

Amending the rules governing the statute and funding of European political parties (recast)

Impact assessment (SWD(2021) 359, SWD(2021) 360 (summary)) accompanying a Commission proposal for a Regulation of the European Parliament and of the Council on the statute and funding of European political parties and European political foundations (recast), COM(2021) 734

This briefing provides an initial analysis of the strengths and weaknesses of the European Commission's [impact assessment](#) (IA) accompanying the above-mentioned [proposal](#), submitted on 25 November 2021 and referred to the European Parliament's Committee on Constitutional Affairs (AFCO). This proposal intends to recast [Regulation 1141/2014](#) governing the statute and funding of European political parties and their affiliated foundations. The regulation has been applicable since January 2017 and has been amended twice since, in 2018 and 2019.¹ While the regulatory framework is generally deemed to be of continued relevance,² stakeholder feedback, various EU level reports³ and, not least, a ruling of the European Court of Justice⁴ have given rise to the need for further targeted amendments. The proposed amendments concern, inter alia, funding provisions for European political parties (EUPPs) and foundations (EUPFs) to secure their financial viability, and improvements in terms of transparency and enforcement.

First announced in Commission President Ursula von der Leyen's [Political Guidelines](#), this REFIT initiative is included in the 2021 Commission [work programme](#) and in the joint [declaration](#) on EU legislative priorities for 2021. It is part of the [European democracy action plan](#), a wider package the Commission put forward in December 2020 to address challenges to European democracy. It is in this context that the Commission released the present proposal in November 2021, jointly with a parallel initiative that aims to ensure greater transparency in paid political advertising ([COM\(2021\) 731](#)). The two initiatives are intertwined, as the latter targets, among others, European political parties and their national member parties when they campaign or advertise in a cross-border context. This is of great relevance to the regulation under review, as the amending proposal would allow European political parties to play an active role in cross-border political campaigning as well as national referendums, provided these concern EU matters ('issues related to the implementation of the Treaties'). Accordingly, the EUPP proposal includes a number of provisions on political advertising (relating to transparency, foreign interference, data protection and reporting obligations), which are fully aligned with the parallel proposal. The European Parliament itself sought to give input to the revision, inter alia through its [resolution](#) on the 2019 European elections and the recently adopted [resolution](#) on the application of Regulation 11421/2014.

Problem definition

The IA points to shortcomings in the application of the regulation in the three following areas:

- 1 **Funding of EUPPs and EUPFs:** under the current regulation, EUPPs are entitled to public funding from the EU's general budget to up to 90 % of their total eligible expenditure. Yet, it has proved difficult for some EUPPs to collect the remaining 10 % from their own resources. Moreover, the current regulation does not sufficiently protect against indirect foreign interference via donations, channelled through

national means or private donations. Finally, EU case law bans contributions from member parties that have their seat outside the EU, since they are accounted for as foreign donations.

- 2 **EU values, democracy and transparency:** the IA points to a persisting lack of European political awareness among European citizens, which hinders EUPPs from participating fully in the European political space. Another problem is the lack of gender balance in EU politics. Moreover, questions have arisen as to whether the EU values compliance mechanism, which is set out in the current regulation, is fit for purpose, as it has to date never been triggered, despite serious concerns.⁵
- 3 **Enforcement and administrative burden:** at present, the Authority for EUPPs and EUPFs (APPF) is not deemed to be sufficiently equipped to fulfil its oversight function. Moreover, the current regulation is said to create undue administrative burdens with regard to EUPPs' financial reporting obligations and the verification of their accounts.

These problems have been identified in various recent reports drawn up by the Commission and Parliament⁶ and have been confirmed by stakeholders (see section on stakeholder consultation, p. 6). The IA considers that the shortcomings derive from a regulatory failure that prevented the regulation from fully achieving its objectives. Notwithstanding that, the IA stresses that the regulation's **overall objectives remain valid** (IA, p. 21). The IA visualises the problems and their specific drivers in a chart (IA, p. 14) and describes them in great detail (IA, pp. 15-29).

Overall, the problem definition appears to be well substantiated, but it could at times be more explicit on the scale of the problems identified, a comment also made by the Regulatory Scrutiny Board (RSB). The IA is clear in describing in what way the main groups of stakeholders are affected by the above-mentioned problems. These stakeholders comprise:

- > the European political parties and foundations (at present, there are [10 EUPPs](#) registered with the Authority, each of them with an affiliated [foundation](#));
- > the [Authority](#) for EUPPs and EUPFs;
- > and the Authorising Officer of the European Parliament.

Subsidiarity/proportionality

The legal basis for this proposal is [Article 224 TFEU](#), empowering the co-legislators 'to lay down the regulations governing political parties at the European level referred to in Article 10(4) of the Treaty on European Union and in particular the rules regarding their funding'. The IA states that the proposal complies with the principles of subsidiarity and proportionality, arguing that the rules governing the statute and funding of EUPPs can be established solely at EU level and that any shortcomings are to be remedied through EU legislation. According to the IA (p. 30), the proposed targeted measures aim to close 'existing loopholes and inefficiencies' and do not go beyond what is necessary to make EUPPs 'more effective and accountable democratic actors'.

National parliaments had until 21 March 2021 to check the proposal's compliance with the principle of subsidiarity; according to [IPEX data](#), 14 national parliamentary bodies scrutinised the proposal. No national parliament issued a reasoned opinion, although the French Senate requested, in a [political opinion](#) in the framework of the political dialogue, to withdraw from the proposal the provision allowing EUPPs to accept financial contributions from non-EU member parties that have their seat in a [Council of Europe country](#), because it may favour foreign interference.

Objectives of the initiative

The IA identifies general and specific objectives, but does not put forward any detailed operational objectives.

The three **general policy objectives** of the initiative are to:

- > improve the legislative framework that enables EUPPs and EUPFs to contribute to forming European political awareness by ensuring the democratic principles laid down in Article 10 TEU;
- > ensure a higher level of compliance by EUPPs and EUPFs with the EU values set out in Article 2 TEU;
- > ensure the sound financial management of EUPPs and EUPFs, strengthen the enforcement of the Regulation and decrease the level of administrative burden.

For each of the general objectives, the IA further defines a number of **specific policy objectives** (IA, pp. 31-33):

Under general objective 1, the initiative aims to **adapt the funding for EUPPs** in a way that (i) allows them to actively engage in national campaigns on EU-relevant issues, and (ii) maintains meaningful relations with their member parties from Council of Europe countries outside the EU, while providing safeguards against foreign interference. It further aims to (iii) improve the visibility of the link between EUPPs and national political parties.

Under general objective 2, the IA aims to (i) **promote gender balance** and (ii) make the **compliance mechanism** regarding EU values easier to apply.

Under general objective 3: (i) the initiative aims to **adapt the typology of own resources**, which lacks granularity under the current regulation (the inclusion of a new type of own resource – including, for example, participation fees for events, sponsorships and publication fees – would help make it easier for European political parties to attain the required co-financing rate); (ii) with regard to donations, financial transparency would be improved by introducing a due diligence mechanism for EUPPs and EUPFs; (iii) the Authority's supervisory mandate would be strengthened with regard to investigations and sanctions; (iv) the initiative envisages reducing administrative burdens on EUPPs and EUPFs and (v) improving legal certainty by better clarifying the division of responsibilities between the APPF and the Authorising Officer of the European Parliament; (vi) a final specific policy objective is to better protect the EU's financial interests by adapting the rules regarding the entry into force of decisions to deregister EUPPs or EUPFs.

The cited objectives are clearly linked to the problem definition, as required by the Commission's [Better Regulation Guidelines](#) and [Toolbox](#), and appear to be specific, achievable and relevant. For monitoring purposes, selected specific objectives were translated into measurable indicators (IA, pp. 53-54, see below).

Range of options considered

The impact assessment considers two policy options in addition to the **baseline scenario (option 1)**. The baseline option was explored in sufficient depth (including a reference to Brexit), but it was discarded from the outset, as it would leave the current legal framework unchanged and thus not be able to address the shortcomings that had been identified in the application of Regulation 1141/2014 in various EU-level reports⁷ and by stakeholders. In this respect, the IA cites 'the wide consensus' among stakeholders that the existing legal framework 'needs targeted amendments to address the identified loopholes' (IA, p. 37). Keeping the status quo is considered to even exacerbate two major problems: firstly, it would put the financial viability of EUPPs and EUPFs at risk, as they encounter difficulties in securing sufficient own resources, and secondly, foreign funding and interference are expected to increase in future and thus require tighter regulation.

Policy option 2 is largely limited to amending the funding provisions for EUPPs and EUPFs, which the Commission considers 'the most pertinent in the Regulation's underperformance' (IA, p. 38). It would also strengthen the safeguards against foreign interference through donations. While possible measures are clearly explained, it remains unclear how the initiative would achieve greater transparency on paid political advertising, as the IA only makes reference to the parallel [impact](#)

[assessment](#) underpinning the proposal on transparency and targeting of political advertising,⁸ instead of specifically outlining those actions that are relevant to EUPPs.

Policy option 3 builds on the examined funding provisions of option 2, and additionally considers other specific issues for targeted amendments, as identified by stakeholders and EU reports.⁹ These issues include, among others, tightened enforcement of the regulation, changes to the sanctions and the EU value compliance mechanisms, and cuts in administrative burdens. Therefore, only option 3 would address identified problems and objectives in a comprehensive manner.

The range of policy options is very limited; however, under each option, and for each problem, several alternative measures are examined. Table 1 below (reproduced from the IA, pp. 38-39) compares the different options. It lists the specific objectives per problem area, which, however, do not fully match with the three general objectives (as is obvious from the last column, which indicates the corresponding objective). This presentation style is rather unusual for an IA, as normally options are developed in relation to specific or operational objectives. **The IA's preferred option is highlighted in orange.**

Table 1: Overview of the analysed policy options

Area of problem	Option 1 (baseline)	Option 2	Option 3	Corresponding general objective
Funding provisions	No change	Addressing difficulties matching the co-financing rate	Addressing difficulties matching the co-financing rate	3
		Tightening the transparency regime for donations	Tightening the transparency regime for donations	3
		Facilitating meaningful relations with actors outside the EU	Facilitating meaningful relations with actors outside the EU	1
EU values, democracy and transparency	No change	No change	Improving visibility of EUPPs and member parties' affiliation	1
			Helping EUPPs fulfil their constitutional mission	1
			Improving gender balance	2
			Simplifying the verification mechanism for compliance with EU values	2
Enforcement and administrative burden	No change	No change	Empowering the Authority	3
			Reducing administrative burdens	3
			Improving legal certainty	3
			Better protecting the EU's financial interests	3

Assessment of impacts

Impacts on democracy, fundamental rights and gender equality

The IA states that, due to the regulation's narrow scope and the limited number of key stakeholders concerned, there are no particular environmental, economic and social impacts to expect (IA, p. 40). Therefore, it concentrates on impacts on democracy and fundamental rights. However, this poses questions with regard to the budgetary implications of some of the proposed changes.

The IA provides a qualitative assessment of the impact that the two policy options would have on fundamental rights and democracy. Much space is dedicated to the reasoning about the feasibility of various alternative measures to address the problems identified in applying the regulation. With regard to the impact on **democracy**, the IA highlights, for instance, that a stronger role for EUPPs and EUPFs would contribute to the development of a European political space.

The assessment of impacts on **fundamental rights** appears less clearly structured in the IA than in the proposal's explanatory memorandum. The measures envisaged in the revision would positively affect certain rights laid down in the EU's [Charter of Fundamental Rights](#):

- > Article 11 – Freedom of expression and information: the measures would increase transparency and accountability; transparent disclosure of political ads would protect citizens against manipulation.
- > Article 12 – Freedom of assembly and of association: the measures would enhance EUPPs' relations with their national member parties and expand their activities.
- > Article 39 – Right to vote and to stand as a candidate in European elections: more transparency with regard to parties' logos would help citizens understand the link between EUPPs and national member parties.
- > Article 23 – Equality between men and women: the measures would promote a gender balance for EUPPs and EUPFs.

On the latter, option 3 further implies that EUPPs will be required to include provisions on **gender equality** in their statutes and provide evidence on gender balance when applying for EU funding.

The IA concludes, unsurprisingly, that **option 3 is the preferred option**, 'as it tackles all identified problems in a comprehensive manner and ensures maximum positive impact on all stakeholder groups' (IA, p. 52). The expected benefits and costs of the preferred option are listed in a separate annex (IA, Annex III, pp. 74-75); however, none of them are quantified or monetised (indeed, some appear difficult to quantify).

Simplification and other regulatory implications

The IA sees **simplification potential** under the preferred option in three areas: firstly, the clearer delineation of responsibilities between the Authority and Parliament's Authorising Officer would 'eliminate overlaps' (IA, p. 49); secondly, changes in the value compliance mechanism would make the regulation simpler;¹⁰ and thirdly, option 3 envisages reducing administrative burdens on EUPPs and EUPFs by simplifying the current double accounting system. The IA says that option 3 would keep the reporting obligations according to the national legislation of the Member State of registration, but abolish the additional requirement to report in the form of International Accounting Standards, which especially smaller parties and foundations perceived as cumbersome and costly.

In turn, the IA acknowledges that the preferred option adds new burdens (not quantified) insofar as it introduces a due diligence mechanism for EUPPs and EUPFs regarding donations exceeding a certain threshold. This due diligence requirement would increase transparency concerning donations. The recognition of additional income categories (not yet covered under the existing regulation) would also add to parties' and foundations' reporting requirements.

The IA highlights the **coherence** of the initiative with the legislative proposal on greater transparency on paid political advertising (a parallel initiative within the European democracy action plan), the European Charter of Fundamental Rights and the Commission's gender equality strategy for 2020-2025.

Budgetary implications

Although the IA does not specify the implications of the preferred option on the EU's general budget, it recognises that an increase in the Authority's powers would require additional human and financial resources (IA, pp. 47-53), but without quantifying them. The IA does not elaborate on the budgetary implications of the suggested changes regarding the co-financing rate for EUPPs.

Monitoring and evaluation

For the purpose of monitoring and measuring the achievement of the specific objectives, the IA suggests a number of – seemingly pertinent – indicators directly linked to selected specific objectives that would be subject to yearly or quinquennial reporting (IA, pp. 53-54). The proposal states that the changes in the regulation 'will be monitored based on the indicators in the impact assessment report' (proposal, explanatory memorandum, p. 7), although the list of indicators included in the legislative financial statement ([annexed](#) to the proposal) appears to be reduced by half.

Even though the IA does not mention any evaluation duties, the legislative proposal maintains the current evaluation and revision mechanism, which requires the European Parliament to first report on the application of the regulation, and the European Commission to then prepare a follow-up report (accompanied by an amending proposal, if appropriate). The timeline of these reporting requirements would, however, be adjusted and improved, with Parliament's report due within a year following each European election, and the Commission's own evaluation report to follow within 12 months after Parliament's report ([proposal](#), Article 42). Generally, it is worthwhile stressing that review clauses that assign the evaluation duty to the European Parliament in the first place are extremely rare in EU legislation.

Stakeholder consultation

The Commission conducted an open, questionnaire-based [public consultation](#) on the initiative between 30 March and 22 June 2021, thus respecting the 12-week timeline set out in the Better Regulation Guidelines. It triggered a mere 19 responses (including seven from EU citizens, six from NGOs, one from a Member State and another one from a research organisation), while two additional respondents – one national authority and one NGO – sent their input by email. Given the low response rate, the answers cannot be considered as a statistically representative sample and 'have to be analysed with caution', as the IA itself concedes (p. 62).

The IA also benefited from the **feedback** citizens and stakeholders provided to the combined [inception impact assessment and evaluation roadmap](#). Open for a period of four weeks (between 17 March and 14 April 2021), it received eight replies, including from one Member of the European Parliament (MEP), one EUPP and one EUPF. In addition, the Commission **informally consulted** key stakeholders, in particular EUPPs and EUPFs, the Authority, Parliament's Authorising Officer, Member States and MEPs, as well as the Office for Democratic Institutions and Human Rights of the Organization for Security and Co-operation in Europe (OSCE/ODIHR).

Annex 2 of the IA (pp. 59-73) includes detailed reporting about the results of these informal stakeholder consultations, which largely support the preferred option. This informal stakeholder input should not be under-estimated, especially in light of the meagre feedback to the Commission's public consultation efforts. For instance, as many as six (of the 10) EUPPs and eight (of the 10) EUPFs provided first-hand insights on their views and experiences (IA, pp. 59-60). Finally, according to the IA, [findings](#) from the open public [consultation](#) on the European democracy action plan also fed into the preparation of the IA.

Supporting data and analytical methods used

A disclaimer in the IA admits that evidence on the operation of the regulation is somewhat limited, given that it has only been in force since 2017 and has consequently only been applied at one European election, in 2019. Moreover, some provisions, such as the sanctions regime and the EU value compliance mechanism, have never been tested (IA, p. 5).

Annex 4 of the IA briefly summarises the evidence used to underpin the initiative. Apart from the aforementioned stakeholder input, the IA drew on two externally commissioned studies (one conducted in support of the evaluation, the other in support of this IA). As specific sources, the IA mentions publicly available information and data from the websites of the APPF and the European Parliament, including the EPRS ex-post evaluation [study](#) from June 2021, and further desk research carried out by Commission services.

While the IA appears to be generally transparent on data and sources, there is a **lack of transparency** with regard to the aforementioned supporting studies. Both remain unpublished, despite being repeatedly referred to (and thoroughly referenced) in both the IA and the evaluation. This makes it impossible to check properly an important evidence base of the IA and clearly contradicts the Commission's pledge to 'improve access to the evidence behind every legislative proposal', in the sense that 'for any legislative act, all related published studies, evaluations, datasets, etc. will be easy to find and access'.¹¹

The evidence base of the IA would have benefited from respecting more strictly the evaluation timeline set out in Regulation 1141/2014. Article 38 stipulates that, first, the European Parliament must come up with an evaluation report by the end of 2021, then the Commission should present its own report within six months. In practice, however, the Commission released its evaluation (together with the amending proposal and the IA) on 25 November 2021, merely two weeks after Parliament had adopted its [resolution](#) in plenary. Consequently, despite the resolution's call on the Commission 'to take due account' of Parliament's requests for the amending proposal, it could not really inform the revision process. The IA states that it took only AFCO's [draft report](#) into account.¹²

The Commission prepared the legislative revision in a '**back-to-back**' process, which means that an ex-post evaluation of the existing act and the ex-ante IA of the amending proposal were carried out in parallel. According to the Better Regulation Guidelines, this approach is typically chosen when 'political urgencies or timing constraints' do not allow for a standard process.¹³ In the present case, the choice may be justified by the wording of the evaluation clause ('The [Commission] report shall, if appropriate, be accompanied by a legislative proposal to amend this Regulation.') The drawback of this approach is, however, that the results of the evaluation tend to come too late to inform the problem definition in the IA.

Follow-up to the opinion of the Commission Regulatory Scrutiny Board

On 27 September 2021, the Regulatory Scrutiny Board issued a positive opinion with reservations ([SEC\(2021\) 577](#)) on a draft version of the Commission's IA report (dated 25 August 2021). While the Board acknowledged that the draft IA would support the revision of the current regulation, it nonetheless flagged a number of issues for improvement. In particular, it found that the report should:

- > better clarify the proposal's link with the proposal aiming for greater transparency of political advertising and integrate the latter initiative into the baseline scenario;
- > better analyse, substantiate and quantify the key problems it wanted to tackle;
- > establish more clearly the links between problem drivers, objectives and options and bring out feasible alternative options;
- > analyse in greater depth the heightened risk of foreign interference and corruption if membership of EUPPs and EUPFs were extended to parties from Council of Europe countries, and explore feasible alternatives to such membership.

In the IA report, the Commission maps out how it has addressed the RSB's comments (IA, pp. 55-58). While some of the Board's observations were implemented, the final version of the IA does not add much clarification regarding the initiative's relationship with the proposal on political advertising, nor does it analyse potential risks related to the extension of membership to Council of Europe countries.

Coherence between the Commission's legislative proposal and IA

In substance, the proposed amendments to Regulation 1141/2014 appear to be aligned with the recommendations put forward in the IA. However, one of the most striking changes in the proposal, namely **lowering the co-financing rate** for EUPPs from the current 10% to 5% of the eligible expenditure (and to 0% in European election years), is not explicitly mentioned in the presentation of the preferred option (pp. 52-53), although it is duly examined under option 2 (IA, p. 40).¹⁴

Furthermore, while **transparency in paid political advertising** features as a key component in the legislative proposal on EUPPs, the IA report does not elaborate much on this aspect. While it stresses how important coherence between the two parallel initiatives is, it merely refers to the IA on the initiative on transparency and targeting of political advertising ('The impact of the additional provisions are analysed in the impact assessment on the initiative on transparency of paid political advertising', IA, p. 38.)

Accordingly, compared with the IA examined in this briefing, the evidence base of the legislative proposal for EUPPs is much broader, as it also considers the IA and the stakeholder consultation on the political advertising initiative. Interestingly, 'to avoid duplication of work', the proposal suggests that 'the provisions on transparency and targeting of political advertising should be evaluated as part of the Commission's report following the elections to the European Parliament' (proposal, Recital 66).

The IA outlines the problems encountered in the application of Regulation 1141/2014 – as identified on the basis of recent reports and studies undertaken by the Commission and the Parliament and confirmed by stakeholder consultations – and seeks to resolve them by assessing possible options and their impact. However, the way the different options are presented leaves hardly any viable alternative to the preferred option. The analysis focuses on impacts on democracy, fundamental rights and gender equality, and is exclusively qualitative; the benefits and costs of the preferred option are not quantified or monetised. Three further points deserve a mention:

1. While elements of the parallel initiative on political advertising were integrated into the amending proposal on EUPPs, the IA remains vague on the link between the two initiatives.
2. In terms of transparency, it would have been useful to disclose the two supporting studies or to explain why they remained unpublished.
3. Finally, with regard to the timeline of the revision process, the IA and the amending proposal could have been better aligned with the review clause set out in Article 38 of the existing act. As the Commission issued the new proposal merely two weeks after Parliament had adopted its resolution, the IA could only consider AFCO's draft report. Despite the obvious time constraints – the amended regulation needs to be in place at least a year ahead of the next European elections (May 2024) – the findings of the evaluations carried out by the Parliament and the Commission (the latter conducted in parallel with the IA) could have been better used for enhancing the evidence base of the IA, in line with the 'evaluate first' principle.

ENDNOTES

- ¹ Targeted amendments to Regulation 1141/2014 were adopted in 2018 and 2019, respectively, to close certain loopholes. In particular, they sought to prevent misuse of EU funds by tightening the funding rules, strengthen the role of EUPPs, and safeguard the integrity of the European elections by introducing a sanction mechanism for breaches of data protection rules and fraudulent use of personal data by EUPPs.
- ² European Commission, Evaluation report pursuant to Article 38 of Regulation 1141/2014 on the statute and funding of European political parties and European political foundations, [COM\(2021\) 717](#), p. 12.
- ³ These are, in particular: European Commission, Evaluation report pursuant to Article 38 of Regulation 1141/2014 on the statute and funding of European political parties and European political foundations, [COM\(2021\) 717](#); European Commission, Report on the 2019 elections to the European Parliament, [COM\(2020\) 252](#) and the accompanying staff working document [SWD\(2020\) 113](#); European Parliament, [Resolution](#) of 11 November 2021 on Statute and funding of European political parties and foundations; European Parliament, [Resolution](#) of 26 November 2020 on Stocktaking of European elections.
- ⁴ ECJ Case T-107/19 Alliance of Conservatives and Reformists in Europe (ACRE) v Parliament, [judgment](#) of the General Court issued on 25 November 2020 (in particular paragraph 150-175). In a nutshell, the Court interpreted Regulation 1141/2014 restrictively, counting contributions from members from third countries as donations, which are forbidden under the existing legal framework. For an analysis of the ruling, see Anglmayer, I., [Statute and funding of European political parties under Regulation 1141/2014: ex-post evaluation](#), European Parliament, EPRS, 2021, pp. 38-39.
- ⁵ See Anglmayer, I., 2021, pp. 28-29.
- ⁶ See the references in endnote 3.
- ⁷ Idem.
- ⁸ For a quality assessment of the IA accompanying the Commission's proposal on political advertising, see Zandersone, L., Transparency and targeting of political advertising, European Parliament, EPRS, 2022. [forthcoming]
- ⁹ See references in endnote 3.
- ¹⁰ In the end, the legislative proposal does not propose any simplification to the value compliance procedure.
- ¹¹ See Commission communication on Better regulation: Joining forces to make better laws, [COM\(2021\) 219](#), p. 6.
- ¹² AFCO adopted its [report](#) on 26 October 2021. The IA also considered Parliament's [resolution](#) of 26 November 2020 concerning a stocktaking of the European elections, which already raised a number of issues regarding the application of Regulation 1141/2014.
- ¹³ See European Commission, [Better Regulation Toolbox 2021](#), p. 444. Procedural aspects of 'back-to-back' evaluations and impact assessments are dealt with in a dedicated chapter (tool #50).
- ¹⁴ This omission might result from the fact that option 3, the preferred option, builds incrementally on option 2.

This briefing, prepared for the AFCO committee, analyses whether the principal criteria laid down in the Commission's own Better Regulation Guidelines, as well as additional factors identified by the Parliament in its Impact Assessment Handbook, appear to be met by the IA. It does not attempt to deal with the substance of the proposal.

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