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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Subject:	Proposal for a COUNCIL IMPLEMENTING DECISION on making the financial assistance under Regulation (EU) 2025/1106 available to Hungary

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Proposal for a

COUNCIL IMPLEMENTING DECISION

on making the financial assistance under Regulation (EU) 2025/1106 available to Hungary

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THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument[1], and in particular Article 8 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) The Commission launched a call for expression of interest to receive financial assistance under the Security Action for Europe through the Reinforcement of the European Defence Industry Instrument (the 'SAFE instrument'), requesting Member States to provide for an indicative maximum and minimum loan amount. By 29 August 2025, 19 Member States had expressed interest in obtaining financial assistance under Regulation (EU) 2025/1106.

(2) On 9 September 2025, the Commission notified the requesting Member States of the tentative allocation of the loan amounts per Member State.

(3) On 29 November 2025, Hungary submitted a request in accordance with Article 7(1) of Regulation (EU) 2025/1106 for financial assistance (the 'request') accompanied by a European defence industry investment plan (the 'plan').

(4) On 19 September 2026, before the Commission has finalised the assessment of the request and the plan in accordance with Article 7 of Regulation (EU) 2025/1106, the Hungarian authorities notified the Commission about their intention to review their request for financial assistance.

(5) On 15 October 2026, Hungary submitted a new request accompanied by a revised plan, including a reduction of the amount requested to EUR 5 405 644 108,40, which the Commission assessed against the conditions laid down in Regulation (EU) 2025/1106.

(6) In accordance with Article 7 of Regulation (EU) 2025/1106, the revised plan was duly reasoned and substantiated and set out a description of the defence products and of the other products for defence purposes and where relevant, a description of the foreseen involvement of Ukraine in the planned activities, expenditures and measures, or of foreseen actions for the benefit of Ukraine.

[1] Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence industry Instrument (OJ L, 2025/1106, 28.5.2025, ELI: http://data.europa.eu/eli/reg/2025/1106/oj).

(7) The Commission found that the request fulfils the conditions laid down in Article 4 of Regulation (EU) 2025/1106 for using the SAFE instrument. In particular, it ensures that activities, expenditures and measures related to defence products or other products for defence purposes are carried through common procurements or single procurements. They also have the objective to speed up the adjustment of the defence industry to structural changes and/or improve the timely availability of defence products, and/or ensure interoperability and interchangeability across the Union.

(8) The Commission also found that the request contains a description of the planned measures aimed at ensuring compliance with Article 16 and procurement rules of Regulation (EU) 2025/1106, including a description of how that compliance is to be ensured.

(9) As a result, in accordance with Article 8(2) of Regulation (EU) 2025/1106, the Commission is in a position to confirm that the request complies with the conditions laid down in that Regulation in particular those provided for in Article 4, Article 7(2) and Article 16.

(10) In accordance with Article 8(5) of Regulation (EU) 2025/1106, the Commission has considered existing and expected financial needs of Hungary as well as requests for financial assistance pursuant to that Regulation already submitted or planned to be submitted by other Member States, while applying the principle of equal treatment, solidarity, proportionality and transparency.

(11) This Decision should be without prejudice to the obligation of and outcome of any procedures under Regulation (EU) 2024/1263 of the European Parliament and of the Council[2] and Council Regulation (EC) No 1467/97[3],

(12) This Decision should be without prejudice to the relevant rules adopted pursuant to Article 322 of the Treaty on the Functioning of the European Union, in particular Regulations (EU, Euratom) 2024/2509[4] and (EU, Euratom) 2020/2092[5]of the European Parliament and of the Council.

(13) In accordance with Article 10(2) of Regulation (EU) 2025/1106, the loan agreement to be entered into with Hungary should set out all appropriate measures necessary for the protection of the Union's financial interests.

HAS ADOPTED THIS DECISION:

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2 Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97 (OJ L 2024/1263, 30.4.2024, ELI: http://data.europa.eu/eli/reg/2024/1263/oj).

3 Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L 209, 2.8.1997, p. 6, ELI: http://data.europa.eu/eli/reg/1997/1467/oj).

4 Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj).

5 Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1, ELI: http://data.europa.eu/eli/reg/2020/2092/oj).

Article 1

It is hereby confirmed that the Commission has assessed the request for financial assistance under the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument submitted by Hungary on 15 October 2026 and found that the request fulfils the conditions laid down in Regulation (EU) 2025/1106, in particular those in Article 4, Article 7(2) and Article 16. Financial assistance shall be made available to Hungary accordingly.

Article 2

1. The Union shall make available to Hungary a loan amounting to a maximum of EUR 5 405 644 108,40.

2. The Commission shall make loan support available to Hungary. An amount of EUR 810 846 616,26 shall be made available as pre-financing payment.

Article 3

This Decision shall take effect on the date of its notification.

Article 4

This Decision is addressed to Hungary.

Done at Brussels,

For the Council
The President