

AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF CROATIA
AND
THE GOVERNMENT OF HUNGARY
ON THE EXCHANGE AND MUTUAL PROTECTION
OF CLASSIFIED INFORMATION

The Government of the Republic of Croatia and the Government of Hungary (hereinafter referred to as “the Parties”),

Recognising the importance of mutual cooperation between the Parties,

Realising that good cooperation may require exchange of Classified Information between the Parties,

Recognising that they ensure equivalent protection of Classified Information,

Wishing to ensure the protection of Classified Information exchanged between them or between the legal entities or individuals under their jurisdiction,

Mutually respecting national interests and security,

Have agreed as follows:

ARTICLE 1
OBJECTIVE AND APPLICABILITY OF THE AGREEMENT

1. The objective of this Agreement is to ensure the protection of Classified Information generated or exchanged in the course of cooperation between the Parties or between legal entities or individuals under their jurisdiction.

2. This Agreement shall not affect the obligations of the Parties under any other bilateral or multilateral agreement, including any agreements governing exchange and mutual protection of Classified Information, except when this Agreement contains stricter regulations regarding the exchange or mutual protection of Classified Information.

ARTICLE 2 DEFINITIONS

For the purposes of this Agreement:

- a) **“Classified Information”** means any information that, regardless of its form or nature, in accordance with the national laws and regulations of either Party, requires protection against Breach of Security and has been duly designated and marked appropriately;
- b) **“Need-to-know”** means the principle according to which access to specific Classified Information may only be granted to a person who has a need to access this Classified Information in connection with his/her official duties or for the performance of a specific task;
- c) **“Security Classification Level”** means a category which, in accordance with national laws and regulations, characterises the level of restriction of access to Classified Information and the minimum level of its protection;
- d) **“Breach of Security”** means any act or omission which is contrary to this Agreement or to the national laws and regulations of the Parties, the result of which may lead to disclosure, loss, destruction, misappropriation of Classified Information, or any other type of loss of its confidentiality, integrity or availability;
- e) **“Originating Party”** means the Party, including legal entities or individuals under its jurisdiction, which releases the Classified Information;
- f) **“Recipient Party”** means the Party, including legal entities or individuals under its jurisdiction, which receives the Classified Information;
- g) **“National Security Authority”** means the state authority responsible for the implementation and supervision of this Agreement;
- h) **“Personnel Security Clearance Certificate”** means the determination by the National Security Authority that an individual is eligible to have access to Classified Information in accordance with the national laws and regulations;
- i) **“Facility Security Clearance Certificate”** means the determination by the National Security Authority that a legal entity, possessing the legal capacity, has the physical and organizational capability to handle and store Classified Information in accordance with the national laws and regulations;
- j) **“Classified Contract”** means a contract that involves or requires access to Classified Information;
- k) **“Contractor”** means an individual or a legal entity possessing the legal capacity to

conclude Classified Contracts in accordance with the national laws and regulations;

1) “**Third Party**” means any state, including the legal entities or individuals under its jurisdiction, or international organisation not being a party to this Agreement.

ARTICLE 3 NATIONAL SECURITY AUTHORITIES

1. The National Security Authorities of the Parties are:

In the Republic of Croatia:

Ured Vijeća za nacionalnu sigurnost (Office of the National Security Council)

In Hungary:

Nemzeti Biztonsági Felügyelet (National Security Authority).

2. The National Security Authorities shall provide each other with official contact details and shall inform each other of any subsequent changes thereof.

3. The Parties shall inform each other through diplomatic channels of any subsequent changes of the National Security Authorities.

ARTICLE 4 SECURITY CLASSIFICATION LEVELS AND MARKINGS

1. Any Classified Information generated or exchanged under this Agreement shall be marked with the appropriate Security Classification Level in accordance with national laws and regulations of the Parties.

2. The equivalence of national security classification levels and markings is as follows:

In the Republic of Croatia	In Hungary	Equivalent in English language
VRLO TAJNO	„Szigorúan titkos!”	TOP SECRET
TAJNO	„Titkos!”	SECRET
POVJERLJIVO	„Bizalmas!”	CONFIDENTIAL
OGRANIČENO	„Korlátozott terjesztésű!”	RESTRICTED

ARTICLE 5
ACCESS TO CLASSIFIED INFORMATION

Access to Classified Information under this Agreement shall be limited only to individuals upon the Need-to-know principle, to whom an appropriate Personnel Security Clearance Certificate has been issued in accordance with the national laws and regulations and who have been briefed on their responsibilities for the protection of Classified Information.

ARTICLE 6
SECURITY PRINCIPLES

1. In accordance with their national laws and regulations, the Parties shall take all appropriate measures for the protection of Classified Information generated or exchanged under this Agreement.

2. The Originating Party shall:

- a) ensure that Classified Information is marked with appropriate security classification markings in accordance with its national laws and regulations;
- b) inform the Recipient Party of any use conditions of Classified Information;
- c) inform the Recipient Party in writing without delay of any subsequent changes in the Security Classification Level or duration of classification.

3. The Recipient Party shall:

- a) ensure that Classified Information is marked with equivalent security classification marking in accordance with Article 4 of this Agreement;
- b) afford the same level of protection to Classified Information as afforded to its own Classified Information of equivalent Security Classification Level in accordance with Article 4 of this Agreement;
- c) ensure that Classified Information is not declassified nor its Security Classification Level changed without the prior written consent of the Originating Party;
- d) ensure that Classified Information is not released to a Third Party without the prior written consent of the Originating Party;
- e) use Classified Information only for the purpose it has been released for and in accordance with the use conditions of the Originating Party.

ARTICLE 7
SECURITY COOPERATION

1. In order to maintain compatible standards of security, the National Security Authorities shall, on request, inform each other of their national laws and regulations concerning the protection of Classified Information and the practices stemming from their implementation.

The National Security Authorities shall inform each other of any subsequent changes in their national laws and regulations concerning Classified Information.

2. On request, the National Security Authorities shall, in accordance with their national laws and regulations, assist each other during the personnel security clearance procedures and facility security clearance procedures.

3. On request, the Parties shall, in accordance with their national laws and regulations, recognise the Personnel Security Clearance Certificates and the Facility Security Clearance Certificates issued by the other Party. Article 4 of this Agreement shall apply accordingly.

4. The National Security Authorities shall promptly notify each other about changes in the recognised Personnel Security Clearance Certificates and Facility Security Clearance Certificates, especially in case of their withdrawal.

5. The cooperation under this Agreement shall be effected in the English language.

ARTICLE 8 CLASSIFIED CONTRACTS

1. Classified Contracts shall be concluded and implemented in accordance with the national laws and regulations of each Party. On request, the National Security Authorities shall confirm that the proposed Contractors as well as individuals participating in pre-contractual negotiations or in the implementation of Classified Contracts at the level POVJERLJIVO / „Bizalmas!“ / CONFIDENTIAL or above have an appropriate Personnel Security Clearance Certificate or Facility Security Clearance Certificate.

2. If the proposed Contractor does not hold an appropriate security clearance certificate, the National Security Authority of the Originating Party may request the National Security Authority of the Recipient Party to issue the appropriate security clearance certificate.

3. The National Security Authority of one Party may request from the National Security Authority of the other Party that a security inspection is carried out to ensure continuing protection of Classified Information at a facility located on the territory of the other Party which has been involved in the Classified Contract.

4. Each Classified Contract or sub-contract shall contain Project Security Instructions on the security requirements, including the Contractor's obligations to protect Classified Information, and on the Security Classification Level of each element of the Classified Contract. A copy of the Project Security Instructions shall be forwarded to the National Security Authority of the Party under whose jurisdiction the Classified Contract is to be implemented.

5. The Contractor's obligations to protect Classified Information shall include, at least, the following:

- a) granting access to Classified Information in accordance with the national laws and regulations and this Agreement;
- b) transferring and transmitting Classified Information by the means specified in this Agreement;
- c) communicating any changes that may arise in respect of the Classified Information;
- d) using the Classified Information under the Classified Contract only for the purposes related to the subject of the contract;
- e) adhering strictly to the provisions of this Agreement related to the procedures for handling Classified Information;
- f) notifying the Contractor's National Security Authority of any Breach of Security related to the Classified Contract;
- g) releasing the Classified Information related to the Classified Contract to any Third Party only upon prior written consent of the Originating Party.

6. Sub-contractors engaged in Classified Contracts shall comply with the security instructions which apply to the Contractors.

ARTICLE 9

TRANSFER AND TRANSMISSION OF CLASSIFIED INFORMATION

1. Classified Information shall be transferred in accordance with the national laws and regulations of the Originating Party through diplomatic channels or as otherwise agreed in writing between the National Security Authorities. The Recipient Party shall confirm the receipt of Classified Information at the levels TAJNO / „Titkos!“ / SECRET and above. The receipt of other Classified Information shall be confirmed on request.

2. The Parties may transmit Classified Information by electronic means in accordance with the security procedures approved by the National Security Authorities in writing.

ARTICLE 10

REPRODUCTION, TRANSLATION AND DESTRUCTION OF CLASSIFIED INFORMATION

1. Reproductions and translations of Classified Information released under this Agreement shall bear appropriate security classification markings and shall be protected as the originals. The number of reproductions shall be limited to that required for official purposes.

2. Translations of Classified Information released under this Agreement shall bear a note in the language of translation indicating that they contain Classified Information of the Originating Party.

3. Classified Information released under this Agreement marked VRLO TAJNO / „Szigorúan titkos!” / TOP SECRET shall be translated or reproduced only upon the prior written consent of the Originating Party.

4. Classified Information released under this Agreement marked VRLO TAJNO / „Szigorúan titkos!” / TOP SECRET shall not be destroyed and shall be returned to the Originating Party.

5. The Originating Party may, by adding a use condition, expressly prohibit the destruction of Classified Information. If the destruction of Classified Information is prohibited, it shall be returned to the Originating Party.

6. Classified Information the destruction of which is not prohibited in accordance with paragraphs 4 and 5 of this Article and which is no longer needed shall be destroyed in a way which prevents its reconstruction in whole or in part.

7. In case of a crisis situation in which it is impossible to protect or to return the Classified Information to the Originating Party, it shall be destroyed without delay. The National Security Authority of the Recipient Party shall notify the National Security Authority of the Originating Party in writing about the destruction of the Classified Information without delay.

ARTICLE 11 VISITS

1. Visits requiring access to Classified Information shall be subject to the prior written consent of the National Security Authority of the respective Party.

2. The National Security Authority of the visiting Party shall notify the National Security Authority of the host Party about the planned visit through a request for visit at least twenty days before the visit takes place. In urgent cases, the request for visit may be submitted at a shorter notice, subject to prior coordination between the National Security Authorities.

3. The request for visit shall contain:

- a) visitor's first name and last name, date and place of birth, nationality and passport/ID card number;
- b) position of the visitor and specification of the legal entity represented;
- c) visitor's Personnel Security Clearance Certificate level and its validity;
- d) date and duration of the visit, and in case of recurring visits, the total period of time covered by the visits;
- e) purpose of the visit including the highest Security Classification Level of Classified Information involved;
- f) name and address of the facility to be visited, as well as the name, phone/fax number, e-mail address of its point of contact;

- g) date, signature and stamping of the official seal of the National Security Authority;
- h) any other data, agreed upon by the National Security Authorities.

4. The National Security Authorities may agree on a list of visitors entitled to recurring visits. The National Security Authorities shall agree on the further details of the recurring visits.

5. Classified Information acquired by a visitor shall be considered as Classified Information exchanged under this Agreement.

6. Each Party shall guarantee the protection of the personal data of the visitors in accordance with its national laws and regulations.

ARTICLE 12 BREACH OF SECURITY

1. The National Security Authorities shall, without delay, inform each other in writing of any Breach of Security of Classified Information generated or exchanged under this Agreement or profound suspicion thereof.

2. The National Security Authority of the Party where the Breach of Security has occurred shall inspect the incident and initiate other appropriate proceedings to determine the circumstances of the breach without delay. The National Security Authority of the other Party shall, if required, cooperate in the inspection and the proceedings.

3. In any case, the National Security Authority of the Recipient Party shall inform the National Security Authority of the Originating Party in writing about the circumstances of the Breach of Security, the extent of the damage, the measures applied for its mitigation and the outcome of the inspection and the proceedings.

4. When the Breach of Security has occurred in a third state, the National Security Authorities shall agree upon the actions and measures to be taken without delay to minimize the possible damage.

ARTICLE 13 EXPENSES

Each Party shall bear its own expenses incurred in the course of the implementation and supervision of this Agreement.

ARTICLE 14 FINAL PROVISIONS

1. This Agreement shall enter into force on the first day of the second month following the date of receipt of the last written notification by which the Parties have informed each other, through diplomatic channels, that their internal legal requirements necessary for its entry into force have been fulfilled.

2. This Agreement is concluded for an indefinite period of time. Each Party may terminate this Agreement at any time by written notification to the other Party, through diplomatic channels. In such a case, the Agreement shall terminate six months from the date on which the termination notice has been received by the other Party.

3. This Agreement may be amended at any time by mutual written consent of the Parties. Such amendments shall enter into force in accordance with paragraph 1 of this Article.

4. Notwithstanding the termination of this Agreement, all Classified Information generated or exchanged under this Agreement shall continue to be protected in accordance with the provisions of this Agreement, unless the Parties agree otherwise in writing.

5. Any dispute regarding the interpretation or implementation of this Agreement shall be settled by consultations and negotiations between the Parties and shall not be referred to any international tribunal or Third Party for settlement.

Done at Budapest on 10 June 2016 in two originals, each in the Croatian, Hungarian and English languages, all texts being equally authentic. In case of any divergences in interpretation, the English text shall prevail.

**For the Government
of the Republic of Croatia**

**For the Government
of Hungary**