



EUROPEAN PARLIAMENT

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Committee on Budgets

2012/0237(COD)

24.1.2013

OPINION

of the Committee on Budgets

for the Committee on Constitutional Affairs

on the 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
(COM(2012)0499 – C7-0288/2012 – 2012/0237(COD))

Rapporteur: Edit Herczog

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SHORT JUSTIFICATION

The draftswoman shares the view of the Commission that greater and more effective involvement of European political parties and foundations can serve to promote citizens' understanding of the connection between the political processes at the national and European levels and is one way of encouraging the emergence of a European public sphere. Accordingly, the European political parties and foundations will have a greater role in European parliamentary elections organised every five years and in potential referendum campaigns where the subject is explicitly under the competence of the European Union or it is concerning the functioning of the European Union itself.

The draftswoman strongly believes that European political parties and foundations must respect in their programmes, in their activities and through their members the values on which the European 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.

The introduction of a degree of necessary financial flexibility with respect to the working methods and activities of the European political parties and foundations is welcomed, and the new method of financing, namely the contributions together with the system of operating grants and donations, is supported. Related to this the rapporteur wishes to emphasise that contributions to the organisation of joint events shall not be considered as donations, and that no limit should be defined on donations accepted by European political parties and foundations from natural or legal persons.

The draftswoman agrees with the approach that the European Parliament shall verify annually the conditions and registration criteria of European political parties and foundations, and supports the idea that a committee that consists of three members - independent eminent persons, with the European Parliament, the Council and the Commission each appointing one member - should give an opinion on the subject within a reasonable time period.

Finally, the draftswoman is convinced that besides the role the European Parliament is playing in the process of registration and annual verification, it shall be the competent national authorities in the Member State in which the European political parties and foundations have their respective seat that should exercise control over the funding received from sources other than the budget of the European Union, and all expenditure.

AMENDMENTS

The Committee on Budgets calls on the Committee on Constitutional Affairs, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) The procedures to be followed by European political parties and their affiliated European political foundations to obtain a European legal status pursuant to this Regulation should be laid down, as should the procedures and criteria to be respected in arriving at a decision on whether to grant such a European legal status. It is also necessary to lay down the procedures for cases where a European political party or a European political foundation may forfeit, lose or give up its European legal status.

Amendment

(8) The procedures to be followed by European political parties and their affiliated European political foundations to obtain a European legal status pursuant to this Regulation should be laid down, as should the procedures and criteria to be respected in arriving at a decision on whether to grant such a European legal status. It is also necessary to lay down the ***impartial and transparent*** procedures for cases where a European political party or a European political foundation may forfeit, lose or give up its European legal status.

Amendment 2

Proposal for a regulation

Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) Membership of a European political party and participation in its political activities on a voluntary basis should not be considered as payment or donations in kind, but as voluntary dedication.

Justification

The recital sets out the reasoning behind the change to Article 2(7).

Amendment 3

Proposal for a regulation

Article 2 – paragraph 1 – point 6 – footnote 18

Text proposed by the Commission

Amendment

18. At the date of adoption of the present proposal, the College will also adopt a Commission working document on a

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proposal to amend the Financial Regulation introducing a new Title on the financing of European political parties by means of contributions. The introduction of ‘contributions’ for European political parties will be confirmed after the latter proposal has been adopted by the co-legislators.

proposal to amend the Financial Regulation introducing a new Title on the financing of European political parties by means of contributions. The introduction of ‘contributions’ for European political parties will be confirmed after the latter proposal has been adopted by the co-legislators, ***ensuring continued coherence and clarity of definitions across both proposals.***

Justification

This clarification is required to ensure that sufficient consideration is given to the relationship between the two proposals.

Amendment 4

Proposal for a regulation

Article 2 – paragraph 1 – point 7

Text proposed by the Commission

(7) ‘donation’ means cash offerings and other donations in kind (goods or services) that constitute an economic advantage for the European political party or the European political foundation concerned.

Amendment

(7) ‘donation’ means cash offerings and other donations in kind (goods or services) that constitute an economic advantage for the European political party or the European political foundation concerned. ***Membership of a European political party and participation in its political activities on a voluntary basis does not constitute a donation.***

Justification

See new recital 15a.

Amendment 5

Proposal for a regulation

Article 10 – paragraph 2

Text proposed by the Commission

2. For matters not regulated by this Regulation ***or, where matters are partly***

Amendment

2. For matters not ***explicitly*** regulated by this Regulation, the European political

regulated by it, for those aspects not covered by it, the European political party and the European political foundation shall be governed in the Member State in which it has its seat by those national laws applicable to the legal form referred to in the party or foundation statutes. Activities carried out by the European political party and the European political foundation in other Member States shall be governed by the relevant national laws of those Member States.

party and the European political foundation shall be governed in the Member State in which it has its seat by those national laws applicable to the legal form referred to in the party or foundation statutes. Activities carried out by the European political party and the European political foundation in other Member States shall be governed by the relevant national laws of those Member States.

Justification

This amendment seeks to clarify the scope of the present Regulation, which is unclear from the Commission text.

Amendment 6

Proposal for a regulation Article 11 – paragraph 3

Text proposed by the Commission

3. A European political party or a European political foundation in one of the cases provided for under paragraph 1 points (a), (b) or (c) shall have any ongoing decision on Union funding received under this Regulation withdrawn or any ongoing agreement on such funding terminated and any unspent Union funding recovered, including any unspent Union funds from previous years.

Amendment

3. A European political party or a European political foundation in one of the cases provided for under paragraph 1 points (a), (b) or (c) shall have any ongoing decision on Union funding received under this Regulation withdrawn or any ongoing agreement on such funding terminated and any unspent Union funding recovered, including any unspent Union funds from previous years ***in accordance with the relevant provisions of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union¹ (Financial Regulation).***

¹ *OJ L 298, 26.10.2012, p. 1.*

Justification

This clarification is required to ensure that sufficient consideration is given to the relationship between the two proposals.

Amendment 7

Proposal for a regulation

Article 12 – paragraph 4

Text proposed by the Commission

4. Financial contributions or grants from the general budget of the European Union may not exceed 90% of the annual reimbursable expenditure of a European political party and 95% of the annual eligible costs indicated in the budget of a European political foundation. European political parties may use any unused part of the EU contribution awarded **to cover reimbursable expenditure** within the following two financial years after its award. Amounts unused following those two financial years shall be recovered in accordance with the Financial Regulation.

Amendment

4. Financial contributions or grants from the general budget of the European Union may not exceed 90% of the annual reimbursable expenditure of a European political party and 95% of the annual eligible costs indicated in the budget of a European political foundation. European political parties **and their affiliated European political foundations** may use any unused part of the EU contribution **or grant** awarded within the following two financial years after its award. Amounts unused following those two financial years shall be recovered in accordance with the Financial Regulation.

Justification

Public financing provided for European political parties and foundations contributes to the stability and continuity of their activities and serves the main purpose of forming European political awareness and expressing the will of European citizens. European political parties and foundations should be able to accumulate their necessary campaign funding with the help of carry-overs from the previous financial years.

Amendment 8

Proposal for a regulation

Article 15 – paragraph 1

Text proposed by the Commission

1. European political parties and European political foundations may accept donations

Amendment

1. 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**, without prejudice to paragraph 5.

from natural or legal persons without prejudice to paragraph 5.

Justification

With the aim of encouraging the political parties to generate own resources, the proposal aims to cease the limit on the value of donation per year per donor

Amendment 9

Proposal for a regulation
Article 15 – paragraph 5 – point b

Text proposed by the Commission

(b) donations from the budgets of political groups in the European Parliament,

Amendment

(b) donations from the budgets of political groups in the European Parliament,
although contributions to the organisation of joint events shall not be considered as donations,

Justification

On many occasions, when it is serving common political or social goals, European political parties and political groups of the European Parliament organise events jointly (e.g.: conferences, seminars, public debates). In these specific cases contribution to the organisational costs on behalf of a political group of the European Parliament shall be fully allowed and shall not be considered as a donation.

Amendment 10

Proposal for a regulation
Article 15 – paragraph 5 – point c

Text proposed by the Commission

(c) donations from any undertaking over which the public authorities may exercise directly or indirectly a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern ***it***,

Amendment

(c) donations from any undertaking over which the public authorities may exercise directly or indirectly a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern ***the individual undertaking concerned,***

Amendment 11

Proposal for a regulation
Article 15 – paragraph 5 – point d

Text proposed by the Commission

(d) donations from any public authority from a third country, including from any undertaking over which the public authorities may exercise directly or indirectly a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern *it*.

Amendment

(d) donations from any public authority from a third country, including from any undertaking over which the public authorities may exercise directly or indirectly a dominant influence by virtue of their ownership of it, their financial participation therein, or the rules which govern ***the individual undertaking concerned***.

Amendment 12

Proposal for a regulation
Article 16 – paragraph 2

Text proposed by the Commission

2. Any natural or legal person donating to a European political party or European political foundation within or across borders shall benefit from the same tax treatment that is applicable to donations made to a political party or political foundation that has its seat in the Member State where the donor is resident for tax purposes.

Amendment

2. Without prejudice to existing national thresholds and the autonomy of Member State tax law, any natural or legal person donating to a European political party or European political foundation within or across borders shall benefit from the same tax treatment that is applicable to donations made to a political party or political foundation that has its seat in the Member State where the donor is resident for tax purposes.

Justification

This amendment seeks to clarify the scope of the present Regulation, which is unclear from the Commission text.

Amendment 13

Proposal for a regulation Article 18 – paragraph 3

Text proposed by the Commission

3. The funding of European political parties and European political foundations from the general budget of the European Union or from any other source shall not be used to finance national, regional or local referenda campaigns.

Amendment

3. The funding of European political parties and European political foundations from the general budget of the European Union or from any other source shall not be used to finance national, regional or local referenda campaigns, ***with an exception allowed for European political parties when their subject is European Union legislation or the referendum directly concerns the functioning of an EU institution.***

Justification

European political parties cannot be excluded from national, regional or local referendum campaigns when they relate to the functioning of the European Union or issues under the EU competence. Representing a truly European point of view, European political parties have to be part of this democratic process.

Amendment 14

Proposal for a regulation Article 22 – paragraph 7

Text proposed by the Commission

7. The penalties imposed pursuant to this Article shall apply to all European political parties and European political foundations ***irrespective of*** whether they receive Union funding. The *Authorising Officer* responsible may impose administrative and/or financial penalties in accordance with *Article [96(2)]* of the Financial Regulation and Article [145] of its Rules of Application on any European political party or European political foundation that is in one of the cases referred to in *Article [96(1)]* of the Financial Regulation not covered by the paragraphs above.

Amendment

7. The penalties imposed pursuant to this Article shall apply to all European political parties and European political foundations ***which are recognised according to the provisions of this Regulation, notwithstanding*** whether they receive Union funding. The *contracting authority* may impose administrative and/or financial penalties in accordance with *Article 109(2)* of the Financial Regulation and Article 145 of its Rules of Application on any European political party or European political foundation that is in one of the cases referred to in *Article 109(1)* of the

Financial Regulation not covered by the paragraphs above.

Justification

For clarification: a Party or Foundation is still subject to the rules of transparency of donations even if it has not yet applied for or received Union funding in addition to its own resources.

Amendment 15

Proposal for a regulation

Article 24 – paragraph 1 – introductory part

Text proposed by the Commission

1. The Registry shall publish on a website created for the purpose the following:

Amendment

1. ***At the latest four weeks after the communication date or after the European Parliament has adopted its decision***, the Registry shall publish on a website created for the purpose the following:

Justification

Instead of being confined to the details specified in points (a) and (b), the one-month deadline for publication on the website should be standard for all types of information.

Amendment 16

Proposal for a regulation

Article 24 – paragraph 1 – point a

Text proposed by the Commission

(a) the names and statutes of all registered European political parties and European political foundations, together with the documents submitted as part of the application for registration in accordance with Article 6(3), ***at the latest four weeks after the European Parliament has adopted its decision*** and, beyond this date, any amendments notified to the European Parliament pursuant to Article 6(6) and (7),

Amendment

(a) the names and statutes of all registered European political parties and European political foundations, together with the documents submitted as part of the application for registration in accordance with Article 6(3), and, beyond this date, any amendments notified to the European Parliament pursuant to Article 6(6) and (7),

Justification

Technical adjustment necessitated by the amendment to the first sentence of Article 24(1).

Amendment 17

Proposal for a regulation

Article 24 – paragraph 1 – point b

Text proposed by the Commission

(b) a list of those applications that have not been approved, together with the documents submitted as part of the application for registration in accordance with Article 6(3) and the grounds for rejection, ***at the latest four weeks after the European Parliament has adopted its decision,***

Amendment

(b) a list of those applications that have not been approved, together with the documents submitted as part of the application for registration in accordance with Article 6(3) and the grounds for rejection,

Justification

Technical adjustment necessitated by the amendment to the first sentence of Article 24(1).

Amendment 18

Proposal for a regulation

Article 25 – paragraph 3

Text proposed by the Commission

3. The European Parliament and the committee referred to in Article 7(2) shall ensure that personal data collected by them pursuant to this Regulation are not used for any purpose other than to ensure the legality, regularity and transparency of the funding of European political parties and European political foundations and the membership of European political parties. They shall destroy those personal data at the latest ***24 months*** after publication of the relevant parts in accordance with Article 24.

Amendment

3. The European Parliament and the committee referred to in Article 7(2) shall ensure that personal data collected by them pursuant to this Regulation are not used for any purpose other than to ensure the legality, regularity and transparency of the funding of European political parties and European political foundations and the membership of European political parties. They shall destroy those personal data at the latest ***36 months*** after publication of the relevant parts in accordance with Article 24.

Justification

Departing from Article 13 of the Financial Regulation, the Commission proposal is offering a more generous 'n+2' carry-over arrangement, allowing the appropriations for a given financial year to be used over a time-span encompassing three financial years in all. The time limit for destroying personal data should correspondingly be raised to 36 months.

Amendment 19

Proposal for a regulation

Article 26 – paragraph 1

Text proposed by the Commission

1. The European Parliament shall provide for administrative appeal procedures in relation to any decisions linked to the registration of statutes, funding or penalties.

Amendment

1. The European Parliament shall provide for **swift and transparent** administrative appeal procedures in relation to any decisions linked to the registration of statutes, funding or penalties.

Justification

This amendment seeks to reinforce the need for robust and appropriate administrative appeal procedures given the potential penalties.

PROCEDURE

Title	Statute and funding of European political parties and European political foundations
References	COM(2012)0499 – C7-0288/2012 – 2012/0237(COD)
Committee responsible Date announced in plenary	AFCO 22.10.2012
Opinion by Date announced in plenary	BUDG 22.10.2012
Rapporteur Date appointed	Edit Herczog 3.10.2012
Date adopted	23.1.2013
Result of final vote	+: 29 -: 1 0: 3
Members present for the final vote	Marta Andreasen, Zuzana Brzobohatá, Jean-Luc Dehaene, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Ingeborg Gräßle, Lucas Hartong, Monika Hohlmeier, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlík, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, Claudio Morganti, Jan Mulder, Juan Andrés Naranjo Escobar, Nadezhda Neynsky, Dominique Riquet, Potito Salatto, Alda Sousa, László Surján, Derek Vaughan, Angelika Werthmann
Substitute(s) present for the final vote	François Alfonsi, Edit Herczog, Paul Rübig, Peter Šťastný, Georgios Stavrakakis, Theodor Dumitru Stolojan, Gianluca Susta, Nils Torvalds

