



New rules on funding EU political parties and foundations

Committees Committee on Constitutional Affairs [18-03-2014 - 13:03]

Plans to reform the funding arrangements and legal status of European political parties and their affiliated foundations were backed by the Constitutional Affairs Committee on Tuesday. The new rules, already informally agreed with Council, should clarify the finances of these bodies and enhance their European character. A system to monitor compliance and impose penalties for breaches is also part of the deal.

"With today's vote we are not asking for more funds for EU political parties, but to the contrary, we have improved their transparency by making rules on the use of funds and related penalties stricter. The text also provides EU-wide political parties with an EU legal personality that ensures greater transparency and accountability", said Marietta Giannakou (EPP, EL), who is steering the legislation through Parliament. The legislation was approved by 18 votes in favour, 4 against and 1 abstention.

EU legal statute

EU political parties (EUPPs) and their affiliated foundations need to be established according to EU law in order to overcome the obstacles created by the diversity of national legal forms and ensure high standards of transparency and accountability, says the text.

More financial flexibility and transparency

New rules would make it easier for European parties and foundations to generate their own resources by raising the ceiling on donations from €12,000 to €18,000 per donor per year. For any donation above €3,000, the donors' names and the corresponding amounts would be publicly disclosed (between €1,500 and €3,000, the donor would have to agree). The percentage of own resources that an EEUP needs to collect to receive EU money stays at 15%.

Penalties

The text says that the European Parliament and an independent Authority would be in charge of assessing compliance with these rules.

The Authority, chosen by the three EU institutions, would be in sole charge of verifying compliance with rules on registration and deciding on de-registration of an EEUP. It would also deal with other requirements relating to non-EU funds (i.e. donations and contributions). In the event of a breach violation, the Authority would ask for corrective measures, failing which it could impose penalties in the form of fines, and as a last resort, de-registration which would exclude the party from funding.

Parliament would impose penalties for misuse of EU funding, e.g. in cases such as failure to comply with reporting and transparency requirements or of criminal conviction. Penalties could include being listed in a database barring the EUPP from EU funding for 5 years (10 in the event of a repeat offence) and/or fines ranging from 2% of the value of the grant to up to 20%, if repeated.

Respect for EU values a prerequisite

Respecting EU values, as spelled out in EU Treaty Article 2, would be a prerequisite for any alliance of national parties wishing to apply for EU legal status and funds. To obtain this status, an EEUP would also have to have at least one elected MEP.

Press release

Where doubts as to the compliance with EU values arise, the Authority would carry out a check and, after seeking the opinion of a committee of "independent eminent persons", eventually decide on a possible deregistration of the concerned party. The Authority could decide to de-register an EEUP only in the event of a serious breach and never within the two months preceding European elections. The decision would be applicable provided the European Parliament and the Council did not object.

No funding for national election or referendum campaigns

The European status would not entitle an EUPP to nominate candidates for national or European elections or to participate in referendum campaigns. These issues remain a national competence of the member states.

Next steps and entry into force

The agreement still needs to be endorsed by the full Parliament, in a vote scheduled for the April session. The Commission should table a proposal for improving the rules by mid-2018. The regulation is to apply from 1 January 2017.

Procedure: codecision (ordinary legislative procedure), first reading agreement

Contact

Federico DE GIROLAMO

BXL: (+32) 2 28 31389

STR: (+33) 3 881 72850

PORT: (+32) 498 98 35 91

EMAIL: constit-press@europarl.europa.eu

TWITTER: EPIInstitutional