# Regulation (EU, Euratom) 2018/673 of the European Parliament and of the Council of 3 May 2018 amending Regulation (EU, Euratom) No 1141/2014 on the statute and funding of European political parties and European political foundations

## REGULATION (EU, Euratom) 2018/673 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 3 May 2018

amending Regulation (EU, Euratom) No 1141/2014 on the statute and funding of European political parties and European political foundations

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 224 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[(1)],

After consulting the Committee of the Regions,

Having regard to the opinion of the Court of Auditors[(2)],

Acting in accordance with the ordinary legislative procedure[(3)],

Whereas:

(1) Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council[(4)] establishes a specific European legal status from which European political parties and their affiliated European political foundations can benefit and provides for them to be funded from the general budget of the European Union.

(2) A need has been identified to amend Regulation (EU, Euratom) No 1141/2014 in order to better meet the objective of encouraging and assisting European political parties and their affiliated European political foundations in their endeavour to provide a strong link between European civil society and the Union institutions, and in particular the European Parliament.

(3) Following changes in Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council[(5)] (‘the Financial Regulation’), the definition of National Contact Point should be revised. The relevant authorities in the Member States should specifically designate a person or persons for the purpose of exchanging information in the course of applying this Regulation. To this end, they could choose among those persons or bodies already designated for issues related to the early detection and

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exclusion system set up and operated by the Commission to protect the Union's financial interests.

(4) It is necessary to better ensure that European political parties and their affiliated European political foundations have a genuine transnational dimension in order for them to acquire a specific European legal status through registration. Moreover, in order to strengthen the link between politics at national level and at Union level and to prevent the same national party from artificially creating several European political parties with similar or identical political tendencies, members of the same national political party should not be taken into account in relation to different political alliances, for the purpose of the minimum representation requirements for those alliances to be registered as a European party. Therefore, only political parties, and no longer individuals, should be taken into account for the purpose of those minimum representation requirements.

(5) European political parties and and their affiliated European political foundations should be enabled to use a larger share of the appropriations dedicated to their funding in the general budget of the European Union. Therefore, the maximum share of financial contributions or grants from the general budget of the European Union in the annual reimbursable expenditure indicated in the budget of a European political party and in the eligible costs incurred by a European political foundation should be increased.

(6) For reasons of transparency and in order to strengthen the scrutiny and the democratic accountability of European political parties and the link between European civil society and the Union institutions, and in particular the European Parliament, access to funding from the general budget of the European Union should be made conditional upon the EU member parties publishing, in a clearly visible and user-friendly manner, the political programme and logo of the European political party concerned. The inclusion of information on gender balance in relation to each of the member parties of the European political party should be encouraged.

(7) To establish a more proportionate allocation of resources from the general budget of the European Union, objectively reflecting the genuine electoral support of a European political party, the funding of European political parties, and, by extension, of their respective affiliated European political foundations, should be linked more closely to a demonstrable level of electoral support. Therefore, the rules on the distribution of funding should be adapted to take greater account of the share of elected members that each European political party has in the European Parliament.

(8) Where a European political party or European political foundation, due to a change in circumstances, no longer fulfils one or more of the conditions for registration, it should be removed from the Register.

(9) For reasons of legal certainty and transparency it should be explicitly provided that a European political party or European political foundation can be removed from the Register within a reasonable period where the party or foundation has provided false or incomplete information on the basis of which a decision has been made to register that party or foundation.

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(10) The protection of the Union's financial interests should be strengthened by providing that, in cases of infringement, the effective recovery of funding from the general budget of the European Union should be ensured through the recovery of amounts unduly paid from natural persons responsible for the infringement in question, taking into account, where applicable, exceptional circumstances relating to those natural persons.

(11) In order to evaluate the implications of Regulation (EU, Euratom) No 1141/2014 as amended by this Regulation on the basis of substantial evidence of its practical operation, the date of the proposed comprehensive review should be postponed. That comprehensive review should pay particular attention to the implications for the position of small European political parties and their affiliated European political foundations of Regulation (EU, Euratom) No 1141/2014 as amended by this Regulation.

(12) The new requirements regarding publishing of the political programme and logo of European political parties should, to the largest possible extent, apply already to applications for funding for 2019, which is the year in which the next elections to the European Parliament will take place. Therefore, this Regulation should make provision for transitional arrangements.

(13) In order to ensure that the amendments to Regulation (EU, Euratom) No 1141/2014 introduced by this Regulation apply in a timely manner, this Regulation should enter into force on the date of its publication in the *Official Journal of the European Union*.

(14) Regulation (EU, Euratom) No 1141/2014 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

*Article 1*

Regulation (EU, Euratom) No 1141/2014 is amended as follows:

(1) Recital 12 is replaced by the following:

(12) European political parties and their affiliated European political foundations wishing to obtain recognition as such at Union level by virtue of European legal status and to receive public funding from the general budget of the European Union should respect certain principles and fulfil certain conditions. In particular, it is necessary for European political parties and their affiliated European political foundations to respect, in particular in their programme and in their activities, the values on which the Union is founded, as expressed in Article 2 TEU, namely respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.;

(2) the following recital is inserted:

(30a) In accordance with the provisions and procedures laid down in Council Regulation (EU) 2017/1939[(6)], the European Public Prosecutor's Office (EPPO) has the task of investigating alleged criminal offences in the context of the funding of European political parties and European political foundations which affect the financial interests of the Union, within the meaning of Directive (EU) 2017/1371 of the European Parliament and of the Council[(7)]. The obligation under Article 24 of Regulation (EU) 2017/1939 applies to the Authority.;

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(3) in Article 2, point (10) is replaced by the following:

(10) "National Contact Point" means any person or persons specifically designated by the relevant authorities in the Member States for the purpose of exchanging information in the application of this Regulation;;

(4) Article 3(1) is amended as follows:

(a) in point (b), the first subparagraph is replaced by the following:

its member parties must be represented by, in at least one quarter of the Member States, members of the European Parliament, of national parliaments, of regional parliaments or of regional assemblies, or;

(b) the following point is inserted:

(ba) its member parties are not members of another European political party;;

(5) the first subparagraph of Article 10(3) is replaced by the following:

The European Parliament, acting on its own initiative or following a reasoned request from a group of citizens, submitted in accordance with the relevant provisions of its Rules of Procedure, or the Council or the Commission, may lodge with the Authority a request for verification of compliance by a specific European political party or European political foundation with the conditions laid down in point (c) of Article 3(1) and point (c) of Article 3(2). In such cases, and in the cases referred to in point (a) of Article 16(3), the Authority shall ask the committee of independent eminent persons established by Article 11 for an opinion on the subject. The committee shall give its opinion within two months.;

(6) Article 17(4) is replaced by the following:

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

(7) in Article 18, the following paragraph is inserted:

2a. A European political party shall include in its application evidence demonstrating that its EU member parties have, as a rule, published on their websites, in a clearly visible and user-friendly manner, throughout the 12 months preceding the final date for submission of applications, the political programme and logo of the European political party.;

(8) Article 19(1) is replaced by the following:

1. The respective appropriations available to those European political parties and European political foundations which have been awarded contributions or grants in accordance with Article 18 shall be distributed annually on the basis of the following distribution key:

— 10 % shall be distributed among the beneficiary European political parties in equal shares,