On 23 February 2021, the Committee on Constitutional Affairs (AFCO) of the European Parliament submitted request 4658 on statute and funding of political parties and foundations to the ECPRD network. The request was composed of four questions asking how funding was regulated, by which legal provisions, if there were limitations for the use of funding and what body was in charge of controlling the respect of the legal provisions. The request received 31 replies from EU national parliaments and chambers, from 25 countries.

From the replies of the National Parliaments/Chambers, one can deduce a general pattern for the regulation of the statute and the funding of political parties and foundations. Many European constitutions refer to the importance of political parties in democratic life. Funding is then further regulated through secondary legislation. Most countries have regulated the statutes of political parties, giving a list of elements that should be included therein. Half of the respondents declared to have a specific registry of active political parties. All respondents except Italy have systems of public funding. Either public funding is based on the party’s election results through the number of votes obtained or the number of seats won. Parties are always entitled to receive private donations from natural persons yet; the identity of the person must often be registered if the donation exceeds a certain amount. Funding and parties’ expenses and accounts are usually controlled by a determined authority, yet the statute, or form of the body, varies among countries.

Legal provisions governing the statute of the political parties and foundations.

Most European countries recognise, in their national constitution or Charter of Fundamental rights and freedoms, the importance of the freedom of establishing political parties and their fundamental role for the democratic life of the country. All respondents have a specific legal provision governing the Statute of parties. There are two main ways to recognise organisations as political parties: either their statutes provide all elements required by law or they participate in an election or have members represented in Parliaments. In the majority of cases, political parties and/or foundations have legal personality. The party/foundation has to provide the statutes of their organisation, and the party/ foundation needs to be registered on a specific register. Respondents, who gave precision on their legislation regarding European political parties, did not give specific definitions of what they recognise as a European political party.

Depending on the country, statutes must be deposited at different institutions. Bulgaria, Hungary, and Romania require that the statutes be deposited at the National Court. The Ministry of Interior administers Austrian, Slovak, and Slovenian political parties’ registers. Greece adapted its legislation on political parties following the adoption of European Regulation 1144/14 EU. Political parties must present their articles of association or statutory declaration, signed by at least 200 citizens, to the public prosecutor. Slovakia has specific provisions for European political parties. They have to be registered by the Authority for European political parties and European political foundations, and must present a certificate ensuring that they do not violate Slovak law. Ireland, which has a political party register in the Houses of the Oireachtas, specified that being on the register is a condition for putting the name of the party on the election ballot and for receiving state funding.

In Belgium, France, Hungary and Sweden, the setting up of a political party falls under the same legal provision as associations. In Belgium, political parties are required to set up a non-profit organisation and are then free to choose whether, or not, to give it a legal personality. In France, the setting up of political parties falls under the statute of ‘association law 1901’. Parties should then deposit their statute to the prefecture, mentioning the organisation of the party in precise terms. The National Commission for campaign accounts and political financing keeps the official public list of political parties up-to-date. In Hungary, registered associations can operate as political parties if they notify that they recognise the Act on Operation and Financial management
of political parties as binding on themselves and submit their statutes to the Court. In Sweden, political parties are independent associations and choose to be non-profit organisations or not. The most commonly used form is the non-profit association that adopts statutes and elects a board, which makes the party a legal entity.

**Public funding**

Out of all respondents, only Italy does not provide political parties with State subsidies. Thirteen countries stated they provide subsidies under the form of an annual grant. Countries distribute funding according to the number of seats and percentage of valid votes obtained in the last elections. A specific formula for both criteria defines the amount or proportion to be granted to a party by the State. Generally, public funding is given to all parties having at least one seat in one of the chambers and/or to those, which obtain between 1% and 3% minimum of valid votes in the last elections. Most countries also provide public funding according to the results of the European elections. For European elections, countries require a certain amount of votes cast, usually representing a half or a third of votes required in order to get funding following national elections.

The Czech Republic, France and Ireland reimburse (certain) election campaign costs if the party reached a certain percentage of votes or gained a certain number of seats in the European Parliament.

Four countries have a specific provision to encourage gender equality within parties. France, Ireland and Luxembourg give a penalty and reduce public funding of a party, if it did not respect parity in its electoral list. Romania, on the contrary, rewards gender equality. For political parties that promote women on the electoral lists, on eligible seats, the amount allocated from the state budget is doubled in proportion to the number of seats obtained in the elections by women candidates.

Estonia amended the Political Party Act in 2014 to grant state funding to parties that participated in the election but did not exceed the election threshold. The sum is based on the percentage of the received votes. Yet, in Estonia, there have been political debates about abolishing or decreasing state funding of political parties. The Czech Republic declared that financing from public means is constructed in order to enable parties to fulfil the necessary public interest. To qualify, a party must obtain at least 1% of the overall number of valid votes. If a party wins at least 3% of valid votes, it receives a stable contribution of six million CZK a year. The funding is increased for each further percentage point obtained, up to 5% of the votes. The declared aim is to support small parties that do not manage to win the required minimum proportion of votes in order to have representatives in the Chamber of Deputies. On the opposite end of the spectrum, Italy abolished every kind of public funding, including the reimbursement of election costs.

**Limitation of the use of public funding**

<table>
<thead>
<tr>
<th>Countries with specific limitation of use.</th>
<th>Countries where public funding can only be used for specific costs (mostly costs related to the achievement of the party’s objectives, or functioning).</th>
<th>Countries with no limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria: <em>States subsidies cannot be used to secure receivables from third parties.</em></td>
<td>Austria, Croatia, Finland, Germany, Hungary, Luxembourg, Portugal</td>
<td>Belgium (except in the four months prior to elections), Slovenia, Sweden.</td>
</tr>
<tr>
<td>Estonia: <em>Public founds cannot be used to conduct electoral campaigns.</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ireland: <em>no public funds can be used for elections or referendum campaigns.</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovakia: <em>Contribution shall not be used to loans and credits to natural or legal person, silent partnership agreements, business of the trade company, pledge on behalf of natural persons or legal entities, donation.</em></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Respondents who gave precisions on the funding of foundations and/or associations to a large sense, clarified that those entities must have clearly declared objectives in their founding statutes. Funding, private or public, can only be used if they serve to achieve the purposes and objectives of the foundation/association.

**Private funding**

All countries allow parties to receive private funding, including donations and membership fees. Private donations are often regulated and capped. In most countries, donators giving a certain amount have to be identified. Yet, the threshold varies depending on the countries. For instance, in Portugal, monetary donations above 109, 70€ are only payable by payment methods that may clearly identify the donor, while in Austria, only donations above 2 500€ per year per person have to be disclosed. Greece, Hungary and Ireland specified that donations from foreign donors be strictly prohibited. Moreover, Bulgaria, Croatia and Germany state that a party can earn revenues through economic activities. Finally, Latvia limits the donation, which a private actor can give to a political party, if the latter receives funds from the state budget.

Some countries also regulate and limit the use of private funding. Croatia states that funding can only be used by parties to achieve the goals set out in their work programme and financial plans. Hungarian parties can only use their assets in accordance with their objectives.

**Body controlling the respect of legal provisions**

Member states control two aspects of political parties’ activities. The first is the use of their funding, especially public funding, and expenses made during an election campaign. Countries often cap the possibilities for campaign expenses. The second is to verify that the statutes of a party respect the legal provisions concerning the parties. This is common in countries holding a specific political parties registry.

Most countries require parties to provide their annual reports on their funds and expenses to the controlling body. Austria, Bulgaria, Croatia, Finland, Hungary, Luxembourg, Slovenia and Spain have their political parties’ expenses and funding checked by the national Court of Audit, or the equivalent body. Belgium, Estonia, Greece, Ireland, Slovakia put in place special mixed commissions, usually composed of MPs, high judges and experts, to evaluate the legality of the funding. The Czech Republic, France, Lithuania, Poland and Romania have specific electoral commissions. Croatian parties have their funding checked by an Election Commission, the State of Audit Office and the Ministry of Finance. The Czech Republic, France, Lithuania, Poland and Romania have specific electoral commissions. Croatian parties have their funding checked by an Election Commission, the State of Audit Office and the Ministry of Finance. In the Netherlands, the Ministry of the Interior controls the parties’ funding. In Sweden, the body in charge of the control is the Chamber of Commerce. In Germany, an auditor or auditing company must have audited statements of accounts. Parties receiving state funding, or having an income or assets below 5,000€ per year may submit an unaudited statement of accounts. Austria and Portugal clarified that if the control body had doubts on the expenses and income of a party, the Constitutional Court can impose sanctions.

**Directorate for Relations with National Parliaments - Institutional Cooperation Unit**


**Author:** Mélanie Véron-Fougas, melanie.veron-fougas@europarl.europa.eu

**Responsible editor:** Pekka Nurminen, pekka.nurminen@ep.europa.eu