Basic information

2003/0039(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Political parties at European level: statute and financing Repealed by 2012/0237(COD) Amended by 2007/0130(COD) See also 2010/2201(INI) **Subject** 8.40.01.02 President, members, mandates, political groups	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AFCO Constitutional Affairs	LEINEN Jo (PSE)	17/02/2003

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	MULDER Jan (ELDR)	25/03/2003
CONT Budgetary Control	KUHNE Helmut (PSE)	18/03/2003
JURI Legal Affairs and Internal Market	DE CLERCQ Willy C.E.H. (ELDR)	18/03/2003

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2526	2003-09-29
General Affairs	2519	2003-06-16

European Commission

Commission DG	Commissioner
Secretariat-General	

Key events

Date	Event	Reference	Summary
		COM(2003)0077	Summary

19/02/2003	Legislative proposal published		
10/03/2003	Committee referral announced in Parliament, 1st reading		
20/05/2003	Vote in committee, 1st reading		Summary
20/05/2003	Committee report tabled for plenary, 1st reading	A5-0170/2003	
16/06/2003	Debate in Council		
18/06/2003	Debate in Parliament		
19/06/2003	Decision by Parliament, 1st reading	T5-0289/2003	Summary
29/09/2003	Act adopted by Council after Parliament's 1st reading		
04/11/2003	Final act signed		
04/11/2003	End of procedure in Parliament		
15/11/2003	Final act published in Official Journal		

Technical information

Procedure reference	2003/0039(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Repealed by 2012/0237(COD) Amended by 2007/0130(COD) See also 2010/2201(INI)
Legal basis	EC Treaty (after Amsterdam) EC 191
Stage reached in procedure	Procedure completed

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0170/2003	20/05/2003	
Text adopted by Parliament, 1st reading/single reading		T5-0289/2003	19/06/2003	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2003)0077	19/02/2003	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

EU	Implementing legislative act	32004D0612(01) OJ C 155 12.06.2004, p. 0001-0025	29/03/2004	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Regulation 2003/2004 OJ L 297 15.11.2003, p. 0001-0004	Summary

Political parties at European level: statute and financing

2003/0039(COD) - 29/03/2004 - Implementing legislative act

PURPOSE: The establishment of procedures governing political parties at European level and the rules regarding their funding. The implementation of Regulation 2004/2003.

LEGISLATIVE ACT: Decision of the Bureau of the European Parliament laying down the procedures for implementing Regulation No 2004/2003 of the European Parliament and of the Council on the Regulations governing political parties at European level and the rules regarding their funding.

CONTENT: The rules laid out in this Decision create the procedures governing the political parties at European level and the rules regarding their funding. The rules are as follows:

- The European Parliament will publish annual calls for proposals with a view to awarding grants to fund political parties at European level
- Any political party wishing to receive a grant from the general budget of the EU must submit a written application prior to the 15 November.
- The Bureau will be responsible for assessing funding applications. Before the 15 February, the Bureau must draw up a list of beneficiaries and the amounts of the grants awarded. The President shall inform applicants of the action taken on their applications.
- A grant awarded to a political party must be the subject of a written agreement between the European Parliament and the beneficiary.
- Grants will be paid in the form of pre-financing in two instalments. The first must not be more than 50% of the maximum amount of the grant, to be paid within 15 days following the signing of the agreement. The second brings the total pre-financing to no more than 80% of the maximum amount of the grants and is to be paid to the beneficiary upon request. The balance should be paid once the period of eligibility for Community funding has come to an end and will be based on the expenditure actually incurred by the beneficiary. If the total amount exceeds the figure of the final grant, then the European Parliament will recover the sums unduly paid.
- At least six months before the end of the financial year, the beneficiary must submit a final report, a financial statement, a comprehensive summary of revenue and expenditure and a report on an external audit of the accounts carried out by an independent body or expert. If not satisfied, the Bureau may reject both the final report and the financial statement and call for a fresh report.
- In terms of determining the final grant, the Bureau will determine the amount of the final grant to be awarded based on the documentation received and outlined above.
- Under no circumstances may the total amount paid by Parliament exceed the maximum amount of the grants laid down in the grant award agreement or 75% of the eligible expenditure actually incurred. The grant shall be limited to the amount needed to balance revenue and eligible expenditure in the operating budget of the beneficiary.
- On a proposal from the Secretary General, the Bureau can suspend payments and reduce the grant and under certain conditions it may decide to terminate the grant award agreement.
- In cases where amounts have been unduly paid to the beneficiary then there are procedures allowing the money to be recovered.
- Checks and audit provisions have been put in place. These provisions include, inter alia, that all relevant documentation is kept for a period of five years.

- The Bureau has the authority, on a proposal from the Secretary General, to grant political parties technical assistance.
- Details of all the grants awarded by Parliament during a given financial year will be published on the internet. Details include the name and address of the beneficiary, the purpose for which the grant was awarded, the amount awarded and the proportion of the beneficiary's total operating budget covered by the funding.
- Provisions for a right of appeal have been put in place as well as transitional rules for the financial year 2004.
- Lastly, a report on the implementation of the rules must be submitted by the Secretary General before the 30 September 2005. The report should, if necessary, include any proposed changed that may need to be made.

ENTRY INTO FORCE: 13 June 2004.

Political parties at European level: statute and financing

2003/0039(COD) - 19/06/2003 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution, which was based on the report by Jo LEINEN (PES, Germany) but differed in some respects by the report adopted by the committee. The main amendments to the Commission's proposal were as follows: - "European political party" is changed to "political party at European level"; - Such a party must meet the following conditions: 1) It must have legal personality in the Member State in which its seat is located; 2) It must be represented, in at least one quarter of the Member States, by Members of the European Parliament, in the national parliaments or regional parliaments or regional assemblies, or must have received, in at least one quarter of the Member States, at least three per cent of the votes cast in each of those Member States at the most recent European elections; 3) It must observe, in particular in its programme and through its actions, the principles on which the EU is founded: the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law; 4) It must have participated in elections to the European Parliament or expressed its intention to do so. - In order to receive funding, a political party at European level must file an application with the European Parliament each year. The latter will take a decision within three months. The first application has to be filed with a number of specified documents. If the relevant conditions are no longer met, the party will be excluded from financing under the Regulation. - The party must declare its sources of finance by providing a list specifying donors and donations exceeding EUR 500 (the Commission proposed that all donations above EUR 100 should be declared.) - The party may not accept donations from any undertaking over which the public authorities directly or indirectly may exert a dominant influence by dint of ownership, a financial holding or the rules by which it is governed. This clause replaces the Commission proposal to ban donations from bodies in which the State holds over 50% of the capital. - Donations exceeding EUR 12000 are also banned (this figure replaces the Commission's proposal of EUR 5000) - Dues from political parties which are members of a political party at European level are admissible so long as they do not exceed 40% of that party's annual budget. - The European Parliament will publish details of the technical support given to each political party at European level in an annual report. - Financing under this Regulation will apply from the opening of the first session following the 2004 European Parliament elections.

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 theexception 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 EuropeanParliament, 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.

Political parties at European level: statute and financing

2003/0039(COD) - 19/02/2003 - Legislative proposal

PURPOSE : to establish a framework for the European political parties and their financing from the Community budget. CONTENT : Article 191 of the Treaty recognises the important role that European political parties can play in developing political debate at the European level, thereby enhancing the quality of democracy and improving the functioning of the institutions of the Union. It also recognises that in order to perform the role that the Treaty wishes to assign to them, it will be necessary that they should be at least partially financed from the Community budget. The main points of the proposal are as follows: 1) The Commission considers that it would be inappropriate to establish intrusive or over prescriptive political requirements for the registration of European political parties, but considers it essential to lay down minimum standards of democratic conduct for such parties. Accordingly, the proposal states that to be that to be registered by the European Parliament a party must: - have participated or declared their intention to participate in elections to the European Parliament; - have clearly defined bodies responsible for financial management; - ensure that the statute and activities of the European political party respect the basic purposes of the Union with regard to freedom, democracy, human rights, fundamental freedoms and the rule of law. 2) The proposal establishes a procedure for verification of respect for the basic values of the EU. The European Parliament can deregister a party which no longer satisfies the conditions for registration. 3) To ensure transparency, the Statutes must be published. 4) The registration procedure represents a first, necessary but not sufficient step to obtain financing. A party must first register its statute and then meet the specific additional conditions set out in the proposal before it can obtain financing. Registered parties would make application for funding to the Parliament which would decide within two months. 5) Community financing is given to parties that are reasonably representative, either in the European Parliament or in a number of Member States. A European political party: - must have elected members in the European Parliament or national or regional Parliaments in at least one third of the Member States, or -it must have obtained at least five percent of the votes at the most recent European elections in at least one third of the Member States of the Community. The parties must also commit themselves not to accept certain kinds of donations defined in the proposal. Parties would then be eligible for financing from the Union budget. This financing is not intended to replace the autonomous financing of the European parties, which must represent at least 25% of the budget of each party. 6) Each party would receive a flat-rate basic grant plus a second component based on the number of elected representatives in the European Parliament. The two components would account for 15% and 85% of the appropriations respectively. 7) European political parties must publish their accounts and declare their sources of finance (excluding donations not exceeding Ç 100) from whatever source. Standard reporting, accounting and audit procedures are laid down in accordance withthe Financial Regulation. 8) There is provision for an external and independent auditing of the accounts of the parties. 9) This proposal will be financed by specific administrative expenditure of the Parliament (section I of the budget), in accordance with the provision for an article entitled "Contribution to European Political Parties" made by the Budgetary Authority in the Parliament's budget for 2002 and 2003.