Regulation (EU, Euratom) No 1142/2014 of the European Parliament and of the Council of 22 October 2014 amending Regulation (EU, Euratom) No 966/2012 as regards the financing of European political parties

REGULATION (EU, EURATOM) No 1142/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 22 October 2014

amending Regulation (EU, Euratom) No 966/2012 as regards the financing of European political parties

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 322 thereof, in conjunction with 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 Court of Auditors[(1)],

Acting in accordance with the ordinary legislative procedure[(2)],

Whereas:

(1) Political parties at European level are important as a factor for integration within the Union.

(2) Article 10 of the Treaty on European Union and Article 12(2) of the Charter of Fundamental Rights of the European Union state that political parties at European level contribute to forming a European political awareness and to expressing the political will of the citizens of the Union.

(3) On 4 November 2003 the European Parliament and the Council adopted Regulation (EC) No 2004/2003 on the regulations governing political parties at European level and the rules regarding their funding[(3)].

(4) In its resolution of 6 April 2011 on the application of Regulation (EC) No 2004/2003 on the regulations governing political parties at European level and the rules regarding their funding[(4)], the European Parliament, in the light of experience gained, suggested a number of improvements regarding the financing of European political parties and European political foundations.

(5) On 22 October 2014 the European Parliament and the Council adopted Regulation (EU, Euratom) No 1141/2014[(5)] repealing Regulation (EC) No 2004/2003 and laying down new rules for, inter alia, the funding of political parties and political foundations at European level, in particular with regard to funding conditions, the award and distribution of funding, donations and contributions, financing of campaigns for

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elections to the European Parliament, reimbursable expenditure, the prohibition of funding, accounts, reporting and audit, implementation and control, penalties, cooperation between the Authority for European political parties and foundations, the Authorising Officer of the European Parliament and the Member States, and transparency.

(6) Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council[6] ('the Financial Regulation') should include rules on contributions from the general budget of the Union to European political parties as envisaged by Regulation (EU, Euratom) No 1141/2014. Those rules should allow political parties at European level to have a broader degree of flexibility as regards the time limits for using those contributions, as the nature of their activities so requires.

(7) The system of financial support to European political parties through an operating grant as provided for in Article 125(6) of the Financial Regulation is not suited to their needs, in particular the obligation to submit an annual work programme, a requirement that does not exist in the legislation of Member States. Therefore, the financial support given to European political parties should take the form of a specific contribution, to match the specific needs of the European political parties. However, given that European political foundations continue to be subject to the grant provisions of the Financial Regulation, it should be possible for the limited carry-over for three months currently provided for by Article 125(6) of the Financial Regulation to apply to them.

(8) Although financial support is awarded without an annual work programme being required, European political parties should justify *ex post* the sound use of Union funding. In particular, the authorising officer responsible should verify if the funding has been used to pay reimbursable expenditure as established in the call for contributions within the time limits laid down in this Regulation. Contributions to European political parties should be spent by the end of the financial year following that of their award, after which, any unspent funding should be recovered by the authorising officer responsible.

(9) Union funding awarded to finance the operating costs of the European political parties should not be used for other purposes than those established in Regulation (EU, Euratom) No 1141/2014, in particular to directly or indirectly finance other entities such as national political parties. The European political parties should use the contributions to pay a percentage of current and future expenditure and not expenditure or debts incurred before the submission of their applications for contributions.

(10) The award of contributions should also be simplified and adapted to the specificities of the European political parties, in particular by the absence of selection criteria, the establishment of a single full prefinancing payment as a general rule, and by the possibility to use lump sums, flat-rate and unit cost financing.

(11) The contributions from the general budget of the Union should be suspended, reduced or terminated if the European political parties infringe the obligations laid down in Regulation (EU, Euratom) No 1141/2014.

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(12) Penalties that are based both on the Financial Regulation and on Regulation (EU, Euratom) No 1141/2014, should be imposed in a coherent way and should respect the principle of *ne bis in idem*. In accordance with Regulation (EU, Euratom) No 1141/2014, administrative and/or financial penalties provided for by the Financial Regulation are not to be imposed in one of the cases for which penalties have already been imposed on the basis of Regulation (EU, Euratom) No 1141/2014.

(13) The Financial Regulation should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EU, Euratom) No 966/2012 is amended as follows:

(1) In paragraph 2 of Article 121, the following point is added:

(j) contributions to European political parties referred to in Title VIII of Part Two..

(2) Article 125 is amended as follows:

(a) the second subparagraph of paragraph 3 is deleted;

(b) paragraph 6 is replaced by the following:

6. If a European political foundation within the meaning of Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council[7] realises a surplus of income over expenditure at the end of a financial year in which it received an operating grant, the part of that surplus corresponding to up to 25 % of the total income for that year may, by derogation from the no-profit principle laid down in paragraph 4 of this Article, be carried over to the following year provided that it is used before the end of the first quarter of that following year..

(3) In Part Two, the following Title is added:

TITLE VIII

CONTRIBUTIONS TO EUROPEAN POLITICAL PARTIES

Article 204a

General provisions

1 For the purposes of this Regulation, European political parties shall mean the entities registered as such in accordance with Regulation (EU, Euratom) No 1141/2014.

2 Direct financial contributions from the budget may be awarded to European political parties in view of their contribution to forming European political awareness and to expressing the political will of the citizens of the Union in accordance with Regulation (EU, Euratom) No 1141/2014.

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Article 204b

Principles

1 Contributions shall only be used to reimburse the percentage set out in Article 17(4) of Regulation (EU, Euratom) No 1141/2014 of the operating costs of European political parties directly linked to objectives of those parties, as specified in Article 17(5) and Article 21 of that Regulation.

2 Contributions may be used to reimburse expenditure relating to contracts concluded by European political parties, provided that there were no conflicts of interest when they were awarded.

3 Contributions shall not be used to directly or indirectly grant any personal advantage, in cash or in kind, to any individual member or member of staff of a European political party. Contributions shall not be used to directly or indirectly finance activities of third parties, in particular national political parties or political foundations at European or national level, whether in the form of grants, donations, loans or any other similar agreements. Contributions shall not be used for any of the purposes excluded by Article 22 of Regulation (EU, Euratom) No 1141/2014.

4 Contributions shall be subject to the principles of transparency and equal treatment, in accordance with the criteria laid down in Regulation (EU, Euratom) No 1141/2014.

5 Contributions shall be awarded by the European Parliament on an annual basis and shall be published in accordance with Article 35(2) of this Regulation and with Article 32(1) of Regulation (EU, Euratom) No 1141/2014.

6 European political parties receiving a contribution shall not directly or indirectly receive other funding from the budget. In particular, donations from the budgets of political groups in the European Parliament shall be prohibited. In no circumstances may an item of expenditure be financed twice by the budget.

Article 204c

Budgetary aspects

Contributions shall be paid from the European Parliament section of the budget. The appropriations set aside for independent external audit bodies or experts referred to in Article 23 of Regulation (EU, Euratom) No 1141/2014 shall be charged directly to the budget of the European Parliament.

Article 204d

Call for contributions

1 Contributions shall be awarded through a call for contributions published each year, at least on the website of the European Parliament.

2 A European political party may be awarded only one contribution per year.

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3 A European political party may receive a contribution only if it applies for funding on the terms and conditions laid down in the call for contributions.

4 The call for contributions shall determine the eligibility criteria to be met by the applicant as well as the exclusion criteria.

5 The call for contributions shall determine, at least, the nature of the expenditure that may be reimbursed by the contribution.

6 The call for contributions shall require an estimated budget.

Article 204e

Award procedure

1 Applications for contributions shall be duly submitted within the time limit applicable in writing, including, where appropriate, in a secure electronic format.

2 Contributions shall not be awarded to applicants who are, at the time of a contribution award procedure, in one of the situations referred to in Articles 106(1) and 107 and point (a) of Article 109(1) and those who are registered in the central exclusion database referred to in Article 108.

3 Applicants shall be required to certify that they are not in one of the situations referred to in paragraph 2.

4 Contributions shall be awarded through a contribution agreement or decision as specified in the call for contributions.

5 The authorising officer responsible may be assisted by a committee to evaluate and establish the contribution agreement or decision. The authorising officer responsible shall specify, with due regard to the principles of transparency and equal treatment, the rules regarding the composition, appointment and functioning of such committee, and the rules to prevent any conflict of interests.

Article 204f

Evaluation procedure

1 Applications shall be selected on the basis of the award criteria set out in Regulation (EU, Euratom) No 1141/2014 from applications that comply with the eligibility and exclusion criteria.

2 The eligibility criteria shall determine the conditions for an applicant to be able to receive a contribution in accordance with the rules laid down in Regulation (EU, Euratom) No 1141/2014.

3 The decision of the authorising officer responsible on the applications shall state at least:

a the subject and the overall amount of the contribution;

b the name of the selected applicants and the amounts accepted;

c the names of any applicants rejected and the reasons for that rejection.