the light of this submission, the Court is of the view that the applicant did not suffer any loss of earnings with respect to its failure to receive State subsidies subsequently to the entry into force of the 2011 Church Act, any such claim being purely speculative.

- (δ) Expenses related to the administrative tasks warranted by the modification of the applicants' legal status

64. *ANKH Az Örök Élet Egyháza, Mantra Magyarországi Buddhista Egyháza* and *Út és Erény Közössége Egyház* requested just satisfaction in respect of the costs they incurred in the course of modification of their legal status incumbent on them following the entry into force of the 2011 Church Act.

65. The Court notes that the Government accepted that claim to the extent of the expenses reasonably incurred in relation with the applicants' change of status.

66. The Court thus finds it reasonable to award the above applicants just satisfaction under this head.

- (ε) Other heads of pecuniary damage

67. Four applicants (*ANKH Az Örök Élet Egyháza, Mantra Magyarországi Buddhista Egyháza, Usui Szellemi Iskola Közösség Egyház* and *Út és Erény Közössége Egyház*) claimed further compensation under other heads, in particular in respect of their alleged loss of offerings or contributions coming from existing or prospective believers as well as external persons; loss of expected gain from religious events, from the marketing of religious objects and printed material; loss of title or income related to various immovable properties; damage resulting from the frustration of contracts; depreciation of properties; loss of earnings in relation with the usually unused part of the State subsidy for the operation of social institutions; and frustration of the activity of specific institutions functioning within their framework.

68. In the Court's view, the applicants have not provided sufficient evidence for the establishment of a causal connection between those heads of damage and the breach found in the principal judgment.

Therefore, the Court rejects these claims.

- (ζ) Non-pecuniary damage

69. The Court considers that the violation it has found in the principal judgment must have caused the applicant entities enumerated in paragraph 44, points (a) to (g) some non-pecuniary damage, which it will take into account, to the same extent in each case, for the calculation of the global awards.

70. The Court further considers that, as regards the claim in respect of non-pecuniary damage made by Mr Szűcs (the religious leader of *Út és Erény Közössége Egyház*), the finding of a violation in the principal judgment constituted sufficient just satisfaction for him, alike for the ministers of other applicants who had made similar claims (see paragraph 130 of the principal judgment).

(ii) The claims of Szim Shalom Egyház and Magyar Reform Zsidó Hitközségek Szövetsége Egyház

71. The Court reiterates that *Szim Shalom Egyház* and *Magyar Reform Zsidó Hitközségek Szövetsége Egyház* claimed, respectively, HUF 77,768,742 (EUR 250,800) and HUF 159,767,470 (EUR 524,500) in respect of pecuniary damage; whereas the Government contested those claims in their entirety.

72. The Court observes that the agreement of 31 January 2012 on which the applicants based their claim (see paragraph 17 above) was a unilateral undertaking on the side of *MAZSIHISZ* to share the annuity with fellow Jewish religious communities. It is important to note that those fellow communities did not become directly entitled to receive a share from the compensation annuity in pursuit of section 3 of the Church Funding Act. Rather, it was *MAZSIHISZ* that remained in an exclusive legal relationship with the State and simply allowed, at its discretion, other churches to have a share from the annuity. In the Court's view, nothing appears to preclude the incorporated Jewish religious communities from sharing the annuity with other Jewish communities if they wish so, and that irrespective of the legal status of the community to be included in the scheme.

73. The Court further notes the parties' divergent positions as to the availability of a domestic remedy enabling the applicants to seek the enforcement of that agreement, in particular paragraph 15 thereof. The Court does not find it appropriate to adopt a stance on that question closely related to the interpretation of domestic law. In any event, the Court is of the view that there is no sufficiently established causal link between the applicants' alleged pecuniary damage and the violation of their Convention rights. Notably, in the principal judgment the Court criticised the removal of the applicants' church status altogether and the differentiation between "incorporated churches" and "organisations performing religious activities" – rather than the applicants' inability to obtain incorporated church status which is precisely the ground underlying their present claims. However, the circumstances of the case do not demonstrate that the applicants could have obtained that latter status had the violation of their Convention rights not taken place.

74. Thus, in the absence of the requisite causal link, the Court rejects the above-mentioned applicants' claims for pecuniary damage.

(iii) The awards to the remaining applicants

75. In application of the principles and general considerations outlined in paragraphs 50 to 70 above, the Court awards the applicants just satisfaction on the basis of equity, in respect of pecuniary and non-pecuniary damage, all heads combined, as follows:

- (a) for ANKH Az Örök Élet Egyháza: EUR 60,000;
- (b) for Dharmaling Magyarország Buddhista Egyház: EUR 90,000;

- (c) for Mantra Magyarországi Buddhista Egyháza: EUR 140,000;
- (d) for Szangye Menlai Gedün, a Gyógyító Buddha Közössége Egyház: EUR 45,000;
- (e) for Univerzum Egyháza: EUR 60,000;
- (f) for Usui Szellemi Iskola Közösség Egyház: EUR 105,000;
- (g) for Út és Erény Közössége Egyház: EUR 40,000.

B. Costs and expenses

1. The parties' submissions

(a) The applicants

76. Subsequently to the agreements mentioned in paragraphs 7 and 10 above, and excluding *Magyarországi Evangéliumi Testvérközösség* (see paragraphs 12 and 13 above) only the applicants listed below maintained certain claims in respect of costs and expenses incurred before the Court. These claims are as follows:

- (a) *Szim Shalom Egyház* and *Magyar Reform Zsidó Hitközségek Szövetsége Egyház* claimed, jointly, EUR 4,000 plus value-added tax (VAT). This sum corresponds to 20 hours of legal work billable by their lawyer at an hourly rate of EUR 200 plus VAT;
- (b) *ANKH Az Örök Élet Egyháza*: HUF 600,000 (EUR 2,000) plus VAT;
- (c) *Dharmaling Magyarország Buddhista Egyház*: EUR 2,500 plus VAT;
- (d) *Mantra Magyarországi Buddhista Egyháza*: HUF 600,000 (EUR 2,000) plus VAT;
- (e) *Szangye Menlai Gedün, a Gyógyító Buddha Közössége Egyház*: HUF 600,000 (EUR 2,000) plus VAT;
- (f) *Univerzum Egyháza*: HUF 600,000 (EUR 2,000) plus VAT;
- (g) *Usui Szellemi Iskola Közösség Egyház*: HUF 600,000 (EUR 2,000) plus VAT;
- (h) *Út és Erény Közössége Egyház*: EUR 2,760 plus VAT.

(b) The Government

77. In respect of the claims submitted by *Szim Shalom Egyház* and *Magyar Reform Zsidó Hitközségek Szövetsége Egyház*, the Government argued that the partial agreements concluded with those applicants already covered the costs and expenses incurred by them.

78. The Government accepted the claims of the remaining applicants enumerated in points (b) to (h) in paragraph 76 above to the extent of HUF 600,000 (EUR 2,000) each, including VAT.

2. *The Court's assessment*

79. According to the Court's case-law, an applicant is entitled to the reimbursement of costs and expenses only in so far as it has been shown that these have been actually and necessarily incurred and are reasonable as to quantum.

80. In the present case, regard being had to the documents in its possession and the above criteria, the Court considers it reasonable to award each of the applicants listed in points (b) to (h) of paragraph 76 above EUR 2,000 to cover all costs and expenses.

81. As regards the claims put forward by *Szim Shalom Egyház* and *Magyar Reform Zsidó Hitközségek Szövetsége Egyház*, the Court notes the provisions contained in their partial agreements with the State (see paragraph 10 above). Having regard to that declaration, the Court is of the view that the applicants can maintain claims of costs and expenses only with respect to the period following 31 December 2014. It therefore considers reasonable to award them, jointly, EUR 800 to cover all outstanding costs and expenses.

C. Default interest

82. The Court considers it appropriate that the default interest rate should be based on the marginal lending rate of the European Central Bank, to which should be added three percentage points.

FOR THESE REASONS, THE COURT, UNANIMOUSLY,

1. *Holds* that the finding of a violation constitutes in itself sufficient just satisfaction for the non-pecuniary damage sustained by Mr Szűcs (*Út és Erény Községe Egyház*, application no. 41553/12);
2. *Holds* that the questions as to the application of Article 41 in respect of the claims of *Magyarországi Evangéliumi Testvérközösség* (application no. 54977/12) are not ready for decision and accordingly,
 - (a) *further reserves* the said questions;
 - (b) *invites* the Government and the applicant to notify the Court, within six months from the adoption of the present judgment, of any agreement that they may reach;
 - (c) *reserves* the further procedure and *delegates* to the President of the Chamber the power to fix the same if need be;

3. *Holds*

(a) that the respondent State is to pay the remaining applicants, within three months from the date on which the judgment becomes final in accordance with Article 44 § 2 of the Convention, the following amounts, to be converted into the currency of the respondent State at the rate applicable at the date of settlement:

(i) in respect of pecuniary and non-pecuniary damage:

EUR 60,000 (sixty thousand euros), plus any tax that may be chargeable, to ANKH Az Örök Élet Egyháza (application no. 41553/12);

EUR 90,000 (ninety thousand euros), plus any tax that may be chargeable, to Dharmaling Magyarország Buddhista Egyház (application no. 41553/12);

EUR 140,000 (one hundred and forty thousand euros), plus any tax that may be chargeable, to Mantra Magyarországi Buddhista Egyháza (application no. 41553/12);

EUR 45,000 (forty-five thousand euros), plus any tax that may be chargeable, to Szangye Menlai Gedün, a Gyógyító Buddha Közössége Egyház (application no. 41553/12);

EUR 60,000 (sixty thousand euros), plus any tax that may be chargeable, to Univerzum Egyháza (application no. 41553/12);

EUR 105,000 (one hundred and five thousand euros), plus any tax that may be chargeable, to Usui Szellemi Iskola Közösség Egyház (application no. 41553/12);

EUR 40,000 (forty thousand euros), plus any tax that may be chargeable, to Út és Erény Közössége Egyház (application no. 41553/12);

(ii) in respect of costs and expenses:

EUR 2,000 (two thousand euros), plus any tax that may be chargeable to the applicants, to ANKH Az Örök Élet Egyháza, Dharmaling Magyarország Buddhista Egyház, Mantra Magyarországi Buddhista Egyháza, Szangye Menlai Gedün, a Gyógyító Buddha Közössége Egyház, Univerzum Egyháza, Usui Szellemi Iskola Közösség Egyház, and Út és Erény Közössége Egyház (application no. 41553/12) each;

EUR 800 (eight hundred euros), plus any tax that may be chargeable to the applicants, to *Szim Shalom Egyház* (application no. 41150/12) and *Magyar Reform Zsidó Hitközségek Szövetsége Egyház* (application no. 41155/12) jointly;

(b) that from the expiry of the above-mentioned three months until settlement simple interest shall be payable on the above amounts at a rate equal to the marginal lending rate of the European Central Bank during the default period plus three percentage points;

4. *Dismisses* the remainder of the applicants' claim for just satisfaction.

Done in English, and notified in writing on 28 June 2016, pursuant to Rule 77 §§ 2 and 3 of the Rules of Court.

Marialena Tsirli
Registrar

Paulo Pinto de Albuquerque
President

ANNEX

LIST OF ORIGINAL APPLICANTS

- In application no. 70945/11: *Magyar Keresztény Mennonita Egyház* and Mr Jeremiás Izsák-Bács;
- in application no. 23611/12: *Evangéliumi Szolnoki Gyülekezet Egyház* and Mr Péter János Soós;
- in application no. 26998/12: *Budapesti Autonóm Gyülekezet* and Mr Tamás Görbicz;
- in application no. 41150/12: *Szim Salom Egyház* and Mr Gergely Gusztáv Guba;
- in application no. 41155/12: *Magyar Reform Zsidó Hitközségek Szövetsége Egyház* and Ms László Mátyásné Bruck;
- in application no. 41463/12: European Union for Progressive Judaism;
- in application no. 54977/12: *Magyarországi Evangéliumi Testvérközösség*;
- in application no. 56581/12: *Magyarországi Biblia Szól Egyház*;
- in application no. 41553/12: *ANKH Az Örök Élet Egyháza, Árpád Rendjének Jögalapja Tradicionális Egyház, Dharmaling Magyarország Buddhista Egyház, Fény Gyermekei Magyar Esszénus Egyház, Mantra Magyarország Buddhista Egyháza, Szangye Menlai Gedün A Gyógyító Buddha Közössége Egyház, Univerzum Egyháza, Usui Szellemi Iskola Közösség Egyház, Út és Erény Közössége Egyház.*