


# Procedure file

Basic information		
CNS - Consultation procedure Directive	<a href="#">2007/0820(CNS)</a>	Procedure lapsed or withdrawn
General budget of the European Communities: financial regulation, funding of political parties at European level		
Subject 8.70.02 Financial regulations		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>AFCO</b> Constitutional Affairs		22/11/2007
	Committee for opinion	PSE <a href="#">LEINEN Jo</a>	Appointed
Council of the European Union	<b>BUDG</b> Budgets	Rapporteur for opinion	The committee decided not to give an opinion.
	<b>CONT</b> Budgetary Control		The committee decided not to give an opinion.
	Commission DG <a href="#">Budget</a>	Commissioner GRYBAUSKAITĖ Dalia	

Key events			
24/10/2007	Legislative proposal published	<a href="#">14320/2007</a>	Summary
15/11/2007	Committee referral announced in Parliament		
22/11/2007	Vote in committee		Summary
23/11/2007	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A6-0465/2007</a>	
29/11/2007	Results of vote in Parliament		
29/11/2007	Decision by Parliament	<a href="#">T6-0549/2007</a>	Summary

Technical information	
Procedure reference	2007/0820(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	EC Treaty (after Amsterdam) EC 279
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	AFCO/6/56157

Documentation gateway					
Legislative proposal		<a href="#">14320/2007</a>	24/10/2007	CSL	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A6-0465/2007</a>	23/11/2007	EP	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T6-0549/2007</a>	29/11/2007	EP	Summary

## General budget of the European Communities: financial regulation, funding of political parties at European level

---

**PURPOSE:** to amend Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, following the Permanent Representatives Committee's decision to split taken on 24 October 2007.

**PROPOSED ACT:** Council Regulation.

**BACKGROUND:** Regulation (EC) No 2004/2003 provides that the European Parliament is to publish a report on the application of the Regulation, including - where appropriate - possible amendments to be made to the funding system of political parties at European level. In its Resolution of 23 March 2006 on the application of Regulation (EC) No 2004/2003, the European Parliament considered that that Regulation should be improved on a number of points in the light of the experience gained since its entry into force in 2003 (see [INI/2005/2224](#)).

**CONTENT:** the rules governing the financing of political parties at European level should be adapted to take better account of the special conditions under which political parties operate, including shifting political challenges and agendas creating budgetary impacts that political parties cannot predict when drawing up their annual work programmes and budgets. To that end limited access to carrying funding over from one year to the first quarter of the following year should be introduced.

In order to enhance parties' long-term financial planning capabilities, to take account of funding needs that vary from one year to another, and to strengthen the incentives for parties not to rely on public funding alone, political parties at European level should be allowed to establish limited financial reserves based on own resources generated from sources other than the budget of the European Union.

The purpose of this proposal is to take account of Parliamentary views and amend Regulation EC, Euratom) No 1605/2002 in a bid to improve the efficiency of funding political parties at a European level. The proposed changes are:

- to allow the parties to carry funding over from one year to the first quarter of the following year. Under this arrangement, if a political party at European level realises a surplus of income over expenditure at the end of the financial year for which it received an operating grant, part of that surplus (up to 25% of the total income for that year) may be carried over the following year ? on condition that it be used before the end of the first quarter of the following year; and
- to allow political parties at European level to establish limited financial reserves independent of the EU budget. In order to comply with the ?no profit? rules, own resources (such as donations and membership fees) the first 15% of the eligible costs that will be borne by the party will not be taken into account. This provision will not apply if the financial reserves of a political party exceed 100% of its average annual income.

## General budget of the European Communities: financial regulation, funding of political parties at European level

---

The Committee on Constitutional Affairs adopted - without amendment under the consultation procedure - the report by Jo LEINEN (PES, DE) on the draft Council regulation amending Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

The report recalls that the creation of the proposal for a Council Regulation amending Regulation (EC, Euratom) No 1605/2002 is a consequence of the decision of the Council to split from the Commission proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 2004/2003 on the regulations governing political parties at European level and the rules regarding their funding (see [COD/2007/0130](#)) the elements containing a derogation from the Financial Regulation in its current form.

Due to the fact that the Committee on Constitutional Affairs has already discussed and approved with amendments the Commission proposal, with the view to enable the entry into force of the amended Regulations before the end of the year 2007, the committee decided to apply the simplified procedure under the Rule 43 of its Rules of Procedure.

Having taken note of the favourable opinion delivered by the Committee on Budgets, the committee approved the proposal submitted by the Council without amendment.

## General budget of the European Communities: financial regulation, funding of political parties at European level

---

The European Parliament adopted a resolution drafted by Jo LEINEN (PES, DE) on the draft Council regulation amending Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

