

Procedure file

Basic information		
INL - Legislative initiative procedure	2020/2026(INL)	Procedure completed
A statute for European cross-border associations and non-profit organisations		
Subject		
3.45.07 Social economy, mutual societies, cooperatives, associations		
4.10.16 Social and community life, associations, foundations		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Legal Affairs	 LAGODINSKY Sergey	15/06/2020
		Shadow rapporteur	
		 POSPÍŠIL Jiří	
		 SÁNCHEZ AMOR	
		Nacho	
		 KYUCHYUK Ilhan	
		 BECK Gunnar	
		 STANCANELLI	
		Raffaele	
		 AUBRY Manon	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Employment and Social Affairs	The committee decided not to give an opinion.	
	 Civil Liberties, Justice and Home Affairs		18/05/2020
		 DONÁTH Anna Júlia	
European Commission	Commission DG Justice and Consumers	Commissioner REYNDERS Didier	

Key events			
	Committee referral announced in		

13/02/2020	Parliament		
09/12/2021	Vote in committee		
19/01/2022	Committee report tabled for plenary	A9-0007/2022	Summary
15/02/2022	Debate in Parliament		
17/02/2022	Decision by Parliament	T9-0044/2022	Summary

Technical information

Procedure reference	2020/2026(INL)
Procedure type	INL - Legislative initiative procedure
Procedure subtype	Request for legislative proposal
Legal basis	Rules of Procedure EP 47
Stage reached in procedure	Procedure completed
Committee dossier	JURI/9/02511

Documentation gateway

Committee draft report		PE697.560	15/09/2021	EP	
Amendments tabled in committee		PE699.025	15/10/2021	EP	
Committee opinion	LIBE	PE697.637	12/11/2021	EP	
Committee report tabled for plenary, single reading		A9-0007/2022	19/01/2022	EP	Summary
Text adopted by Parliament, single reading		T9-0044/2022	17/02/2022	EP	Summary

A statute for European cross-border associations and non-profit organisations

The Legal Affairs Committee adopted a legislative initiative report by Sergey LAGODINSKI (Greens/EFA, DE) containing recommendations to the Commission on a statute for cross-border European associations and non-profit organisations.

While businesses and economic interest groups have the possibility to form a European Economic Interest Grouping, Members believe that a European statute for associations should be available to organisations and individuals who wish to engage in cross-border exchanges and mutual learning.

Moreover, many non-profit organisations are currently engaged in economic activities on a regular basis and play an essential role in encouraging individuals to participate actively in democratic life. Although their number is increasing in the EU, there is no harmonised legislative framework at European level to enable cross-border non-profit organisations to operate and organise themselves properly at cross-border level.

Members regretted that the Commission and Member States have not presented legislation to ensure a favourable environment for non-profit organisations to contribute to the functioning of the internal market and to guarantee the free flow of capital across borders, and that no European statute of association has been established despite several attempts and numerous calls from civil society and Parliament.

In this context, the Committee on Legal Affairs asked the Commission to:

- submit, on the basis of Article 352 of the Treaty on the Functioning of the European Union, a Regulation establishing a statute for a European Association setting out the conditions and procedures governing the creation, governance, registration and regulation of legal entities in the form of a European association;

- submit, on the basis of Article 114 of the Treaty on the Functioning of the European Union, a proposal for a Directive on common minimum standards for non-profit organisations in the Union, with a view to creating a level playing field for non-profit organisations by establishing minimum standards, enabling civil society to benefit from freedoms and fundamental rights, as well as to contributing to strengthening European democracy.

Protection of civil society and freedom of association

The report stressed the importance of ensuring coordination at EU level, avoiding fragmentation and supporting a harmonised approach across the EU with regard to the European association, through a designated European Associations Board. To this end, the Commission is called on to examine the different options and to present a proposal for the most appropriate form and status for such European Associations

Board, in which all Member States will be represented and which will have well-defined decision-making powers.

Members also considered that the establishment of a European Statute for Association should be open to organisations and persons that want to engage in exchanges and mutual learning across borders. It will provide them with support in accessing EU funding.

Stressing that non-profit organisations are essential to democracy and policy-making at all levels, the report stressed the importance of the independence of non-profit organisations and the need to ensure an enabling environment for them, respecting their plurality, understanding organisations for the public benefit as contributing to both providing services on the ground, but also advocating for the public good and monitoring public policies.

Members also argued that a regulation setting out the legal framework will only benefit European civil society if non-profit organisations can make use of adequate and easily accessible funding both at national and at European level.

EU-wide recognition of associations, non-profit organisations and their public benefit

Underlining the consensus on the need for European minimum standards and for non-profit organisations to acquire legal personality, Members called on the Commission to recognise and promote the public benefit activities of non-profit organisations by harmonising the status of public benefit within the EU.

The Commission is urged to:

- consider adopting a legislative proposal to facilitate the mutual recognition of tax-exempt public benefit organisations, including philanthropic organisations, in each Member State, if they are recognised as such for tax purposes in one of the Member States;
- develop a dedicated and comprehensive strategy to strengthen the role of civil society in the Union, including the introduction of measures to facilitate the operations of non-profit organisations at all levels.

A statute for European cross-border associations and non-profit organisations

The European Parliament adopted by 530 votes to 146, with 15 abstentions, a resolution containing recommendations to the Commission on a statute for cross-border European associations and non-profit organisations.

Non-profit organisations are fundamental in representing the interests of citizens and civil society, including providing services in often unprofitable areas of the social sector, promoting participation in social life and defending minority rights. The COVID-19 crisis has highlighted their essential role in helping citizens to address the many challenges they face, thereby ensuring social cohesion.

Current situation

Although they are increasingly numerous in the EU, non-profit organisations do not have an EU-wide legal form to put the representation of civil society interests on an equal footing with commercial undertakings and economic interest groups that have long enjoyed an EU-wide legal form. A European statute for associations should be available to organisations and individuals who wish to engage in cross-border exchange and mutual learning.

Members regretted that the Commission and Member States have not presented legislation to ensure a favourable environment for non-profit organisations to contribute to the functioning of the internal market and to guarantee the free flow of capital across borders, and that no European statute of association has been established despite several attempts and numerous calls from civil society and Parliament.

In this context, Parliament called on the Commission to:

- submit, on the basis of Article 352 of the Treaty on the Functioning of the European Union, a Regulation establishing a statute for a European Association setting out the conditions and procedures governing the creation, governance, registration and regulation of legal entities in the form of a European association;
- submit, on the basis of Article 114 of the Treaty on the Functioning of the European Union, a proposal for a Directive on common minimum standards for non-profit organisations in the Union, with a view to creating a level playing field for non-profit organisations by establishing minimum standards, enabling civil society to benefit from freedoms and fundamental rights, as well as to contributing to strengthening European democracy.

Protection of civil society and freedom of association

Parliament is concerned about the obstacles faced by non-profit organisations across the EU and the disparities resulting from national laws, regulations or administrative practices or policies. It stressed that this could have a negative impact on civil society, restrict fundamental rights, in particular freedom of association, expression and information, and discourage non-profit organisations from expanding their activities across borders.

The resolution stressed the importance of ensuring coordination at EU level, avoiding fragmentation and supporting a harmonised approach across the EU with regard to the European association, through a designated European Associations Board. To this end, the Commission is called on to examine the different options and to present a proposal for the most appropriate form and status for such European Associations Board, in which all Member States will be represented and which will have well-defined decision-making powers.

Members also considered that the establishment of a European Statute for Association should be open to organisations and persons that want to engage in exchanges and mutual learning across borders. It will provide them with support in accessing EU funding.

Stressing that non-profit organisations are essential to democracy and policy-making at all levels, the resolution stressed the importance of the independence of non-profit organisations and the need to ensure an enabling environment for them, respecting their plurality, understanding organisations for the public benefit as contributing to both providing services on the ground, but also advocating for the public good and monitoring public policies.

Members also argued that a regulation setting out the legal framework will only benefit European civil society if non-profit organisations can make use of adequate and easily accessible funding both at national and at European level. They recalled in this respect the existence of the Citizens, Equality, Rights and Values programme and underlined that, according to the Regulation on the financial rules applicable to the

general budget of the Union, Union grants must involve co-financing which may be provided in the form of own funds, income generated by the action or work programme, or financial or in-kind contributions from third parties.

EU-wide recognition of associations, non-profit organisations and their public benefit

Underlining the consensus on the need for European minimum standards and for non-profit organisations to acquire legal personality, Parliament called on the Commission to:

- recognise and promote the public benefit activities of non-profit organisations by harmonising the status of public benefit within the EU;
- consider adopting a legislative proposal to facilitate the mutual recognition of tax-exempt public benefit organisations, including philanthropic organisations, in each Member State, if they are recognised as such for tax purposes in one of the Member States;
- develop a dedicated and comprehensive strategy to strengthen the role of civil society in the Union, including the introduction of measures to facilitate the operations of non-profit organisations at all levels.

Transparency				
LAGODINSKY Sergey	Rapporteur	JURI	14/06/2022	European Foundation Centre Charities Aid Foundation
LAGODINSKY Sergey	Rapporteur	JURI	12/04/2022	Allianz "Rechtssicherheit für politische Willensbildung"
LAGODINSKY Sergey	Rapporteur	JURI	13/01/2022	Association Internationale de la Mutualité