

Regulations governing political parties at European level and rules regarding their funding

2007/0130(COD) - 18/12/2007 - Final act

PURPOSE: to improve the rules on the funding of political parties in the European Parliament.

LEGISLATIVE ACT: Regulation (EC) No 1524/2007 of the European Parliament and of the Council amending Regulation (EC) No 2004/2003 on the regulations governing political parties at European level and the rules regarding their funding.

CONTENT: this Regulation primarily aims to strengthen the potential of long-term financial planning of political groups and to facilitate the diversification of financial resources. It aims to grant greater flexibility to political parties ahead of the parliamentary elections taking place in June 2009.

The main amendments to Regulation (EC) No 2004/2003 are as follows:

- The definition of the “political foundation at European level” is clarified: “an entity or network of entities which has legal personality in a Member State, is affiliated with a political party at European level, and which, through its activities, within the aims and fundamental values pursued by the European Union, underpins and complements the objectives of the political party at European level”, notably by performing the following tasks:
 1. observing, analysing and contributing to the debate on European public policy issues and on the process of European integration;
 2. developing activities linked to European public policy issues, such as organising and supporting seminars, training, studies and conferences on such issues between relevant stakeholders, including youth organisations and other representatives of civil society;
 3. developing cooperation with entities of the same kind in order to promote democracy;
 4. serving as a framework for national political foundations, academics, and other relevant actors to work together at European level.
- A political foundation at European level: (i) must have legal personality in the Member State in which its seat is located. This legal personality shall be separate from that of the political party at European level with which the foundation is affiliated; (ii) must observe the principles on which the European Union is founded, namely the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law; (iii) shall not promote profit goals; (iv) shall have a governing body of a geographically balanced composition.
- Funding allocated to a political foundation at European level shall only be used for the purpose of financing its activities. In no case may it be used to finance elections or referenda campaigns.
- A political party or foundation at European level must declare its sources of funding by providing a list specifying the donors and the donations received from each donor, with the exception of donations not exceeding EUR 500 per year and per donor. The following shall not be accepted: anonymous donations; donations from the budgets of political groups in the European Parliament; donations from any public authority from a third country, as well as donations from any undertaking over which the public authorities may, directly or indirectly, exercise a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern it.
- Contributions to a political party at European level from national political parties, which are members of a political party at European level, or from a natural person, who is a member of a

political party at European level, shall be admissible. These contributions shall not exceed 40% of the annual budget of that political party. Contributions to a political foundation at European level deriving from national political foundations of such a foundation, as well as from political parties at European level, shall be admissible. These contributions shall not exceed 40% of the annual budget of that political foundation and may not derive from funds received by a political party at European level, pursuant to this Regulation, coming from the general budget of the European Union.

- The funding of political parties at European level from the general budget of the European Union or from any other source may not be used for the direct or indirect funding of other political parties, and, in particular, national parties or candidates. These national political parties and candidates shall continue to be governed by national rules.
- The expenditure of political parties at European level may also include financing campaigns conducted by the political parties at European level in the context of the elections to the European Parliament, in which they participate. These appropriations shall not be used for the direct or indirect funding of national political parties or candidates. Such expenditure shall not be used to finance referenda campaigns. However, the funding of and limitation of election expenses for all parties and candidates at European Parliament elections is governed in each Member State by national provision.
- Funding charged to the general budget of the European Union shall not exceed 85% of those costs of a political party or political foundation at European level which are eligible for funding.
- For the sake of transparency, the European Parliament shall publish the following documents in a section of its website created for this purpose: (i) an annual report with a table of the amounts paid to each political party and each political foundation at European level, for each financial year for which grants have been paid; (ii) the European Parliament's report on the application of this Regulation and the activities funded, as referred to in Article 12; (iii) the provisions for the implementation of this Regulation.
- This Regulation shall apply to grants awarded to political parties at European level as from the financial year 2008. For the financial year 2008, any applications for funding of political foundations at European level shall relate exclusively to eligible costs incurred after 1 September 2008. Political parties at European level that have duly submitted their applications for grants for 2008 may, at the latest three months after the entry into force of the Regulation, submit a supplementary application for funding based on the modifications introduced by this Regulation and, where appropriate, an application for a grant for the political foundation affiliated to that political party.
- The European Parliament shall publish a report, by 15 February 2011, on the application of this Regulation and the activities funded. The report shall indicate, where appropriate, the possible amendments to be made to the funding system.

ENTRY INTO FORCE: 27/12/2007.