Basic information

2017/0219(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Statute and funding of European political parties and European political foundations: membership, co-financing Amending Regulation (EU, Euratom) No 1141/2014 2012/0237(COD) **Subject** 8.40.01.02 President, members, mandates, political groups	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AFCO Constitutional Affairs	WIELAND Rainer (PPE) BRESSO Mercedes (S&D)	28/09/2017 28/09/2017
	Shadow rapporteur MESSERSCHMIDT Morten (ECR) SELIMOVIC Jasenko (ALDE) SCHOLZ Helmut (GUE/NGL) DURAND Pascal (Verts/ALE) CASTALDO Fabio Massimo (EFDD) ANNEMANS Gerolf (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
CONT Budgetary Control	GRÄSSLE Ingeborg (PPE)	16/10/2017
JURI Legal Affairs	The committee decided not to give an opinion.	

Council of the European Union

European

Commission DG	Commissioner

Commission	Secretariat-General	TIMMERMANS Frans

Key events

Date	Event	Reference	Summary
13/09/2017	Legislative proposal published	COM(2017)0481	Summary
02/10/2017	Committee referral announced in Parliament, 1st reading		
21/11/2017	Vote in committee, 1st reading		
21/11/2017	Committee decision to open interinstitutional negotiations with report adopted in committee		
24/11/2017	Committee report tabled for plenary, 1st reading	A8-0373/2017	Summary
29/11/2017	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
11/12/2017	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 72)		
21/02/2018	Debate in Council		
21/03/2018	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE619.316 GEDA/A/(2018)002205	
17/04/2018	Decision by Parliament, 1st reading	T8-0098/2018	Summary
17/04/2018	Results of vote in Parliament		
26/04/2018	Act adopted by Council after Parliament's 1st reading		
03/05/2018	Final act signed		
03/05/2018	End of procedure in Parliament		
23/05/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/0219(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EU, Euratom) No 1141/2014 2012/0237(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 224
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	AFCO/8/11001

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE612.066	16/10/2017	
Amendments tabled in committee		PE613.262	06/11/2017	
Committee opinion	CONT	PE613.615	23/11/2017	
Committee report tabled for plenary, 1st reading/single reading		A8-0373/2017	24/11/2017	Summary
Text agreed during interinstitutional negotiations		PE619.316	07/03/2018	
Text adopted by Parliament, 1st reading/single reading		T8-0098/2018	17/04/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2018)002205	07/03/2018	
Draft final act	00015/2018/LEX	03/05/2018	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2017)0481	13/09/2017	Summary
Commission response to text adopted in plenary	SP(2018)350	06/06/2018	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2017)0481	14/11/2017	
Contribution	PT_PARLIAMENT	COM(2017)0481	15/11/2017	
Contribution	IT_SENATE	COM(2017)0481	04/12/2017	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES5706/2017	07/12/2017	
CofA	Court of Auditors: opinion, report	N8-0007/2018 OJ C 018 18.01.2018, p. 0001	14/12/2017	Summary

Additional information

Source	Document	Date

European Parliament	Briefing	
European Commission	EUR-Lex	

Final act	
Regulation 2018/0673 OJ L 114 04.05.2018, p. 0001 Corrigendum to final act 32018R0673R(01) OJ L 127 23.05.2018, p. 0001	Summary

Statute and funding of European political parties and European political foundations: membership, co-financing

2017/0219(COD) - 24/11/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Constitutional Affairs adopted the report by Mercedes BRESSO (S&D, IT) and Rainer WIELANDSUR (EPP, DE) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) No. 1141/2014 of the European Parliament and the Council on the statute and funding of European political parties and European political foundations.

The committee recommended that European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission proposal as follows.

Conditions for registration: Members noted that a political alliance shall be entitled to apply to register as a European political party where its member parties must not be members of another European political party.

Respect for the values of the Union: their affiliated European political foundations wishing to obtain recognition as such at Union level shall respect certain principles and fulfil certain conditions in their programme and in their activities, the values on which the Union is founded, namely respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

Application for funding: in order to receive funding, a European political party shall include in its application evidence demonstrating that the majority of its member parties and in any event a minimum of seven of them have continuously published on their websites, in a **comprehensive, reliable and user-friendly way**, during 12 months preceding the moment at which the applications is made, the political programme and logo of the European political party.

Breakdown of appropriations: Members proposed that the 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:

- **10 %** shall be distributed in equal shares among the beneficiary European political parties;
- **90 %** shall be distributed among the beneficiary European political parties in proportion to their share of elected members of the European Parliament who are members of a European political party.

Sanctions: the Authority shall decide to remove a European political party or a European political foundation from the Register by way of sanction where a decision to register the party or foundation in question is based on incorrect or misleading information for which the applicant is responsible or where that decision has been obtained by deceit.

Information from the European Public Prosecutor's Office: the obligation under Council Regulation (EU) 2017/1939 to report to the EPPO any conduct that could constitute an offence within the competence of the EPPO shall also apply to the Authority for European political parties and European political foundations.

Statute and funding of European political parties and European political foundations: membership, co-financing

2017/0219(COD) - 03/05/2018 - Final act

PURPOSE: to revise Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council with a view to strengthening the European dimension of European political parties and increasing transparency while guaranteeing the proper use of European funds.

LEGISLATIVE ACT: Regulation (EU, Euratom) 2018/673 of the European Parliament and of the Council amending Regulation (EU, Euratom) No 1141 /2014 on the statute and funding of European political parties and European political foundations.

CONTENT: this Regulation amends Regulation (EU, Euratom) No 1141/2014 in order to better meet the objective of encouraging and assisting European political parties and their affiliated European political foundations in their endeavour to provide a strong link between European civil society and the Union institutions, and in particular the European Parliament.

The targeted modifications focused on the following points:

Respect for the values of the Union: European political parties and their affiliated European political foundations to respect, in particular in their programme and in their activities, the values on which the Union is founded, namely respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

Conditions for registration: a political alliance may apply to be registered as a European political party provided that:

- its member parties must be represented by, in at least one quarter of the Member States, members of the European Parliament, of national parliaments, of regional parliaments or of regional assemblies, or
- its member parties are not members of any other European political party.

The European Parliament, acting on its own initiative or following a reasoned request from a group of citizens, or the Council or the Commission, may lodge with the Authority a request for **verification of compliance by a specific European political party or European political foundation**. In such cases, the Authority shall ask the committee of independent eminent persons for an opinion on the subject. The committee shall give its opinion within two months.

Conditions applicable to financing: financial contributions or grants from the general budget of the European Union shall not exceed **90 %** of the annual reimbursable expenditure indicated in the budget of a European political party and **95 %** of the eligible costs incurred by a European political foundation. European political parties may use any unused part of the Union contribution awarded to cover reimbursable expenditure within the financial year following its award.

Transparency: the Regulation requires that a European political party shall include in its application evidence demonstrating that its EU member parties have, as a rule, **published on their websites**, in a clearly visible and user-friendly manner, throughout the 12 months preceding the final date for submission of applications, the **political programme and logo** of the European political party.

Parliament shall publish an updated list of Members of the European Parliament who are members of a European political party.

Proportionality of EU funding: the allocation of resources from the general budget of the European Union shall objectively take into account the demonstrable electoral support of a European political party.

To this end, the Regulation provides that 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) **10 %** shall be distributed among the beneficiary European political parties in equal shares; (ii) **90 %** shall be distributed among the beneficiary European political parties in proportion to their share of elected members of the European Parliament.

Penalties: the Regulation provides for the possibility of **removing** a European political party or a European political foundation from the register if it no longer fulfils the conditions for registration or if the information on the basis of which the registration decision was taken is false or incomplete.

In the event of an infringement, the Authorising Officer of the European Parliament shall recover amounts unduly paid under the contribution or grant agreement or decision, including any unspent Union funds from previous years.

The representatives of the European political party, the European political foundation or the natural person concerned shall have the **right to be heard** by the authorising officer before any decision likely to infringe rights is taken.

Review: the European Parliament shall publish by **31 December 2021** at the latest and every five years thereafter a report on the application of the Regulation and the activities funded. The report shall indicate, where appropriate, possible amendments to be made to the statute and funding systems.

ENTRY INTO FORCE: 4.5.2018.

Statute and funding of European political parties and European political foundations: membership, co-financing

2017/0219(COD) - 17/04/2018 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 561 votes to 89, with 36 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

Conditions for registration: it is specified that a political alliance could apply to be registered as a European political party provided that its member parties are not members of another European political party.

The European Parliament, acting on its own initiative or at the reasoned request of a group of citizens, could ask the Authority to verify compliance by a European political party or a specific European political foundation with the conditions and requirements for registration.

Respect for the values of the Union: European political parties and their affiliated European political foundations shall respect, in particular in their programme and in their activities, the values on which the Union is founded, namely respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

Application for funding: to receive funding, a European political party shall include in its application evidence demonstrating that its EU member parties have, as a rule, published on their websites, in a clearly visible and user-friendly manner, throughout the 12 months preceding the final date for submission of applications, the **political programme and logo** of the European political party. The inclusion of information on gender balance in relation to each of the member parties of the European political party shall be encouraged.

Breakdown of appropriations: Members proposed that 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:

- **10 %** shall be distributed among the beneficiary European political parties in equal shares;
- **90 %** shall be distributed among the beneficiary European political parties in proportion to their share of elected members of the European Parliament.

Sanctions: a European political party or European political foundation may be removed from the Register within a reasonable period where the party or foundation has provided false or incomplete information on the basis of which a decision has been made to register that party or foundation.

With a view to protecting the financial interests of the Union, the text would make it possible, in the event of an infringement, to recover the funds from the general budget of the European Union through the recovery of amounts unduly paid from **natural persons** responsible for the infringement in question, taking into account, where applicable, exceptional circumstances relating to those natural persons.

Transparency: Parliament shall publish an updated list of Members of the European Parliament who are members of a European political party.

Information from the European Public Prosecutor's Office: the obligation under Council Regulation (EU) 2017/1939 to inform the European Public Prosecutor's Office of any conduct that may constitute an offence falling within the remit of the European Public Prosecutor's Office shall also apply to Authority for European political parties and European political foundations.

Statute and funding of European political parties and European political foundations: membership, co-financing

2017/0219(COD) - 14/12/2017 - Court of Auditors: opinion, report

OPINION No 5/2017 concerning the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) No 1141/2014 of the European Parliament and the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations.

The Court of Auditors welcomes the provisions that have the potential to improve the sound financial management, accountability, transparency of the funds allocated to European political parties (EUPPs) and European political foundations (EUPFs).

In its Opinion No 1/2013, the Court of Auditors raised concerns regarding gaps in the legal framework regulating donations, loans, contributions and sanctions and also highlighted the need for stronger accountability. Most of the issues raised were addressed by Regulation (EU, Euratom) No 1141 /2014.

However, **several points that remain relevant have not been taken into consideration**. For example, the proposal amending Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council:

- does not follow our recommendation to specifically regulate donations from natural or legal persons who provide goods and services for EU institutions or for other public authorities involved in the management of EU funds;
- does not include any rules on donations to entities related directly or indirectly to EUPPs or EUPFs;
- does not include rules concerning loans, their terms and conditions;
- does not follow the recommendation to remove the maximum ceiling of 10 % of the annual budget of the EUPP or EUPF applicable to fines in case of quantifiable infringements.

The Court of Auditors made the following specific remarks:

Co-financing: the Commission proposes to reduce the co-financing threshold to 10 % for EUPPs and 5 % for EUPFs. The Court agrees with the Commission’s proposal to mitigate the risk of using questionable practices generated by the difficulties in meeting the co-financing threshold. However, in order to further discourage such practices the **rules on donations and loans should be strengthened**.

Recovery of unduly paid amounts and enforcing compliance with registration criteria: the proposal clarifies that the authorising officer of the European Parliament can recover amounts unduly paid also from individuals having committed illegal activities detrimental to the financial interests of the EU. While agreeing with the Commission’s proposal, the Court of Auditors reiterates its recommendation to **remove the maximum ceiling for fines**.

Clarifying the link between the national and European parties: the Court welcomes the Commission's intention to improve the transparency of the link between European political parties and national parties, but deems it will prove **difficult in practice to monitor this requirement**, and obtain relevant supporting evidence in order to prove the 'continuous publication'.

Timing of the proposal: the current rules have started to be applicable from 1 January 2017. According to the Commission, the proposal intends to address loopholes identified under the previous rules, which have not been considered when preparing Regulation (EU, Euratom) No 1141/2014. However, a more detailed revision will still be required as the issues addressed are not the only ones raised by the various stakeholders.

The Court suggests that the **practice of revising legislation early after entering into force and only to address a limited number of issues should, in general, be avoided**.

Single rule book: in order to avoid overlaps and simplify the legislative framework we consider that all provisions concerning European political parties and European political foundations could be grouped under a single rule book.

Statute and funding of European political parties and European political foundations: membership, co-financing

2017/0219(COD) - 13/09/2017 - Legislative proposal

PURPOSE: to amend Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council with a view to strengthening the European dimension of European political parties and increasing transparency while guaranteeing the proper use of European funds.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament shall decide in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Regulation (EU, Euratom) No. 1141/2014 establishes a specific European legal status for European political parties and political foundations to benefit from and provides for their funding from the general budget of the European Union. It was introduced to increase the visibility, recognition, effectiveness, transparency and accountability of European political parties and their affiliated political foundations.

Despite the progress made by Regulation No 1141/2014, **the European Parliament and a number of European political parties have called for an improvement of these rules**.

On 15 June 2017, Parliament adopted a resolution calling upon the Commission to propose a revision of the current legal framework as soon as possible to address its shortcomings, especially with respect to the **level of co-financing** requested, and of the possibility of multi-party membership of European Parliaments' Members.

In its 2017 Report on EU Citizenship Rights, the Commission recognised that the functioning of the EU is founded on representative democracy. This requires transparency and an accessible, accountable political culture, supported by an effective electoral system and an informed and engaged electorate.

The current proposal is aligned to and complements these priorities and in addition to the issues set out in the previous section therefore includes some changes to **enhance the transparency of the link between parties at Member State level and the European parties with which they are affiliated**.

The aim is to ensure that the limited resources of the EU budget are well allocated and spent, as well as avoiding circumvention of existing rules.

The Commission considers that these focused changes should be introduced before the 2019 European elections.

CONTENT: the Commission proposes to make a **limited number of amendments** to Regulation No 1141/2014 in order to:

- determine who can sponsor the registration of a political party,
- allocate funds in a way that is more proportionate to the representativeness of European political parties in the European Parliament,
- address difficulties faced by European political parties and foundations in reaching the co-financing threshold.

The main elements of the proposal are:

Registration: in order to strengthen the link between policies at national and Union level and to prevent a single national party artificially creating several European political parties with identical or similar political trends, the Commission proposes to amend the rules so that **only parties, and no longer individuals, can sponsor the creation of a European political party**.

Co-financing: European foundations and political parties are currently struggling to meet the co-financing threshold of 15%. **The Commission therefore proposes that the co-financing obligation should be reduced to 10% for European political parties and 5% for European political foundations**. Thus, a greater share of public funding earmarked for these parties and foundations could be used, for example for election campaigns.

Transparency: it is proposed to impose an additional condition for a European political party to receive funding, which would require it to report on the publication, on its member parties' websites, of its political programme and logo as well as and information on the gender representation among the candidates at the last elections to the European Parliament and its members of the European Parliament.

Proportionality of EU funding: the allocation of resources from the general budget of the European Union should objectively reflect the genuine electoral support of a European political party. To this end, the Commission proposes that 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) **5 %** shall be distributed in equal shares among the beneficiary European political parties; (ii) **95 %** shall be distributed in proportion to their share of elected members of the European Parliament among the beneficiary European political parties.

De-registration: the proposal provides for the possibility of de-registering a European political party or foundation if they **no longer fulfil the conditions for registration** or if the information on the basis of which the registration decision was taken is incorrect or misleading.

Protection of the EU's financial interests: in the event of infringements, the authorising officer of the European Parliament should be able to **recover amounts unduly paid.**

Review: the Commission proposes to adapt the revision clause of the current Regulation so that the evaluation report can be **published during the first part of 2022** and may therefore also relate to the amendments proposed in this Regulation.