

VOTING LIST

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

(2020/2026(INL))

Rapporteur: Sergey Lagodinsky

Draft report: Fdr 1239204 - PE 697.560v01-00

Amendments: (AMs 1 - 419) - Fdr 1241332 - PE 699.025v01-00

Committees for opinion: LIBE and EMPL

Concerned text	AM	Tabled by	Remarks	Rapp	Vote
Whole text except below	COMP 1 - 10 except 5A and 5B		Roll-call vote <i>Voted in block</i>		
Paragraph 6 b (new)	LIB 6		Roll-call vote		
Paragraph 15 b (new)	LIBE 14		Roll-call vote		
Annex – Part I	105	Lebreton, Garraud	Falls if COMP 1 - 10 except 5A and 5B adopted Roll-call vote		
Annex – Part I – Article 5	COMP 5 A		Roll-call vote		
Annex – Part I – Article 5	144	Stancanelli	Fall if 105 or COMP 5 A adopted Identical Roll-call vote		
	145	Pospíšil			
	146	Aubry			
Annex – Part I – Article 5 – title	147	Amor	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		

Annex – Part I – Article 5 – paragraph 1	148	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 1	149	Kyuchyuk, Nart, Beer	Falls if 105, COMP 5 A, 144 or 148 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 2	150	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 2	151	Kyuchyuk, Nart, Beer	Falls if 105, COMP 5 A, 144 or 150 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 3	152	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 4	153	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 4	154	Kyuchyuk, Nart, Beer	Falls if 105, COMP 5 A, 144 or 153 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 5	155	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 6	156	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 6 – point f	157	Lagodinsky	Falls if 105, COMP 5 A, 144 or 156 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 7	158	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 7	159	Kyuchyuk, Nart, Beer	Falls if 105, COMP 5 A, 144 or 158 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 8	160	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		

Annex – Part I – Article 5 – paragraph 9	161	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 10	162	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 11	163	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		
Annex – Part I – Article 5 – paragraph 12	164	Pospíšil	Falls if 105, COMP 5 A or 144 adopted Roll-call vote		
Annex – Part I – Article 7	175	Pospíšil	Falls if 105 adopted Roll-call vote		
Annex – Part I – Article 7	176	Aubry	Falls if 105 or 175 adopted Roll-call vote		
Annex – Part I – Article 10 a (new)	COMP 5B		Falls if 105 adopted Roll-call vote		
Annex – Part I – Article 10 a (new)	219	Pospíšil	Falls if 105 or COMP 5B adopted Roll-call vote		
Recital A b (new)	LIBE I		Roll-call vote		
Final vote – Draft as amended (Roll-call vote)					

ANNEX - COMPROMISES

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with recommendations to the Commission on a statute for European cross-border associations and non-profit organisations
(2020/2026(INL))**

Compromise 1

Recitals

Covered amendments: AM 1 (Sergey Lagodinsky), AM 2 (Manon Aubry), AM 3 (Nacho Sánchez Amor), AM 4 (Daniel Buda), AM 5 (Sergey Lagodinsky), AM 7 (Anne Sander, Geoffroy Didier), AM 8 (Anne Sander, Geoffroy Didier), AM 9 (Anne Sander, Geoffroy Didier), AM 12 (Nacho Sánchez Amor), AM 13 (Sergey Lagodinsky), AM 15 (Anne Sander, Geoffroy Didier), AM 17 (Manon Aubry), AM 18 (Nacho Sánchez Amor), AM 19 (Nacho Sánchez Amor), AM 20 (Anne Sander, Geoffroy Didier), AM 21 (Sergey Lagodinsky), AM 24 (Nacho Sánchez Amor), AM 26 (Daniel Buda), AM 27 (Daniel Buda), AM 28 (Daniel Buda), AM 29 (Daniel Buda), AM 31 (Manon Aubry), AM 32 (Daniel Buda), AM 33 (Sergey Lagodinsky)

Further relevant amendments: AM 6 (Gilles Lebreton, Jean-Paul Garraud, Alessandra Basso), AM 10 (Anne Sander, Geoffroy Didier), AM 11 (Gilles Lebreton, Jean-Paul Garraud), AM 14 (Daniel Buda), AM 16 (Gilles Lebreton, Jean-Paul Garraud, Alessandra Basso), AM 22 (Gilles Lebreton, Jean-Paul Garraud, Alessandra Basso), AM 23 (Anne Sander, Geoffroy Didier), AM 30 (Gilles Lebreton, Jean-Paul Garraud, Alessandra Basso)

The European Parliament,

- having regard to Article 225 of the Treaty on the Functioning of the European Union,
- having regard to Articles 114 and 352 of the Treaty on the Functioning of the European Union,
- ***having regard to article 11 of the Treaty on the European Union, [AM 1, 2]***
- having regard to the Charter of Fundamental Rights, and in particular Article 12 thereof,
- having regard to Article 11 of the European Convention on Human Rights,
- having regard to its report (PE A3-1/93) on the proposals relating to the proposals for a Regulation on the Statute for a European Association (COM(91)273 final),
- having regard to its resolution of 13 March 1987 on non-profit-making associations in

the European Communities (OJ No C 99, 13.4.1987, p. 205)¹,

- having regard to its resolution of 7 October 2020 on the establishment of an EU Mechanism on Democracy, the Rule of Law and Fundamental Rights (2020/2072(INI))²,
 - having regard to its Declaration of 10 March 2011 on establishing European statutes for mutual societies, associations and foundations³,
 - ***having regard to the EESC Opinion on “European Philanthropy: an untapped potential (Exploratory opinion at the request of the Romanian Presidency)”, [AM 3]***
 - having regard to the Joint Guidelines on Freedom of Association (CDL-AD(2014)046) adopted by the European Commission for Democracy Through Law (Venice Commission) and the OSCE Office for Democratic Institutions and Human Rights (ODIHR),
 - having regard to Rules 47 and 54 of its Rules of Procedure,
 - having regard to the opinions of the Committee on Employment and Social Affairs, the Committee on Culture and Education and the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Legal Affairs (A9 0000/2020),
- A. whereas Article 63 TFEU together with Articles 7, 8 and 12 of the Charter of Fundamental Rights ***guarantees the freedom of association at all levels and [AM 4]*** protects non-profit organisations against discriminatory, unnecessary and unjustified restrictions regarding the financing of their activities⁴;

Aa. whereas the term “non-profit organisation“ should, for the purpose of this report, be understood to reflect the multitude of forms of non-profit organisations in the Union, both membership and non-membership based, for example associations, philanthropical organisations, organisations whose assets are allocated to the pursuit of a specific aim, such as foundations, and other, similar organisations; [AM 33]

B. whereas **non-profit organisations** are fundamental to representing the interests of citizens and civil society, ***including by providing services in often unprofitable areas of the social sector, encouraging participation in social life and defending the rights of minorities whereas they furthermore play a key role in anticipating and tackling socio-economic challenges as well as in closing the gaps in services and economic activities, alongside national, regional and local governments; [AM 8, 12, 15, 25];***

Ba. whereas non-profit organisations often make use of, and promote the freedom of expression, in particular in relation to promoting the public interest, support active participation in democratic life, and function as schools of democracy [AM 5, 12, 7

¹ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOC_1987_099_R_0184_01

² https://www.europarl.europa.eu/doceo/document/TA-9-2020-0251_EN.html

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52011XP0101>

⁴ ECJ C-78/18

covered];

- Ca. whereas the COVID-19 crisis has highlighted the vital role of non-profit organisations in helping people face the many difficulties, thereby guaranteeing social cohesion; however their status was shaken by the crisis notably by interrupting their activities but also by creating new needs and missions; [AM 9, 10]*
- C. whereas European democracy depends on civil society and representative organisations being able to function freely and across borders; *whereas the essential role of civil society and representative organisations in contributing to democracy is considered a fundamental value of the EU, recognised by art. 11 TEU in particular, and requires an open, transparent and structured dialogue; [AM 12, 13]*
- D. whereas non-profit organisations are an integral part of the EU's civil society and contribute to and facilitate the work of individuals, non-profit organisations for the public interest;
- E. whereas reliable statistical information on non-profit organisations is scarce or not readily available;
- F. whereas the European statutes for European Companies, European Cooperative Societies or European Parties are not suitable to enable non-profit organisations to cooperate cross-border;
- G. whereas businesses, commercial undertakings, and economic interest groupings have the possibility of forming a European Economic Interest Grouping;
- H. whereas public bodies can create European groupings of territorial cooperation;
- H a. whereas a European Statute for Association should be open to organisations and persons that want to engage in exchanges and mutual learning across borders, [AM 17]*
- I. whereas the European Parliament's call for national statistical registers for social economy actors does not cover organisations outside the social economy;
- J. whereas today many non-profit organisations play a full part in the economic life and in the development of the internal market, by engaging in some economic activity on a regular basis; *whereas the volume of cross-border financial flows between associations or non-profit organisations has increased considerably in the last decade; [AM 18]*
- J a. whereas nowadays the awareness among policymakers and civil society about the potential of non-profit organisations in terms of provision of services, citizen engagement and social innovation has increased; whereas their potential is probably untapped in a wide range of areas such as education, culture, health care, social services, research, development aid, humanitarian assistance and disaster preparedness; [AM 19]*
- Jb. whereas the socio-economic potential of non-profit organisations in the European Union is constantly increasing, with employment opportunities being created in a wide range of sectors; [AM 20]*

- La.** *whereas the vast majority of the activities of non-profit organisations are carried out at national level, but whereas an increasing number of non-profit organisations are operating across borders, thereby strengthening the social cohesion between EU societies, especially in border regions which comprise nearly 40% of Union territory [AM 7, 23, 24];*
- L.** *whereas cross-border non-profit organisations in particular contribute greatly to the achievement of the Union's objectives and develop many and various activities of a transnational relevance which benefit the general interest in different fields; whereas this includes but is not limited to the protection and promotion of fundamental rights and values, environmental protection, education, culture, social work or development aid; [AM 24, 25, 26]*
- La.** *whereas despite the burgeoning numbers of cross-border non-profit organisations in the European Union, there is no harmonised pan-European legislative framework allowing them to operate and organise themselves properly at a cross-border level; [AM 27]*
- Lb.** *whereas, at present, in the absence of any Union regulation governing non-profit organisations, their cross-border activities are characterised by cultural, judicial and political discrepancies deriving from national regulations; [AM 28]*
- Lc.** *whereas the European Parliament stressed as early as 1987 the need to introduce an appropriate European regulation for European non-profit organisations in its resolution of 13 March 1987 on non-profit-making associations in the European Communities; [AM 29]*
- M.** *whereas any organisation benefiting from a European statute or from European common minimum standards should act towards the promotion and the implementation the EU's common values and objectives enshrined in the Treaties and the Charter of Fundamental Rights; [AM 31, 32]*

Compromise 2

“Current Situation”

Covered amendments: AM 35 (Nacho Sánchez Amor), AM 37 (Daniel Buda), AM 38 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 41 (Daniel Buda), AM 42 (Sergey Lagodinsky), AM 43 (Anne Sander, Geoffroy Didier), AM 44 (Sergey Lagodinsky), AM 45 (Daniel Buda), AM 46 (Sergey Lagodinsky), AM 47 (Anne Sander, Geoffroy Didier), AM 48 (Daniel Buda), AM 49 (Ilhan Kyuchyuk, Javier Nart), AM 51 (Sergey Lagodinsky), AM 52 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 53 (Adrián Vázquez Lázara, Nicola Beer), AM 54 (Sergey Lagodinsky), AM 55 (Sergey Lagodinsky), AM 56 (Sergey Lagodinsky), AM 57 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 59 (Sergey Lagodinsky), AM 60 (Adrián Vázquez Lázara, Nicola Beer), AM 61 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 62 (Manon Aubry), AM 63 (Anne Sander, Geoffroy Didier), AM 64 (Adrián Vázquez Lázara, Nicola Beer), AM 65 (Jiří Pospíšil), AM 66 (Manon Aubry), AM 67 (Nacho Sánchez Amor, Manon Aubry), AM 69 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer)

Further relevant amendments: AM 34 (Jiří Pospíšil), AM 36 (Gilles Lebreton, Jean-Paul Garraud), AM 39 (Gilles Lebreton, Jean-Paul Garraud, Alessandra Basso), AM 40 (Daniel Buda), AM 50 (Gilles Lebreton, Jean-Paul Garraud), AM 58 (Gilles Lebreton, Jean-Paul Garraud), AM 68 (Sergey Lagodinsky)

Current situation

1. Notes that **non-profit organisations** lack a legal form at Union level to put the representation of civil society interests on an equal footing with that of commercial undertakings and economic interest groups for which legal form at Union level has long been established;
- 1 a. *Observes that legal, cultural, political and economic differences between Member States continue to make the cross-border activities of **non-profit organisations** very complex, and that the current administrative and fiscal treatment of the cross-border activities of these organisations results in higher transaction costs than at national level; [AM 35]*
2. Emphasises that the current legal framework at Union and national level is insufficient to **establish and** support a strong pan-European civil society, the existence of which is necessary for democracy; thus, identifies the need to introduce a new legal form, namely that of European Association, including rules on its establishment, **transparency, accountability**, and governance; **[AM 37, 38]**
- 2a. **Underlines the importance of ensuring European coordination, avoiding fragmentation and supporting a harmonised approach across the Union with regards to the European Association, through a designated European Associations Board; to this end, calls on the Commission to examine the different options and put forward a proposal for the most appropriate form and status of such a Board in which all Member States are represented and which has well-defined decision-making powers;**

3. Believes that Union legislation supporting **non-profit organisations** is also needed for the completion of the single market;
4. Stresses that *even though the freedom of movement and establishment is embedded in the Treaties*, the fundamental right of association is still not fully supported *and promoted* under various jurisdictions of the Member States because of the lack of appropriate organisational forms and lack of equal treatment of existing forms throughout the Union, *on the one hand* hindering cross-national *activities and projects, cross-border missions* and mobility of civil society, and *on the other hand* causing legal uncertainty; [AM 41, 42, 43]
5. Regrets the lack of an instrument to further facilitate the *freedom of movement for non-profit organisations*, regardless of *the Member State in which* they have been established, or their members reside, *in particular by removing legal and administrative hurdles*; [AM 44, 45]
6. Stresses that due to the lack of *approximation of practices*, **non-profit organisations** that operate across Europe often face *unjustified restrictions such as* fees, formalities, and administrative and other hurdles, *which puts their day-to-day activities at risk and discourages them from extending their missions across borders*; *Underlines that these hurdles also lead to a multiplication of workload when needing to follow multiple different administrative procedures in more than one Member State*; [AM 46, 47, 48, 49, 52, 53]
7. Stresses that the lack of *approximation of practices* also leads to an uneven playing field due to the different market conditions and other obstacles that **non-profit organisations** face in different Member States, for example when opening bank accounts, *raising and accounting for foreign funds, accessing public benefit measures and schemes, benefitting of certain financial or tax treatment* or hiring staff, *in particular when hiring cross-border which should be facilitated in line with the principle of free movement of workers*; [AM 51, 52, 53]
- 7a. **Calls on the Commission to look into the different forms under which non-profit organisations operate in different Member States and to draw up a comparative analysis;**
8. Points out that **non-profit organisations** contribute to innovation, research, economic development, and job creation, *in particular, but not limited to, the social, entrepreneurial, technology, and cultural sectors* [AM 54];
- 8 a. *Recognises the contributions of non-profit organisations to strategic goals of the Union, such as combating the climate crisis, tackling the digital transformation, and recovering from the COVID-19 pandemic*; *Underlines that achieving these goals will be impossible without the contribution of civil society promoting these issues throughout Europe, in particular with regards to the implementation of necessary policy on the local, regional, national, and European level, while respecting the interests and rights of those affected*; [AM 55]
9. Regrets that data are scarcely available or outdated. Asks *the Member States to*

regularly provide disaggregated data and the Commission to create reliable and frequently updated statistical resources, based on established methodology ensuring transparency and comparability, and to allow for these data to be included in Eurostat on cross-border activities and contributions; Points out that according to the 2017 study commissioned by the EESC, “Recent evolutions of the social economy in the European Union”, out of a total of 13.6 million paid employments in cooperatives, mutual societies, associations, foundations and similar entities in the European Union, 9 million stemmed from employments in associations and foundations⁵, making them the number one in employment in the sector; Highlights that this also shows the importance of the availability of more data with a wider aim than at the social economy; [AM 56, 57]

10. Regrets that the Commission and the Member States have not brought forward legislation to secure an enabling environment in which it is possible for non-profit organisations to contribute to the functioning of the internal market, and to ensure free flow of capital across borders, and that a statute for a European Association has not been established despite several attempts, numerous calls by civil society, *and the Parliament; [AM 59, 60, 61, 62, 63]*
11. *Welcomes the upcoming Social Economy Action Plan and* considers that, as only certain non-profit organisations are operating in the social economy, it needs to include recommendations on how to overcome cross-border barriers, and needs to be complemented by separate legislative initiatives *aimed at supporting non-profit organisations; [AM 64, 65, covers 66]*
12. Considers that, due to their particular character, the proposed legal instruments *shall not have an impact on the regulation of* political parties; furthermore, recalls that the Union respects the status of churches, religious organisations or communities, as well as philosophical or non-confessional organisations under national law; underlines that this does not preclude organisations that only draw from a religious, philosophical or non-confessional inspiration such as faith-based charitable non-profit organisations, from benefitting from the scope of these proposals; points out that trade unions in several Member States are given a special beneficial status and should therefore *be excluded from the proposed instruments; Points out that persons wanting to set up an association are free to make use of the provisions under the proposed regulation and take up the form of a European Association, notes that the Directive on minimum standards applies to all non-profit organisations in the Union; [AM 67, 69]*

⁵ Recent Evolutions of Social Economy, table 7.1, page 68, <https://www.eesc.europa.eu/en/our-work/publications-other-work/publications/recent-evolutions-social-economy-study> [AM 56]

Compromise 3

“Safeguarding civil society and the freedom of association”

Covered amendments: AM 70 (Sergey Lagodinsky), AM 71 (Anne Sander, Geoffroy Didier), AM 72 (Daniel Buda), AM 73 (Gilles Lebreton, Jean-Paul Garraud), AM 74 (Jiří Pospíšil), AM 75 (Sergey Lagodinsky), AM 77 (Sergey Lagodinsky), AM 78 (Manon Aubry), AM 79 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 80 (Jiří Pospíšil), AM 81 (Manon Aubry), AM 82 (Manon Aubry), AM 83 (Sergey Lagodinsky), AM 86 (Jiří Pospíšil), AM 87 (Adrián Vázquez Lázara, Nicola Beer), AM 88 (Sergey Lagodinsky), AM 89 (Sergey Lagodinsky), AM 90 (Manon Aubry), AM 91 (Sergey Lagodinsky), AM 92 (Manon Aubry), AM 93 (Gilles Lebreton, Jean-Paul Garraud), AM 95 (Jiří Pospíšil), AM 98 (Adrián Vázquez Lázara, Nicola Beer), AM 99 (Daniel Buda), AM 101 (Gilles Lebreton, Jean-Paul Garraud), AM 102 (Sergey Lagodinsky), AM 104 (Sergey Lagodinsky)

Further relevant amendments: AM 76 (Gilles Lebreton, Jean-Paul Garraud), AM 84 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 85 (Gilles Lebreton, Jean-Paul Garraud), AM 94 (Gilles Lebreton, Jean-Paul Garraud, Alessandra Basso), AM 96 (Adrián Vázquez Lázara, Nicola Beer), AM 97 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 103 (Gilles Lebreton, Jean-Paul Garraud, Alessandra Basso)

Safeguarding civil society and the freedom of association

13. ***Expresses its concern at the hindrances faced by non-profit organisations across the Union, and at discrepancies deriving from national laws, regulations or administrative practices or policies; points out that this may negatively affect civil society, unduly restricts fundamental rights, especially the freedom of association, of expression, and of information, and risks to dissuade non-profit organisations from extending their activities across borders; [AM 70, 71, 72, 74, covers 73]***
14. ***Takes well into account the possibilities digitalisation and the internet provide to facilitate the exercise of the right to freedom of association, for example making registration and forming of non-profit organisations easier and readily available online [AM 75];***
15. ***Emphasizes that non-profit organisations are essential for democracy and policy making at all levels; They promote and work for the public good, are part of the checks and balances for the rule of law, and are drivers for civic engagement; welcomes civil society engagement in public interest advocacy, activism, and active social life; [AM 77, 78]***
- 15a. ***Reiterates that non-profit organisations have the freedom of participating in matters of political or public debate through their objectives or activities; condemns attempts to restrict civic space on political grounds, and the denial, refusal or challenging of their status as public benefit organisation based on perceived or real political activity, where their activities are not meant to benefit one particular party or substitute party politics; Considers such cases to be dangerous for European democracy; [AM 77, 79, 80, 82]***

- 15 b. *Stresses the importance of the independence of non-profit organisations and the need to ensure an enabling environment for non-profit organisations, respecting their plurality and understanding public benefit organisations as contributing to both providing services on the ground, but also advocating for the public good and monitoring public policies; [AM 81]*
16. *Maintains that **a legal framework** will benefit European civil society if non-profit organisations can make use of adequate and easily accessible funding both at national and at European level; points out that public financing, **as well as private financing**, of non-profit organisations, is important since they have less access to income from profit-making activities; Underlines in this context, the existence of the Citizens, Equality, Rights and Values programme, which is aimed, inter alia, at non-profit organisations; Points out that according to the EU Financial Regulation, EU grants shall 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; takes the view that in particular in the case of non-profit organisations with very limited financial resources, a limit for the own funds requirement should be evaluated and non-monetary contributions counted as such provided that such treatment would not disrupt competition when accessing funding; Notes that often EU funds available for non-profit organisations require co-financing, which in turn means that the beneficiary needs to raise a share of the required funds from other sources; Points out that requiring too high a share of own resources would be detrimental to the organisation, which may not be able to raise this, leading to some organisations being excluded; Therefore believes that a limit to the share of co-financing should be [evaluated] and that different means need to be taken into account which could be monetarised such as volunteer time or contributions in kind; [AM 83, 86, 87]*
- 16a. *Points out that it is important for non-profit organisations to provide relevant information to the public; further reminds that transparency in respect of financing is to be considered a public interest where non-profit organisations have a significant influence on public life and public debate; [AM 84]*
- 16 b. *Considers that the introduction of a status for European Associations will provide an opportunity for national and local organisations to engage more closely on European matters, to engage in mutual learning and exchanges across borders, and that it will support them in accessing EU level funding; Calls on the Commission and Member States to make adequate funds available, increase the accessibility and further simplify the procedures to facilitate access to funds for civil society actors, including small and local organisations; [AM 88]*
- 16 c. *Considers furthermore that the legislation proposed needs to be complemented by measures to support a regular, meaningful and structured dialogue with civil society and representative organisations, in line with article 11 TEU; Calls in this respect on the Commission to assess the possibility to develop a participatory status for public benefit organisations at EU level; [AM 89, 90, 92]*
- 16 d. *Highlights that arbitrary and politically motivated discrimination based on the objectives and activities of organisations, as well as based on the sources of funding hinders the freedom of association and therefore is a threat to the freedom of expression; [AM 91]*

Recognising associations, non-profit organisations and public benefit across the Union

17. Recognises that different approaches exist in legislation at national level and legal traditions to defining or recognising various member-based and non-member-based non-profit organisations, as well as to defining, recognising, and granting a public benefit status; underlines that, despite such differences, there is a common understanding of the need for European minimum standards and for providing non-profit organisations the possibility to acquire legal personality; *[covers AM 93]*
18. Calls on the Commission to recognise and promote the public benefit activities of non-profit organisations by harmonising the public benefit status *within* *[AM 95]* the EU. Stresses that the national laws and administrative practices regulating non-profit organisations, including on their formation, registration, operations, financing, financial and tax treatment or tax relief measures, as well as cross-border activities, should not discriminate based on place of establishment of the organisation or against any group or individual on any ground.;
- 18 a. Calls on the Commission to consider adopting a proposal to facilitate the mutual recognition of public benefit tax exempt organisations including philanthropic organisations in every member state if recognised as public benefit tax exempt in one of the Member State for tax purposes; [AM 98]*
- 18 b. Highlights the fact that European-level regulation of the statute and minimum standards for non-profit organisations can help create a level playing field, thereby facilitating, from that perspective, the completion of the single market; [AM 99]*
- 18 c. Urges the Commission to develop a dedicated, comprehensive strategy to strengthen civil society in Europe, including by introducing measures to facilitate the operations of non-profit organisations on all levels; [AM 100]*
- 18d.** Requests 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, following the recommendations set out in this motion, and Annex I *Part I* hereto; *[AM 104]*
- 18e.** Requests the Commission to use the results of the comparative analysis pursuant to paragraph 7a to accompany the proposal for a Regulation appropriately with a list of national forms of entities that should be deemed comparable pursuant to Article 3 paragraph 2 of that proposal;
19. Requests the Commission to 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*, creating a level playing field for non-profit organisations by establishing minimum standards, *enabling civil society to benefit from freedoms, fundamental rights, as well as to contribute to strengthening European democracy*, following the recommendations set out in this motion, and Annex *Part II* hereto; *[AM 102, covers 101]*
- 19a.** Requests the Commission to use the results of the comparative analysis pursuant to paragraph 7a to accompany the proposal for a Directive appropriately with a list of national forms of organisations that should be considered covered pursuant

to Article 1 of that proposal;

21. Instructs its President to forward this resolution and the accompanying recommendations to the Commission and the Council.

**Motion for a European Parliament Resolution with recommendations to the
Commission on a statute for European cross-border associations and non-profit
organisations (2020/2026(INL))**

*Draft Compromise Proposals – Annex I - Regulation
(version of 30 November 2021)*

Compromise 4, Regulation, Recitals

RECITALS

AM 110, 111, 112, 113

(5) Associations ***are the glue which holds our society together and*** play a key role in encouraging ***and empowering*** individuals to actively participate in the democratic ***and social*** life of the Union, ***particularly those that are facing exclusion and discrimination, and can play a crucial part in the process of developing Union policies.***

AM 114, 115

(6) The Union should provide associations, which are a form of organisation generally recognised in all Member States, with an adequate legal instrument capable of fostering their transnational ***and cross-border*** activities, ***as well as contributing to civil dialogue at EU level.***

AM 119,120, 121, 122

(12) It is therefore necessary to establish at Union level ***an*** appropriate ***harmonised regulatory framework*** which will permit the creation of European associations ***with their own legal personality, and the cross-border organisation and operation of such associations.***

AM 123

(12a new) Political parties, trade unions as well as churches and other religious, philosophical or non-confessional communities are excluded from the scope of this Regulation following the lack of EU competences to regulate their status and following their particular status within national law. This distinguishes them from other associations lacking such particular status, such as faith-based charitable non-profit organisations or organisations fighting discrimination including within the labour market.

To be read together with Article 6 (4a)

(12b New) This Regulation is without prejudice to workers' and trade union rights, including existing rights and protections in the context of insolvencies, restructuring processes, mergers, transfers of undertakings, information and consultation. Employers must meet their obligations regardless of the form under which they are operating.

To be read together with Article 5(1)

(12c New) It is important to ensure European coordination, avoid fragmentation and support a harmonised approach across the EU for the application of this Regulation. In this regard, this regulation provides for the designation of a European Associations Board, within or linked to the Commission and/or relevant institutions, bodies, offices and agencies of the Union.

To be read together with Article 5(4) and (11)

(12d New) It is recommended that the European Associations Board invites a representative of the Fundamental Rights Agency to its meetings when touching upon the freedom of association or expression, in line with article 2 of Council Regulation (EC) No 168/2007.

To be read together with Article 10 and Article 11

(12e New) This Regulation introduces specific time periods, including with regards to the registration and public benefit process. When assessing the implementation and application of this regulation, the Commission should in particular look how these time periods are applied in practice.

To be read together with Article 8 and article 23

(12f New) For the purpose of verifying the requirements set in Article 6, the national associations body may ask for the names and addresses of the founding members. The identity of founders and members of non-profit organisations that are natural persons can constitute sensitive information, therefore Member States should ensure that any requirements leading to the processing of such personal data is without prejudice to Regulation 2016/679 (GDPR), and in particular Article 9 thereof;

Compromise 5, Regulation, Articles

ARTICLES

ARTICLE 1

AM 126, 127, 129

1. This Regulation lays down the conditions and procedures governing the establishment and operation of legal entities in the form of a European Association.
2. A European Association shall be an independent and self-governed cross-border and non-profit entity established on a permanent basis within the territory of the Union by voluntary agreement between natural or legal persons ***for a common non-profit purpose.***
3. A European Association shall be free to determine its objectives as well as the activities necessary to pursue them.
4. A European Association's objectives shall respect and support the promotion of the objectives and values on which the Union is founded as laid down in Articles 2 and 3 of the Treaty on European Union, and the Charter of Fundamental Rights of the European Union.
5. A European Association shall be membership based and free to determine the composition of its membership. This may include the determination of special requirements for members, based on reasonable and objective criteria and subject to the principle of non-discrimination.

ARTICLE 2

Amendment 131, 134, 135

1. 'non-profit' means that it is not the primary aim of the association to generate a profit, while it may still exercise economic activities. Where profit is generated, it is invested in the organisation for the pursuit of its objectives, and not distributed among members, founders or any other private parties. The granting of public benefit status pursuant to Article 21 is not a necessary condition to establish the non-profit nature of an association. However, where public benefit status is granted, the purpose of the association shall be regarded as non-profit;
2. 'independent' ***with regard to associations*** means free from any undue State interference and not part of a government or administrative structure. In this respect, ***neither*** receiving governmental funding ***nor participating in a consultative body to the government*** shall preclude an association from being deemed independent, as long as the autonomy of the association's functioning and decision making is not affected;
3. 'self-governed' means that the association has an institutional structure allowing it to exercise all its internal and external organisational functions and to make essential decisions independently;
4. 'public benefit' means an improvement in the welfare of society or part of it, thus benefiting the general interest of society;
5. 'cross-border' means that the association pursues the objective of transnational cooperation or cooperation across borders within the European Union, or that its founding members come from ***at least two*** Member States, ***implying they are citizens or residents of a Member State if they are natural person, and have their registered office in a Member State, if they are legal entities;***
6. 'member' means a ***natural or legal*** person that voluntarily and intentionally applied to join an association to support its objectives and activities, and that was admitted into the association based on that association's statutes. Where an association is formed as the result of conversion or merger, the willingness of membership can be conclusively assumed.

ARTICLE 3

AM 136, 137

Rules applicable to European Associations

1. ***The European Association shall be governed by this regulation and by its statutes.***

For matters not dealt with by this Regulation, the European Association shall be governed by the law of the Member State in which the European Association has its registered office.

2. Member States shall identify the legal entity or the category of legal entities to which a European Association shall be deemed comparable for the purpose of the identification of the applicable law pursuant to paragraph 1, in a manner consistent with the provisions and the objectives of this Regulation.

ARTICLE 4

AM 138, 139, 141

National associations bodies

1. Member States shall designate an *independent* public authority (*the 'national associations body'*) and shall inform the European Associations Board and the Commission thereof. The national associations body shall be responsible for the registration of European Associations, in accordance with article 10 of this Regulation and for monitoring the application of this Regulation *in full compliance with* the fundamental rights and freedoms of European Associations.
2. Each national *associations body* shall contribute to the consistent application of this Regulation throughout the Union. For that purpose, the *associations bodies* shall cooperate with each other, *including* within the framework of the European Associations Board in accordance with Articles 5 and 22 of this Regulation.

ARTICLE 6

AM 165, 166, 167, 168, 171, 172, 174

1. A European Association shall be formed:

(a) by agreement of at least three founding members *implying they come from at least two different Member States and* are citizens or residents *of a Member State if they are natural person, and have their registered office in a Member State, if they are legal entities; or*

(b) as the result of a conversion into a European Association of an existing entity *established* under the law of a Member State, *which meets the same conditions as in paragraph a)* and which has its registered office within the Union; or

(c) as the result of a merger between at least two *existing European Associations; or*

(ca) as the result of a merger between at least one existing European Association and at least one entities belonging to the categories identified pursuant to Article 3(2) of this Regulation; or

(cb) as the result of a merger between at least two entities belonging to the categories identified pursuant to Article 3(2) of this Regulation, formed under the laws of Member States and which have their registered office within the Union, provided that *together these entities have at least three members that come from* at least two different Member States.

2. A Member State may provide that an entity, among those identified pursuant to Article 3(2) of this Regulation on the applicable law, the registered office of which is not in the Union, may participate in the formation of a European Association provided that entity is formed under the law of a Member State, has a registered office in that Member State and has a demonstrable and continuous link with that Member State economically, socially or culturally.

3. The formation of a European Association shall be executed by a written agreement between all of the founding members or by written minutes documenting the constitutive meeting signed by all founding members *and duly verified if the national law provides it for the formation of associations.*

4. The departure of a founding member from a European Association shall not automatically lead to the European Association being terminated or dissolved, provided that it continues to carry out its activities based on the agreement of at least the number of persons referred to in paragraph 1.

4a. The formation of a European Association or any restructuring processes shall not be used to undermine workers' or trade union rights or working conditions. In line with applicable collective agreements and national and EU legislation, the obligations regarding employees and creditors must continue to be fulfilled and employees, volunteers, trade unions and workers' representatives shall be duly informed and consulted. Collective agreements and workers' board-level representation rights shall be respected and maintained, when applicable.

ARTICLE 8

AM 177, 178, 179, 180, 182, 183, 184, 185, 186, 187

1. The founding members shall draw up and sign the statutes of the European Association at the moment of its formation or at its constitutive meeting.
2. The statutes shall contain at least the following information:
 - a) the name of the European Association, preceded or followed by the abbreviation 'EA';
 - (b) a precise statement of the European Association's objectives, *its non-profit nature and, where applicable, a description of public benefit purposes*;
 - c) the address of the European Association's registered office;
 - ~~(d) the name, address and nationality of the founding members, where these are natural persons;~~
 - (da) *the assets of the European Association at the time of its formation*;
 - e) the name and the address of the registered offices of the founding members, where these are legal persons;
 - (f) the conditions and procedures for the admission, *suspension*, expulsion and resignation of members;
 - (h) provisions governing the *number of board members, the composition, appointment and dismissal* of the Board of Directors and its members, the conditions for the initiation of proceedings against members of the Board on behalf of the European Association, as well as the Board's functioning, powers and responsibilities, including powers of representation in dealings with third parties;
 - i) provisions governing the functioning, powers and responsibilities of the General Assembly, including majority and quorum requirements;
 - ia) provisions concerning the rights and obligations of members, including voting rights and rights to submit motions;*
 - j) the grounds and procedures for voluntary dissolution of the European Association;
 - k) an explicit commitment by the European Association to respect the values of the Union as enshrined in Article 2 TEU; and
 - (ka) *whether or not it disposes of founding capital and, if so, the amount of such capital*;
 - l) the frequency with which a General Assembly shall be called
 - (la) *the date of adoption of the statutes and the procedure for amending them*;

ARTICLE 9

AM 189, 190, 191

1. The registered office of a European Association shall be located within the territory of the Union, at the place specified in its statutes. The registered office shall be located at the place where the European Association has its central administration *or the principal place of activities in the EU*.
2. In the event of formation of a European Association by conversion pursuant to paragraph 2(a) of Article **6**, members shall decide whether the European Association's registered office is to remain in the Member State where the original entity was registered, or rather is to be moved to another Member State.
3. In the event of formation of a European Association by merger pursuant to paragraph 2(b) of Article **6**, the members shall decide in which of the Member States in which the merging entities are registered the registered office of the European Association is to be located.

ARTICLE 10

AM 193, 194, 195, 196, 197, 199, 200, 201, 203, 204, 205, 208, 210, 213, 214, 215, 216, 217, 218, 219

1. *The founding members of a* European Association shall, within 30 days of the date of the European Association's formation as provided for in Article 6, submit an application for registration *to the national associations body established according to article 4.*

1a. The national associations body shall, after verifying the applicants' compliance with the requirements set out in this regulation, take a decision on the registration of the European Association, within 30 days after receiving the application.

1b. Member State shall not impose further requirements for registration.

1c. If the application is accepted by the national associations body, it shall register the European Association in the appropriate national registry and communicate its decision within 15 days to the European associations Board which shall proceed to including the European Association in the digital database of European Associations established pursuant to Article 5(6)(aa), as well as to the Publications Office of the European Union. The Publications Office of the European Union shall then ensure that the information is published without delay in the Official Journal of the EU.

1d. If, within 30 days of the submission of the application for registration, the application has been rejected or has not been decided upon, the applicant may, within 15 days of receipt of the rejection decision or the expiry of the 30-day period for taking a decision, appeal to the Appeals Committee established under Article 10a. The Appeals Committee shall take a decision on the application for registration within 30 days from the appeal. If the Appeals Committee approves the application for registration or fails to deliver a decision within 30 days, the national associations body shall proceed with the registration within 15 days of such decision or failure to act.

Any decision for rejection shall be communicated to the applicants including substantiated grounds of justification.

1e. Upon inclusion in the appropriate national registry pursuant to paragraph 1c, the registration of a European Association shall take effect in the territory of the Union.

2. Registration shall occur via *the common* registration *forms or other tools referred to in article 5.* The registration procedure shall be electronic *and accessible* and shall allow applicants to use the official language or one of the official languages of the Member State where the European Association has its registered office. *Registration fees shall not be higher than those applicable to the entities referred to in article 3(2) and shall not exceed the administrative costs nor constitute an undue financial burden, subject to the principle of proportionality.* The national *associations bodies* shall make it possible to register by non-digital means for the *those* who wish to do so.

3. *deleted*

4. *deleted*

5. Upon receipt of an application for the granting of public benefit status from a European Association, the *national association body* shall assess the application in relation to the requirements laid down in this Regulation. The *national association body* shall not impose any requirements other than those laid down in this Regulation.

deleted

7. The *national associations body* shall, within 15 days of receipt of the *application for*

public benefit status, adopt a binding decision. That period may be extended by 15 days in duly motivated cases, where the assessment of the application requires further examination *or the opinion of the European Associations is requested. The national associations body shall inform the European Association immediately of the duration and motivation of any extension of the initial 15 days period.*

7a. If the application for public benefit status is accepted by the national associations body, it shall register this decision in the appropriate national registry and communicate its decision within 15 days to the European associations Board as for including the public benefit status of the European Association in the digital database of European Associations established pursuant to Article 5(6)(aa) as well as to the Publications Office of the European Union. The Publications Office of the European Union shall then ensure that the information is published without delay in the Official Journal of the EU.

7b. Upon inclusion in the appropriate national registry pursuant to paragraph 7a, the decision adopted regarding the public benefit status shall take effect in the territory of the Union.

7c. If, within 15 days or, in case of extension, 30 days of the submission of the application for public benefit status, the application has been rejected or has not been decided upon, the applicant may, within 15 days of receipt of the rejection decision or the expiry of the 15-day period for taking a decision, appeal to the Appeals Committee established under Article 10a. The Appeals Committee shall take a decision within 15 days from the appeal, or within 30 days in duly motivated cases. If the Appeals Committee approves the application for public benefit status or fails to deliver a decision within the set period, the national associations body shall proceed with granting the public benefit status within 15 days of such decision or failure to act. Any decision for rejection shall be communicated to the applicants and include substantiated grounds of justification.

8. deleted

9. deleted

10. deleted

10a. Founding members may decide to simultaneously submit an application for the registration and public benefit status, in which case the decision on both shall be dealt with as one and the longer time periods will be applicable.

ARTICLE 11

AM 220, 221, 222, 223, 224, 225, 227, 229, 231, 233

1. The registered office of a European Association may be transferred to another Member State in accordance with paragraphs 2 to 12 of this Article. Member States shall ensure unhindered transfer of assets and documents belonging to the European Association transferring its **registered office** to another Member State. Such transfer shall not result in **any changes in the statutes of the association other than those provided for in this Article, or in the European Association being wound up or in the creation of a new legal person. It shall also not affect any rights and obligations existing before the transfer apart from those inherently linked to the transfer.**

2. A transfer proposal shall be drawn up by the Board of Directors of the European Association and shall be published in accordance with the national rules of the Member State in which the registered office is situated.

3. A proposal under paragraph 2 shall include details of:

- (a) **intended** registered office **and** proposed **name in the destination Member State;**
- (aa) **name and address in the Member State of origin**
- (b) **the proposed amended** statutes **including the new name of the European Association, where applicable;**

c) the timetable proposed for the transfer; and

d) the expected legal and economic consequences of the transfer.

6. No decision to transfer shall be taken for two months after publication of the proposal. Decisions to transfer shall be governed by the conditions laid down for the amendment of the statutes.

7. The creditors and holders of other rights vis-à-vis the European Association which predated publication of the transfer proposal shall have the right to require the European Association to provide them with appropriate guarantees. The provision of such guarantees shall be governed by the national law of the Member State in which the European Association had its registered office prior to the transfer. Member States may extend the application of this provision to include debts made by the European Association with public entities prior to the date of transfer.

8. **The** competent authority in the Member State in which the European Association has its registered office shall issue a certificate to acknowledge that the acts and formalities required prior to transfer have been properly completed.

9. The new registration shall not be carried out until the certificate provided for in paragraph 8 has been produced. The transfer of the European Association's registered office and the resulting change of statutes shall take effect on the date on which the transfer is registered pursuant to Article 10.

10. A Member State may, in respect of European Associations having their registered office on its territory, refuse the transfer of the registered office, subject to a formal objection lodged by a designated competent authority within the period of two months specified in paragraph 3. Such objection may only be lodged **and founded on** reasons of public ~~interest,~~ **security**, and shall be communicated **to the national associations body of the destination Member State** and to the European Associations **Board**.

11. If the transfer of the registered office is refused pursuant to paragraph 10, the European Association may, within 15 days of receipt of the rejection decision, appeal to the Appeals Committee established under Article 10a. The Appeals Committee shall take a decision within 15 days, or within 30 days in duly motivated cases, where the assessment of the application requires further examination.

11a. If the Appeals Committee approves the transfer or fails to do so within the set period, the national associations body of the competent Member States shall proceed with approving the transfer within 15 days of such decision or failure to act.

Any decision for refusing a transfer shall be communicated to the applicants and include substantiated grounds of justification.

12. deleted

13. If the transfer of registered office has become final, the national associations body of the Member State of origin shall communicate this information within 15 days to the national associations body of the destination Member State and to the European associations Board. No later than 15 days after receiving this information, the national associations body of the destination Member State shall include the European Association in the appropriate national registry. The European Associations Board shall ensure that details of the transfer are published in the digital database of European Associations as well as in the Official Journal of the European Union no later than 15 days after receiving the communication from the Member State of origin. The transfer of the registered office of the European Association shall take effect and may be relied on against third parties as of the date on which the European Association is included in the national registry for its new registered office.

14. A European Association which is the subject of dissolution, winding-up, liquidation, insolvency, suspension of payments or other such procedures may not transfer its registered office.

ARTICLE 12

AM 235, 236, 237, 238

1. A European Association shall acquire legal personality ***in all Member States upon the inclusion*** of its registration as a European Association in the ***appropriate national registry***.
2. Following the notice of registration but prior to the ***inclusion in the appropriate national registry***, the European Association may exercise its rights as a legal person if it uses “European Association in formation” as part of its name, and in accordance with the national rules on precautionary supervision applicable to domestic associations in the Member State where the European Association has its registered office during the phase of formation. If, prior to acquiring legal personality, actions have been undertaken in the name of the European Association and the European Association does not assume the obligations arising from those actions, the natural or legal persons undertaking those actions shall be jointly and severally liable for them, unless otherwise provided for by applicable national rules of the Member State where the European Association has its registered office during the phase of constitution.
 - 2a. ***[As from the date of entry into force of this regulation,] only European Associations formed and registered pursuant to this Regulation may include the denomination “European Association” in their name. It shall be allowed to do so upon inclusion in the appropriate national registry pursuant to article 10, paragraph 1 (c).***
3. As legal persons, European Associations shall have the capacity to exercise, in their own name, the powers, rights and obligations that are necessary for the pursuit of their objectives, under the same conditions as a legal entity among those identified pursuant to Article 3(2) of this Regulation on the applicable law and formed in conformity with the law of the Member State in which the European Association has its registered office.
4. The attributes deriving from the acquisition of the legal personality by a European Association shall include the right and capacity to:
 - a) conclude contracts and perform other legal acts, including acquiring movable and immovable property;
(aa) raise funds to support its non-profit activities;
 - (b) receive donations and legacies;
 - c) employ staff;
 - d) be a party to legal proceedings; and
 - e) access financial services.

ARTICLE 13

AM 239, 240

1. A European Association shall be free to determine its internal management structures and governance in its statutes, subject to the other provisions of this Regulation, ***and which in any case must be in accordance with the democratic principles and fundamental values of the EU.***
2. A European Association shall be governed by at least two bodies, the Board of Directors (the 'Board') and the General Assembly.
3. Other governance bodies may be set up by the Board or the General Assembly, under the conditions and in accordance with the procedures laid down in the statutes ***and in this regulation.***

ARTICLE 14

AM 241, 242, 243, 245, 246

1. The Board shall manage the European Association in the interests of the European Association and in pursuit of its objectives, as provided for in the European Association's statutes.
2. The Board shall be *appointed* by the General Assembly, in accordance with the statutes. ***Information on the composition of the Board shall be made available within 6 months from the date of the election to the national associations body, which shall inform the European Associations Board. Any further changes to the composition shall be reflected within the same provision. Such information shall be made publicly available by the European Association.***
3. A person shall be ineligible to be a member of the Board, or have powers conferred on them, or be given responsibilities of management or representation pursuant to paragraph 6 below if they are disqualified from serving on a board, or other similar management or supervisory body of a legal entity by reason of:
 - (a) The ***national or Union*** law applicable to that person;
 - b) the ***national or Union*** law applicable to the legal entities identified pursuant to Article 3(2) of this Regulation in the Members State in which the European Association has its registered office; or
 - c) a judicial or administrative decision adopted or recognised in a Member State.
4. Within the scope of the functions attributed to them by this Regulation and by the statutes of the European Association, all members of the Board shall have the same rights and obligations.
5. The Board may delegate management powers or responsibilities to committees composed of one or more of the European Association's members. The statutes or the General Assembly shall adopt conditions within which such delegation shall operate.
6. ***The Board may hold ordinary and extraordinary meetings; within the framework of its ordinary meetings,*** the Board shall meet at intervals laid down by the statutes, and at least twice a year, to discuss the accounts, the activities and the foreseeable prospects of the European Association's ***projects***.
7. The Board shall, once a year, draw up a report on the activities of the European Association, which it shall transmit to the national ***associations body*** and to the European Associations ***Board***. Such annual report shall also be made publicly available by the European Association.
- 7a. ***Without prejudice to article 22 (2) of this Directive and insofar this applies to the entities referred to in article 3(2), the Board shall, once a year, draw up a financial statement on the European Association's accounts, including an indication of income generated by economic activities, credits, bank loans, donations or uncompensated receipt of cash or property during the previous calendar year as well as a budget estimate for the forthcoming financial year. Following national law, the Board can be required to disclose***

the financial statement to the competent authority and to its members. In such case, members may ask the Board to provide further information, including on the sources of funding. Members shall only do so where, following the examination of the annual financial statement, this is necessary to ensure transparency and accountability and in line with the requirements of necessity and proportionality. To that effect, the European Association shall be required to keep full and accurate records of all financial transactions, as referred to in article 23 (1) of this Regulation.

8. The members of the Board shall have the power to represent the European Association in dealings with third parties and in legal proceedings, within the limits and under the conditions established in its statutes. Where the authority to represent the European Association in dealings with third parties is conferred on two or more members, those persons shall exercise that authority collectively.
9. Any acts performed by members of the Board on behalf of the European Association shall bind the European Association vis-à-vis third parties, provided that they do not exceed the powers granted to the Board by the applicable law, or lawfully conferred on the Board by the statutes.

ARTICLE 15

AM 247, 248, 249, 250, 251

1. The European Association's general meeting, gathering all members, shall be referred to as General Assembly.
2. The Board shall convene a meeting of the General Assembly in accordance with its statutes.
3. Members shall be informed of a General Assembly no later than 15 ~~calendar~~ days ahead of the date set for the meeting.
4. A General Assembly may be convened by the Board at any time, either on its own initiative or at the request of at least one quarter of the members. The statutes may set a lower threshold.
5. The meetings of the General Assembly may be held *in presence*, online, *or as a combination of both*, without that affecting their validity, or the validity of the decisions adopted. ***The Board shall decide on which of the three forms is used for each meeting, unless a majority of the Association's members objects and proposes another form.***
6. The request for a meeting shall state the reasons for convening it and the items to be included on the agenda.
7. Every member shall have the right to information and obtain access to documents, in accordance with the rules set in the statutes, prior to each meeting.
8. Every member shall have the right to participate in the General Assembly *and* to speak.
9. Members' right to vote *and to submit motions* in the General Assembly shall be exercised in accordance with the European Association's statutes, ***following article 8 paragraph 2 (ia) of this regulation.***
10. Members may appoint another member to represent them in a General Assembly meeting prior to the meeting in question, pursuant to a procedure to be established in the European Association's statutes. A member may not represent more than two others.
11. Decisions by the General Assembly on ordinary matters shall be taken as a rule by a majority of the votes of the members present or represented. ***Votes shall be distributed in accordance with the rules set in the European Association's statutes.***

ARTICLE 17

AM 252, 253

Article 8a

Amendments of the Statutes

1. Any amendments to the European Association's statutes shall be discussed at a General Assembly meeting convened for that purpose.
2. Members shall be notified of General Assembly meetings aimed at discussing and deciding upon proposed amendments of the European Association's statutes at least 30 calendar days ahead of the date set for the meeting. The notification should include the proposals in question.
3. The General Assembly shall have the power to make amendments to the statutes, if at least half of the European Association's members plus one are present or represented.
4. Amendments to the European Association's statutes shall be adopted, if at least two thirds of the General Assembly's present or represented members vote in favour.
5. Amendments to the stated purpose of the European Association shall be adopted, if at least three quarters of the General Assembly's present or represented members vote in favour.

5a. The text of the adopted statutes shall be made available within 6 months from the date of their adoption to the national Associations body, which shall inform the European Associations Board. Any adopted changes to the Statutes shall be reflected within the same provision. Such information shall be made publicly available by the European Association and communicated to the European Associations Board for inclusion in the European database referred to in article 5 paragraph 6 (a) of this regulation.

ARTICLE 18

AM 254, 255

1. Any *discriminatory treatment of* the European Association shall be prohibited.
2. Any European Association *shall receive the same treatment as equivalent national* entities identified pursuant to Article 3(2) of this Regulation.

ARTICLE 19

AM 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269

A European Association can be granted public benefit status if the following cumulative conditions are met:

(a) the organisation's purpose and actual activities pursue a public benefit objective which serves the welfare of society or of part of it, and is thus beneficial for the public good, except where this is systematically and directly aimed to benefit the structures of a specific political party. The following purposes shall be considered as oriented towards public benefit, although the list shall not be considered as exclusive:

- (i) arts, culture or historical preservation;
- (ii) environmental protection and climate change;
- (iii) the promotion and protection of fundamental rights and Union values, including **democracy, the rule of law**, the elimination of any discrimination based on gender, race, ethnicity, religion, disability, sexual orientation or any other grounds;
- (iv) social justice, social **inclusion and poverty** prevention or relief ;
- (v) humanitarian assistance and humanitarian aid, including disaster relief;
- (vi) development aid and development cooperation;
- (vii) protection of, assistance to and support for vulnerable sectors of the population, including children, the elderly, people with disabilities, persons seeking or benefitting from international protection and people in a situation of homelessness;
- (viii) protection of animals;
- (ix) science, research and innovation;
- (x) education, training **and youth involvement**;
- (xi) the promotion and protection of health and well-being, including the provision of medical care;
- (xii) consumer protection; and
- (xiii) amateur sports **and their promotion**.

3. The **national associations body** shall **take a decision on the application for public benefit status following the procedure set out in article 10 paragraphs 5 to 7c**

4. **deleted**

5. **deleted**

6. **deleted**

7. **deleted**

ARTICLE 22

AM 271, 272,

1. European Associations shall be able to solicit, receive, dispose of or donate any resources, including financial, in-kind and material, and solicit and receive human resources, from or to any source, be it public bodies, private individuals or private bodies, in any Member State of the Union and in third countries.

2. European Associations shall be subject to the provisions of Union and ***applicable*** national law concerning ***taxation***, customs, foreign exchange, money laundering and terrorist financing, as well as to the rules regulating the funding of elections and political parties, as applicable to the legal entities identified pursuant to Article 3(2) of this Regulation in the Member State in which they have their registered office.

2a. European Associations shall be subject to reporting and public disclosure obligations in accordance with national law, including with regard to the composition of the Board of directors, provisions of the statutes, financing and financial statements, insofar as this meets the objective of general interest of ensuring European Associations' transparency and accountability subject to the requirements of necessity and proportionality and in so far this does not impose stricter rules than those applicable to equivalent national entities identified pursuant to Article 3(2) of this Regulation and for-profit entities . Such reporting and public disclosure obligations shall not lead to any difference of treatment or limitation of the rights and obligations of the European Association regardless of desirability of its purpose or sources of financing.

ARTICLE 23

AM 273, 274, 275, 276, 277, 278, 279, 284, 287, 288

1. *The European Association shall keep full and accurate records of all financial transactions.*

2. European Associations shall draw up at least once a year:

- a) annual accounts;
- b) consolidated accounts, if any;
- c) a budget estimate for the forthcoming financial year; **and**

(ca) an annual activity report.

The Board shall transmit the annual activity report and the financial statement to the national associations body pursuant to Article 14(7) and (7b) of this Regulation.

2a. The annual activity report shall contain at least:

(a) information on the activities of the European Association in the year of reference;

(b) information on foreseeable prospects, if available;

(c) a description of how the public benefit purpose, if the correspondent status was granted to the European Association, was promoted during the previous year.

3. The annual accounts of the European Associations, and, where applicable, their consolidated accounts, shall be audited pursuant to the provisions applicable to the legal entities identified pursuant to Article 3(2) of this Regulation in the Member State in which the European Association has its registered office. The audit shall be carried out at least once every four years and no more than once every two years.

4. The report resulting from the audit referred to in paragraph 3 shall be disclosed in the manner provided for by the law of the Member State in which the European Association has its registered office.

5. *Member State authorities shall not require European Associations to provide access to information on their members who are natural persons, unless necessary for the purpose of a public criminal investigation concerning criminal offences punishable by a maximum custodial sentence of at least one year and following a decision by an independent court or tribunal.*

6. *The national associations body shall provide a bi-annual overview with relevant information about all audits referred to in paragraph 3 to the European Associations Board, which shall provide for the publication of the report in the digital database of the European Union.*

7. Rules on accounting and auditing applicable to European Associations shall not be less favourable than those applicable to undertakings in application of Directive 2006/43/EC⁸ or Directive 2013/34/EU of the European Parliament and of the Council⁹.

7a. Article 23 shall be applicable without prejudice to more favourable national provisions in the Member State of the registered office.

Chapter 5 – Title + ARTICLE 24

AM 293, 295, 296, 297, 298, 300, 301, 303, 305

Cooperation between national and Union level and liability

ARTICLE 24

Cooperation between national and Union level

1. The national *associations body of the registering Member State* shall consult in a timely manner the national *associations bodies* of other Member States within the framework of the European on any substantial issues regarding the lawfulness and liability of *a given* European Association, *and shall inform the European Associations Board thereof*.
2. *Unless otherwise provided by this Regulation, the national associations bodies* shall communicate *on an annual basis an overview of and relevant information regarding* decisions concerning European Associations on its territory. *This shall include a list of cases where criminal investigations were launched against European Associations, including where the disclosure of information on members was requested pursuant to Article 23 paragraph 5.*
3. *Deleted*
4. *Deleted*
5. If the *European Associations Board considers that a national associations body* fails to comply with *this regulation, it shall provide* the European Commission *with all relevant information. The European Commission shall assess this information and* take action as appropriate.
6. Effective remedies shall be available to European Associations to challenge decisions taken by the *national associations body concerning them*, including the possibility to obtain judicial review of any such decisions before a competent court or tribunal.

ARTICLE 26

AM 306, 307, 308

1. A European Association may be dissolved:

- a) by decision of the Board pursuant to provisions in the European Association's statutes, with the agreement of the General Assembly; or
- (b) by decision of the General Assembly, **which has** a possibility to annul such decision before any dissolution or liquidation of a European Association.

1a. The European Association shall inform the national association body of its dissolution pursuant to paragraph 1 no later than 15 days after the decision has been made.

2. The **national associations body** shall **immediately remove the association from the appropriate national register and** inform the European Associations **Board as well as the Publications Office of the European Union** of any dissolution of the European Association pursuant to paragraph 1 no later than 15 ~~calendar~~ days after it has become aware of the dissolution. **Immediately after such notification,** the European Associations **Board** shall, remove the European Association from the digital **database** of the Union **and the Publication Office shall publish** a notice of dissolution of the European Association in the Official Journal of the European Union.

2a. Upon removal of the association from the appropriate national register, the dissolution of the European Association shall take effect throughout the territory of the Union.

ARTICLE 27

AM 309, 310, 311, 312, 313, 314, 316, 318, 320, 321

1. A European Association ***shall only*** be dissolved by ***a final*** decision of ***a competent court*** or tribunal of the Member State in which the European Association has its registered office, if:

- a) the registered office of the European Association has been transferred outside the territory of the Union;
- b) the conditions for the formation of the European Association as set out in this Regulation are no longer fulfilled; or
- c) the activities of the European Association cease to be compatible with the objectives and values of the Union or pose a serious threat to ~~***public policy***~~, public security ~~***or public order***~~.

2. *deleted*

3. Where a decision on dissolution is taken pursuant to point (a) or (b) of paragraph 1, the European Association ***shall be*** granted a reasonable period of time to regularise its position before the decision takes effect.

4. Applicants ***shall have access to effective remedies to appeal a decision on dissolution before competent appeal courts or tribunals.***

5. The ***national association body*** shall ***immediately remove the association from the appropriate national register and inform the European Associations Board as well as the Publications Office of the European Union of the involuntary dissolution of*** the European Association no later than 15 ~~***calendar***~~ days after the decision has become final. ***Immediately after such notification, the European Associations Board shall, remove the European Association from the digital database of the Union and the Publication Office shall publish a notice of dissolution of the European Association in the Official Journal of the European Union.***

6. Upon ***removal of the association from the appropriate national register***, the dissolution of the European Association shall ***take effect*** throughout the territory of the Union.

Compromise 5A, Regulation, Article 5

ARTICLE 5

AM 143, 147, 149, 150, 154, 156, 157, 159, 162, 164

European Associations ***Board***

1. A European Associations ***Board*** shall be ***designated***.
2. ***Deleted***
3. The European Associations ***Board*** shall be assisted by a Secretariat.
4. The European Associations ***Board*** shall be composed of ***a representative of each national associations body and three representatives of the European Commission***.
5. The European Associations ***Board*** shall act ***independently*** when performing its tasks and exercising its powers.
6. ***In order to*** ensure that this Regulation is applied in a consistent manner, ***it will:***
 - (a) develop, ***in cooperation with the Commission and national associations bodies, common forms or other tools to support the electronic*** registration for European Associations ***in accordance with article 10 of this Regulation;***
 - (aa) ***set up*** and manage the digital ***database*** of European Associations at Union level ***as a tool for information and statistical purposes as well as for supporting structured civil dialogue on EU matters;***
 - (b) process notices of registration, dissolution and other relevant decisions concerning European Associations for the purpose of publication in the *Official Journal of the European Union*, as provided for in this Regulation;
 - (c) ***Deleted***
 - (d) assess the adequacy of the identification of the comparable legal entities by the Member States pursuant to Article 3(2) of this Regulation on the applicable law;
 - (e) receive, examine and follow-up on complaints concerning the application of this Regulation, without prejudice to the tasks of national ***association bodies;***
 - (ea) ***take decisions through its appeals committee in accordance with article 10 and 10a;***
 - (f) ***Deleted***
 - (g) ***look into*** any question relating to the application of this Regulation and ***consult with the parties concerned and relevant stakeholders and experts***, on its own initiative or at the request of one of its members or of the European Commission,
 - (ga) issue guidelines, recommendations and best practices for national ***association bodies*** and European Associations in order to ensure the consistent application of this Regulation;

- (h) *provide opinions and recommendations to* the Commission, on its own initiative, or at the request of one of its members or of the Commission, and *after consulting relevant parties, stakeholders and experts*, on any issue related to European Associations or measures resulting from the Minimum Standards Directive;
- (i) *provide opinions and recommendations to* the Commission regarding structural and operational funds aimed at financing civil society, *the organisation of civil dialogue* as well as protecting and promoting Union rights and values *in view of* sustaining and furthering the development of open, rights-based, democratic, equal and inclusive societies based on the rule of law;
- (j) promote the cooperation and the effective bilateral and multilateral exchange of information and best practices *with and* between national *association bodies*;
- (k) promote common training programmes and facilitate personnel exchanges between national supervisory authorities.

(l) *Deleted*

7. The European Associations *Board shall be accountable to the European Parliament and to the Council, and shall annually report about its activities to the European Parliament, the Council and the European Commission.*

8. Access to documents submitted to the European *Associations Board and its members*, shall be governed by Regulation (EC) No 1049/2001 of the European Parliament and of the Council⁶.

9. The European Associations *Board* shall adopt its own rules of procedure and organise its own operational arrangements.

10. *Deleted*

11. The European Associations *Board can* invite *representatives of relevant European Agencies and* independent experts, in particular from academia and civil society, to its meetings and consult with them on a regular basis.

12. *Deleted*

⁶ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31.5.2001, p. 43).

Compromise 5B, Regulation, Article 10 a (new)

ARTICLE 10 a (new)

Appeals Committee

As from the adoption of this Regulation, the European Associations Board shall set up an Appeals Committee, composed of representatives of the Member States and a representative of the Commission. A Commission representative shall be the chair. The Commission shall provide the secretariat. The Appeals Committee shall be convened by its chair and its decisions shall be taken by a qualified majority.

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**with recommendations to the Commission on a statute for European cross-border associations and non-profit organisations
(2020/2026(INL))**

Compromise 6

Recitals

Covered amendments: AM 323 (Sergey Lagodinsky), AM 324 (Daniel Buda), AM 325 (Nacho Sánchez Amor), AM 326 (Adrián Vázquez Lázara, Nicola Beer), AM 327 (Sergey Lagodinsky), AM 328 (Nacho Sánchez Amor), AM 329 (Daniel Buda), AM 330 (Adrián Vázquez Lázara, Nicola Beer), AM 331 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 332 (Nacho Sánchez Amor), AM 333 (Sergey Lagodinsky), AM 334 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 335 (Sergey Lagodinsky), AM 336 (Nacho Sánchez Amor, Manon Aubry), AM 337 (Manon Aubry), AM 338 (Sergey Lagodinsky), AM 339 (Nacho Sánchez Amor), AM 340 (Nacho Sánchez Amor), AM 341 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 342 (Adrián Vázquez Lázara, Nicola Beer), AM 343 (Manon Aubry), AM 344 (Nacho Sánchez Amor), AM 345 (Adrián Vázquez Lázara, Nicola Beer), AM 346 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 347 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 348 (Manon Aubry), AM 349 (Sergey Lagodinsky)

No further relevant amendments.

PART II

Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF THE
EUROPEAN UNION

on common minimum standards for non-profit organisations in the *Union* (Minimum
standards Directive) **[AM 323]**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular
Article 114 thereof,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Freedom of association is a fundamental right, ***recognised by the EU Treaties, the Charter of Fundamental Rights, and Member States' constitutions*** and crucial

for the functioning of democracy, *equating to* an essential condition for the exercise of other fundamental rights by individuals, including the right to freedom of expression. **[AM 324, 325]**

- (2) Non-profit organizations enjoy protection of certain rights, including fundamental rights, in their own capacity, as it derives from relevant case-law of the Court of Justice of the European Union and of the European Court of Human Rights.
- (3) Non-profit organizations make a key contribution to the achievement of goals that are in the public interest and to achieve the Union's objectives, including by promoting active participation in the economic, democratic *and social* life of our societies. **[AM 327]**
- (4) Today, non-profit organisations, in pursuit of their aims, play a full part in the life of the economy and in the development of the internal market, including by engaging in various activities of a both national and transnational relevance and regularly engaging in economic activities.
- (5) Non-profit organisations are, in particular, key drivers of the development of the third sector, which is estimated to account for around 13% of the workforce across Europe, based on the results of the 2014-2017 project on 'The Contribution of the Third Sector to Europe's Socio-economic Development' coordinated by the Institute for Social Research (ISF) of Oslo⁷.
- (6) Non-profit organisations are a major actor in the development and implementation of EU policies supporting the internal market, as demonstrated by their involvement in a variety of expert groups such as the High-Level Forum for a Better Functioning Food Supply Chain.
- (7) Reports, including from the EU Agency for Fundamental Rights, point at numerous hindrances deriving from national laws, regulations or administrative practices regulating the formation, registration, operations, financing and cross-border activities of non-profit organisations affecting the ability of legal or natural persons or groups of such persons, regardless of their nationality, to establish, register or operate non-profit organisations across the Union.
- (7a) *The EESC has called on the Member States to establish an enabling environment for philanthropy in line with EU freedoms and fundamental rights, which encourages philanthropic and citizen action, private giving to public benefit causes and the creation of philanthropic organisations*⁸. **Strengthening the complementarity between the work of public institutions and philanthropic organisations and ensuring that national legislation and EU policy facilitates private resources for the common good through the free flow of capital coupled with the non-discrimination principle and equal fiscal treatment of European philanthropic organisations is thus important for untapping the potential of cross-border donations and investments for the common good.** **[AM 326, 328,**

⁷ <https://cordis.europa.eu/project/id/613034/reporting>.

⁸ *SOC/611, European philanthropy: an untapped potential OPINION. European Economic and Social Committee.* **[AM 328]**

341, 342, 343, 345, 352]

- (7b) *Despite the burgeoning numbers of cross-border associations and non-profit organisations in the European Union, there is currently no harmonised pan-European legislative framework allowing them to operate and organise themselves properly at a cross-border level. [AM 329]*
- (8) Given the importance of non-profit organisations, it is vital that their formation and operations are effectively facilitated and protected in Member States' laws and regulations.
- (9) Through recommendation CM/Rec(2007)14 of the Committee of Ministers of the Council of Europe on the legal status of non-governmental organisations in Europe, Member States already recognised the role of non-profit organisations, and in particular non-governmental organisations, as an essential element of civil society's contribution to the transparency and accountability of democratic government and defined the minimum standards to be respected concerning the creation, management and the general activities of such organisations.
- (10) The Joint Guidelines on Freedom of Association (CDL-AD(2014)046) adopted by the European Commission for Democracy Through Law (Venice Commission) and the OSCE Office for Democratic Institutions and Human Rights (ODIHR) provide guidance to legislators to translate international human rights standards on the right to freedom of association into domestic laws.
- (11) It is necessary at Union level to build on existing standards and guidance to establish minimum standards *in line with the Freedom of Association and the free flow of capital*, for non-profit organisations, aimed at ensuring a *level playing field and a* uniform level of protection for all non-profit organisations established in the Union, in order to secure an enabling environment in which these organisations can contribute without hindrances to the functioning of the internal market. *[AM 330, 331, 333]*
- (12) This Directive approximates the laws of the Member States as regards certain aspects of the formation, registration, operations, financing, **reporting** and cross-border activities of non-profit organisations. *[AM 334]*
- (13) This Directive does not affect Member States' rules on the taxation of non-profit organisations established, registered or operating in their territory. When implementing its provisions, Member States should be mindful not to introduce or apply provisions in the field of tax law which affect the registration, operations, financing and cross-border movements of non-profit organisations in a way that circumvents the letter or spirit of the rules laid down in this Directive.
- (14) This Directive does not affect Member States' criminal law. When implementing its provisions Member States should be mindful of not introducing or applying criminal law, provisions which specifically regulate or affect the registration, operations, financing and cross-border movements of non-profit organisations in a way that circumvents the letter or spirit of the rules laid down in this Directive.

- (15) This Directive should apply, to non-profit organisations established in the Union, intended as voluntary **associations of natural or legal persons, as well as to organisations that are not based on membership and whose assets are allocated to the pursuit of a specific aim, such as foundations,** set up for an indefinite period of time, which pursue a primary aim which is not that of generating a profit and which are independent and self-governed. The fact that an organisation is not granted legal personality should not exclude it from the protection provided for in this Directive. [AM 353]
- (15a) *When determining the non-profit character of an organisation following article 2 of this Directive, the direct beneficiaries of organisations aiming at providing care services for individuals with specific social needs or health conditions, shall not be considered to be private parties.* [AM 335]
- (16) Political parties should be excluded from the scope of application of this Directive, insofar as their activities do not only relate to the pursuit of common interests, activities or purposes, but are aimed at collectively achieving and using political power.
- (17) *Trade unions* should be excluded from the application **of this Directive.** This exclusion should not in any way be used by Member States to justify a limitation of Trade Union prerogatives and rights recognised in national, EU, European or international law or human rights instruments, *in particular the Council of Europe's European Social Charter and the relevant Conventions and Recommendations of the International Labour Organisation and their related case law and jurisprudence.* [AM 336, AM 337, AM 338]
- (18) This Directive is without prejudice to Member States' competence regarding the status of religious, philosophical and non-confessional organisations as referred to in Article 17 of the Treaty on the Functioning of the European Union. In this regard, organisations with primarily a religious, philosophical and non-confessional aim, such as churches, religious or non-religious communities, should be in principle excluded from the application of this Directive. This however should not in any way be used by Member States to exclude from the scope of application of this Directive other organisations **whose values and aims are informed by a religious, philosophical or non-confessional beliefs, such as faith-based charitable non-profit organisations.**
- (18a) **A legitimate interest for access to a complaint mechanism and to administrative and judicial remedy should be assumed for persons who are or were directly involved with a non-profit organisation, such as their founders, directors, staff members, but also all persons who have rights to do so in relation to activities of the non-profit organisation. This should also include beneficiaries of the activities of the non-profit organisation where these might not be members, but receive or have received services, or are or were subject to decisions of the organisation that affected their daily lives, such as patients or residents of facilities or shelters, run by non-profit organisations, or recipients of charitable donations like food or clothing.**

(18b) National Human Rights Institutions are independent institutions established by law and in compliance with the United Nations endorsed Paris Principles, and are mandated to protect and promote human rights at the national level in accordance with international human rights norms and standards.

(19) The **freedom for** non-profit organisations **to determine** their objectives and activities derives from international and regional human rights standards. This also implies the freedom to determine the scope of their operations, whether local, regional, national or international, and to become members of other organisations, federations and confederations of organisations.

(19a) The identity of founders and members of non-profit organisations that are natural persons can constitute sensitive information, therefore Member States should ensure that any requirements leading to the processing of such personal data is without prejudice to Regulation 2016/679 (GDPR), and in particular Article 9 thereof;

(20) Every person should be free to decide whether or not to join or remain a member of a non-profit organisation and organisations should be free to determine their rules for membership, subject only to the principle of non-discrimination. Membership in a non-profit organisation should not constitute grounds for the application of sanctions or restrictive measures, unless this is a consequence of the enforcement of criminal laws.

(21) Rules concerning non-profit organisations should be in accordance with the principle of non-discrimination. This includes the obligation to ensure that any person or group of persons wishing to form an association should not be unduly advantaged or disadvantaged in relation to another person or group of persons.

(22) The implementation of rules concerning non-profit organisations should be undertaken by regulatory authorities that act in an impartial, ***independent*** and timely manner in line with the right to good administration. Decisions and acts affecting the exercise by non-profit organisations of their rights and obligations should be open to independent review, including by a court or tribunal. **[AM 339]**

(23) Simplifying and easing bureaucracy and regulatory requirements, **respecting the self-governing nature of non-profit organisations,** ensuring that those requirements are not unduly burdensome, streamlining rules on formation, registration and de-registration, and modernising related procedures and systems is necessary to ensure a conducive environment for the operations of non-profit organisations across the Union and to enhance transparency and trust in the sector. To that effect, general obligations as regards the simplification of administrative rules as well as specific obligations as regards certain aspects of the regulatory framework should be established in this Directive. **[AM 340]**

(24) Non-profit organisations contributing to the public benefit play a particularly important role and should be therefore granted a favourable treatment in all Member States under uniform conditions.

- (25) In line with the general principle of necessity and proportionality of restrictions on the right to associations, prohibition and dissolution of non-profit organisations should always be measures of last resort and should never be the consequence of minor infractions that can be rectified or remedied.
- (26) A set of rules on equal treatment, cross-border conversions and mergers should be established with the aim to facilitate mobility of non-profit across the Union.
- (26a) The freedom of association is a fundamental right, and while Member States' legislations might not foresee a concept of associations that are not formally established, such associations can exist within their territory.**
- (26b): Non-profit organisations shall enjoy the right to exist and be active in accordance with the European Convention on Human Rights and the Charter of Fundamental Rights, even when their compulsory registration has been arbitrarily denied by authorities of their Member State of establishment.**
- (27) Non-profit organisations should have the freedom to seek, receive and use financial, material and human resources, whether domestic, foreign or international, for the pursuit of their activities. Non-profit organisations across the Union have reported increasingly difficult access to resources including public funding and there are concerns in an increasing number of Member States as regards the proportionality of strict rules being adopted on non-profit organisations' access to foreign funding. *Philanthropic organizations have further reported difficulties in providing donations or grants in some cases.* It is therefore necessary to establish principles and standards on non-profit organisations' financing, including as regards access to and use of private resources and public funding, the pursuit of economic activities and the obligation not to unduly restrict cross-border financing in line with Treaty rules on free movement of capital. *[AM 341, AM 342, AM 343, AM 344]*
- (28) According to the judgment of the Court of Justice of 18 June 2020 in case C-78/18, *European Commission v Hungary*⁹, Article 63 of the Treaty on the Functioning of the European Union (TFEU) and Articles 7, 8 and 12 of the Charter of Fundamental Rights of the European Union (the 'Charter') protect non-profit organisations against discriminatory, unnecessary and unjustified restrictions to access to resources and the free movement of capital within the Union. This also concerns the ability to seek, secure and use resources of both domestic and foreign origin, which is essential to the existence and operation of any legal entity. Restrictions can be imposed for legitimate aims, such as in the interests of national security, public safety or public order, but should be proportionate to the objective of protecting such interests, and the least intrusive means of achieving the desired objective. This concerns, among others, restrictions deriving from rules on combating money laundering and terrorist financing, which are applied in accordance with the principles of necessity and proportionality, having regard in particular to risk-assessment obligations under international and Union law. Therefore, Member States should not apply unreasonable, overly intrusive or disruptive measures, placing an excessive or costly burden on organisations. *With a view of responding*

⁹ Judgment of the Court of Justice of 18 June 2020, *European Commission v Hungary*, C-78/18, ECLI:EU:C:2020:476.

to the public interest in providing transparency, particularly with regard to organisations that have an influence on public life and public debate, they shall be subject to reporting and public disclosure obligations with regard to their governance representatives, provisions of the statutes and financing. Such reporting and public disclosure obligations shall not lead to any limitation of the rights and obligations of the organisations. [AM 346]

(28a) *The practice of the European Court of Justice (ECJ) recognises the application of the free movement of capital to charitable objectives and continues to interpret the fundamental freedoms guaranteed under the European Treaties along with ensuring that the principle of non-discrimination applies to donors and public benefit organisations in the EU, while examining tax treatment of public benefit entities and their donors¹⁰. Therefore, if a national legislation continues to discriminate or imply costly and burdensome procedures to non-national organization, it conflicts the EU law. [AM 345, AM 347]*

(29) Non-profit organisations and their members should fully enjoy the right to privacy and confidentiality. While the protection provided by Union and national rules on the processing of personal data apply to non-profit organisations already, minimum guarantees should be established in particular as regards the confidentiality of non-profit organisations' membership and the public disclosure of confidential and sensitive information. Member States should take measures to refrain from any forms of surveillance of non-profit organisations outside the criminal law framework.

(30) Non-profit organisations should be consulted in a *timely and* meaningful way about the introduction, *review* and implementation of any legislation, policies and practices that affect their operations, including with regards to the transposition and implementation of the Directive's provisions. To this end, a regular and transparent civil dialogue should be established at all governmental levels. [AM 348, 349]

(30a) This Directive is without prejudice to workers' rights, including existing rights in the context of insolvencies and wages. Employers must meet their obligations regardless of the form under which they are operating.

(31) This Directive sets out minimum standards, and it should be possible for Member States to introduce or maintain provisions that are more favourable to non-profit organisations, provided that such provisions do not interfere with the obligations deriving from this Directive. The transposition of this Directive should, under no circumstances, provide grounds for reducing the level of protection already granted to non-profit organisations under national law in the areas to which it applies.

(32) In accordance with Article 26(2) of the Treaty on the Functioning of the European Union (TFEU), the internal market needs to comprise an area without internal frontiers in which the free movement of goods and services is ensured. Non-profit

¹⁰ *Stauffer: C-386/04 Centro di Musicologia Walter Stauffer/Finanzamt München für Körperschaften [2006] ECR I-8203; Hein-Persche: C-318/07 Hein Persche/Finanzamt Lüdenscheid [2009] ECR I-359 and Missionswerk: C-25/10 Missionswerk Werner Heukelbach eV/Belgien [2011] 2 C.M.L.R. 35. [AM 347]*

organisations increasingly contribute to the development of the internal market, including by engaging in cross-border and transnational activities. Thus, Article 114 TFEU is the appropriate legal basis to adopt the measures necessary for the establishment and functioning of the internal market.

- (33) Since the objectives of this Directive, namely to provide minimum standards for non-profit organisations established in the Union, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of this Directive, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union (TEU). In accordance with the principle of proportionality as set out in that Article, this **Directive** does not go beyond what is necessary in order to achieve those objectives.
- (34) This Directive respects, promotes and protects the fundamental rights and principles that bind the Union and its Member States pursuant to Article 6 of the Treaty on European Union, as recognised in particular by the Charter of Fundamental Rights of the European Union (the 'Charter'). This Directive is meant to specifically implement Article 12 of the Charter on the right to freedom of association and Article 11 of the Charter on the right to freedom of expression and information, to be read in light of the corresponding provisions of the European Convention of Human Rights. Accordingly, it is essential that the provisions of this Directive be implemented and applied in accordance with the obligation not to unduly restrict and to facilitate the exercise of the rights to freedom of association and of expression and information, and to ensure full respect of other fundamental rights and principles including, inter alia, the right to protection of personal data, the freedom to conduct a business, the right to non-discrimination, the right to good administration, the right to an effective remedy and the rights of defence,

Compromise 7

Chapter I

NPOs contribute to the functioning of the internal market; create common framework for NPOs throughout MS, differences in views of civil society, thus use “non-profit org” as encompassing term

Covered amendments: AM 350 (Jiří Pospíšil), AM 351 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 352 (Adrián Vázquez Lázara, Nicola Beer), AM 353 (Jiří Pospíšil), AM 354 (Sergey Lagodinsky), AM 355 (Manon Aubry), AM 357 (Sergey Lagodinsky), AM 358 (Jiří Pospíšil), AM 359 (Nacho Sánchez Amor, Manon Aubry), AM 360 (Manon Aubry), AM 361 (Sergey Lagodinsky), AM 362 (Jiří Pospíšil)

Covered but not taken over (falls): AM 356 (Manon Aubry; *restricts application to public benefit NPOs*)

HAVE ADOPTED THIS DIRECTIVE:

Chapter I

General Provisions

Article 1

Purpose

This Directive is aimed at providing a common set of measures for non-profit organisations established in the Union in order to secure an enabling environment in which it is possible for these organisations to contribute to the functioning of the internal market. It approximates the laws, ***regulations and administrative provisions*** of the Member States as regards certain aspects of the objectives and activities, registration, operations, financing, ***reporting*** and cross-border activities of non-profit organisations. ***[AM 350, 351]***

Article 2

Scope

1. This Directive shall apply to non-profit organisations established in the Union.
2. Under this Directive, **the term ‘non-profit organisation’** refers to voluntary and permanent **associations** of natural or legal persons **with a common interest, activity or purpose, as well as to organisations that are not based on membership and whose assets are allocated to the pursuit of a specific aim, such as foundations,** which, irrespective of the form in which **the associations or organisations are** established:
 - (a) pursue a primary aim which is not that of generating a profit, meaning that if any profits are earned from the organisation’s activities, ***profits*** cannot be distributed as such among its members, founders or any other private parties, but shall be invested for the pursuit of its objectives; ***[AM 354]***
 - (b) is independent, in the sense that it is not part of a government or administrative structure and is free from any undue interference of the state ***or of commercial interests***. Governmental funding may not preclude an organisation being deemed independent, as long as the autonomy of the organisation’s functioning and decision-making is not affected; ***[AM 355]***
 - (c) is self-governed, in the sense that the organisation has an institutional structure which allows it to fully exercise its internal and external organisational functions and to make essential decisions in an autonomous manner and without undue interference from the state or other external actors.

3. This Directive applies to non-profit organisations meeting the criteria set out in paragraph 2 irrespective of whether or not they are membership-based and, of whether or not they are **registered or** granted legal personality under the law of the Member State in which they are based. *[AM 357]*
4. Political parties shall be excluded from the scope of this Directive.
5. Trade unions, shall be excluded from the scope of this Directive.. *[AM 359, 360, 361, covers 358]*
6. Organisations with primarily a religious, philosophical and non-confessional aim shall be excluded from the scope of this Directive. However, this exclusion shall not apply to other organisations without such a specific aim **whose values and aims are informed by a** religious, philosophical or non-confessional belief. *[covers AM 362]*

Article 3

Relations with other provisions of Union law

1. Member States shall apply the provisions of this Directive in compliance with the rules of the Treaty on the right of establishment and the free movement of services and with relevant Union acts governing the exercise of such rights, including Directive 2006/123/EC of the European Parliament and of the Council¹¹ on services in the internal market.
2. **This Directive is without prejudice to Union and national law on the protection of personal data, in particular Regulation (EU) 2016/679 and the corresponding provisions of national law.**

Compromise 8

Chapter II

Minimum standards in all MS; non-discrimination; simplification through harmonisation/approximation of registration and administrative rules; right to good administration; effective remedy

Covered amendments: AM 363 (Daniel Buda), AM 364 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 365 (Jiří Pospíšil), AM 366 (Sergey Lagodinsky), AM 367 (Adrián Vázquez Lázara, Nicola Beer), AM 368 (Adrián Vázquez Lázara, Nicola Beer), AM 369 (Daniel Buda), AM 370 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 371 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 372 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 373 (Adrián Vázquez Lázara, Nicola Beer), AM 374 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 375 (Nacho Sánchez

¹¹ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (OJ L 376, 27.12.2006, p. 36).

Amor), AM 376 (Manon Aubry), AM 377 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 378 (Nacho Sánchez Amor), AM 379 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 380 (Daniel Buda)

No further relevant amendments.

Chapter II

General obligations

Article 4

Minimum standards

1. Member States shall ensure that non-profit organisations established in the Union enjoy the minimum guarantees provided for in this Directive.
2. Limitations on the minimum guarantees provided for in this Directive may be made only if they are necessary and proportionate for meeting objectives of general interest recognised by the Union law or the need to protect the rights and freedoms of others.

(2a) This Directive shall be without prejudice to the right of Member States to introduce or maintain provisions that are more favourable to non-profit organisations, provided that such provisions do not interfere with the obligations deriving from this Directive. [AM 363]

Article 5

Non-discrimination

1. Member States shall ensure that **their laws and administrative practices regulating non-profit organisations, including on their formation, registration, operations, financing, financial and tax treatment or tax relief measures and cross-border activities, do not** discriminate based on **place of establishment of the non-profit organisation**. *[AM 364, 365]*
2. Member States shall ensure that national laws, regulations or administrative practices regulating non-profit organisations, including their formation, registration, operations, financing and cross-border activities, do not discriminate against any group or individual on any grounds, such as age, birth, colour, gender, sexual orientation, gender identity, health condition, immigration or residency status, language, national, ethnic or social origin, political or other opinion, disability, property, race, religion or belief or other status. *[AM 366]*

Article 6

Simplification of administrative rules

1. Member States shall ensure the simplification, to the extent possible, of national laws, regulations or administrative practices regulating the formation, registration, operations, financing, **reporting obligations** and cross-border activities of non-profit organisations, in order to **guarantee freedom of association at all levels and eliminate any obstacles and unjustified discrimination** which affect the ability of legal or natural persons or groups of such persons, regardless of their nationality, to establish, register or operate in **the Member State's** territory a non-profit organisation, **as for example to enable access to banking and financial services, as well as guarantee safe and secure channels for cross-border donations and asset allocations within but also outside the EU.** [AM 368, 369, 370]
2. Member States shall ensure that non-profit organisations established, registered or operating on its territory have access to electronic identification schemes for the purpose of carrying out administrative procedures, in accordance with relevant provisions of Regulation (EU) No 910/2014 of the European Parliament and of the Council¹² (eIDAS Regulation).

Article 7

Principle of good administration

1. Member States shall take the measures necessary to ensure that the application of national laws, regulations or administrative practices regulating the formation, registration, operations, financing, **reporting obligations** and cross-border activities of non-profit organisations established, registered or operating in its territory is undertaken by a designated authority whose powers and functions shall be clearly defined by law and exercised in accordance with the principle of good administration, including as regards the right to have one's affairs handled impartially, fairly and within a reasonable time. [AM 371]
2. Member States shall take the measures necessary to ensure that non-profit organisations found to be in violation of national laws, regulations or administrative practices regulating the formation, registration, operations, financing and cross-border activities of non-profit organisations be provided with adequate notice about the alleged violation and be given opportunity to correct infractions of an administrative nature. [AM 372]
3. Member States shall take the measures necessary to ensure that regulations and practices on oversight and supervision of non-profit organisations be prescribed by law and proportionate to the legitimate aims they pursue. This shall include ensuring that such regulations and practices are not, as a rule, more exacting than those applicable to private businesses and their implementation does not interfere with the internal management of

¹² Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73).

non-profit organisations and does not result in an undue administrative or financial burden for the organisations concerned.

4. Member States shall take the measures necessary to ensure that oversight and **registration** of non-profit organisations is undertaken by designated authorities whose powers and functions shall be clearly defined by law and exercised **with independence** in accordance with the principle of good administration, including as regards the grounds for possible inspections and audits, the procedures, duration and scope of inspections and audits and the powers of inspecting and auditing officers. *[AM 373, 374, 376]*
5. Member States shall take the measures necessary to ensure that comprehensive, easily **accessible and** understandable information is available to the public as to the national laws, regulations or administrative practices regulating the formation, registration, operations, financing, **reporting obligations** and cross-border activities of non-profit organisations established, registered or operating in its territory, as well as the competence, procedures and functioning of the competent regulatory and supervisory authorities. *[AM 377]*

Article 8

Right to an effective remedy

1. **Member States shall ensure that all persons with a legitimate interest** related to the formation, registration, operations, financing, **reporting obligations** and cross-border activities of non-profit organisations established, registered or operating in **its a Member State's** territory have access to effective complaint mechanisms before a competent independent authority such as an ombudsperson or the national **Human Rights Institution** in order to seek assistance to assert their rights, **and** access to an effective administrative and judicial remedy in order to seek review of those acts or decisions affecting the exercise of their rights and obligations. **Such persons shall include** non-profit organisations, their founders, directors, staff members, **and beneficiaries of the activities of the non-profit organisations.** *[AM 378, 379]*
3. Member States shall ensure that any appeal against or challenge to a decision to prohibit or dissolve a non-profit organisation, to suspend its activities or to freeze its assets has, as a rule, a suspensive effect of such decision, unless this has the effect of preventing the enforcement of criminal laws.
4. Member States shall take all the measures necessary to ensure that non-profit organisations with legal personality be granted legal standing before national courts, including, where relevant, for submitting third party interventions in judicial proceedings.
5. Member States shall ensure that non-profit organisations that do not have legal personality can be represented by designated individuals before the competent national authorities and courts for the purpose of accessing the remedies referred to in this Article.

Compromise 9

Chapter III

Assumption in favour of the organisation's objectives, no undue financial burden, formalities and hurdles; equal treatment and non-discrimination of members; freedom to adopt statutes; legal personality; registration without requirement, simple administrative procedures; **Art. 14 public benefit status: discussion postponed, linked to agreement in Regulation**; termination, prohibition, dissolution

Covered amendments: AM 380 (Daniel Buda), AM 381 (Sergey Lagodinsky), AM 382 (Daniel Buda), AM 383 (Nacho Sánchez Amor), AM 384 (Jiří Pospíšil), AM 385 (Jiří Pospíšil), AM 386 (Jiří Pospíšil), AM 387 (Jiří Pospíšil), AM 388 (Sergey Lagodinsky), AM 389 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 390 (Nacho Sánchez Amor), AM 391 (Sergey Lagodinsky), AM 393 (Jiří Pospíšil), AM 395 (Nacho Sánchez Amor), AM 397 (Sergey Lagodinsky), AM 400 (Sergey Lagodinsky), AM 401 (Jiří Pospíšil), AM 402 (Ilhan Kyuchyuk, Javier Nart), AM 403 (Jiří Pospíšil), AM 404 (Sergey Lagodinsky)

Covered but not taken over (falls): AM 392 (Ilhan Kyuchyuk, Javier Nart; *deletion*), AM 394 (Jiří Pospíšil; *deletion*), AM 396 (Raffaele Stancanelli; *deletion public benefit*), AM 398 (Raffaele Stancanelli; *rural culture*), AM 399 (Raffaele Stancanelli; *traditions and customs*)

Chapter III

Regulatory framework

Article 9

Objectives and activities

1. Member States shall ensure that **the freedom for** non-profit organisations **operating** in **their** territory to determine their objectives **and** to carry out the activities necessary for the pursuit of such objectives **can only** be **limited** for **exceptional reasons of public security**. **They** shall remove any obstacles **or restrictions** affecting the ability of non-profit organisations to pursue such objectives and carrying out such activities. **[AM 381]**
3. Member States shall ensure that non-profit organisations in its territory be free to determine the scope of their operations, be it local, regional, national or international.
4. Member States shall ensure that any formalities governing the formation and operations of a non-profit organisation in its territory, as provided for in national law, regulations or administrative practices, do not constitute an undue financial and administrative burden. This shall include, in case of non-membership-based organisations, the possibility to legally establish such organisations by way of gift or bequest.

5. Member States shall ensure that non-profit organisations in their territory can become members of another non-profit organisation, a federation or confederation established or registered in their territory or in the territory of another Member State, and shall ensure that such membership does not result in any disadvantage for the organisation concerned.

Article 10

Membership

1. Member States shall ensure that any natural or legal person may apply for membership, ***where applicable according to the legal form***, of a non-profit organisation established, registered or operating in its territory according to that organisation's statutes and constitutions, and to freely exercise membership rights subject to the organisation's statutory conditions and regulatory limitations. ***[AM 383]***
2. Member States shall ensure that no sanctions or restrictive measures are applied as a consequence of the membership of a non-profit organisation established, registered or operating in its territory pursuant to national laws, regulations or administrative practices, except when such consequences are the result of the enforcement of criminal laws.
3. Member States shall ensure that non-profit organisations established, registered or operating in their territory be free to determine their membership. This may include the determination of special requirements for members, based on reasonable and objective criteria.

Article 11

Statutes

1. Member States shall ensure that non-profit organisations established, registered or operating in their territory are free to adopt their own statutes, constitutions and rules, including rules determining their internal management structure and **appointing** their boards and representatives.
2. Member States shall ensure that national laws, regulations or administrative practices on the statutes of non-profit organisations do not require non-profit organisations to provide in their statutes any information other than:
 - a) the organisation's name ***and address (registered office)***; ***[AM 384]***
 - b) the organisation's objectives and activities;
 - c) the organisation's governance rules, ~~and~~ the powers of its governing bodies ***and, where applicable, the designation of persons who act in its name***; ***[AM 386]***
 - ca) the rights and obligations of the organisation's members**; ***[AM 385]***

cb) the date when the statutes were adopted and the name and address of registered office of the founding members if they are legal persons; [AM 382, 387]

- d) the procedure applicable for changing the statutes; and
- e) the procedures applicable for dissolving the organisation or merging it with another non-profit organisation.

3. Notwithstanding paragraph 2, non-profit organisations may be required to disclose and make public, in their statutes or by means ***of annual reporting***, further information on their operations, functioning, ***governance representatives and*** financing, insofar as this ***meets the*** objective of general interest with regards to the objectives and activities of the organisation. [AM 389, covers 390]

Article 12

Legal personality

1. Member States shall ensure that a non-profit organisation in its territory is free to decide whether to acquire legal personality, notwithstanding that Member States may stipulate which forms of organisation carries legal personality.
2. Where a non-profit organisation has acquired legal personality, Member States shall ensure that the organisation's legal personality can be clearly distinguishable from that of their members, founders or other legal persons linked to such organisation.
3. Member States shall take the measures necessary to ensure that registration, where required, or finalisation of the act of establishment is sufficient for non-profit organisations to acquire legal personality.
4. Member States shall ensure that prior authorisation is never a precondition for the acquisition of legal personality by a non-profit organisation and for the exercise of legal capacity thereof.
5. Member States shall ensure that cooperation between natural or legal persons that did not seek to acquire legal personality are not deemed to constitute a non-profit organisation with legal personality for the sole purpose of subjecting them to national laws, regulations or administrative practices and so regulate or affect their operations, financing and cross-border activities, unless there are grounds to maintain that the non-profit organisation is a criminal organisation pursuant to national law ***[AM 391]***

Article 13

Registration

1. Member States shall ensure that formal registration is not a precondition **or an obstacle** for the formation or operations of non-profit organisations established or operating in its territory. **[AM 393]**
2. Member States shall ensure that the procedures for registration of non-profit organisations on its territory are accessible, user-friendly and transparent.
3. Member States shall ensure that the formalities applicable to the registration of non-profit organisations established in its territory pursuant to national laws, regulations or administrative practices do not constitute an undue administrative burden. This shall include providing for a tacit approval mechanism applicable within 30 days following the registration application and refraining from introducing re-registration and renewal requirements.
4. Member States shall ensure that the fees applicable to the registration of non-profit organisations do not exceed the administrative costs thereof, and do not in any case constitute an undue financial burden, subject to the principle of proportionality.
5. Unless this is prevented by objective impediments, Member States shall take the measures necessary to ensure that non-profit organisations established in its territory can be registered by electronic means, while ensuring registration is also possible using non-electronic means.
6. Member States shall ensure that personal appearance in front of a court or other competent national authority for the purpose of registration of a non-profit organisation only is required when necessary to determine the identity of an applicant.
7. Member States shall ensure that applicants who reside or have their registered office in another Member State and who are required to appear in front of a court or other competent national authority for the purpose of registering a non-profit organisation can do so in front of the competent court or other competent authority in the Member State of their residence and that such appearance will be deemed sufficient for the purpose of registration in the registering Member State.
8. Member States shall maintain a database of registered **non-profit organisations** **/AM 395/** that is accessible to the public, including statistical information on the number of accepted and rejected applications with due consideration for data protection principles and the right to privacy.

Article 14

Public benefit status

1. Member States shall ensure that a non-profit organisation established or registered in a Member State of the Union can apply to be recognised as contributing to the public benefit and be granted a corresponding status as foreseen by national laws, regulations or administrative practices, solely based on its declared or factual purpose, structure and activities related to the territory of the status granting Member State.
2. Member States shall take the measures necessary to ensure that national laws, regulations or administrative practices allow non-profit organisations to be recognised as contributing to the public benefit and be granted a corresponding status if the following cumulative conditions are met:
 - a) the organisation's purpose and actual activities pursue a public benefit objective which serves the welfare of society or of part of it and is thus beneficial for public good, except where this is systematically and directly aimed to benefit the structures of a specific political party. The following purposes shall be considered as oriented towards public benefit, although the list shall not be considered as exclusive:
 - (i) arts, culture or historical preservation;
 - (ii) environmental protection and climate change;
 - (iii) the promotion and protection of fundamental rights and Union values, including ***democracy, the rule of law***, the elimination of any discrimination based on gender, race, ethnicity, religion, disability, sexual orientation or any other grounds; ***[AM 400]***
 - (iv) social justice, **social inclusion and poverty** prevention or relief; ***[covers AM 401]***
 - (v) humanitarian assistance and humanitarian aid, including disaster relief;
 - (vi) development aid and development cooperation;
 - (vii) protection of, assistance to and support for vulnerable sectors of the population, including children, the elderly, people with disabilities, persons seeking or benefitting from international protection and people in a situation of homelessness;
 - (viii) protection of animals;
 - (ix) science, research and innovation;
 - (x) education, training ***and youth involvement*** ***[AM 402]***;
 - (xi) the promotion and protection of health and well-being, including the provision of medical care;

- (**xii**) consumer protection;
 - (**xiii**) amateur sports **and their promotion** [AM 403].
- b) surplus from any economic or other income-earning activity generated by the non-profit organisation is used solely to promote the organisation's public benefit objectives;
 - c) in the case of dissolution of the non-profit organisations, statutory safeguards guarantee that all assets will continue to serve public benefit objectives;
 - d) members of the organisation's non-staff governing structures are not eligible to remuneration beyond adequate expense allowance.
3. Member States shall ensure that a non-profit organisation recognised as contributing to the public benefit and granted a corresponding status pursuant to national laws, regulations or administrative practices may only see such status revoked where the competent regulatory authority has produced sufficient evidence that the non-profit organisation does no longer fulfil the conditions referred to in paragraph 2.

Article 16

Termination, prohibition and dissolution

- 1. Member States shall ensure that the existence of a non-profit organisation may only be terminated by decision of its members or by way of a decision of a court or tribunal.
- 2. Member States shall ensure that involuntary termination, prohibition or dissolution of a non-profit organisation can only ***be*** the consequence of infringements of national law that cannot be rectified or remedied. [AM 404]
- 3. Member States shall take the measures necessary to ensure that involuntary termination, prohibition and dissolution of a non-profit organisation may only be the consequence of bankruptcy, prolonged inactivity or serious misconduct contrary to public security as recognized by the Union law accounting to the case-law of the Court of Justice of the European Union.
- 4. Member States shall ensure that individual wrongdoings of founders, directors, staff members or members of a non-profit organisation, when not acting on behalf of the organisation do not result, as a rule, in the involuntary termination, prohibition and dissolution of the organisation.
- 5. The protection provided for in this Article shall also apply to the suspension of the activities of a non-profit organisation where such suspension may result in a freezing of the operations of the organisation tantamount to dissolution.

Compromise 10
Chapters IV, V, VI

IV: Equal treatment especially re. access to financial services; non-discrimination on political desirability; cross-border mobility and continuity;

V: Fundraising and assets; public funding; cross-border funding; economic activity to support objectives; reporting and transparency;

VI: Confidentiality of members and data; no arbitrary surveillance

(Chapter VII final provisions: no AMs)

Covered amendments: AM 405 (Nacho Sánchez Amor), AM 406 (Adrián Vázquez Lázara, Nicola Beer), AM 407 (Jiří Pospíšil), AM 408 (Sergey Lagodinsky), AM 409 (Sergey Lagodinsky), AM 410 (Nacho Sánchez Amor, Manon Aubry), AM 411 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 413 (Adrián Vázquez Lázara, Nicola Beer), AM 414 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 415 (Nacho Sánchez Amor), AM 416 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 417 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer), AM 418 (Nacho Sánchez Amor), AM 419 (Ilhan Kyuchyuk, Javier Nart, Nicola Beer)

Covered but not taken over (falls): AM 412 (Gilles Lebreton, Jean-Paul Garraud)

Chapter IV

Equal treatment and mobility

Article 17

Equal treatment

1. Member States shall ensure that non-profit organisations operating in their jurisdiction which have been established or registered in another Member State are treated equally to non-profit organisations established or registered in its jurisdiction, including as regards access to services, such as banking services, the granting of authorisations and, where relevant, financial and tax treatment subject to applicable national laws, regulations and administrative practices as well as access to funding for activities taking place in the jurisdiction of the Member State or benefiting public good of the Member State.
2. For the purpose of paragraph 1, Member States *shall* not require non-profit organisations operating in their jurisdiction other proof than the evidence of establishment or registration as a non-profit organisation in another Member State. **[AM 405]**

Article 18

Principle of non-arbitrary treatment

Member States shall ensure that national rules governing non-profit organisations established, registered or operating on their territory do not result in discrimination based on political

desirability of organisation's purpose, field of activities or sources of financing. *[AM 406 identical text, duplicated]*

Article 19

Cross-border mobility and continuity

1. Member States shall eliminate any obstacles, which affect the exercise of non-profit organisations established or registered in another Member State of their right to freedom of establishment, free movement of services and free flow of capital in its territory. **This is without prejudice to Member States' prerogative to, in order for a non-profit organisation to be granted a formal status, require that the organisation has acquired legal personality or is included in a national register, in line with the legislation of the Member State where it has been established and/or seeks to operate.**
2. Member States shall take the measures necessary to ensure that a non-profit organisation registered in another Member State has the right and ability to:
 - a) move its **registered office** to its territory without the necessity of founding or incorporation as a new legal person; *[AM 407]*
 - b) have access to a simplified registration procedure which will recognize the information and documentation already provided by the non-profit organisation to the Member State in which it was previously registered. *[AM 408]*

Article 20

Cross-border conversions and mergers

1. Member States shall ensure that a non-profit organisation established or registered in their jurisdiction can convert into or merge with another non-profit organisation established or registered in another Member State, without such merger or conversion resulting in the involuntary termination, prohibition or dissolution, or suspension of the activities of the organisation.
2. Member States shall ensure that, in the event of a conversion or merger as referred to in paragraph 1, the converting or merging non-profit organisation be free to set up office or operations in the Member State of destination.
3. Member States shall establish the legal form the converted or merged organisation shall take, based on the principle of equivalence. *[AM 409]*
4. Member States shall ensure that, should the non-profit organisation which results from a conversion or merger referred to in paragraph 1 fail to comply with the conditions and requirements set out in the national laws, regulations or administrative practices of the host Member State, the non-profit organisation is granted a reasonable deadline to take the necessary measures to regularise its position.

4a. Member States shall ensure that neither cross-border conversions nor mergers have the effect ~~to~~ of undermining workers' or trade union rights or working conditions. They shall ensure that in line with applicable collective agreements and national and EU legislation, the employers' obligations regarding employees and creditors continues to be fulfilled and that employees, volunteers, trade unions and workers' representatives shall be duly informed and consulted. Collective agreements and workers' board-level representation rights shall be respected and maintained, where applicable. [AM 410]

Chapter V

Financing

Article 21

Fundraising and free use of assets

1. Member States shall remove any obstacles that affect the ability of non-profit organisations established, registered or operating in their territory to solicit, receive, dispose of or donate any resources, including financial, in-kind and material, or solicit or receive human resources, from or to any source including domestic, foreign or international entities, be it public bodies, private individuals or private bodies.
2. Member States shall ensure that national laws, regulations or administrative practices do not lead to a difference in treatment of non-profit organisations based on their sources or destination of financing.
3. Member States shall ensure that non-profit organisations are entitled to own and freely dispose of property and assets subject to national laws applicable to similar entities under their jurisdiction.

3a. Member States shall minimise administrative burdens with regard to asset allocation across borders and enables generating of profits for reinvestment in charitable projects. [AM 411, 413]

Article 22

Public funding

1. Member States shall ensure that public funding is made available and allocated to non-profit organisations through clear, transparent and non-discriminatory procedures.
2. Paragraph 1 shall also apply to Union funding disbursed by Member States under the shared management scheme, subject to the provisions of Regulation (EU) 2021/1060¹³.

¹³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June

Article 23

Cross-border funding

1. In accordance with Union rules on the free movement of capital, Member States shall ensure that non-profit organisations established, registered or operating in their territory suffer no disadvantage as a direct or indirect consequence of soliciting or receiving funding from natural or legal persons **residing, or established in the Union or an EFTA country but** outside their territory. **[AM 414]**
2. In accordance with Union rules on the free movement of capital, Member States shall ensure that natural or legal persons suffer no disadvantage as a direct or indirect consequence of providing funding to non-profit organisations established, registered or operating outside their territory.

Article 24

Economic activities

Member States shall ensure that non-profit organisations established, registered or operating in their territory be free to engage in any lawful economic, business or commercial activities provided that such activities **directly or indirectly** support their non-profit objectives, subject to the licensing or regulatory requirements generally applicable to the activities concerned pursuant to national laws, regulations and administrative practices. **[AM 415]**

Article 25

Reporting and transparency on financing

1. Member States shall ensure that reporting and transparency obligations applicable to non-profit organisations pursuant to national laws, regulations and administrative practices be not unnecessarily burdensome and be proportionate to the size of the organisation and the scope of its activities, taking into consideration the value of its assets and income.
2. For the purpose of paragraph 1, Member States shall take the measures necessary to ensure that reporting and transparency obligations applicable to non-profit organisations

2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

pursuant to national laws, regulations and administrative practices on countering money laundering and terrorist financing, including those implementing Union and international obligations, are based on a targeted and up-to-date risk-based assessment of the sector and of the organisations concerned and do not result in disproportionate requirements or in the undue limitation of non-profit organisations' access to financial services.

2a. Pursuant to Article 11 paragraph 3, a yearly report on the accounts of the non-profit organisations shall be made public, including information on the funding received during the previous calendar year, information on the origin and value of funding, credits, bank loans and donations or uncompensated receipt of cash or property. [AM 416]

3. Member States shall ensure that reporting and transparency obligations applicable to non-profit organisations pursuant to national laws, regulations and administrative practices do not lead to a difference in treatment ***or any limitations to the rights or obligations of the organisation***, based on the sources of the organisation's funding, its objectives or activities. [AM 417]

Chapter VI

Confidentiality

Article 27

Confidentiality of membership

1. Where a non-profit organisation is membership-based, Member States shall take the necessary measures to ensure that information concerning members can remain confidential.
2. Member States shall ensure that information concerning membership of a non-profit organisation may only be accessed by a competent authority where such information **relates to members who are natural persons and where this** is necessary for the purpose of **a public criminal** investigation **concerning** criminal offences punishable by a custodial sentence of a maximum of at least **one** year and following a decision by a independent court or tribunal. [covers AM 418]

Article 28

Confidential and sensitive information

1. Member States shall ensure that national laws, regulations or administrative practices do not have the effect of requiring non-profit organisations established, registered or operating in their territory to publicly disclose their confidential and sensitive information **such as**

personal data relating to the organisation's staff, volunteers, members, founders, or donors *[AM 419]*.

2. Member States shall ensure that non-profit organisations established, registered or operating on its territory have access to effective remedies in order to prevent, or obtain redress for, the unlawful acquisition, use or disclosure of their confidential or sensitive information.
3. Member States shall take the measures necessary to ensure that protection against unlawful acquisition, use or disclosure of confidential or sensitive information of non-profit organisations pursuant to this Article applies in relation to inspections, audits and any other supervisory activities carried out by the competent authorities.

Article 29

Surveillance

Member States shall **ensure that non-profit organisations are** not subject to unjustified and disproportionate surveillance, in particular of their operations or communications, or those of the organisation's founders, members of its governing structures, other members, staff, volunteers, donors, or other private parties relating to it, unless where justified for purposes of public security.

Chapter VII

Final provisions

Article 30

More favourable treatment and non-regression clause

1. Member States may introduce or retain provisions which ensure a more favourable treatment for non-profit organisations established, registered or operating in their territory than that set out in this Directive.
2. The implementation of this Directive shall under no circumstances constitute grounds for a reduction in the level of protection already afforded by national, Union or international law, including as regards fundamental rights, in the areas covered by this Directive.

Article 31

Transposition

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by one year after its entry into force.
2. Member States shall consult non-profit organisations already established, registered or operating in its territory in a timely, transparent and meaningful manner about the transposition and implementation of the provisions of this Directive.

Article 32

Reporting, evaluation and review

1. Member States shall provide the Commission with all relevant information regarding the implementation and application of this Directive. On the basis of the information provided, the Commission shall, by three years after the date of transposition, submit a report to the European Parliament and the Council on the implementation and application of this Directive.
2. The Commission shall, by three years after the date of transposition, taking into account its report submitted pursuant to paragraph 1, submit a report to the European Parliament and to the Council assessing the impact of national law transposing this Directive. The report shall evaluate the way in which this Directive has functioned and consider the need for additional measures, including, where appropriate, amendments with a view to further harmonise national law applicable to non-profit organisations.
3. The Commission shall make the reports referred to in paragraphs 1 and 2 above public and easily accessible.

Article 33

Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.