

# Political parties at European level: statute and financing

2003/0039(COD) - 04/11/2003 - Final act

**PURPOSE** : to establish a framework for the European political parties and their financing from the Community budget. **LEGISLATIVE ACT** : Regulation 2004/2003/EC of the European Parliament and of the Council on the regulations governing political parties at European level and the rules regarding their funding. **CONTENT** : this Regulation establishes rules on the regulations governing political parties at European level and rules regarding their funding. This Regulation stipulates that for the purposes of this Regulation: 1) "political party" means an association of citizens: - which pursues political objectives, and - which is either recognised by, or established in accordance with, the legal order of at least one Member State; 2) "alliance of political parties" means structured cooperation between at least two political parties; 3) "political party at European level" means a political party or an alliance of political parties which satisfies specific conditions. A political party at European level shall satisfy the following conditions: a) it must have legal personality in the Member State in which its seat is located; b) it must be represented, in at least one quarter of Member States, by Members of the European Parliament or in the national Parliaments or regional Parliaments or in the regional assemblies, or it must have received, in at least one quarter of the Member States, at least 3% of the votes cast in each of those Member States at the most recent European Parliament elections; c) it must observe, in particular in its programme and in its activities, 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; d) it must have participated in elections to the European Parliament, or have expressed the intention to do so. In order to receive funding from the general budget of the European Union, a political party at European level shall file an application with the European Parliament each year. The European Parliament shall adopt a decision within three months and authorise and manage the corresponding appropriations. The first application shall be accompanied by the following documents: documents proving that the applicant satisfies specific conditions; a political programme setting out the objectives of the political party at European level; a statute defining in particular the bodies responsible for political and financial management as well as the bodies or natural persons holding, in each of the Member States concerned, the power of legal representation, in particular for the purposes of the acquisition or disposal of movable and immovable property and of being a party to legal proceedings. The Regulation states that a political party at European level shall: a) publish its revenue and expenditure and a statement of its assets and liabilities annually; b) 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; c) not accept: - anonymous donations, - donations from the budgets of political groups in the European Parliament, - donations from any undertaking over which the public authorities may exercise directly or indirectly a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern it, - donations exceeding EUR 12000 per year and per donor from any natural or legal person other than the undertakings referred to in the third indent and without prejudice to the second subparagraph. Contributions from political parties which are members of a political party at European level shall be admissible. They may not exceed 40 % of that party's annual budget. 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 political parties, which shall continue to be governed by national rules. Appropriations for funding political parties at European level shall be determined under the annual budgetary procedure and shall be implemented in accordance with the Financial Regulation applicable to the general budget of the European Communities. The valuation of movable and immovable property and its depreciation shall be carried out in accordance with Commission Regulation (EC) No 2909/2000 of 29 December 2000 on the accounting management of the European Communities' non-financial fixed assets. Control of funding granted under this Regulation shall be exercised in accordance with the Financial Regulation and the

implementing rules thereto. Control shall also be exercised on the basis of annual certification by an external and independent audit. This certification shall be transmitted, within six months of the end of the financial year concerned, to the European Parliament. Further to application of this Regulation, any funds improperly received by political parties at European level from the general budget of the European Union shall be refunded to that budget. Any document or information required by the Court of Auditors in order to carry out its task shall be supplied to it at its request by the political parties at European level receiving funding granted under this Regulation. Where expenditure is committed by political parties at European level jointly with national political parties and other organisations, evidence of the expenditure incurred by the political parties at European level shall be made available to the Court of Auditors. Funding of political parties at European level in their capacity as bodies pursuing an objective of general European interest shall not be subject to the provisions of Article 113 of the Financial Regulation relating to the decreasing of the funding. Available appropriations shall be distributed annually as follows among the political parties at European level which have obtained a positive decision on their application for funding : 15 % shall be distributed in equal shares and 85 % shall be distributed among those which have elected members in the European Parliament, in proportion to the number of elected members. For the application of these provisions, a Member of the European Parliament may be a member of only one political party at European level. Funding charged to the general budget of the European Union shall not exceed 75 % of the budget of a political party at European level. The burden of proof shall rest with the relevant political party at European level. The European Parliament shall publish a report not later than 15 February 2006 on the application of this Regulation and the activities funded. The report shall indicate, where appropriate, possible amendments to be made to the funding system. ENTRY INTO FORCE : 15 February 2004.