Financial rules applicable to the general budget of the Union: financing of European political parties

2012/0336(COD) - 22/10/2014 - Final act

PURPOSE: to amend the Financial Regulation so as to take into account new rules on the statute and funding of European political parties and European political foundations.

LEGISLATIVE ACT: Regulation (EU, Euratom) No 1142/2014 of the European Parliament and of the Council amending Regulation (EU, Euratom) No 966/2012 as regards the financing of European political parties.

CONTENT: this amended Regulation adds specific rules on contributions from the EU budget to European political parties in view of their contribution to forming European political awareness and to expressing the political will of the citizens of the Union in accordance with Regulation (EU, Euratom) No 1141/2014 on the statute and funding of European political parties and European political foundations.

In its <u>resolution</u> of 6 April 2011 on the application of Regulation (EC) No 2004/2003 on the regulations governing political parties at European level and the rules regarding their funding, the European Parliament, in the light of experience gained, suggested a number of improvements regarding the financing of European political parties and European political foundations.

The main amendments introduced are the following:

Contributions: in principle, the contributions to European political parties:

- shall only be used to reimburse the percentage set out in Article 17(4) of Regulation (EU, Euratom) No 1141/2014 of the operating costs of European political parties directly linked to objectives of those parties;
- may be used to reimburse expenditure relating to contracts concluded by European political parties, provided that there were no conflicts of interest when they were awarded;
- shall not be used to: (i) directly or indirectly grant any personal advantage, in cash or in kind, to any individual member or member of staff of a European political party; (ii) directly or indirectly finance activities of third parties, in particular national political parties or political foundations at European or national level, whether in the form of grants, donations, loans or any other similar agreements.
- European political parties receiving a contribution shall not directly or indirectly receive other funding from the budget. In particular, **donations** from the budgets of political groups in the European Parliament shall be prohibited.

Use of financial support: the amend Regulation exempts European political parties from submitting annual work programmes but **oblige them to justify ex post the sound use of EU funding**. The authorising officer responsible should verify if the funding has been used to pay reimbursable expenditure as established in the call for contributions within the time limits laid down in this Regulation.

Contributions to European political parties should be spent by the end of the financial year following that of their award, after which, any unspent funding should be recovered by the authorising officer responsible.

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