

# European political parties and European political foundations: statute and funding

2012/0237(COD) - 12/09/2012 - Legislative proposal

**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.

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

**CONTEXT:** Article 10 of the Treaty on European Union states that "political parties at European level contribute to forming European political awareness and to expressing the will of citizens of the Union". **Truly transnational European political parties and political foundations** are key to articulating the voices of the citizens at European level.

Nine years after the entry into force of Regulation (EC) No 2004/2003 on the regulations governing political parties at European level and the rules regarding their funding, and five years after its revision in 2007, which, inter alia, introduced affiliated political foundations at European level within the scope of the Regulation, the Commission has conducted a comprehensive assessment of the current financing and regulatory framework of European political parties and foundations.

It has done so following the adoption, on the one hand, of a **report by the Secretary General of the European Parliament (EP)** on party funding at European level, and, on the other hand, of the [EP's resolution of 6 April 2011](#) on the application of Regulation (EC) No 2004/2003 (hereafter referred to as "the Giannakou report"). The Giannakou report covers two main areas by:

- calling on the Commission to propose a statute for European political parties and political foundations, referring also to related issues of internal party democracy; and
- suggesting a number of changes linked to the funding regime applicable to the political parties and their affiliated political foundations, requesting stricter conditions for access to funding, on the one hand, and a more flexible system, on the other.

As part of its assessment of the existing rules governing European-level political parties and political foundations, **the Commission has taken due consideration of the conclusions reached by the EP in the Giannakou report**. It shares the view that European political parties and foundations have an important role to play to reinforce and foster representative democracy at EU level, and bridge the divide between EU politics and the Union's citizens.

**IMPACT ASSESSMENT:** the Commission has prepared the current proposal in close dialogue and consultation with relevant stakeholders: representatives of the political parties and foundations at European level, the political groups in the EP, national and academic experts, the President of the EP, the EP's Secretary General, and the rapporteur of the EP's evaluation report.

**LEGAL BASE:** Article 224 of the Treaty on the Functioning of the European Union (TFEU).

**CONTENT:** In the present proposal for a Regulation on the statute and funding of European political parties and European political foundations, the Commission is proposing a series of improvements to Regulation (EC) No 2004/2003. Their overarching objective is to increase the **visibility, recognition, effectiveness, transparency and accountability** of European political parties and foundations.

**European legal statute:** this proposal 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.

- Obtaining a European legal status will be conditional on **respecting high standards** of governance, accountability and transparency. The specific conditions and requirements for obtaining a European legal status include strict respect for the values on which the EU is founded, and, in the case of political parties, satisfying minimum rules on internal party democracy.
- Although it will be possible to **register statutes as a European political party or as a European political foundation but not apply for EU funding**, the opposite is not true.
- As requested by the European Parliament, the Commission is proposing that only those political parties – and, by extension, affiliated political foundations – that are represented in the European Parliament by **at least one of their members** should be entitled to receive EU funding.

**Mode of funding:** the present proposal **raises the level of donations permitted per year and per donor** to foster the ability of the political parties and foundations to generate their own resources.

- European political parties and European political foundations may accept donations from natural or legal persons of up to a value of **EUR 25 000** per year and per donor.
- Single donations exceeding a value of **EUR 12 000** that have been accepted by the European political parties and European political foundations shall be immediately reported to the European Parliament in writing.

In order to counterbalance the increased flexibility, **a comprehensive and transparent regulatory and control framework** is established, encompassing all aspects linked to the activities and financing of European political parties and their affiliated political foundations, covering all of their financial operations, irrespective of the source of funding.

This framework reinforces reporting and transparency obligations, it strengthens the accounting and control mechanisms, and it introduces a new regime of proportionate administrative and financial sanctions for breaches of the conditions of the Regulation, including breaches of the values on which the EU is founded.

**BUDGETARY IMPLICATION:** the EU funding provided to European political parties and European political foundations will continue to come from the budget of the European Parliament. The present proposal has no significant additional implications for the EU budget.