

Resolution on ongoing hearings under Article 7 (1) TEU regarding Hungary to strengthen the rule of law and its budgetary implications

2024/2683(RSP) - 24/04/2024 - Text adopted by Parliament, single reading

The European Parliament adopted by 399 votes to 117, with 28 abstentions, a resolution on ongoing hearings under Article 7(1) TEU regarding Hungary to strengthen the rule of law and its budgetary implications.

The text adopted in plenary was tabled by the EPP, S&D, Renew, Greens/EFA and the Left groups.

Context

In 2018, upon a proposal of the European Parliament, the Council initiated the procedure laid down in Article 7(1) TEU with a view to addressing a clear risk of a serious breach by Hungary of the values referred to in Article 2 TEU. Six hearings on the situation in Hungary under the Article 7(1) TEU procedure have taken place in the Council since the start of the procedure, but the Council has not yet attempted to determine whether such risk exists, and has not addressed any recommendations to the Government of Hungary.

Persisting serious deficiencies that remain unaddressed concern, *inter alia*: (i) rule of law in the justice system; (ii) anti-corruption and conflict of interest; (iii) media freedom and pluralism; (iv) constitutional and electoral system, as well as checks and balances; (v) functioning of civil society; (vi) protection of the financial interests of the EU; (vii) single market principles and rules; (viii) fundamental rights.

Parliament is appalled by the persistent systemic and deliberate breach of democracy, the rule of law and fundamental rights in Hungary, for which the Hungarian Government bears responsibility. It also expressed deep regret that the lack of decisive action by the Commission and the Council has contributed to a breakdown in democracy, the rule of law and fundamental rights in that country, turning it into a hybrid regime of electoral autocracy.

Parliament condemns the adoption of the Protection of National Sovereignty Act and the creation of the Sovereignty Protection Office (SPO) with extensive powers and a strict system of surveillance and sanctions, which fundamentally violates standards of democracy such as the principle of free and fair elections, the rule of law and fundamental rights, and breaches multiple EU laws. It welcomed the Commission's infringement procedure against Hungary on this matter.

The Hungarian Government is called on to **repeal the act** immediately and the Commission is to ask the CJEU for the immediate suspension of the application of the above law as an interim measure, as this law affects the principle of free and fair elections.

Deploring the inability of the Council to make meaningful progress in the ongoing Article 7(1) TEU procedure, Parliament reiterated its call to improve the situation by holding regular hearings, rapidly addressing longstanding and new problems affecting the rule of law, democracy and fundamental rights and issuing concrete recommendations with deadlines for implementation.

Parliament recalled the importance of the Rule of Law Conditionality Regulation and welcomed the Commission Decision of 13 December 2023 confirming that the risk to the Union budget has remained unchanged since December 2022.

The resolution reiterated serious concerns about the decision, considering that the horizontal enabling condition of the Charter had been fulfilled in relation to judicial independence, which enabled the Hungarian authorities to submit reimbursement claims of up to EUR 10.2 billion without adequate control mechanisms or public procurement procedures in place to guarantee sound financial management or the protection of the EU budget. It called on the Commission to **freeze the funds** until all of the relevant legislation has been fully implemented, the adopted measures have proven their effectiveness in practice and Hungary has implemented all of the relevant judgments of the CJEU and ECtHR.

Hungary is called on to join the EPPO as a matter of urgency.

Parliament deplored the fact that Hungary has **abused its veto power** in the Council, preventing essential aid from being granted to Ukraine, thus undermining strategic interests of the EU. It condemned the Hungarian Government's general policy towards Russia.

Lastly, the Commission and the Council are called on to immediately enter into negotiations with Parliament on an EU mechanism on democracy, the rule of law and fundamental rights in the form of an interinstitutional agreement, and on including a permanent policy cycle among the EU institutions.