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Brussels moves to deduct €200 million fine from Hungary's EU funds, as country refuses to pay up



Budapest will soon be deprived of a share of its EU funds for refusing to pay the fine imposed by the European Court of Justice in June 2024.

The European Commission has triggered a special procedure to deduct the €200 million fine that the European Court of Justice (ECJ) has imposed on Hungary over the country's long-standing restrictions on the right to asylum. The fine has to be paid as a lump sum to the European Commission.

Budapest missed the first deadline in late August, prompting the executive to send a second payment request with a deadline of 17 September.

Since this second request was also ignored, the Commission said on 18 September 2024 it would activate the so-called "offsetting procedure" to subtract the €200 million fine from Hungary's allocated share of the EU budget. The mechanism will look into various financial envelopes expected to be disbursed to Hungary in the coming weeks. Around €21 billion of cohesion and recovery funds earmarked for Hungary remain frozen due to rule-of-law decline.