

Dear Reader!

As Editor-in-Chief of *Pénzügyi Szemle*, I strive to ensure that our journal always provides an objective, ideology-free professional platform for recognised masters of the discipline, experienced senior researchers and members of the emerging young generation of academics, whilst also providing useful information for practitioners, whether the topics concern inflation, corruption, the introduction of the euro, or issues relating to local authorities' tax revenue and ethics. These professional discussions are important because they can provide a framework for understanding the problems that arise in public finance.

The author of our first study examines the conditions for joining the eurozone (price and exchange rate stability, a budget deficit below 3 per cent, public debt below 60 per cent, and interest rate convergence), its benefits (the elimination of transaction costs as a driving force, a more predictable environment, and genuine integration offering the prospect of prosperity and long-term economic stability) and its risks (the abandonment of independent central bank interest rate and exchange rate policies, a lack of preparedness, and one-off price shocks). It draws attention to the fact that introducing the euro too early could further increase Hungary's dependence on more developed economies, which could entail the risk of being marginalised.

Our second study examines the impact of inflation on public debt. Based on the results of their empirical research, the authors conclude that rising inflation generally reduces the public debt ratio – the ratio of public debt to GDP – in the short term, whilst it may increase it in the medium term, as it raises budgetary expenditure and interest burdens. The direction and extent of this effect depend on how quickly the financial markets react and on the composition of the debt.

The authors of our third study report that, although the Real-Time Gross Settlement System operated by the Hungarian National Bank (the primary means of making large-value, instant, final and irrevocable domestic forint transfers) brought about fundamental structural changes in domestic and international payment traffic following its migration to the new international standard on 27 October 2025 (enhancing data richness, the accuracy of filtering, compatibility and transaction processing), it did not require any exceptional adjustments to liquidity management. The aim of the modernisation was to achieve full alignment with international systems and to increase the efficiency of transactions. The migration took place without any significant liquidity disruptions, which points to the success of the project's technical preparation and the high level of market confidence in the central bank.

The author of our fourth study examines how the economic structure of Hungarian localities affects the fiscal autonomy of local authorities. Local business tax revenues depend directly on the type, number and performance

of businesses operating in the locality. The structure of the local economy (industrial, service-based, agricultural and diversified settlement types) results in enormous differences in potential tax revenues. The central government attempts to mitigate this structural disadvantage through resource reallocation measures, although structural economic development would be far more effective in reducing regional disparities. The functioning of modern public finances and the efficient allocation of public funds are not merely technocratic policy tasks, but the cornerstones of social stability and sustainable economic development.

Our fifth study examines why, despite efforts towards objectivity, harmonisation and standardisation, the EU tariff classifications of goods with cultural characteristics differ across Member States. In practice, classification under the European Union's Combined Nomenclature is based on the tangible, physical and chemical properties of goods, as well as on official customs authorities' tools. A good's tariff heading is determined by what the good is, not by what it is used for. The discrepancies in tariff classifications can be explained by cultural embeddedness and differences in perspective and tradition; in other words, they are due to the influence of cultural factors at the level of interpretation and application.

Our sixth study compares the prohibition of retroactive effect in German and Hungarian constitutional law. The author raises research questions such as how the retrospective reassessment of legal situations that have already been concluded can be distinguished from future amendments to existing legal relationships, and what role legal certainty, the protection of legitimate expectations and proportionality play in this. It transpires that German law attaches different presumptions and burdens of proof to genuine and non-genuine retroactive effect, whilst Hungarian practice applies the same substantive criteria within a less uniform conceptual framework. The development of Hungarian legal doctrine requires a transparent and verifiable systematisation of the criteria for weighing up the interests involved.

The authors of our seventh study use in-depth interviews to examine how ethics, as a form of capital, can enhance the reliability of financial reporting in the public sector, as well as the prevention of malpractice, transparency and accountability. Ethical capital and an ethical culture are of fundamental importance in the public sector. They are not merely an abstract moral category, but a structural safeguard for good governance and effective public finance management; they constitute the strongest internal line of defence and control function, encouraging proactive information-sharing. Local authorities must pay greater attention to developing the ethical competencies of financial managers, as the manipulation of financial information most often stems from these individuals being under organisational and political pressure, and from a lack of moral courage and ethical consistency in preventing and uncovering fraud. If management demonstrates zero tolerance towards irregularities, this will deter the occurrence of misconduct throughout the entire organisation.

In this issue of our journal, we publish an interview with György Surányi, the 16th and 18th Governor of the Hungarian National Bank, who has been a lecturer at Corvinus University of Budapest and a professor at CEU for nearly fifty years. The conversation sheds light on many interesting ‘behind-the-scenes secrets’ from the years before and after the change of regime. He began his career at the Financial Research Institute, then served as a consultant to the World Bank, chief economic adviser to the government, and State Secretary at the National Planning Office. Following his tenure as Governor of the Central Bank, he served as Chief Executive Officer of CIB Bank, and subsequently as Head of Central and Eastern Europe for the Intesa Sanpaolo banking group. He was a member **of** the Blue Ribbon Commission, the Bilderberg Group, the Hungarian–American Enterprise Fund, the United Nations Committee on Development and Planning, the advisory boards of the EBRD and Capital International Ltd., the boards of the International Institute of Public Finance and the EastWest Institute, and the board of directors of the European and Global Economic Laboratory. In 2002, he was awarded the Commander’s Cross with Star of the Order of Merit of the Republic of Hungary.

There is a report on the talent development programme launched at Corvinus University of Budapest in 2021, the Gyula Illyés Programme, which helps young people in need to gain access to university education through a ten-month training course.

In our book review section, we present the latest book by László Lovász – a human rights expert, lawyer and futurologist – entitled “On the Renewal of Humanism: Enhanced Humans and Humanoid Robots in a Super-Ageing Society”, which examines how robots and artificial intelligence might save ageing societies. According to the author, humanity has become capable not only of transforming its physical and economic environment, but also of radically redefining its own biological and cyber-social nature.

Once again, I would like to thank the authors and editors of this issue of our journal for their dedicated work. I hope you all find reading our somewhat voluminous publication both enriching and worthwhile.

*János Lukács
Editor-in-Chief*