



Judgment of the General Court in Case T-457/24 | Hungary v European Peace Facility (EPF) and Council

Press release No 123/26

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Common foreign and security policy (CFSP): the General Court dismisses Hungary's action against the decision of the EPF Committee that allocated the first instalment of extraordinary revenues from frozen Russian assets to support for the Ukrainian Armed Forces

The General Court does not have jurisdiction to examine the legality, including the external legality, of such a decision, since it is directly related to the political or strategic choices made in the context of the CFSP ¹

In 2021, the Council of the European Union created the European Peace Facility (EPF) in order to finance Union actions under the CFSP. ² On 21 May 2024, the Council adopted, first, a decision ³ laying down rules on the direction of amounts corresponding to the profits ensuing from extraordinary revenues ⁴ to support for Ukraine, and, second, a decision ⁵ relating to the allocation of those amounts. Hungary voted in favour of the first decision but constructively abstained ⁶ during the adoption of the second decision.

On 21 June 2024, the EPF Committee adopted, by written procedure, a decision to allocate the first instalment of those profits to the Ukrainian Armed Forces. It found that Hungary could not participate in the vote on the adoption of that decision, on account of the fact that it had constructively abstained during the adoption of the second decision referred to in the preceding paragraph.

Hungary brought an action before the General Court of the European Union against the EPF and the Council seeking the annulment of the decision of 21 June 2024 and of the minutes recording the adoption thereof. That Member State challenged the legality of the procedure for the adoption of that decision, relying on a breach of the applicable voting rules ⁷ and on a failure to observe the fundamental values and constitutional principles of the European Union relating to the rule of law, the equality of the Member States and the democratic functioning of the European Union.

By its judgment, **the General Court dismisses the action, on the ground that it does not fall within the jurisdiction of the EU judicature.**

First, the General Court finds that the EPF has legal capacity. Thus, the action brought against an act of its committee is not part of the categories of actions reserved for the Court of Justice ⁸ as an action brought by a Member State against the Council. The action must therefore be examined by the General Court.

Next, the General Court recalls that, in principle, the Court of Justice of the European Union does not have jurisdiction with respect to the provisions relating to the CFSP and with respect to acts adopted on the basis of those provisions. The General Court finds also that the present case is not covered by either of the two exceptions ⁹ that are provided for by the treaties and that allow the Court of Justice to become involved in that field.

Lastly, the General Court finds **that the contested decision made political or strategic choices within the framework of the CFSP, inasmuch as it determined the allocation and specific distribution of the funds to the financing of the acquisition of equipment 'of a military nature' intended for the Ukrainian Armed Forces and, moreover, chose the assistance measure to which those funds would be allocated.**

NOTE: An action for annulment seeks the annulment of acts of the institutions, bodies, offices and agencies of the European Union that are contrary to EU law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

NOTE: An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months and ten days of notification of the decision.

Unofficial document for media use, not binding on the General Court. The presentation of the facts and the legal context refers to the relevant period and is based on the case file.

The [full text and, as the case may be, an abstract](#) of the judgment is published on the CURIA website on the day of delivery.

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Images of the delivery of the judgment are available on '[European Broadcasting Service](#)' ☎ (+32) 2 2964106.

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¹ Within the meaning of the judgment of 10 September 2024 in Joined Cases, [KS and KD v Council and Others, C-29/22 P, and Commission v KS and Others, C-44/22 P](#), paragraph 117 (see also Press Release [No 134/24](#)).

² [Council Decision \(CFSP\) 2021/509](#) of 22 March 2021 establishing a European Peace Facility, and repealing Decision (CFSP) 2015/528.

³ [Council Decision \(CFSP\) 2024/1470](#) of 21 May 2024 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine.

⁴ The 'extraordinary revenues' designate the net profits ensuing from the extraordinary cash balances that accumulated on the balance sheets of central securities depositories as a result of funds generated by the freezing and the seizure of Russian assets in the context of the EU restrictive measures.

⁵ [Council Decision \(CFSP\) 2024/1471](#) of 21 May 2024 on the allocation of the amounts of the financial contribution paid to the European Peace Facility pursuant to Decision (CFSP) 2024/1470.

⁶ That is to say, it abstained from voting, without, however, preventing the adoption of the decision, for the purposes of the second subparagraph of Article 31(1) TEU.

⁷ Article 31(1) TEU and Article 11(8) and (14) of Decision 2021/509.

⁸ Article 51 of [Protocol No 3](#) to the Treaty on European Union on the Statute of the Court of Justice of the European Union lists the categories of actions reserved for the Court of Justice.

⁹ Last sentence of the second subparagraph of Article 24(1) TEU and second paragraph of Article 275 TFEU.