

European political parties and European political foundations: statute and funding

2012/0237(COD) - 22/10/2014 - Final act

PURPOSE: to improve the regulatory framework on the statute and funding of European political parties and European political foundations with a view to reinforcing and encouraging representative democracy at the European Union level.

LEGISLATIVE ACT: Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council on the statute and funding of European political parties and European political foundations.

CONTENT: this Regulation lays down the **conditions governing the statute and funding of political parties at European level and political foundations at European level**. These parties and foundations have a key role to play in articulating the voices of citizens at European level by bridging the gap between politics at national level and at Union level.

European legal statute: this Regulation introduces a European legal statute. The European statute provides for the possibility to register as a European political party or a European political foundation and thus obtain a legal status based on EU law. The European legal status will also be a pre-condition to receive public funding from the EU budget.

A political alliance shall be entitled to apply to register as a European political party subject to the following conditions:

- it or its members must be, or be represented by, in at least **one quarter of the EU Member States** (i.e. in 7 of the 28 Member States), or 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 elections to the European Parliament;
- **respect of the values** on which the European Union is founded (e.g. human dignity, democracy, the rule of law, human rights);
- it or its members must have participated in elections to the European Parliament, or have expressed publicly the intention to **participate** in the next elections to the European Parliament.

Independent authority: the European legal status is granted by an independent authority located within the European Parliament. It shall be represented by its Director appointed for a five-year non-renewable term by the European Parliament, the Council and the Commission.

The authority's task is also to **regularly verify** that the conditions for obtaining the European legal status are still met.

A decision of the Authority to **de-register** a European political party or foundation on the ground of a manifest and serious breach of the values on which the Union is founded shall be communicated to the European Parliament and the Council. **In the event of an objection by the European Parliament and by the Council**, the European political party or foundation shall remain registered.

Committee: the Regulation establishes a committee of independent eminent persons. It shall consist of **six members**, with the European Parliament, the Council and the Commission each appointing two members.

When requested by the Authority, the committee shall give an opinion on any possible manifest and serious breach of the values on which the Union is founded, by a European political party or a European political foundation.

Sanctions: the Authority may also impose financial sanctions on European political parties and their foundations in case of infringements of the regulation.

As regards quantifiable infringements, a fixed percentage of the amount of the irregular sums received or not reported in accordance with the following scale, up to a **maximum of 10% of the annual budget** of the European political party or European political foundation concerned: 100% of the irregular sums received or not reported where those sums do not exceed EUR 50 000 to 300% of the irregular sums received or not reported where those sums exceed EUR 200 000.

Funding provisions: the Regulation stipulates that financial contributions or grants from the general budget of the European Union shall not exceed **85%** of the annual reimbursable expenditure indicated in the budget of a European political party and **85%** of the eligible costs incurred by a European political foundation.

The respective appropriations available to those European political parties and European political foundations which have been awarded contributions or grants shall be distributed annually on the basis of the following distribution key: (i) **15%** shall be distributed in equal shares among the beneficiary European political parties, (ii) **85%** shall be distributed in proportion to their share of elected members of the European Parliament among the beneficiary European political parties.

- **Donations** from natural or legal persons to European political parties and their foundations will be limited to a value of EUR 18 000 per year and per donor. The names of donors contributing more than EUR 3000 per year will always have to be published.
- **Contributions** from European political parties' or foundations' members may not exceed 40% of the parties' or foundations' budget. In addition, contributions from non-elected individual members of a European political party are limited to a value of EUR 18 000 per year and individual member.

It should be noted that a Regulation adapting the Financial Regulation to the particular characteristics of European political parties has been adopted in parallel.

ENTRY INTO FORCE: 24.11.2014. This Regulation shall apply from 1.1.2017.

DELEGATED ACTS: in order to facilitate the oversight of legal entities that will be subject to both Union and national law, the power to adopt delegated acts shall be conferred on the Commission for **a period of five years (renewable) from 24 November 2014.**

The European Parliament or the Council may object to a delegated act within a period of two months from the date of notification (this period may be extended by two months). If the European Parliament or the Council objects, the delegated act shall not enter into force.