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From:	General Secretariat of the Council
To:	European Council
Subject:	Council Decisions to Hungary and Romania in the context of the Significant Deviation Procedure under Article 121(4) TFEU
	– Report to the European Council

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On 14 June 2019, the Council decided in accordance with Article 121(4) of the Treaty on the Functioning of the European Union ('TFEU') that a significant observed deviation from the adjustment path toward the medium-term budgetary objective existed in Hungary and Romania.

In view of the established significant deviation, the Council on 14 June 2019 issued Recommendations for Hungary and Romania with a view to correcting the significant observed deviations from the adjustment path toward the medium-term budgetary objective.

The Council, acting on recommendations by the Commission, decided on 5 December 2019, in accordance with Article 10(2) of Council Regulation (EC) No 1466/97 of 7 July 1997, that Romania and Hungary had not taken effective action in response to their respective Council Recommendations of 14 June 2019.

The text of the Council Decisions is set out in the document listed in the annex to this note.

The Council, at its meeting on 28 January 2020, is invited to transmit this note to the European Council in accordance with the provisions of Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies. Specifically, Article 10(2) seventh subparagraph specifies that the Council shall submit a formal report to the European Council on the decisions taken accordingly.

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Council Decision establishing that no effective action has been taken by Hungary in response to the Council Recommendation of 14 June 2019	14176/19
Council Decision establishing that no effective action has been taken by Romania in response to the Council Recommendation of 14 June 2019	14178/19

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