



Brussels, 25.11.2021  
COM(2021) 734 final

2021/0375 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the statute and funding of European political parties and European political foundations (recast)**

{SEC(2021) 577 final} - {SWD(2021) 359 final} - {SWD(2021) 360 final}

## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE PROPOSAL**

#### **Reasons for and objectives of the proposal**

Democracy is one of the fundamental values on which the European Union is founded. To ensure the functioning of a representative democracy at European level, the Treaties stipulate that the citizens of the European Union are directly represented in the European Parliament.

Political parties fulfil an essential role in a representative democracy, creating a direct link between its people and the political system. In line with Article 10 of the Treaty on European Union, European political parties '*contribute to forming European political awareness and to expressing the will of citizens of the Union*'. Article 12(2) of the Charter of Fundamental Rights of the European Union expresses the same principle.

Giving a new push for European democracies is a priority for the Commission. As announced in President von der Leyen's political guidelines <sup>1</sup>, the Commission Work Programme for 2021<sup>2</sup> includes proposals for clearer rules on the financing of European political parties and for greater transparency in sponsored political content ('political advertising'). The [European Democracy action plan](#)<sup>3</sup> emphasises the need to review the legislation on the funding of European political parties and the need for more transparency in political advertising and communication, as well as in the business activities surrounding it. This is so that voters, civil society and the responsible authorities can clearly see the source and purpose of such advertising.

Regulation No 1141/2014 of the European Parliament and of the Council of 22 October 2014 governs the statute and funding of European political parties and European political foundations<sup>4</sup>. It includes prominently the respect for the values on which the EU is founded, which include democracy and fundamental rights.

Following the European Parliament's<sup>5</sup> and Commission's<sup>6</sup> evaluations of the Regulation's application carried out in accordance with the Regulation's revision clause (Article 38), a number of loopholes have been identified, which hinder European political parties and foundations from fully fulfilling their mission to contribute to the creation of a European political space.

Furthermore, the current legal framework does not address sufficiently the need for transparency of political advertising, which is essential for a fair democratic debate and free and fair elections. As highlighted, among others, in the Commission's 2020 report on the 2019 elections to the European Parliament<sup>7</sup>, there is a need to go further.

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<sup>1</sup> [political-guidelines-next-commission\\_en\\_0.pdf \(europa.eu\)](#)

<sup>2</sup> [https://ec.europa.eu/info/publications/2021-commission-work-programme-key-documents\\_en](https://ec.europa.eu/info/publications/2021-commission-work-programme-key-documents_en).

<sup>3</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/new-push-european-democracy/european-democracy-action-plan\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/new-push-european-democracy/european-democracy-action-plan_en)

<sup>4</sup> OJ L 317 of 4.11.2017, pp 1-27.

<sup>5</sup> [https://www.europarl.europa.eu/doceo/document/A-9-2021-0294\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/A-9-2021-0294_EN.pdf)

<sup>6</sup> COM(2021)717 final of 23.11.2021

<sup>7</sup> [COM\(2020\)252 final of 19.06.2020](#) and [SWD\(2020\)113 final of 19.06.2020](#)

The Commission is therefore putting forward a proposal to amend Regulation 1141/2014 in order to (i) increase the financial viability of European political parties and foundations, (ii) facilitate their interactions with their national member parties, so that European political parties can more easily participate in national campaigns on EU topics, (iii) close the remaining loopholes regarding sources and transparency of financing (in particular, donations and financing from outside the EU), (iv) cut excessive administrative burden, and (v) increase legal certainty. In addition, specific amendments to the Regulation are proposed in order to guarantee high standards of transparency that address the emerging new environment of online political campaigning and the risk of foreign interference and the infringement of data protection rules in political advertising.

This proposal builds on the relevant experience and cooperation between Member States and EU institutions to promote free and fair elections in the European Union<sup>8</sup> and combat disinformation and other forms of information manipulation and interference in European democracy<sup>9</sup>.

To ensure that the 2024 elections to the European Parliament take place under the highest democratic standards, the amendments to this Regulation need to enter into force and be fully implemented by Member States by spring 2023, i.e. one year before the elections.

### **Consistency with existing policy provisions in the policy area**

This initiative is closely related to the work being done on the other initiatives in the transparency and democracy package of the Commission Work Programme for 2021. It has been prepared under the European Democracy action plan, which includes a number of initiatives to help protect election integrity and promote democratic participation, and is part of the President's priority to deliver a new push for European democracy.

It builds upon the Commission's 2018 electoral package<sup>10</sup> and the work of the European Cooperation Network on Elections, which the Commission set up.

It has been prepared in parallel with a Commission initiative in the transparency and democracy package to regulate the transparency and targeting of political advertising. By providing a harmonised high level of transparency of political advertising, this initiative contributes to the functioning of the internal market and helps to remove and prevent barriers to the provision of political advertising services across the Union. It also aims at establishing harmonised limitations on the use of certain targeting techniques when disseminating political advertising to ensure the protection of individuals whose personal data are being processed in this context.

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<sup>8</sup> In particular through the implementation of the Commission's September 2018 electoral package which is described in the Commission's report on the 2019 elections and accompanying staff working document

<sup>9</sup> Guided by the [Action Plan against disinformation](#), reported on in the Commission and High Representative's [joint Communication, "tackling COVID disinformation"](#), in the [Commission's assessment of the first year of operation of the self-regulatory Code of Practice on Disinformation, and in the Commission Communication of Strengthening the EU Code of Practice on disinformation](#).

<sup>10</sup> [State of the Union 2018: European Commission proposes measures for securing free and fair European elections \(europa.eu\)](#)

## **Consistency with other EU policy provisions**

By adding provisions to increase the transparency of paid political advertising, the initiative is consistent with the EU action plan against disinformation.

This initiative addresses the financing, preparation, placing and dissemination of political advertising by European political parties. It covers both online and offline activities and complements existing EU rules including the General Data Protection Regulation<sup>11</sup>, which sets high data protection standards that apply to political advertising and provides for specific requirements that apply to European political parties in terms of responsibility and accountability.

It also complements the proposal for the Digital Services Act<sup>12</sup>, which includes certain general transparency obligations for online intermediaries as regards the transparency of online advertising and the wider EU framework for the digital services market.

<sup>13</sup>The initiative provides stronger protection of the Union's financial interests by eliminating the 3-month period between a de-registration decision by the Authority and the decision's entry into force. In addition, the European Parliament identified the limited categories of revenues acknowledged by Regulation 1141/2014 as one of the reasons for financial irregularities by European political parties and foundations. The introduction of an additional category of revenues ('own resources') will address this problem.

The proposed initiative is in synergy with the efforts led by the EU externally in support to political parties, representative democracy and political pluralism, transparency and accountability, as reflected in the "EU Action Plan on Human Rights and Democracy 2020-2024"<sup>14</sup> and the "Thematic programme for Human Rights and democracy 2021-2027"<sup>15</sup>. EU Election Missions observe and report on electoral campaigns, political party and campaign financing and may recommend measures to partner countries to improve their regulatory framework in this regard.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

### **Legal basis**

The proposal is based on Article 224 of the Treaty on the Functioning of the European Union, which confers to the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, the power to lay down the regulations governing political parties at European level referred to in Article 10(4) of the Treaty on European Union, in

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<sup>11</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (OJ L 119, 4.5.2016, p. 1–88).

<sup>12</sup> <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12418-Digital-Services-Act-package-ex-ante-regulatory-instrument-of-very-large-online-platforms-acting-as-gatekeepers> and <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12417-Digital-Services-Act-deepening-the-Internal-Market-and-clarifying-responsibilities-for-digital-services>

<sup>13</sup> [Gender equality strategy | European Commission \(europa.eu\)](#)

<sup>14</sup> [https://eeas.europa.eu/sites/default/files/eu\\_action\\_plan\\_on\\_human\\_rights\\_and\\_democracy\\_2020-2024.pdf](https://eeas.europa.eu/sites/default/files/eu_action_plan_on_human_rights_and_democracy_2020-2024.pdf)

<sup>15</sup> [https://ec.europa.eu/international-partnerships/system/files/factsheet-global-europe-ndici-june-2021\\_en.pdf](https://ec.europa.eu/international-partnerships/system/files/factsheet-global-europe-ndici-june-2021_en.pdf)

particular the rules regarding their funding, and on Article 106a of the Treaty establishing the European Atomic Energy Community<sup>16</sup>.

### **Subsidiarity (for non-exclusive competence)**

Since the existing Regulation provides for an EU-level system, including a specific European legal personality for parties and foundations and funding from the EU budget, any shortcomings in this system can only be remedied through EU legislation. Action by Member States alone is not a relevant option.

The EU level is the only level at which rules governing the statute and funding of European political parties and European political foundations can be laid down. Therefore, the proposed focused changes fully comply with the principle of subsidiarity.

In setting out possible reform measures, the Commission has been careful to reflect the principles contained in Protocol No. 2 to the Treaties.

### **Proportionality**

The targeted measures proposed do not go beyond what is necessary to achieve the long-term objective of developing and strengthening European democracy and the legitimacy of the EU institutions by making European political parties and European political foundations more effective and accountable democratic actors.

The proposal therefore complies with the principle of proportionality.

### **Choice of the instrument**

Given the necessity to update language, obsolete references and provisions, it is appropriate to recast the Regulation.

Since this proposal is to recast a Regulation of the European Parliament and of the Council, the same legal instrument is the most appropriate.

## **3. RESULTS OF *EX POST* EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

### ***Ex post* evaluations/fitness checks of existing legislation**

The legislative proposal is based on the evaluation report prepared by the Commission, pursuant to Article 38 of Regulation 1141/2014.

It also takes into consideration the European Parliament own initiative report pursuant to Article 38 of Regulation 1141/2014.

### **Stakeholder consultations**

In preparing the current proposal, the Commission has been in close dialogue and consultation with the relevant stakeholders, including European political parties and foundations.

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<sup>16</sup> [https://europa.eu/european-union/sites/europaen/files/docs/body/consolidated\\_version\\_of\\_the\\_treaty\\_establishing\\_the\\_european\\_atomic\\_energy\\_community\\_en.pdf](https://europa.eu/european-union/sites/europaen/files/docs/body/consolidated_version_of_the_treaty_establishing_the_european_atomic_energy_community_en.pdf)

The Commission has held several meetings with representatives of the political parties and foundations at European level, the European Parliament (Members, political groups and services), and the Authority for European political parties and European political foundations, as well as national experts and representatives of national competent authorities.

The legislative proposal also draws on the outcome of the open public consultations on the European Democracy action plan<sup>17</sup>, on the revision of Regulation 1141/2014<sup>18</sup> and on the transparency of political advertising<sup>19</sup>.

### **Collection and use of expertise**

In preparing this proposal, the Commission contracted two external expert studies; an evaluation of the current Regulation and a study on the possible impacts of its revision.

Furthermore, the Commission consulted informally the Authority for the European political parties and foundations, as well as the European Parliament's Authorising Officer.

### **Impact assessment**

Two impact assessment reports were prepared; one on the revision of Regulation 1141/2014 and a second one on the transparency of political advertising.

Both received a positive opinion with reservations from the Regulatory Scrutiny Board, on 27 September and 1 October 2021 respectively.

### **Fundamental rights**

All measures envisaged in this revision have a positive impact on fundamental rights.

The revision of Regulation 1141/2014 is fully compatible with, and gives effect to, the fundamental rights laid down in the Charter of Fundamental Rights of the European Union as regards political participation. Namely:

Freedom of expression and information (Article 11)

*'1. Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers.*

*2. The freedom and pluralism of the media shall be respected.'*

The envisaged measures will increase transparency and hence accountability and will not negatively affect freedom of expression, since the initiative does not interfere with the content of political messages. This more transparent and accountable disclosure of political ads also has positive repercussions on the protection of vulnerable groups from manipulation.

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<sup>17</sup> Results available at: [https://ec.europa.eu/info/sites/default/files/report\\_edap\\_public\\_consultation\\_final.pdf](https://ec.europa.eu/info/sites/default/files/report_edap_public_consultation_final.pdf)

<sup>18</sup> Results available at: [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12811-European-political-parties-and-foundations-review-of-rules-on-legal-status-and-funding/public-consultation\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12811-European-political-parties-and-foundations-review-of-rules-on-legal-status-and-funding/public-consultation_en)

<sup>19</sup> Results available at: [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12826-Transparency-of-political-advertising/public-consultation\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12826-Transparency-of-political-advertising/public-consultation_en)

## Freedom of assembly and of association (Article 12)

‘1. Everyone has the right to freedom of peaceful assembly and to freedom of association at all levels, in particular in political, trade union and civic matters, which implies the right of everyone to form and to join trade unions for the protection of his or her interests.

2. Political parties at Union level contribute to expressing the political will of the citizens of the Union.’

By clarifying the financial rules governing European political parties and strengthening their relations with their national member parties, European political parties will be able to increase their activities. This in turn will support Article 12 (2) of the Charter.

## Right to vote and to stand as a candidate at elections to the European Parliament (Article 39)

‘1. Every citizen of the Union has the right to vote and to stand as a candidate at elections to the European Parliament in the Member State in which he or she resides, under the same conditions as nationals of that State.

2. Members of the European Parliament shall be elected by direct universal suffrage in a free and secret ballot’.

Greater transparency will ensure that this right is respected and that people have the ability to check if their political will is expressed by the party they support at EU level as stipulated in Article 12 and 39.

## Equality between men and women (Article 23)

‘Equality between men and women must be ensured in all areas, including employment, work and pay. The principle of equality shall not prevent the maintenance or adoption of measures providing for specific advantages in favour of the under-represented sex.’

Adding a gender dimension to the revision of the Regulation ensures compliance with Article 23 by guaranteeing a balanced representation of both genders in political parties. The principle allows for measures that lead to a better representation.

The proposed provisions in Articles 3, 4, 18 and 27 of the Regulation to increase the transparency of gender parity will support Article 23 of the Charter.

## **4. BUDGETARY IMPLICATIONS**

The lowering of the cofinancing rate for European political parties from the current 10% to 5% and the new 0% cofinancing rate for the year of the elections to the European Parliament, may require the provision of additional financial resources for European political parties and foundations. However, this will be for the budgetary authority to decide on annual basis.

The budgetary implications for the Authority for European political parties are detailed in the Legislative Financial Statement attached to this proposal. This should be made through the redeployment of existing resources, and will require the modification of the contributing institutions’ establishment plans.

The Commission could procure, on behalf of the Authority for European political parties and foundations, a pilot of the Repository foreseen in the amendment to Article 7 of the

Regulation. For this, it could use resources from the Citizens, Equality, Rights and Values (CERV) programme, if the necessary funds cannot be made available in time for the 2024 elections to the European Parliament.

## **5. OTHER ELEMENTS**

### **Implementation plans and monitoring, evaluation and reporting arrangements**

Article 38 of the Regulation currently provides for the subsequent use of the evaluation and revision mechanism every five years. In view of the current experience, this provision will be slightly modified in order to better allocate the time needed to carry out such evaluation process.

It is also intended to have a separate evaluation process as regards the implementation of the procedures on transparency of political advertising, in order to preserve the coherence with Regulation (EU) 2022/XX [on transparency and targeting of political advertising].

The changes operated in the legal framework as a result of this revision will be monitored based on the indicators in the impact assessment report<sup>20</sup>.

### **Detailed explanation of the specific provisions of the proposal**

In order to fulfil their role as defined by Article 10(4) TEU, European political parties have to be able to carry out cross-border campaigns in the European Union. The definition of ‘European political party’ in Article 2(3) will be amended to incorporate this notion.

The definition of European political foundation in Article 2(4) will be amended to allow for the organisation of capacity building activities that could help form future political leadership in Europe.

In order to ensure the transparency of paid political advertising, Article 2(16) and (17) will introduce a definition of political advertising and of political advertisement by referring to Regulation (EU) 2022/XX on [transparency of paid political advertising].

The current Regulation has a very restrictive definition of revenue sources, limited to either contributions or donations, which creates difficulties for European political parties and foundations when trying to categorise and do a proper accounting of autogenerated resources. A new Article 2(9) will therefore introduce a third category of revenue sources linked to financial income created by the party or foundation activity. Article 23 will be amended to cap the revenue from this new category so that that it does not become overdimensioned in relation to this entity’s overall budget.

Moreover, a new Article 2(10) will be introduced in order to clarify the notion of indirect funding and the fact that its prohibition should not prevent European political parties and foundations from engaging with their member parties and organisations.

Article 3(1) point (e) and Article 3(2) point (d) will be added to clarify that the obligation to comply with values on which the Union is founded, as stated in Article 2 of the Treaty on the European Union, not only applies to European political parties and foundations but that these European political parties and foundations should also ensure that their member parties and member organisations respect and observe such values.

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<sup>20</sup> SWD(2021)359 final of 23.11.2021

European politics should reflect the diversity of its societies. In particular, to promote gender equality, European political parties will be required to include their internal rules on gender equality in their statutes under Article 4. In addition, Article 21 will be amended to request evidence from European political parties on gender representation when applying for EU funding. Article 30 will be amended to include sanctions if a European political party fails to provide such evidence. The European political parties are also encouraged to provide information in relation to their member parties' on inclusiveness and representation of minorities.

Article 4 stipulates that the statutes of the European political party must include internal rules for the use of political advertising.

Article 5, which lays down the transparency requirements for political advertising, will be inserted in the Regulation. This article provides for obligations applicable to European political parties, namely: (i) the providers of political advertising services with whom they work must fully comply with their obligations provided in Regulation 2022/xx, (ii) for each political advertising that they sponsor or publish directly, appropriate information must be included in the repository managed by the Authority for European political parties and foundations, and (iii) a policy must be established for the use of political advertising. Furthermore, if they use targeting or amplification techniques involving the processing of personal data for political advertising, they must ensure compliance with Article 12 of Regulation 2022/xx.

Article 5 also establishes an obligation for Member States to designate national regulatory authorities competent to supervise compliance of the requirements set out in the Article, and empowers the supervisory authorities referred to in Article 51 of Regulation (EU) 2016/679 to oversee of the using of targeting or amplification techniques involving the processing of personal data by European political parties. Finally, Article 5 provides a basis for the adoption of delegated acts to amend the information transmitted to the repository managed by the Authority for European political parties and foundations, and the information included in the policy for the use of political advertising.

The Register established in Article 8 will include a repository for the disclosures to be made by the European political parties to the Authority pursuant to Article 5.

Regulation 1141/2014 currently contains a loophole regarding whether or not an expenditure is eligible for EU funding during the 3-month period when de-registration decisions have been made but have not yet entered into force. Articles 10 and 19 will therefore be amended to eliminate this 3-month period to protect the Union's financial interests.

Article 13 will be inserted establishing an obligation for the Authority to annually draw descriptive reports of the decisions taken during the course of the previous year by national regulatory authorities finding that a European political party has violated Article 5 of this Regulation.

Currently, Regulation 1141/2014 sets out a cofinancing rate of 10% and 5% for European political parties and foundations, respectively, that they must match to benefit from the maximum amount of the contribution from the EU budget available for them. Since some European political parties, in particular the smaller ones, face difficulties in collecting the necessary resources to match the co-financing rate, Article 20(4) will be amended to reduce

the rate for European political parties to 5%, in line with the rate for European political foundations.

Article 20(4) will also be amended to allow for a 0% co-financing rate in the year of the elections to the European Parliament.

Article 21 will be amended to clarify the requirements for displaying the logo of the European political party that a member party is affiliated to in order to increase the visibility of European political parties at national level. Article 30 will be amended to include sanctions in case a European political party fails to provide evidence in its application for EU funding that its logo is displayed by its member parties.

Article 21 it will also contain the obligation for a European political party to include evidence that it complies with Article 5 of this Regulation at the time of applying for funding of the budget of the European Union. It must also include evidence that it maintains an updated policy on for the use of political advertising and that it has implemented this policy throughout the 12 months preceding the final date for submission of applications.

In order to close loopholes in the transparency regime for donations, Article 23 will introduce a due diligence mechanism for donations above EUR 3 000. In addition, Article 23 will also be amended to empower the Authority for European political parties and foundations to request additional information directly from donors where it has grounds to believe that a donation was granted in violation of the Regulation. The amendment of Article 36 will bring greater public transparency by requiring the Authority for European political parties and foundations and the European Parliament to publish information in an open, machine readable format, and to publish the weekly reports on donations and their expenditure received by the Authority from the European political parties in the 6-month period ahead of elections to the European Parliament.

Regulation 1141/2014 does not explicitly allow European political parties and foundations to collect contributions from members whose seat is outside the European Union. The judgement of the General Court of 25 November 2020 in Case T-107/19 confirmed that a party outside the EU did not fall under the definition of a ‘political party’ under Regulation 2004/2003, as it was not ‘recognised by, or established in accordance with, the legal order of at least one Member State’. Consequently, the Court ruled that payments from members located outside the EU could not be considered as contributions, only as donations. This prohibition, however, prevents European political parties and foundations from developing stronger ties with likeminded members outside the EU. Articles 23(9) and (10) will therefore be amended to allow European political parties and foundation to collect contributions from members located in countries belonging to the Council of Europe. To mitigate the risk of foreign interference and to ensure proportionality, contributions from members outside the EU will be capped at 10% of total contributions (which, in turn, are capped to 40% of the annual budget of the party or foundation). This cap, together with the requirement for European political parties to ensure that their member parties outside the Union observe values that are equivalent to those of Article 2 TEU, should provide for the necessary safeguards as regards foreign funding.

In order to enable European political parties to foster debates at national level on European matters, these parties will be allowed to use the funds from the EU budget in national referendum campaigns on issues related to the implementation of the Treaties, under the amended Article 25.

Article 30 will be amended to modulate the sanctions that the Authority for European political parties and foundations imposes. In case of non-quantifiable infringements of the Regulation to make the sanctions regime more proportionate and fit for purpose.

Article 32 will be amended to strengthen the cooperation between the Authority and the Authorising Officer of the European Parliament on the implementation and interpretation of the Regulation, thereby improving legal certainty for European political parties and foundations. Article 33 should be clarified and explicitly refer to the right to be heard of European political parties and foundations before sanctions are imposed. [This is particularly important given that, currently, the Regulation does not provide for an administrative appeal to the Authority's decisions.](#) In addition, the first evaluation report following the adoption of the recast Regulation will assess the eventual necessity of introducing an intermediate level appeal against the decisions of the Authority.

Article 40 is amended to include delegation powers in relation to Article 5(2) and (3). Finally, Article 44 on transitional provisions is also amended to establish transitional provisions concerning Article 5(3) and Article 21, point (4) and point (5).

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the statute and funding of European political parties and European political foundations (recast)**

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<sup>21</sup>,

Having regard to the opinion of the Committee of the Regions<sup>22</sup>,

Having regard to the opinion of the Court of Auditors<sup>23</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

↓ new

(1) Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council<sup>24</sup> has been substantially amended several times<sup>25</sup>. Since further amendments are to be made, that Regulation should be recast in the interests of clarity.

↓ 1141/2014 recital 1

(2) Article 10(4) of the Treaty on European Union (TEU) and Article 12(2) of the Charter of Fundamental Rights of the European Union (the Charter) state that political parties

<sup>21</sup> OJ C [...], [...], p. [...].

<sup>22</sup> OJ C [...], [...], p. [...].

<sup>23</sup> OJ C [...], [...], p. [...].

<sup>24</sup> Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations (OJ L 317, 4.11. 2014, p. 1).

<sup>25</sup> See Annex III.

at European level contribute to forming European political awareness and to expressing the political will of citizens of the Union.

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↓ 1141/2014 recital 2

- (3) Articles 11 and 12 of the Charter state that the right to freedom of association at all levels, for example in political and civic matters, and the right to freedom of expression, which includes the freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers, are fundamental rights of every citizen of the Union.
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↓ 1141/2014 recital 3

- (4) European citizens should be enabled to use those rights in order to participate fully in the democratic life of the Union.
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↓ 1141/2014 recital 4

- (5) Truly transnational European political parties and their affiliated European political foundations have a key role to play in articulating the voices of citizens at European level by bridging the gap between politics at national level and at Union level.
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↓ 1141/2014 recital 5

- (6) European political parties and their affiliated European political foundations should be encouraged and assisted in their endeavour to provide a strong link between European civil society and the Union institutions, in particular the European Parliament.
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↓ 1141/2014 recital 6 (adapted)

~~Experience acquired by the European political parties and their affiliated European political foundations in applying Regulation (EC) No 2004/2003 of the European Parliament and of the Council, together with the European Parliament's resolution of 6 April 2011 on the application of Regulation (EC) No 2004/2003, show the need to improve the legal and financial framework for European political parties and their affiliated European political foundations so as to enable them to become more visible and effective actors in the multi-level political system of the Union.~~

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↓ 1141/2014 recital 7 (adapted)

- (7) As a recognition of the mission attributed to European political parties in the TEU and in order to facilitate their work, a specific European legal status should be established  laid down  for European political parties and their affiliated European political foundations.
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↓ 1141/2014 recital 8 (adapted)

- (8) ~~An~~  The  Authority for European political parties and foundations ('the Authority') ~~should be established for the~~  is a body of the Union within the meaning

of Article 263 of the Treaty on the Functioning of the European Union (TFEU) whose ~~purpose of registering, controlling and imposing~~ is to register, control and impose sanctions on European political parties and European political foundations. Registration should be necessary in order to obtain European legal status, which entails a series of rights and obligations. To avoid any possible conflict of interests, the Authority should be independent.

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↓ 1141/2014 recital 9

- (9) The procedures to be followed by European political parties and their affiliated European political foundations in order to obtain European legal status pursuant to this Regulation should be laid down, as should the procedures and criteria to be respected in arriving at a decision on whether to grant such European legal status. It is also necessary to lay down the procedures for cases in which a European political party or a European political foundation forfeits, loses or gives up its European legal status.
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↓ 1141/2014 recital 10 (adapted)

- (10) In order to facilitate the oversight of legal entities that will be subject to both Union and national law, the power to adopt acts in accordance with Article 290 ~~of the Treaty on the Functioning of the European Union (TFEU)~~ should be delegated to the Commission in respect of the functioning of a register of European political parties and foundations to be managed by the Authority ('the Register'), in particular as regards the information and supporting documents held in the Register. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making<sup>26</sup>. ~~The Commission, when preparing and drawing up~~ In particular, to ensure equal participation in the preparation of delegated acts, ~~should ensure a simultaneous, timely and appropriate transmission of relevant documents to~~ the European Parliament and ~~to~~ the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
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↓ 1141/2014 recital 11

- (11) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission as regards provisions on the registration number system and on standard extracts to be made available from the Register by the Authority to third parties upon request. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council<sup>27</sup>.

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<sup>26</sup> OJ L 123, 12.5.2016, p. 1.

<sup>27</sup> Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

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↓ 1141/2014 recital 12 (adapted)  
⇒ new

- (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 <sup>⇒</sup> and their respective members in the Union <sup>⇐</sup> to ~~respect~~ <sup>⊗</sup> observe <sup>⊗</sup> the values on which the Union is founded, as expressed in Article 2 TEU. <sup>⇒</sup> European political parties and their affiliated European political foundations should also ensure that their member parties and member organisations observe such values. <sup>⇐</sup>
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↓ new

- (13) For the purpose of its decisions to register, in order to ascertain that a European political party or a European political foundation complies with its obligations to observe the values on which the Union is founded, as expressed in Article 2 TEU, and that it ensures that its members observe such values, the Authority should rely on a written declaration to be issued by the European political party or European political foundation by using a template attached to this Regulation. The power of the Authority, upon request from the European Parliament, the Council or the Commission, to verify the compliance with such values should however not extend to possible breaches of those values by member parties or member organisations.
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↓ 1141/2014 recital 13

- (14) Decisions to de-register a European political party or a European political foundation on the ground of non-compliance with the values on which the Union is founded, as expressed in Article 2 TEU, should be taken only in the event of a manifest and serious breach of those values. When taking a decision to de-register, the Authority should fully respect the Charter.
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↓ new

- (15) In order to protect the financial interests of the Union, and to align this Regulation with Article 297 TFEU, the decisions to de-register should take effect upon notification.
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↓ 1141/2014 recital 14

- (16) The statutes of a European political party or a European political foundation should contain a series of basic provisions. Member States should be allowed to impose additional requirements for the statutes of European political parties and European political foundations which have established their seat on their respective territories, provided those additional requirements are not inconsistent with this Regulation.

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↓ 1141/2014 recital 15 (adapted)

- (17) The Authority should regularly verify that the conditions and requirements relating to the registration of European political parties and European political foundations continue to be met. Decisions relating to the respect for the values on which the Union is founded, as expressed in Article 2 TEU, should only be taken in accordance with a procedure specifically designed to that effect, following consultation of ~~the~~  the  committee of independent eminent persons  established by Regulation (EU, Euratom) No 1141/2014 .
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↓ 1141/2014 recital 16 (adapted)

~~The Authority is a body of the Union within the meaning of Article 263 TFEU.~~

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↓ 1141/2014 recital 17

- (18) The independence and transparency of the committee of independent eminent persons should be guaranteed.
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↓ 2019/493 recital 3 (adapted)

- (19) ~~Recent events have demonstrated the potential risks to electoral processes and to democracy that can arise from~~ ~~the~~  The unlawful use of personal data  can expose democracies and electoral processes to potential risks . It is therefore necessary to protect the integrity of the European democratic process by providing for financial sanctions in situations where European political parties or European political foundations take advantage of infringements of rules on protection of personal data with a view to influencing the outcome of elections to the European Parliament.
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↓ 2019/493 recital 4 (adapted)

- (20) To that end, a verification procedure should be ~~established~~  laid down  whereby the Authority ~~must~~  is required , in certain circumstances,  to  ask the committee of independent eminent persons ~~established by Regulation (EU, Euratom) No 1141/2014~~ to assess whether a European political party or a European political foundation has deliberately influenced or attempted to influence the outcome of elections to the European Parliament by taking advantage of an infringement of the applicable rules on protection of personal data. Where, ~~in accordance with the verification procedure,~~ that is found to be the case, the Authority should impose  effective, proportionate and dissuasive  sanctions ~~under the effective, proportionate and dissuasive sanctioning system established by Regulation (EU, Euratom) No 1141/2014.~~
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↓ 2019/493 recital 5 (adapted)

- (21) ~~When~~  Where  the Authority imposes a sanction on a European political party or foundation [in accordance with the verification procedure], it should take due account of the ne bis in idem principle, whereby sanctions cannot be imposed twice for the

same offence. The Authority should also ensure that the principle of legal certainty is respected and that the European political party or European political foundation concerned has been given the opportunity to be heard.

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↓ 2019/493 recital 7 (adapted)

- (22) Since the new procedure ~~is~~ ~~to~~ should be ~~to~~ triggered by a decision of a competent national data protection supervisory authority, it should be possible for the European political party or European political foundation concerned to request that the sanction be reviewed if the decision of that national supervisory authority is repealed, or a remedy against that decision has been granted, provided that all national remedies have been exhausted.
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↓ 1141/2014 recital 18

- (23) The European legal status granted to European political parties and their affiliated foundations should provide them with legal capacity and recognition in all the Member States. Such legal capacity and recognition do not entitle them to nominate candidates in national elections or elections to the European Parliament ~~or to participate in referendum campaigns~~. Any such or similar entitlement remains under the competence of Member States.
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↓ 1141/2014 recital 19

- (24) The activities of European political parties and European political foundations should be governed by this Regulation, and, for matters not governed by this Regulation, by the relevant provisions of national law in the Member States. The legal status of a European political party or of a European political foundation should be governed by this Regulation and by the applicable provisions of national law in the Member State where it has its seat ('Member State of the seat'). The Member State of the seat should be able to define ex ante the applicable law or to leave optionality for European political parties and European political foundations. The Member State of the seat should also be able to impose requirements other than, or additional to, those laid down in this Regulation, including provisions on the registration and integration of European political parties and foundations as such into national administrative and control systems and on their organisation and statutes, including on liability, provided that such provisions are not inconsistent with this Regulation.
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↓ 1141/2014 recital 20

- (25) As a key element of possessing European legal status, European political parties and European political foundations should have European legal personality. The acquisition of European legal personality should be subject to requirements and procedures to protect the interests of the Member State of the seat, of the applicant for European legal status ('the applicant') and of any third parties concerned. In particular, any pre-existing national legal personality should be converted into a European legal personality and any individual rights and obligations that have accrued to the former national legal entity should be transferred to the new European legal entity. Moreover, in order to facilitate continuity of activity, safeguards should be put in place to prevent the Member State concerned from applying prohibitive conditions to such conversion.

The Member State of the seat should be able to specify which types of national legal persons may be converted into European legal persons, and to withhold its agreement to the acquisition of European legal personality under this Regulation until adequate guarantees are provided, in particular, for the legality of the applicant's statutes under the laws of that Member State or for the protection of creditors or holders of other rights in respect of any pre-existing national legal personality.

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↓ 1141/2014 recital 21

- (26) The termination of European legal personality should be subject to requirements and procedures to protect the interests of the Union, of the Member State of the seat, of the European political party or European political foundation and of any third parties concerned. In particular, if the European political party or European political foundation acquires legal personality under the law of the Member State of its seat, this should be considered as a conversion of the European legal personality and any individual rights and obligations that the former European legal entity has respectively acquired or incurred should be transferred to the national legal entity. Moreover, in order to facilitate continuity of activity, safeguards should be put in place to prevent the Member State concerned from applying prohibitive conditions to such conversion. If the European political party or European political foundation does not acquire legal personality in the Member State of its seat, it should be wound up in accordance with the law of that Member State and in accordance with the condition requiring it not to pursue profit goals. The Authority and the Authorising Officer of the European Parliament should be able to agree modalities with the Member State concerned regarding the termination of the European legal personality, in particular in order to ensure the recovery of funds received from the general budget of the European Union and any financial sanctions.
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↓ 1141/2014 recital 22

- (27) If a European political party or a European political foundation seriously fails to comply with relevant national law and if the matter relates to elements affecting respect of the values on which the Union is founded, as expressed in Article 2 TEU, the Authority should decide, upon request by the Member State concerned, to apply the procedures laid down by this Regulation. Moreover, the Authority should decide, upon request from the Member State of the seat, to remove from the Register a European political party or European political foundation which has seriously failed to comply with relevant national law on any other matter.
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↓ 1141/2014 recital 23 (adapted)

- (28) Eligibility for funding from the general budget of the European Union should be limited to European political parties and their affiliated European political foundations that have been recognised as such and have obtained European legal status. While it is crucial to ensure that the conditions applicable to becoming a European political party are not excessive but can readily be met by organised and serious transnational alliances of political parties or natural persons or both, it is also necessary to ~~establish~~  lay down  proportionate criteria in order to allocate limited resources from the general budget of the European Union which criteria objectively reflect the European ambition and genuine electoral support of a European political party. Such criteria are

best based on the outcome of elections to the European Parliament, in which the European political parties or their members are required to participate under this Regulation, providing a precise indication of the electoral recognition of a European political party. These should reflect the European Parliament's role of directly representing the Union's citizens, assigned to it by Article 10(2) TEU, as well as the objective for European political parties to participate fully in the democratic life of the Union and to become actors in Europe's representative democracy, in order effectively to express the views, opinions and political will of the citizens of the Union. Eligibility for funding from the general budget of the European Union should therefore be limited to European political parties which are represented in the European Parliament by at least one of their members and to European political foundations which apply through a European political party that is represented in the European Parliament by at least one of its members.

↓ 2018/673 recital 6 (adapted)

⇒ new

- (29) 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~~ ⇒ on the provision of certain information. In particular, European political parties should ensure that their member parties with their seat in the Union publish ⇐ , in a clearly visible and user-friendly manner, the political programme and logo of the European political party concerned.
- (30) ⇒ European political parties and their member parties should lead by example in closing the gender gap in the political domain. If they wish to benefit from EU funding, European political parties should have internal rules promoting gender balance and they should be transparent about the gender balance of their member parties. ⇐ ~~The inclusion of information~~ ⇒ European political parties should provide evidence on their internal policy ⇐ on gender balance ⇒ and on their member parties' gender representation as regards candidates to and Member of the European Parliament ⇐ ~~in relation to each of the member parties of the European political party should be encouraged.~~ ⇒ The European political parties are also encouraged to provide information in relation to their member parties' on inclusiveness and representation of minorities. ⇐

↓ 1141/2014 recital 24 (adapted)

- (31) In order to increase the transparency of European political party funding, and to avoid potential abuse of the funding rules, a member of the European Parliament should, for the purposes of funding only, be regarded as a member of only one European political party, which should, where relevant, be the one to which ☒ their ☒ ~~his or her~~ national or regional political party is affiliated on the final date for the submission of applications for funding.

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↓ 1141/2014 recital 25

⇒ new

- (32) The procedures to be followed by European political parties and their affiliated European political foundations when they apply for funding from the general budget of the European Union should be laid down, as well as the procedures, criteria and rules to be respected in arriving at a decision on the grant of such funding. ⇒ In that context, the European political parties and foundations should in particular comply with the principle of sound financial management. ⇐
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↓ new

- (33) In order to address the difficulties that European political parties, in particular small ones, face in achieving the 10% co-financing rate required by Regulation (EU, Euratom) No 1141/2014, the co-financing rate for European political parties should be reduced to 5%, in line with the rate for European political foundations.
- (34) The co-financing rate should be lowered to 0% in the year of the elections to the European Parliament. Eliminating the co-financing obligation in the year of the elections to the European Parliament should help European political parties increase the number and intensity of their campaign activities and, therefore, also increase their visibility at national level.
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↓ 1141/2014 recital 26

- (35) In order to enhance the independence, accountability and responsibility of European political parties and European political foundations, certain types of donations and contributions from sources other than the general budget of the European Union should be prohibited or subject to limitations. Any restriction on free movement of capital which such limitations might entail is justified on grounds of public policy and is strictly necessary for the attainment of those objectives.
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↓ new

- (36) A due diligence mechanism should be introduced to improve the transparency of large donations and to minimise the risk of foreign interference from this source. To that end, European political parties and European political foundations should request detailed identification information from their donors. The Authority should be empowered to request additional information from donors where it has grounds to believe that a donation has been granted in breach of this Regulation.
- (37) In order to enhance cooperation with long-standing members sharing EU values, contributions from member parties having their seat in a country outside the Union but in the Council of Europe, should be allowed. However, such contributions should be subject to a cap in relation to total contribution, to limit the risk of foreign interference.
- (38) Regulation (EU, Euratom) No 1141/2014 acknowledges only two categories of revenues for European political parties and foundations apart from contributions from the budget of the European Union, namely contributions from members and donations. A number of revenue sources generated from own economic activities (such as sales of publications or

conference fees) fall outside the scope of these two categories, creating accounting and transparency problems. A third category of revenues ('own resources') should therefore be created. The proportion of own resources in the total budget of a European political party or foundations should be capped at 5% to avoid that it becomes overdimensioned in relation to the overall budget of these entities.

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↓ 1141/2014 recital 27

⇒ new

- (39) ⇒ In order to reach out to their members and constituencies across the Union, ⇐ European political parties should ~~be able to finance~~ ⇒ have the right to use their funding for cross-border political ⇐ campaigns, ~~conducted in the context of elections to the European Parliament, while~~ The funding and limitation of election expenses for parties and candidates ~~at such elections~~ ⇒ in those campaigns ⇐ should be governed by the rules applicable in each Member State.
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↓ 1141/2014 recital 32

⇒ new

- (40) In order to help raise the European political awareness of citizens and to promote the transparency of ~~the European electoral process~~ ⇒ political affiliation ⇐, European political parties may inform citizens ~~during elections to the European Parliament~~ of the ties between them and their affiliated national political parties and candidates.
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↓ 1141/2014 recital 28

⇒ new

- (41) European political parties should not fund, directly or indirectly, other political parties and, in particular, national parties or candidates. European political foundations should not fund, directly or indirectly, European or national political parties or candidates. ⇒ The prohibition of indirect funding should however not prevent European political parties from publicly supporting and engaging with their member parties in the Union on issues of relevance for the Union, or to support political activities in the common interest, to be able to fulfil their mission under Article 10(4) TEU. ⇐ Moreover, European political parties and their affiliated European political foundations should ~~not~~ ⇒ only ⇐ finance ⇒ activities in the context of national ⇐ referendum campaigns ⇒ when they concern the implementation of the TEU and the TFEU ⇐. These principles reflect Declaration No 11 on Article 191 of the Treaty establishing the European Community annexed to the Final Act of the Treaty of Nice.
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↓ 1141/2014 recital 29

- (42) Specific rules and procedures should be laid down for distributing the appropriations available each year from the general budget of the European Union, taking into account, on the one hand, the number of beneficiaries and, on the other, the share of elected members in the European Parliament of each beneficiary European political party and, by extension, its respective affiliated European political foundation. Those rules should provide for strict transparency, accounting, auditing and financial control of European political parties and their affiliated European political foundations, as well as for the imposition of proportionate sanctions, including in the event of a breach

by a European political party or a European political foundation of the values on which the Union is founded, as expressed in Article 2 TEU.

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↓ 1141/2014 recital 30 (adapted)

- (43) In order to ensure compliance with the obligations laid down by this Regulation regarding the funding and expenditure of European political parties and European political foundations and regarding other matters, it is necessary to ~~establish~~ ☒ provide for ☒ effective control mechanisms. To that end, the Authority, the Authorising Officer of the European Parliament and the Member States should cooperate and exchange all necessary information. Mutual cooperation amongst Member States' authorities should be also encouraged in order to ensure the effective and efficient control of obligations stemming from applicable national law.
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↓ new

- (44) With a view to increasing legal certainty provided by this Regulation and to ensure its coherent implementation, the Authority and the Authorising Officer of the European Parliament should cooperate closely, including through regular exchange of views and information on the interpretation and concrete application of this Regulation. In addition, in full respect of the independence of the Authority, cooperation between the Authority, the Authorising Officer of the European Parliament and European political parties and European political foundations should facilitate the correct implementation of the Regulation by the European political parties and European political foundations and prevent legal disputes. The obligation of the Authority to hear European political parties or European political foundations before taking any decisions having adversary effects should also help facilitating the correct implementation of the Regulation by the European political parties and European political foundations and, at the same time, help preventing legal disputes.
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↓ 1141/2014 recital 31

⇒ new

- (45) It is necessary to provide for a clear, ~~strong and~~ dissuasive ⇒ and proportionate ⇐ system of sanctions in order to ensure effective, proportionate and uniform compliance with the obligations regarding the activities of European political parties and European political foundations. Such a system should also respect the ne bis in idem principle whereby sanctions cannot be imposed twice for the same offence. It is also necessary to define the respective roles of the Authority and of the Authorising Officer of the European Parliament in controlling and verifying compliance with this Regulation as well as the mechanisms for cooperation between them and the Member States' authorities.
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↓ new

- (46) Political advertising plays an important role for political parties to communicate to citizens and interact with them on political issues. It can take many forms and be disseminated through many media, from television and radio, to print and online social media. It is an important part of the electoral process and represents an important part of the amounts spent by political parties and candidates. While it brings important

benefits, it also entails potential risks to electoral processes and democracy. Those risks can arise from opaque practices and the use of political advertising as a vector for disinformation including when the advertising does not disclose its political nature, and where it is funded and targeted covertly.

- (47) A high level of transparency should therefore be provided by European political parties in their political advertising to support a fair political debate and free and elections including to combat disinformation. It should support citizens' understanding of the nature, source and context of political advertising, including its funding and the amounts spent, and regarding whether and how it was targeted to them. It should also promote accountability and contribute to reducing the incidence of the misuse of political advertising, including connected to disinformation and other types of interference in the democratic debate. The transparency requirements should support the European dimension of elections to the European Parliament including the cross border dimension.
- (48) Member States should ensure adequate enforcement of the transparency obligations applicable to political advertising laid down in this Regulation. Member States should entrust competent authorities with the necessary powers to supervise compliance with those transparency obligations. In order to avoid undue interferences, such national regulatory authorities or bodies should exercise their powers impartially and transparently and be legally distinct from the government and functionally independent of their respective governments and of any other public or private body. Citizens and other interested parties should be able to know which regulatory authorities are competent in each Member State, which should be achieved by providing an obligation for the Authority to publish on its website and keep updated a list of Member States' national regulatory authorities. Decisions of national regulatory authorities should be subject to effective legal remedies, in full compliance with Article 47 of the Charter. This should include ensuring that appropriate redress can be sought and obtained in due time, upon request of any interested party, requiring the European Political Party to put an end to any violation of the transparency requirements laid down in this Regulation.
- (49) European political parties often rely on external service providers, including advertising publishers, for the preparation, placement, publication and dissemination of their political advertisements. Such service providers are bound by Regulation 2022/XX of the European Parliament and of the Council<sup>28</sup> on the transparency and targeting of political advertising. Where entering into a contractual relationship on the provision of services related to political advertisements, European political parties should ensure that the providers of political advertising services, including advertising publishers, comply with their obligations under Regulation 2022/XX [on the transparency and targeting of political advertising]. They should ensure that the contractual arrangements specify how the relevant provisions of this Regulation are taken into account. Where appropriate, the political advertisement may include the European political party's political logo.
- (50) It is necessary to establish a common repository for the disclosures of European political parties. Given its specific role in the implementation of this Regulation, the Authority should establish and manage such repository as a part of the Registry for European political parties. The information contained in the repository should be

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<sup>28</sup> Regulation 2022/XX of the European Parliament and of the Council of on the transparency and targeting of political advertising (OJ L...).

transmitted by European Political Parties to the Authority using a standard format and may be automated. European political parties should make available in the Authority's repository information to enable the wider context of the political advertisement and its aims to be understood. The information on the amount allocated to political advertising in the context of a specific campaign to be included in the repository may be based on an estimated allocation of funding. The amounts to be mentioned in the repository include donations for specific purposes or benefits in kind.

- (51) European political parties should implement and regularly update their policy on their use of political advertising. This policy and an annual report on its implementation should be available on the European Political Party's website.
- (52) Regulation (EU) 2022/XX [on the transparency and targeting of political advertising] establishes obligations for data controllers using targeting or amplification techniques in the context of political advertising. When using targeting or amplification techniques for political advertising, European political parties should ensure compliance with Article 12 of that Regulation. Supervisory authorities within the meaning of Article 4, point (21) of Regulation (EU) 2016/679 of the European Parliament and of the Council<sup>29</sup> should be competent to monitor compliance with this Regulation.
- (53) Information concerning compliance by European political parties with the transparency requirements established in this Regulation should be available at Union level. In order to facilitate this, the Authority should prepare and publish a factual and descriptive report on any decisions of national regulatory authorities or supervisory authorities pursuant to this Regulation.
- (54) In view of the need to protect the integrity of the European democratic process, European political parties should prove compliance with transparency rules applicable to political advertising in order to be eligible for funds coming from the budget of the European Union.

↓ 1141/2014 recital 33 (adapted)  
⇒ new

- (55) For reasons of transparency, and in order to strengthen the scrutiny and the democratic accountability of European political parties and European political foundations, information considered to be of substantial public interest, relating in particular to their statutes, membership, financial statements, donors and donations, contributions and grants received from the general budget of the European Union, as well as information relating to decisions taken by the Authority and the Authorising Officer of the European Parliament on registration, funding and sanctions, should be published ⇒ in a user-friendly, open and machine readable format ⇐. ~~Establishing~~ ⊗ Laying down ⊗ a regulatory framework to ensure that this information is publicly available is the most effective means of promoting a level playing field and fair competition between political forces, and of upholding open, transparent and democratic legislative and electoral processes, thereby strengthening the trust of citizens and voters in

<sup>29</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

European representative democracy and, more broadly, preventing corruption and abuses of power.

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↓ 1141/2014 recital 34

- (56) In compliance with the principle of proportionality, the obligation to publish the identity of donors who are natural persons should not apply to donations equal to or below EUR 1500 per year and per donor. Furthermore, such obligation should not apply to donations the annual value of which exceeds EUR 1500 and is below or equal to EUR 3000 unless the donor has given prior written consent to the publication. These thresholds strike an appropriate balance between, on the one hand, the fundamental right to the protection of personal data and, on the other hand, the legitimate public interest in transparency regarding the funding of European political parties and foundations, as reflected in international recommendations to avoid corruption in relation to the funding of political parties and foundations. The disclosure of donations exceeding EUR 3000 per year and per donor should allow effective public scrutiny and control over the relations between donors and European political parties. Also in compliance with the principle of proportionality, information on donations should be published annually, except during election campaigns to the European Parliament or for donations exceeding EUR 12000, in respect of which publication should take place expeditiously.
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↓ 1141/2014 recital 35 (adapted)

- (57) This Regulation respects the fundamental rights and observes the principles enshrined in the Charter, in particular Articles 7 and 8 thereof, which state that everyone has the right to respect for  their  his or her private life and to the protection of personal data concerning him or her, and it must be implemented in full respect of those rights and principles.
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↓ 1141/2014 recital 36

- (58) Regulation (EU) 2018/1725<sup>30</sup> ~~(EC) No 45/2001~~ of the European Parliament and of the Council<sup>30</sup> applies to the processing of personal data carried out by the Authority, the European Parliament and the committee of independent eminent persons in application of this Regulation.
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↓ 1141/2014 recital 37

- (59) ~~Regulation (EU) 2016/679~~ ~~Directive 95/46/EC~~ applies to the processing of personal data carried out in application of this Regulation.
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<sup>30</sup> ~~Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).~~

<sup>31</sup> Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

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↓ 1141/2014 recital 38 (adapted)

- (60) For the sake of legal certainty, it is appropriate to clarify that the Authority, the European Parliament, the European political parties and European political foundations, the national authorities competent to exercise control over aspects related to the financing of European political parties and European political foundations, and other relevant third parties referred to or provided for in this Regulation are data controllers within the meaning of Regulation (EU) 2018/1725~~(EC) No 45/2001~~ or Regulation (EU) 2016/679~~Directive 95/46/EC~~. It is also necessary to specify the maximum period for which they may retain personal data collected for the purposes of ensuring the legality, regularity and transparency of the funding of European political parties and European political foundations and the membership of European political parties. In their capacity as data controllers, the Authority, the European Parliament, the European political parties and European political foundations, the competent national authorities and the relevant third parties must take all the appropriate measures to comply with the obligations imposed by Regulation (EU) 2018/1725~~(EC) No 45/2001~~ and  or  Regulation (EU) 2016/679~~Directive 95/46/EC~~, in particular those relating to the lawfulness of the processing, the security of the processing activities, the provision of information, and the rights of data subjects to have access to their personal data and to procure the correction and erasure of their personal data.
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↓ new

- (61) In order to facilitating the monitoring of the implementation of this Regulation, single points of contact in charge of coordination with the European level should be designated by each Member State. Such contact points should be adequately resourced to be able to ensure effective coordination, including on issues related to the monitoring of political advertising,
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↓ 1141/2014 recital 39 (adapted)

- (62)  Regulation (EU) 2016/679  ~~Chapter III of Directive 95/46/EC on judicial remedies, liability and sanctions~~ applies as regards the data processing carried out in application of this Regulation. The competent national authorities or relevant third parties should be liable in accordance with applicable national law for any damage that they cause. In addition, Member States should ensure that the competent national authorities or relevant third parties are liable to appropriate sanctions for infringements of this Regulation.
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↓ 1141/2014 recital 40

- (63) Technical support afforded by the European Parliament to European political parties should be guided by the principle of equal treatment, should be supplied against invoice and payment and should be subject to a regular public report.
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↓ 1141/2014 recital 41

- (64) Key information on the application of this Regulation should be available to the public on a dedicated website.

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↓ 1141/2014 recital 42

(65) Judicial control by the Court of Justice of the European Union will help to ensure the correct application of this Regulation. Provision should also be made to allow European political parties or European political foundations to be heard and to take corrective measures before a sanction is imposed on them.

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↓ new

(66) To further align the evaluation of this Regulation with the elections to the European Parliament cycle, the dates of the proposed comprehensive review should be adapted. Moreover, to avoid duplication, the provisions on transparency and targeting of political advertising should be evaluated as part of the Commission's report following the elections to the European Parliament.

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↓ 1141/2014 recital 43

(67) Member States should ensure that national provisions that are conducive to the effective application of this Regulation are in place.

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↓ 1141/2014 recital 44 (adapted)  
⇒ new

(68) ~~Member States~~ ⇒ European political parties and foundations ⇐ should be given sufficient time to adopt provisions to ensure the smooth and effective application of this Regulation. Provision should therefore be made for a transitional period between the entry into force of this Regulation and ~~its~~ ⇔ the ⇔ application ⇒ of some of its articles ⇐.

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↓ 1141/2014 recital 45 (adapted)

~~The European Data Protection Supervisor was consulted and adopted an opinion.~~

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↓ 1141/2014 recital 46 (adapted)

~~Given the need for significant changes and additions to the rules and procedures currently applicable to political parties and political foundations at Union level, Regulation (EC) No 2004/2003 should be repealed,~~

HAVE ADOPTED THIS REGULATION:

## CHAPTER I

### *GENERAL PROVISIONS*

#### *Article 1*

##### **Subject matter**

This Regulation lays down the conditions governing the statute and funding of political parties at European level ('European political parties') and political foundations at European level ('European political foundations').

#### *Article 2*

##### **Definitions**

For the purposes of this Regulation ☒, the following definitions apply ☒:

- (1) 'political party' means an association of citizens ☒ which fulfils the following conditions ☒:
  - (a) ~~which~~ ☒ it ☒ pursues political objectives; ~~and~~
  - (b) ~~which~~ ☒ it ☒ is either recognised by, or established in accordance with, the legal order of at least one Member State;
- (2) 'political alliance' means structured cooperation ⇨, irrespective of its form, ⇨ between ☒ members, whether ☒ political parties ~~and~~ or citizens;
- (3) 'European political party' means a political alliance which pursues political objectives ⇨, aims to pursue those objectives across the Union, ⇨ and is registered with the Authority for European political parties and foundations established ☒ referred to ☒ in Article 7~~6~~, in accordance with ~~the conditions and procedures laid down in~~ this Regulation;
- (4) 'European political foundation' means an entity which is formally affiliated with a European political party, which is registered with the Authority ☒ for European political parties and foundations referred to in Article 7 ☒ in accordance with ~~the conditions and procedures laid down in~~ this Regulation, and which through its activities, within the aims and fundamental values pursued by the Union, underpins and complements the objectives of the European political party by performing one or more of the following tasks:
  - (a) observing, analysing and contributing to the debate on European public policy issues and on the process of European integration;
  - (b) developing activities linked to European public policy issues, such as organising and supporting seminars, training, conferences and studies on such issues between relevant stakeholders, including youth organisations and other representatives of civil society, ⇨ and capacity building to support the formation of future political leadership in the Union ⇨;

- (c) developing cooperation in order to promote democracy, including in third countries;
  - (d) serving as a framework for national political foundations, academics, and other relevant actors to work together at European level;
- (5) 'regional parliament' or 'regional assembly' means a body whose members either hold a regional electoral mandate or are politically accountable to an elected assembly;
- (6) 'funding from the general budget of the European Union' means a grant awarded in accordance with Title ~~VIII~~ VIII ~~XI~~ XI of Part ~~Two~~ One of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council<sup>32</sup> ~~Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (the Financial Regulation)~~;
- (7) 'donation' means any cash offering, any offering in kind, the provision below market value of any goods, services (including loans) or works, and ~~or~~ any other transaction which constitutes an economic advantage for the European political party or the European political foundation concerned, with the exception of contributions from members and ~~of~~ usual political activities carried out on a voluntary basis by individuals;
- (8) 'contribution from members' means any payment in cash, including membership fees, or any contribution in kind, or the provision below market value of any goods, services (including loans) or works, and ~~or~~ any other transaction which constitutes an economic advantage for the European political party or the European political foundation concerned, when provided to that European political party or to that European political foundation by one of its members, with the exception of usual political activities carried out on a voluntary basis by individual members;

↓ new

- (9) 'own resources' means income generated by own economic activities, such as conference fees and sales of publications;
- (10) 'indirect funding' means funding from which the member party derives a financial advantage, even where no funds are directly transferred; this should include cases which allow the member party to avoid expenditure which it would otherwise have had to incur for activities, other than political activities in the common interest, organised for its own and sole benefit;

↓ 1141/2014

- (~~119~~) 'annual budget' for the purposes of Articles ~~2320~~ and ~~3027~~ means the total amount of expenditure in a given year as reported in the annual financial statements of the European political party or of the European political foundation concerned;

<sup>32</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.07.2018, p.1).

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↓ 2018/673 Art. 1.3

(~~1240~~) '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;

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↓ 1141/2014  
⇒ new

(~~1344~~) 'seat' means ⇒ , unless otherwise specified in this Regulation, ⇐ the location where the European political party or the European political foundation has its central administration;

(~~1443~~) 'concurrent infringements' means two or more infringements committed as part of the same unlawful act;

(~~1543~~) 'repeated infringement' means an infringement committed within five years of a sanction having been imposed on its perpetrator for the same type of infringement;

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↓ new

(16) 'political advertising' means advertising within the meaning of Article 2, point (2), of Regulation 2022/xx [on the transparency and targeting of political advertising];

[(17) 'political advertisement' means advertisement within the meaning of Article 2, point (3) of Regulation 2022/xx [on the transparency and targeting of political advertising];

[(18) 'political advertising services' means services within the meaning of Article 2 point (5) of Regulation (EU) 2022/xx [on the transparency and targeting of political advertising].

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↓ 1141/2014 (adapted)  
→<sub>1</sub> 2018/673 Art. 1.4(a)

## CHAPTER II

### ***STATUTE FOR EUROPEAN POLITICAL PARTIES AND EUROPEAN POLITICAL FOUNDATIONS***

#### *Article 3*

##### **Conditions for registration**

1. A political alliance ~~shall be entitled to~~ ☒ may ☒ apply to register as a European political party subject to the following conditions:

(a) it ~~must have~~ ☒ has ☒ its seat in a Member State as indicated in its statutes;

(b) ☒ at least one of the following applies: ☒

- (i) →<sub>1</sub> its member parties ~~must be~~ ☒ are ☒ 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~~ ←
- (ii) it or its member parties ~~must~~ have received, in at least one quarter of the Member States, at least three per cent of the votes cast in each of those Member States at the most recent elections to the European Parliament;

↓ 2018/673 Art. 1.4(b)

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

↓ 1141/2014 (adapted)

⇒ new

- (d**e**) it ~~must observe~~ ☒ observes ☒, in particular in its programme and in its 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 ⇒. It provides a written declaration using the template in Annex I ⇐;

↓ new

- (e) it also ensures that its member parties having their seat in the Union observe the values expressed in Article 2 TEU and that its member parties having their seat outside the Union observe equivalent values. It provides a written declaration using the template in Annex I;

↓ 1141/2014 (adapted)

⇒ new

- (f**e**) it or its members ~~must~~ have participated in elections to the European Parliament, or have expressed publicly the intention to participate in the next elections to the European Parliament; ~~and~~

- (g**e**) it ~~must~~ ☒ does ☒ not pursue profit goals.

2. An ☒ entity ☒ ~~applicant~~ shall be entitled to apply to register as a European political foundation subject to the following conditions:

- (a) it ~~must be~~ ☒ is ☒ affiliated with a European political party registered in accordance with [the conditions and procedures laid down in] this Regulation;
- (b) it ~~must have~~ ☒ has ☒ its seat in a Member State as indicated in its statutes;
- (c) it ~~must observe~~ ☒ observes ☒, in particular in its programme and in its 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 ⇒. It provides a written declaration using the template in Annex I ⇐;

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↓ new

- (d) it also ensures that its member organisations having their seat in the Union observe the values expressed in Article 2 TEU and that its member organisations having their seat outside the Union observe equivalent values. It provides a written declaration using the template in Annex I;
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↓ 1141/2014 (adapted)

- (~~cd~~) its objectives ~~must~~ complement the objectives of the European political party with which it is formally affiliated;
- (~~fe~~) its governing body ~~must be~~  is  composed of members from at least one quarter of the Member States; ~~and~~
- (~~gf~~) it ~~must~~  does  not pursue profit goals.

3. A European political party ~~can~~  may  have only one formally affiliated European political foundation. Each European political party and the affiliated European political foundation shall ensure a separation between their respective day-to-day management, governing structures and financial accounts.

#### Article 4

##### Governance of European political parties

1. The statutes of a European political party shall comply with the applicable law of the Member State in which it has its seat and shall include provisions covering at least the following:

- (a) its name and logo, which ~~must~~  shall  be clearly distinguishable from those of any existing European political party or European political foundation;
- (b) the address of its seat;
- (c) a political programme setting out its purpose and objectives;
- (d) a statement, in conformity with ~~point (e) of~~ Article 3(1), point (g), that it does not pursue profit goals;
- (e) where relevant, the name of its affiliated political foundation and a description of the formal relationship between them;
- (f) its administrative and financial organisation and procedures, specifying in particular the bodies and offices holding the powers of administrative, financial and legal representation and the rules on the establishment, approval and verification of annual accounts; ~~and~~
- (g) the internal procedure to be followed in the event of its voluntary dissolution as a European political party;
- 

↓ new

- (h) its internal rules governing the use of political advertising;

- (i) a requirement that member parties display the European political party's logo in a clearly visible and user-friendly manner, specifying that it is to be located in the top section of the front page of the member party's website and in an equally visible manner as the member party's own logo;
- (j) its internal rules regarding gender balance.

↓ 1141/2014 (adapted)

2. The statutes of a European political party shall include provisions on internal party organisation covering at least the following:

- (a) the modalities for the admission, resignation and exclusion of its members, the list of its member parties being annexed to the statutes;
- (b) the rights and duties associated with all types of membership and the relevant voting rights;
- (c) the powers, responsibilities and composition of its governing bodies, specifying for each the criteria for the selection of candidates and the modalities for their appointment and dismissal;
- (d) its internal decision-making processes, in particular the voting procedures and quorum requirements;
- (e) its approach to transparency, in particular in relation to bookkeeping, accounts and donations, privacy and the protection of personal data; ~~and~~
- (f) the internal procedure for amending its statutes.

3. The Member State of the seat may impose additional requirements for the statutes, provided ☒ that ☒ those additional requirements are not inconsistent with this Regulation.

↓ new

## Article 5

### *Transparency requirements for political advertising*

1. European political parties shall ensure that the providers of political advertising services which they use when engaging in political advertising fully comply with their obligations pursuant to Articles 7 and 12 of Regulation 2022/xx [on the transparency and targeting of political advertising]. To that end, European political parties shall ensure that contracts concluded with providers of political advertising services for their advertising campaigns include an express reference to those obligations.

2. Each European political party shall transmit within five working days of the first dissemination to the Authority information concerning each political advertisement that it sponsors or publishes directly to enable the wider context of the political advertisement and its aims to be understood by citizens. That information shall include at least the information listed in point 1 of Annex II.

3. The Authority shall immediately publish the information referred to in paragraph 2 in the repository provided for in Article 8. The information shall be presented in a form which is easily accessible, clearly visible and user friendly, and using plain language.

4. Each European political party shall establish a policy for the use of political advertising. It shall ensure that that policy is kept up-to-date and that an annual report on its implementation is available on its website. The report shall cover the political advertisements published during the five preceding years and include a description of the specific steps the European political party takes to comply with this Article and the information listed in point 2 of Annex II.

5. When using targeting or amplification techniques involving the processing of personal data for political advertising, European Political Parties shall ensure compliance with Article 12 of Regulation (EU) 2022/XX [on the transparency and targeting of political advertising].

6. Member States shall designate one or more national regulatory authorities competent to supervise compliance with paragraphs 1, 2 and 4 and notify the Authority thereof. Such national regulatory authorities or bodies shall exercise their powers impartially and transparently and be legally distinct from the government and functionally independent of their respective governments and of any other public or private body. The Authority shall publish on its website and keep updated a list of Member States' national regulatory authorities. Decisions of national regulatory authorities shall be subject to effective legal remedies. Member States shall ensure that upon request of any interested party appropriate redress can be sought requiring the European Political Party to put an end to any violation of the obligations laid down in paragraphs 1, 2 or 4.

7. The supervisory authorities referred to in Article 51 of Regulation (EU) 2016/679 shall be competent to supervise the application of paragraph 5 of this Article. Article 58 of Regulation (EU) 2016/679 shall apply mutatis mutandis. Chapter 7 of Regulation (EU) 2016/679 shall apply for activities covered by paragraph 5 of this Article.

8. The Commission is empowered to adopt delegated acts in accordance with Article 40 concerning the amendment of Annex II to add or remove elements from the list of information to be provided pursuant to paragraphs 2 and 4 of this Article in the light of technological developments.

↓ 1141/2014 (adapted)

#### *Article ~~65~~*

### **Governance of European political foundations**

1. The statutes of a European political foundation shall comply with the applicable law of the Member State in which it has its seat and shall include provisions covering at least the following:

- (a) its name and logo, which ~~must~~  shall  be clearly distinguishable from those of any existing European political party or European political foundation;
- (b) the address of its seat;
- (c) a description of its purpose and objectives, which ~~must~~  shall  be compatible with the tasks listed in ~~point (4) of~~ Article 2, point (5);
- (d) a statement, in conformity with ~~point (f) of~~ Article 3(2), point (g), that it does not pursue profit goals;
- (e) the name of the European political party with which it is directly affiliated, and a description of the formal relationship between them;

- (f) a list of its bodies, specifying for each its powers, responsibilities and composition, and including the modalities for the appointment and dismissal of the members and managers of such bodies;
  - (g) its administrative and financial organisation and procedures, specifying in particular the bodies and offices holding the powers of administrative, financial and legal representation and the rules on the establishment, approval and verification of annual accounts;
  - (h) the internal procedure for amending its statutes; ~~and~~
  - (i) the internal procedure to be followed in the event of its voluntary dissolution as a European political foundation.
2. The Member State of the seat may impose additional requirements for the statutes, provided  that  those additional requirements are not inconsistent with this Regulation.

### *Article 76*

#### **Authority for European political parties and European political foundations**

1. An Authority for European political parties and European political foundations (~~the~~ 'Authority') is ~~hereby~~ established for the purpose of registering, controlling and imposing sanctions on European political parties and European political foundations in accordance with this Regulation.

2. The Authority shall have legal personality. It shall be independent and shall exercise its functions in full compliance with this Regulation.

The Authority shall decide on the registration and de-registration of European political parties and European political foundations in accordance with the procedures and conditions laid down in this Regulation. In addition, the Authority shall regularly verify that the registration conditions laid down in Article 3 and the governance provisions set out in accordance with ~~points (a), (b) and (d) to (f) of Article 4(1), points (a), (b), (d), (e) and (f), and in points (a) to (e) and (g) of Article 65(1), points (a) to (e), and (g),~~ continue to be complied with by the registered European political parties and European political foundations.

In its decisions, the Authority shall give full consideration to the fundamental right of freedom of association and to the need to ensure pluralism of political parties in Europe.

The Authority shall be represented by its Director who shall take all decisions of the Authority on its behalf.

3. The Director of the Authority shall be appointed for a five-year non-renewable term by the European Parliament, the Council and the Commission (jointly referred to as the 'appointing authority') by common accord, on the basis of proposals made by a selection committee composed of the Secretaries-General of those institutions following an open call for candidates.

The Director of the Authority shall be selected on the basis of ~~his or her~~  their  personal and professional qualities.  They  ~~He or she~~ shall not be a member of the European Parliament, hold any electoral mandate or be a current or former employee of a European political party or a European political foundation. The Director selected shall not have a conflict of interests between  their  ~~his or her~~ duty as Director of the Authority and any other official duties, in particular in relation to the application of the provisions of this Regulation.

A vacancy caused by resignation, retirement, dismissal or death shall be filled in accordance with the same procedure.

In the event of a normal replacement or voluntary resignation the Director shall continue  their  ~~his or her~~ functions until a replacement has taken up  their  ~~his or her~~ duties.

If the Director of the Authority no longer fulfils the conditions required for the performance of  their  ~~his or her~~ duties,  they  ~~he or she~~ may be dismissed by common accord by at least two of the three institutions referred to in the first subparagraph and on the basis of a report drawn up by the selection committee referred to in the first subparagraph on its own initiative or following a request from any of the three institutions.

The Director of the Authority shall be independent in the performance of  their  ~~his or her~~ duties. When acting on behalf of the Authority, the Director shall neither seek nor take instructions from any institution or government or from any other body, office or agency. The Director of the Authority shall refrain from any act which is incompatible with the nature of  their  ~~his or her~~ duties.

The European Parliament, the Council and the Commission shall exercise jointly, with regard to the Director, the powers conferred on the appointing authority by the Staff Regulations of Officials (and the Conditions of Employment of Other Servants of the Union) laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68<sup>33</sup>. Without prejudice to decisions on appointment and dismissal, the three institutions may agree to entrust the exercise of some or all of the remaining powers conferred on the appointing authority to any one of them.

The appointing authority may assign the Director to other tasks provided that such tasks are not incompatible with the workload resulting from  their  ~~his or her~~ duties as Director of the Authority and are not liable to create any conflict of interests or to jeopardise the full independence of the Director.

4. The Authority shall be physically located in the European Parliament, which shall provide the Authority with the necessary offices and administrative support facilities.

↓ 2019/493 Art. 1.1 (adapted)

5. The Director of the Authority shall be assisted by staff in respect of whom  they  ~~he or she~~ shall exercise the powers conferred on the appointing authority by the Staff Regulations of Officials of the European Union and the powers conferred on the authority empowered to conclude contracts of employment of other servants by the Conditions of Employment of Other Servants of the Union, laid down in Council Regulation (EEC, Euratom, ECSC) No 259/68 ('the appointing authority's powers'). The Authority may make use in any areas of its work of ~~other~~ seconded national experts or of other staff not employed by the Authority.

The Staff Regulations and the Conditions of Employment of Other Servants and the rules adopted by agreement between the institutions of the Union for giving effect to those Staff Regulations and Conditions of Employment of Other Servants shall apply to the staff of the Authority.

<sup>33</sup> Council Regulation (EEC, Euratom, ECSC) No 259/68 of 29 February 1968 laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities and instituting special measures temporarily applicable to officials of the Commission (OJ L 56, 4.3.1968, p. 1).

The selection of the staff shall not be liable to result in a conflict of interests between their duties at the Authority and any other official duties, and they shall refrain from any act which is incompatible with the nature of their duties.

↓ 1141/2014 (adapted)  
→<sub>1</sub> 2018/673 Art. 1.5  
⇒ new

6. The Authority shall conclude agreements with the European Parliament and, if appropriate, with other institutions on any administrative arrangements necessary to enable it to carry out its tasks, in particular agreements regarding the staff, services and support provided pursuant to paragraphs 4, 5 and 8.

7. The appropriations for the expenditure of the Authority shall be provided under a separate Title in the Section for the European Parliament in the general budget of the European Union. The appropriations shall be sufficient to ensure the full and independent operation of the Authority. A draft budgetary plan for the Authority shall be submitted to the European Parliament by the Director, and shall be made public. The European Parliament shall delegate the duties of Authorising Officer with respect to those appropriations to the Director of the Authority.

8. Council Regulation No 1<sup>34</sup> shall apply to the Authority.

The translation services required for the functioning of the Authority and the Register shall be provided by the Translation Centre for the Bodies of the European Union.

9. The Authority and the Authorising Officer of the European Parliament shall share all information necessary for the execution of their respective responsibilities under this Regulation.

10. The Director shall submit annually a report to the European Parliament, the Council and the Commission on the activities of the Authority. ⇒ The Authority shall make the reports public on its website. ⇐

11. The Court of Justice of the European Union shall review the legality of the decisions of the Authority in accordance with Article 263 TFEU and shall have jurisdiction in disputes relating to compensation for damage caused by the Authority in accordance with Articles 268 and 340 TFEU. Should the Authority fail to take a decision where it is required to do so by this Regulation, proceedings for failure to act may be brought before the Court of Justice of the European Union in accordance with Article 265 TFEU.

#### *Article ~~87~~*

#### **Register of European political parties and foundations**

1. The Authority shall establish and manage a Register of European political parties and European political foundations. ⇒ The register shall include a repository for the information to be provided by European political parties pursuant to Article 5(2). ⇐ Information from the Register shall be available online in accordance with Article ~~3632~~.

<sup>34</sup> Council Regulation No 1 of 15 April 1958 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385/58).

2. In order to ensure the proper functioning of the Register, the Commission ~~shall be~~  is  empowered to adopt delegated acts in accordance with Article ~~4036~~ and within the scope of the relevant provisions of this Regulation concerning:

- (a) the information and supporting documents held by the Authority for which the Register is to be the competent repository, which shall include the statutes of a European political party or European political foundation, any other documents submitted as part of an application for registration in accordance with Article ~~98~~(2), any documents received from the Member State of the seat as referred to in Article ~~1815~~(2), and information on the identity of the persons who are members of bodies or hold offices that are vested with powers of administrative, financial and legal representation, as referred to in ~~point (f) of Article 4(1), point (f), and point (g) of Article 65(1), point (g);~~
- (b) materials from the Register as referred to in point (a) of this paragraph for which the Register is to be competent to certify legality as established by the Authority pursuant to its competences under this Regulation. The Authority shall not be competent to verify compliance by a European political party or European political foundation with any obligation or requirement imposed on the party or foundation in question by the Member State of the seat pursuant to Articles 4 and ~~6.5~~ and Article ~~1744~~(2) which is additional to the obligations and requirements laid down by this Regulation.

3. The Commission shall by implementing acts specify the details of the registration number system to be applied for the Register and standard extracts from the Register to be made available to third parties upon request, including the content of letters and documents. Such extracts shall not include personal data other than the identity of the persons who are members of bodies or hold offices that are vested with powers of administrative, financial and legal representation, as referred to in ~~point (f) of Article 4(1), point (f), and point (g) of Article 65(1), point (g).~~ Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article ~~4137~~.

#### *Article ~~98~~*

#### **Application for registration**

1. An application for registration shall be filed with the Authority. An application for registration as a European political foundation shall be filed only through the European political party with which the applicant is formally affiliated.

2. The application shall be accompanied by:

- (a) documents proving that the applicant satisfies the conditions laid down in Article 3, including a standard formal declaration in the form set out in ~~the~~ Annex I;
- (b) the statutes of the party or foundation, containing the provisions required by Articles 4 and ~~65~~, including the relevant annexes and, where applicable, the statement of the Member State of the seat referred to in Article ~~1815~~(2).

3. The Commission ~~shall be~~  is  empowered to adopt delegated acts in accordance with Article ~~4036~~ and within the scope of the relevant provisions of this Regulation  concerning .

- (a) ~~to identify~~  the identification of  any supplementary information or supporting document in relation to paragraph 2 necessary to allow the Authority to fully

discharge its responsibilities under this Regulation in relation to the operation of the Register;

- (b) ~~to amend~~  the amendment of  the standard formal declaration in ~~the~~ Annex I in respect of the particulars to be filled in by the applicant where necessary, in order to ensure that sufficient information is being held in relation to the signatory, ~~his or her~~  their  mandate and the European political party or European political foundation which  they  ~~he or she~~ is mandated to represent for the purposes of the declaration.
4. Documentation submitted to the Authority as part of the application shall be published immediately on the website referred to in Article ~~3632~~.

#### Article ~~109~~

##### **Examination of the application and decision of the Authority**

1. The application shall be examined by the Authority in order to determine whether the applicant satisfies the conditions for registration laid down in Article 3 and whether the statutes contain the provisions required by Articles 4 and ~~65~~.
2. The Authority shall adopt a decision to register the applicant, unless it establishes that the applicant does not satisfy the conditions for registration laid down in Article 3 or that the statutes do not contain the provisions required by Articles 4 and ~~65~~.

The Authority shall publish its decision to register the applicant within one month following receipt of the application for registration or, where the procedures set out in Article ~~1815~~(4) are applicable, within four months following receipt of the application for registration.

Where an application is incomplete, the Authority shall ask the applicant without delay to submit any additional information required. For the purposes of the deadline laid down in the second subparagraph, time shall only start to run from the date of receipt by the Authority of a complete application.

3. The standard formal declaration referred to in ~~point (a) of Article 98(2), point (a),~~ shall be considered sufficient for the Authority to ascertain that the applicant complies with the conditions specified in ~~point (c) of Article 3(1), points (d) and (e), or point (c) of Article 3(2), points (c) and (d),~~ whichever is applicable.
4. A decision of the Authority to register an applicant shall be published in the *Official Journal of the European Union*, together with the statutes of the party or foundation concerned. A decision not to register an applicant shall be published in the *Official Journal of the European Union*, together with the detailed grounds for rejection.
5. Any amendments to the documents or statutes submitted as part of the application for registration in accordance with Article ~~98~~(2) shall be notified to the Authority, which shall update the registration in accordance with the procedures set out in Article ~~1815~~(2) and (4), mutatis mutandis.
6. The updated list of member parties of a European political party, annexed to the party statutes in accordance with Article 4(2), shall be sent to the Authority each year. Any changes following which the European political party might no longer satisfy the condition laid down in ~~point (b) of Article 3(1), point (b),~~ shall be communicated to the Authority within four weeks of any such change.

### Verification of compliance with registration conditions and requirements

1. Without prejudice to the procedure laid down in paragraph 3 ~~☒~~ of this Article ~~☒~~, the Authority shall regularly verify that the conditions for registration laid down in Article 3, and the governance provisions set out in ~~points (a), (b) and (d) to (f) of Article 4(1), points (a), (b), (d), (e) and (f), and Article 6(1), points (a) to (e) and (g) of Article 5(1)~~, continue to be complied with by registered European political parties and European political foundations.

2. If the Authority finds that any of the conditions for registration or governance provisions referred to in paragraph 1, with the exception of the conditions in Article 3(1), point (d), ~~of Article 3(1) and Article 3(2), point (c) of Article 3(2)~~, are no longer complied with, it shall notify the European political party or foundation concerned.

3. ~~→~~<sub>1</sub> 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 (e) of Article 3(1), point (d), and Article 3(2), point (c) of Article 3(2)~~. In such cases, and in the cases referred to in ~~point (a) of Article 194(3), point (a)~~, the Authority shall ask the committee of independent eminent persons ~~established by ☒~~ referred to in ~~☒ Article 144~~ for an opinion on the subject. The committee shall give its opinion within two months. ~~←~~

Where the Authority becomes aware of facts which may give rise to doubts concerning compliance by a specific European political party or European political foundation with the conditions laid down in ~~point (e) of Article 3(1), point (d), and point (e) of Article 3(2), point (c)~~, it shall inform the European Parliament, the Council and the Commission with a view to allowing any of them to lodge a request for verification as referred to in the first subparagraph. Without prejudice to the first subparagraph, the European Parliament, the Council and the Commission shall indicate their intention within two months of receiving that information.

↓ 2019/493 Art. 1.2

The procedures laid down in the first and second subparagraphs shall not be initiated within a period of two months prior to elections to the European Parliament. That time limit shall not apply with regard to the procedure set out in Article ~~1240a~~.

↓ 1141/2014 (adapted)  
⇒ new

Having regard to the committee's opinion, the Authority shall decide whether to de-register the European political party or European political foundation concerned. The decision of the Authority shall be duly reasoned.

A decision of the Authority to de-register on grounds of non-compliance with the conditions set out in ~~point (e) of Article 3(1), point (d), or point (e) of Article 3(2), point (c)~~, may only be adopted in the event of manifest and serious breach of those conditions. It shall be subject to the procedure set out in paragraph 4.

4. A decision of the Authority to de-register a European political party or foundation on the ground of a manifest and serious breach as regards compliance with the conditions set out

in ~~point (e) of Article 3(1), point (d), or point (e) of Article 3(2), point (c),~~ shall be communicated to the European Parliament and the Council. The decision shall enter into force only if no objection is expressed by the European Parliament and the Council within a period of three months of the communication of the decision to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Authority that they will not object. In the event of an objection by the European Parliament and by the Council, the European political party or foundation shall remain registered.

The European Parliament and the Council may object to the decision only on grounds related to the assessment of compliance with the conditions for registration set out ~~in point (e) of Article 3(1), point (d), and point (e) of Article 3(2), point (c).~~

The European political party or European political foundation concerned shall be informed that objections have been raised to the decision of the Authority to de-register it.

The European Parliament and the Council shall adopt a position in accordance with their respective decision-making rules as established in conformity with the Treaties. Any objection shall be duly reasoned and shall be made public.

5. A decision of the Authority to de-register a European political party or a European political foundation, to which no objections have been raised under the procedure laid down in paragraph 4, ~~⊗~~ together with the detailed grounds for de-registration, ~~⊗~~ shall be ~~⇒ notified to the European political party or foundation concerned and ⇐ published in the Official Journal of the European Union, together with the detailed grounds for de-registration, and ⊗~~ The decision ~~⊗~~ shall ~~enter into force three months following the date of such publication~~ ~~⇒ take effect upon notification in accordance with Article 297 TFEU ⇐~~ .

6. A European political foundation shall automatically forfeit its status as such if the European political party with which it is affiliated is removed from the Register.

↓ 2019/493 Art. 1.3 (adapted)

#### Article ~~1210a~~

### Verification procedure related to infringements of rules on the protection of personal data

1. No European political party or European political foundation shall deliberately influence, or attempt to influence, the outcome of elections to the European Parliament by taking advantage of an infringement by a natural or legal person of the applicable rules on the protection of personal data.

2. If the Authority is informed of a decision of a national supervisory authority within the meaning of ~~point 21 of Article 4, point (21), of Regulation (EU) 2016/679 of the European Parliament and of the Council<sup>35</sup>~~ finding that a natural or legal person has infringed applicable rules on the protection of personal data, and if it follows from that decision, or if there are otherwise reasonable grounds to believe, that the infringement is linked to political activities by a European political party or a European political foundation in the context of elections to

<sup>35</sup> ~~Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1)~~

the European Parliament, the Authority shall refer this matter to the committee of independent eminent persons ~~established by~~  referred to in  Article ~~1411~~ of this Regulation. The Authority may, if necessary, liaise with the national supervisory authority concerned.

3. The committee referred to in paragraph 2 shall give an opinion as to whether the European political party or European political foundation concerned has deliberately influenced or attempted to influence the outcome of elections to the European Parliament by taking advantage of that infringement. The Authority shall request the opinion without undue delay, and no later than ~~±~~  one  month after being informed of the decision of the national supervisory authority. The Authority shall set a short, reasonable deadline for the committee to give its opinion. The committee shall comply with that deadline.

4. Having regard to the committee's opinion, the Authority shall decide, pursuant to ~~point (a)(vii) of~~ Article ~~3027~~(2), point (a)(vii), whether to impose financial sanctions on the European political party or European political foundation concerned. The decision of the Authority shall be duly reasoned, in particular with regard to the committee's opinion, and shall be published expeditiously.

5. The procedure set out in this Article is without prejudice to the procedure set out in Article ~~1140~~.

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↓ new

### Article 13

#### Reporting on political advertising

The Authority shall annually prepare and publish a report on the political advertising activity of European political parties. This report shall include a factual summary of the reports for the relevant reporting year published by European political parties according to Article 5(4), as well as any decisions of the national regulatory authorities designated under Article 5(6) or of the supervisory authorities referred to in Article 5(7) finding that a European political party has violated Article 5 of this Regulation.

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↓ 1141/2014 (adapted)  
→<sub>1</sub> 2019/493 Art. 1.4  
⇒ new

### Article ~~1411~~

#### Committee of independent eminent persons

1. ~~A~~ The  committee of independent eminent persons ~~is hereby~~ established  by Regulation (EU, Euratom) No 1141/2014  ~~it~~ shall consist of six members, with the European Parliament, the Council and the Commission each appointing two members. The members of the committee shall be selected on the basis of their personal and professional qualities. They shall neither be members of the European Parliament, the Council or the Commission, nor hold any electoral mandate, be officials or other servants of the European Union or be current or former employees of a European political party or a European political foundation.

Members of the committee shall be independent in the performance of their duties. They shall neither seek nor take instructions from any institution or government or from any other body,

office or agency, and shall refrain from any act which is incompatible with the nature of their duties.

The committee shall be renewed within six months after the end of the first session of the European Parliament following each election to the European Parliament. The mandate of the members shall not be renewable.

2. The committee shall adopt its own rules of procedure. The chair of the committee shall be elected by its members from amongst their number in accordance with those rules. The secretariat and funding of the committee shall be provided by the European Parliament. The secretariat of the committee shall act under the sole authority of the committee.

3. →<sub>1</sub> When requested by the Authority, the committee shall give an opinion on:

- (a) any possible manifest and serious breach of the values on which the Union is founded, as referred to in ~~point (e) of Article 3(1), point (d), and point (e) of Article 3(2), point (c),~~ by a European political party or a European political foundation;
- (b) whether a European political party or a European political foundation has deliberately influenced or attempted to influence the outcome of elections to the European Parliament by taking advantage of an infringement of the applicable rules on the protection of personal data;;

In the cases referred to in ~~points (a) and (b) of~~ the first subparagraph, points (a) and (b), the committee may request any relevant document or evidence from the Authority, the European Parliament, the European political party or European political foundation concerned, other political parties, political foundations or other stakeholders, and it may request to hear their representatives. In the case referred to in ~~point (b) of~~ the first subparagraph, point (b), the national supervisory authority referred to in Article ~~1210a~~ shall cooperate with the committee in accordance with applicable law. ←

In its opinions, the committee shall give full consideration to the fundamental right of freedom of association and to the need to ensure pluralism of political parties in Europe.

The opinions of the committee shall be made public without delay.

## CHAPTER III

### ***LEGAL STATUS OF EUROPEAN POLITICAL PARTIES AND EUROPEAN POLITICAL FOUNDATIONS***

#### *Article ~~1512~~*

##### **Legal personality**

European political parties and European political foundations shall have European legal personality.

#### *Article ~~1613~~*

##### **Legal recognition and capacity**

European political parties and European political foundations shall enjoy legal recognition and capacity in all Member States.

*Article ~~1744~~*

**Applicable law**

1. European political parties and European political foundations shall be governed by this Regulation.

2. For matters not regulated by this Regulation or, where matters are only partly regulated by it, for those aspects which are not covered by it, European political parties and European political foundations shall be governed by the applicable provisions of national law in the Member State in which they have their respective seats.

Activities carried out by European political parties and European political foundations in other Member States shall be governed by the relevant national laws of those Member States.

3. For matters not regulated by this Regulation or by the applicable provisions pursuant to paragraph 2 or, where matters are only partly regulated by them, for those aspects which are not covered by them, European political parties and European political foundations shall be governed by the provisions of their respective statutes.

*Article ~~1845~~*

**Acquisition of European legal personality**

1. A European political party or a European political foundation shall acquire European legal personality on the date of publication in the *Official Journal of the European Union* of the decision of the Authority to register it, pursuant to Article ~~109~~.

2. If the Member State in which an applicant for registration as a European political party or a European political foundation has its seat so requires, the application submitted pursuant to Article ~~98~~ shall be accompanied by a statement issued by that Member State, certifying that the applicant has complied with all relevant national requirements for application, and that its statutes are in conformity with the applicable law referred to in the first subparagraph of Article ~~1744~~(2).

3. Where the applicant enjoys legal personality under the law of a Member State, the acquisition of European legal personality shall be regarded by that Member State as a conversion of the national legal personality into a successor European legal personality. The latter shall fully maintain any pre-existing rights and obligations of the former national legal entity, which shall cease to exist as such. The Member States concerned shall not apply prohibitive conditions in the context of such conversion. The applicant shall maintain its seat in the Member State concerned until a decision in accordance with Article ~~109~~ has been published.

4. If the Member State in which the applicant has its seat so requires, the Authority shall fix the date of the publication referred to in paragraph 1 only after consultation with that Member State.

*Article ~~1946~~*

**Termination of European legal personality**

1. A European political party or a European political foundation shall lose its European legal personality upon the ⇒ notification of a decision pursuant to Article 11(5) ⇐ ~~entry into force of a decision of the Authority to remove it from the Register as published in the *Official Journal of the European Union*. The decision shall enter into force three months after such~~

~~publication unless the European political party or the European political foundation concerned requests a shorter period.~~

2. A European political party or a European political foundation shall be removed from the Register by a decision of the Authority:

- (a) as a consequence of a decision adopted pursuant to Article ~~1140~~(2) to (5);
- (b) in the circumstances provided for in Article ~~1140~~(6);
- (c) at the request of the European political party or European political foundation concerned; ~~or~~
- (d) in the cases referred to in ~~point (b) of the first subparagraph of~~ paragraph 3, first subparagraph, point (b), of this Article.

3. If a European political party or a European political foundation has seriously failed to fulfil relevant obligations under national law applicable by virtue of the first subparagraph of Article ~~1714~~(2), the Member State of the seat may address to the Authority a duly reasoned request for de-registration which ~~must~~  shall  identify precisely and exhaustively the illegal actions and the specific national requirements that have not been complied with. In such cases, the Authority shall:

- (a) for matters relating exclusively or predominantly to elements affecting respect for the values on which the Union is founded, as expressed in Article 2 TEU, initiate a verification procedure in accordance with Article ~~1140~~(3)  of this Regulation  . Article ~~1140~~(4), (5) and (6)  of this Regulation  shall also apply;
- (b) for any other matter, and when the reasoned request of the Member State concerned confirms that all national remedies have been exhausted, decide to remove the European political party or European political foundation concerned from the Register.

If a European political party or a European political foundation has seriously failed to fulfil relevant obligations under national law applicable by virtue of the second subparagraph of Article ~~1714~~(2), and if the matter relates exclusively or predominantly to elements affecting respect of the values on which the Union is founded, as expressed in Article 2 TEU, the Member State concerned may address a request to the Authority in accordance with the provisions of the first subparagraph of this paragraph. The Authority shall proceed in accordance with ~~point (a) of~~ the first subparagraph, point (a), of this paragraph.

In all cases, the Authority shall act without undue delay. The Authority shall inform the Member State concerned and the European political party or European political foundation concerned of the follow-up given to the reasoned request for de-registration.

4. The Authority shall fix the date of the publication referred to in paragraph 1 after consultation with the Member State in which the European political party or European political foundation has its seat.

5. If the European political party or European political foundation concerned acquires legal personality under the law of the Member State of its seat, such acquisition shall be regarded by that Member State as a conversion of the European legal personality into a national legal personality that fully maintains the pre-existing rights and obligations of the former European legal entity. The Member State in question shall not apply prohibitive conditions in the context of such conversion.

6. If the European political party or European political foundation does not acquire legal personality under the law of the Member State of its seat, it shall be wound up in accordance

with the applicable law of that Member State. The Member State concerned may require that such winding-up be preceded by the acquisition by the party or foundation concerned of national legal personality in accordance with paragraph 5.

7. In all situations referred to in paragraphs 5 and 6, the Member State concerned shall ensure that the not-for-profit condition laid down in Article 3 is fully respected. The Authority and the Authorising Officer of the European Parliament may agree with the Member State concerned the modalities for termination of the European legal personality, in particular in order to ensure the recovery of any funds received from the general budget of the European Union and the payment of any financial sanctions imposed in accordance with Article ~~3027~~.

## CHAPTER IV

### FUNDING PROVISIONS

#### Article ~~2017~~

##### Funding conditions

1. A European political party which is registered in accordance with the conditions and procedures laid down in this Regulation, which is represented in the European Parliament by at least one of its members, and which is not in one of the situations of exclusion referred to in Article ~~136106~~(1) of ~~the Financial Regulation~~  Regulation (EU, Euratom) 2018/1046  may apply for funding from the general budget of the European Union, in accordance with the terms and conditions published by the Authorising Officer of the European Parliament in a call for contributions.

2. A European political foundation which is affiliated with a European political party eligible to apply for funding under paragraph 1, which is registered in accordance with the conditions and procedures laid down in this Regulation, and which is not in one of the situations of exclusion referred to in Article ~~136106~~(1) of ~~the Financial Regulation~~  Regulation (EU, Euratom) 2018/1046  may apply for funding from the general budget of the European Union, in accordance with the terms and conditions published by the Authorising Officer of the European Parliament in a call for proposals.

3. For the purposes of determining eligibility for funding from the general budget of the European Union in accordance with paragraph 1 of this Article and ~~point (b) of~~ Article 3(1), point (b), and for the application of Article ~~2219~~(1), a member of the European Parliament shall be considered as a member of only one European political party, which shall, where relevant, be the one to which  their  ~~his or her~~ national or regional political party is affiliated on the final date for the submission of applications for funding.

↓ 2018/673 Art. 1.6 (adapted)  
⇒ new

4. Financial contributions or grants from the general budget of the European Union shall not exceed ~~90~~ ⇒ 95 ⇐ % 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~~  Regulation (EU, Euratom) 2018/1046 . ⇒ Financial contributions in the

year of elections to the European Parliament may cover 100% of the reimbursable expenditure incurred by a European political party. ⇐

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↓ 1141/2014

5. Within the limits set out in Articles ~~2424~~ and ~~2522~~, the expenditure reimbursable through a financial contribution shall include administrative expenditure and expenditure linked to technical assistance, meetings, research, cross-border events, studies, information and publications, as well as expenditure linked to campaigns.

#### Article ~~2148~~

### Application for funding

1. In order to receive funding from the general budget of the European Union, a European political party or European political foundation which satisfies the conditions of Article ~~2047~~(1) or (2) shall file an application with the European Parliament following a call for contributions or proposals.

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↓ 2019/493 Art. 1.5 (adapted)  
⇒ new

2. The European political party and the European political foundation ~~must~~ ☒ shall ☒, at the time of its application, comply with the obligations listed in Article ~~2623~~, and, ~~From~~ from the date of its application until the end of the financial year or of the action covered by the contribution or grant, ☒ it shall ☒ remain registered in the Register and ~~may~~ ☒ shall ☒ not be the subject of any of the sanctions provided for in Article ~~3027~~(1) and in ~~point (a) (v), (vi), and (vii) of Article 3027(2)~~ ⇒ , points (a) (v) to (ix) ⇐.

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↓ 2018/673 Art. 1.7 (adapted)

~~2a3~~. 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 accordance with Article 4(1), point (i), ☒ ~~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.

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↓ new

4. A European political party shall include in its application evidence demonstrating its compliance with Article 4(1), point (j), and that its member parties have continuously published on their websites, during 12 months preceding the moment at which the application is made, information on the gender representation among the candidates at the last elections to the European Parliament and on the evolution of gender representation among their Members of the European Parliament.

5. A European political party shall include in its application evidence demonstrating its compliance with Article 5, that it maintains an up to date policy for the use of political advertising and that it has implemented it throughout the 12 months preceding the final date for submission of applications.

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↓ 1141/2014 (adapted)

~~63.~~ A European political foundation shall include in its application its annual work programme or action plan.

~~74.~~ The Authorising Officer of the European Parliament shall adopt a decision within three months after closure of the call for contributions or call for proposals, and shall authorise and manage the corresponding appropriations in accordance with ~~the Financial Regulation~~  Regulation (EU, Euratom) 2018/1046  .

~~85.~~ A European political foundation may apply for funding from the general budget of the European Union only through the European political party with which it is affiliated.

*Article ~~2219~~*

**Award criteria and distribution of funding**

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↓ 2018/673 Art. 1.8

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 ~~2148~~ shall be distributed annually on the basis of the following distribution key:

- (a) 10 % shall be distributed among the beneficiary European political parties in equal shares;~~;~~
- (b) 90 % shall be distributed among the beneficiary European political parties in proportion to their share of elected members of the European Parliament.

The same distribution key shall be used to award funding to European political foundations, on the basis of their affiliation with a European political party.

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↓ 1141/2014 (adapted)  
⇒ new

2. The distribution referred to in paragraph 1 shall be based on the number of elected members of the European Parliament who are members of the applicant European political party on the final date for the submission of applications for funding, taking into account Article ~~2017~~(3).

After that date, any changes to the number shall not affect the respective share of funding between European political parties or European political foundations. This is without prejudice to the requirement in Article ~~2017~~(1) for a European political party to be represented in the European Parliament by at least one of its members.

*Article ~~2320~~*

**Donations, ~~and~~ contributions  and own resources**

1. European political parties and European political foundations may accept donations from natural or legal persons of up to a value of EUR 18000 per year and per donor.

2. European political parties and European political foundations shall, at the time of the submission of their annual financial statements in accordance with Article ~~2623~~, also transmit a list of all donors with their corresponding donations, indicating both the nature and the value of the individual donations. This paragraph shall also apply to contributions made by member parties of European political parties and member organisations of European political foundations.

For donations from natural persons the value of which exceeds EUR 1500 and is below or equal to EUR 3000, the European political party or European political foundation concerned shall indicate whether the corresponding donors have given their prior written consent to publication in accordance with ~~point (e) of Article 3632(1)~~, point (e).

3. Donations received by European political parties and European political foundations  $\Rightarrow$  and expenditure funded from those donations  $\Leftarrow$  within six months prior to elections to the European Parliament shall be reported on a weekly basis to the Authority in writing and in accordance with paragraph 2.

4. Single donations the value of which exceeds EUR 12000 that have been accepted by European political parties and European political foundations shall be immediately reported to the Authority in writing and in accordance with paragraph 2.

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↓ new

5. For all donations the value of which exceeds EUR 3000, European political parties and European political foundations shall request donors to provide the necessary information for their proper identification. European political parties and European political foundations shall transmit the information received to the Authority upon its request.

The Authority shall establish a form to be used for purposes of the first subparagraph.

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↓ 1141/2014 (adapted)

~~65~~. European political parties and European political foundations shall not accept any of the following:

- (a) anonymous donations or contributions;
- (b) donations from the budgets of political groups in the European Parliament;
- (c) donations from any public authority from a Member State or a third country, or from any undertaking over which such a public authority may exercise, directly or indirectly, a dominant influence by virtue of its ownership of it, its financial participation therein, or the rules which govern it; or
- (d) donations from any private entities based in a third country or from individuals from a third country who are not entitled to vote in elections to the European Parliament.

~~76~~. Any donation that is not permitted under this Regulation shall within 30 days following the date of its receipt by a European political party or a European political foundation:

- (a) be returned to the donor or to any person acting on the donor's behalf; ~~or~~
- (b) where it is not possible to return it, be reported to the Authority and the European Parliament.

Where a donation is reported, pursuant to the first subparagraph, point (b), the Authorising Officer of the European Parliament shall establish the amount receivable and authorise the recovery in accordance with the provisions laid down in Articles 98 to 100 of the Financial Regulation Regulation (EU, Euratom) 2018/1046. The funds shall be entered as general revenue in the European Parliament section of the general budget of the European Union.

↓ new

8. The Authority shall carry out verifications where it has grounds to believe that any donation has been granted in breach of this Regulation. It may for that purpose request additional information from the European political party or European political foundation and its donors.

↓ 1141/2014 (adapted)

⇒ new

~~97.~~ Contributions from members of a European political party ~~from its members~~ that have their seat in, or are citizens of, a Member State or from member parties that have their seat in a country belonging to the Council of Europe shall be permitted. The total value of such contributions from members shall not exceed 40 % of the annual budget of a European political party. The value of contributions from member parties that have their seat in a country outside the Union shall not exceed 10% of the total contributions from members.

~~108.~~ Contributions ~~to a European political foundation~~ from its members of a European political foundation that have their seat in, or are citizens of, a Member State or from member organisations that have their seat in a country belonging to the Council of Europe, and from the European political party with which it is affiliated, shall be permitted. The total value of such contributions from members shall not exceed 40 % of the annual budget of a European political foundation and shall ~~may~~ not derive from funds received by a European political party pursuant to this Regulation from the general budget of the European Union. The value of contributions from member organisations that have their seat in a country outside the Union shall not exceed 10% of the total contributions from members.

The burden of proof shall rest with the European political party concerned, which shall clearly indicate in its accounts the origin of funds used to finance its affiliated European political foundation.

~~119.~~ Without prejudice to paragraphs ~~87~~ and ~~98~~, European political parties and European political foundations may accept from citizens who are their members contributions up to a value of EUR 18000 per year and per member, where such contributions are made by the member concerned on his or her own behalf.

The ceiling laid down in the first subparagraph shall not apply where the member concerned is also an elected member of the European Parliament, of a national parliament or of a regional parliament or regional assembly.

~~1210.~~ Any contribution that is not permitted under this Regulation shall be returned in accordance with paragraph ~~76~~.

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↓ new

13. The value of own resources of a European political party or of a European political foundation generated from own economic activities shall not exceed 5% of the annual budget of that European political party or European political foundation.

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↓ 1141/2014 (adapted)

*Article ~~2421~~*

**Financing of campaigns ~~in the context of elections to the European Parliament~~**

1. Subject to the second subparagraph, the funding of European political parties from the general budget of the European Union or from any other source may be used to finance campaigns conducted by the European political parties in the context of elections to the European Parliament in which they or their members participate as required by ~~point (d) of Article 3(1),~~ point (f).

In accordance with Article 8 of the Act concerning the election of the members of the European Parliament by direct universal suffrage<sup>36</sup>, the funding and possible limitation of election expenses for all political parties, candidates and third parties in, in addition to their participation in, elections to the European Parliament is governed in each Member State by national provisions.

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↓ new

2. The funding of European political parties and European political foundations from the general budget of the European Union or from any other source may be used to finance referendum campaigns when those campaigns concern the implementation of the Treaties of the Union.

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↓ 1141/2014 (adapted)

⇒ new

~~32.~~ Expenditure linked to the campaigns referred to in paragraphs 1 ⇒ and 2 ⇐ shall be clearly identified as such by the European political parties in their annual financial statements.

*Article ~~2522~~*

**Prohibition of funding**

1. Notwithstanding Article ~~2421~~(1), the funding of European political parties from the general budget of the European Union or from any other source shall not be used for the direct or indirect funding of other political parties, and in particular national parties or candidates. Those national political parties and candidates shall continue to be governed by national rules.

2. The funding of European political foundations from the general budget of the European Union or from any other source shall not be used for any other purpose than for

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<sup>36</sup> OJ L 278, 8.10.1976, p. 5.

financing their tasks as listed in ~~point (4) of Article 2, point (4),~~ and to meet expenditure directly linked to the objectives set out in their statutes in accordance with Article ~~65~~. It shall in particular not be used for the direct or indirect funding of elections, political parties, or candidates or other foundations.

~~3. The funding of European political parties and European political foundations from the general budget of the European Union or from any other source shall not be used to finance referendum campaigns.~~

## CHAPTER V

### CONTROL AND SANCTIONS

#### Article ~~26~~<sup>23</sup>

##### Accounts, reporting and audit obligations

1. At the latest within six months following the end of the financial year, European political parties and European political foundations shall submit to the Authority, with a copy to the Authorising Officer of the European Parliament and to the competent National Contact Point of the Member State of their seat:

- (a) their annual financial statements and accompanying notes, covering their revenue and expenditure, assets and liabilities at the beginning and at the end of the financial year, in accordance with the law applicable in the Member State in which they have their seat ~~and their annual financial statements on the basis of the international accounting standards defined in Article 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council;~~
- (b) an external audit report on the annual financial statements, covering both the reliability of those financial statements and the legality and regularity of their revenue and expenditure, carried out by an independent body or expert; ~~and~~
- (c) the list of donors and contributors and their corresponding donations or contributions reported in accordance with Article ~~23~~<sup>20</sup>(2), (3) and (4).

2. Where expenditure is implemented by European political parties jointly with national political parties or by European political foundations jointly with national political foundations, or with other organisations, evidence of the expenditure incurred by the European political parties or by the European political foundations directly or through those third parties shall be included in the annual financial statements referred to in paragraph 1.

3. The independent external bodies or experts referred to in ~~point (b) of~~ paragraph 1, point (b), shall be selected, mandated and paid by the European Parliament. They shall be duly authorised to audit accounts under the law applicable in the Member State in which they have their seat or establishment.

4. European political parties and European political foundations shall provide any information requested by the independent bodies or experts for the purpose of their audit.

5. The independent bodies or experts shall inform the Authority and the Authorising Officer of the European Parliament of any suspected illegal activity, fraud or corruption which may harm the financial interests of the Union. The Authority and the Authorising Officer of the European Parliament shall inform the National Contact Points concerned thereof.

## Article ~~27~~<sup>24</sup>

### General rules on control

1. Control of compliance by European political parties and European political foundations with their obligations under this Regulation shall be exercised, in cooperation, by the Authority, by the Authorising Officer of the European Parliament and by the competent Member States.

2. The Authority shall control compliance by European political parties and European political foundations with their obligations under this Regulation, in particular in relation to Article 3, ~~points (a), (b), and (d) to (f) of~~ Article 4(1), ~~points (a), (b), (d), (e) and (f), points (a) to (e) and (g) of~~ Article ~~65~~<sup>65</sup>(1), ~~points (a) to (e) and (g), Article 109~~<sup>109</sup>(5) and (6), and Articles ~~2320, 2424 and 2522~~.

The Authorising Officer of the European Parliament shall control compliance by European political parties and European political foundations with the obligations relating to Union funding under this Regulation in accordance with ~~the Financial Regulation~~  Regulation (EU, Euratom) 2018/1046 . In carrying out such controls, the European Parliament shall take the necessary measures in the fields of the prevention of and the fight against fraud affecting the financial interests of the Union.

3. The control by the Authority and by the Authorising Officer of the European Parliament referred to in paragraph 2 shall not extend to compliance by European political parties and European political foundations with their obligations under applicable national law as referred to in Article ~~1744~~.

4. European political parties and European political foundations shall provide any information requested by the Authority, the Authorising Officer of the European Parliament, the Court of Auditors, the European Anti-Fraud Office (OLAF) or Member States which is necessary for the purpose of carrying out the controls for which they are responsible under this Regulation.

Upon request and for the purpose of controlling compliance with Article ~~2320~~, European political parties and European political foundations shall provide the Authority with information concerning contributions made by individual members and the identity of such members. Moreover, where appropriate, the Authority may require European political parties to provide signed confirmatory statements from members holding elected mandates for the purpose of controlling compliance with the condition laid down in ~~the first subparagraph of point (b) of~~ Article 3(1), ~~point (b) (i)~~.

## Article ~~28~~<sup>25</sup>

### Implementation and control in respect of Union funding

1. Appropriations for the funding of European political parties and European political foundations shall be determined under the annual budgetary procedure and shall be implemented in accordance with this Regulation and ~~the Financial Regulation~~  Regulation (EU, Euratom) 2018/1046 .

The terms and conditions for contributions and grants shall be laid down by the Authorising Officer of the European Parliament in the call for contributions and the call for proposals.

2. Control of funding received from the general budget of the European Union and its use shall be exercised in accordance with ~~the Financial Regulation~~  Regulation (EU, Euratom) 2018/1046 .

Control shall also be exercised on the basis of annual certification by an external and independent audit, as provided for in Article ~~2623~~(1).

3. The Court of Auditors shall exercise its audit powers in accordance with Article 287 TFEU.

4. Any document or information required by the Court of Auditors in order to enable it to carry out its task shall be supplied to it at its request by the European political parties and the European political foundations that receive funding in accordance with this Regulation.

5. The contribution and grant decision or agreement shall expressly provide for auditing by the European Parliament and the Court of Auditors, on the basis of records and on the spot, of the European political party which has received a contribution or the European political foundation which has received a grant from the general budget of the European Union.

6. The Court of Auditors and the Authorising Officer of the European Parliament, or any other external body authorised by the Authorising Officer of the European Parliament, may carry out the necessary checks and verifications on the spot in order to verify the legality of expenditure and the proper implementation of the provisions of the contribution and grant decision or agreement, and, in the case of European political foundations, the proper implementation of the work programme or action. The European political party or European political foundation in question shall supply any document or information needed to carry out this task.

7. OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>37</sup> and Council Regulation (Euratom, EC) No 2185/96<sup>38</sup>, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with contributions or grants under this Regulation. If appropriate, its findings may give rise to recovery decisions by the Authorising Officer of the European Parliament.

#### *Article ~~2926~~*

### **Technical support**

All technical support provided by the European Parliament to European political parties shall be based on the principle of equal treatment. It shall be granted on conditions no less favourable than those granted to other external organisations and associations that may be accorded similar facilities and shall be supplied against invoice and payment.

#### *Article ~~3027~~*

### **Sanctions**

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<sup>37</sup> Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

<sup>38</sup> Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

1. In accordance with Article ~~1946~~, the Authority shall decide to remove a European political party or a European political foundation from the Register by way of sanction in any of the following situations:

- (a) where the party or foundation in question  $\Rightarrow$  is in one of the situations of exclusion referred to in Article 136(1) of Regulation (EU, Euratom) 2018/1046  $\Leftarrow$  ~~has been found by a judgment having the force of res judicata to have engaged in illegal activities detrimental to the financial interests of the Union as defined in Article 106(1) of the Financial Regulation;~~

↓ 2018/673 Art. 1.9(a)

- (b) where it is established, in accordance with the procedures set out in Article ~~1140~~(2) to (5), that it no longer fulfils one or more of the conditions set out in Article 3(1) or (2);

↓ 2018/673 Art. 1.9(b) (adapted)

- ~~(c)~~ where a decision to register the party or foundation in question is based on incorrect or misleading information for which the applicant is responsible, or where such a decision has been obtained by deceit; ~~or~~

↓ 1141/2014  
 $\Rightarrow$  new

- ~~(d)~~ where a request by a Member State for de-registration on grounds of serious failure to fulfil obligations under national law meets the requirements set out in ~~point (b) of Article 1946(3), point (b).~~

2. The Authority shall impose financial sanctions in the following situations:

- (a) non-quantifiable infringements:
- (i) in the event of non-compliance with the requirements of Article ~~109~~(5) or (6);
  - (ii) in the event of non-compliance with the commitments entered into and the information provided by a European political party or European political foundation in accordance with ~~points (a), (b) and (d) to (f) of Article 4(1), points (a), (b), (d), (e), (f),~~  $\Rightarrow$  (i) and (j)  $\Leftarrow$  and with ~~points (a), (b), (d) and (e) of Article 65(1), points (a), (b), (d) and (e);~~
  - (iii) in the event of failure to transmit the list of donors and their corresponding donations in accordance with Article ~~2320~~(2) or to report donations in accordance with Article ~~2320~~(3) and (4);
  - (iv) where a European political party or a European political foundation has infringed the obligations laid down in Article ~~2623~~(1) or Article ~~2724~~(4);
  - (v) where a European political party or a European political foundation ~~has been found by a judgment having the force of res judicata to have engaged in illegal activities detrimental to the financial interests of the Union as defined in Article 106(1) of the Financial Regulation~~  $\Rightarrow$  is in one of the situations of exclusion referred to in Article 136(1) of Regulation (EU, Euratom) 2018/1046  $\Leftarrow$ ;

- (vi) where the European political party or the European political foundation concerned has at any time intentionally omitted to provide information or has intentionally provided incorrect or misleading information, ~~or where the bodies authorised by this Regulation to audit or conduct checks on the beneficiaries of funding from the general budget of the European Union detect inaccuracies in the annual financial statements which are regarded as constituting material omissions or misstatements of items in accordance with the international accounting standards defined in Article 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council<sup>39</sup>;~~

↓ 2019/493 Art. 1.6(a)

- (vii) where, in accordance with the verification procedure provided for in Article ~~1240a~~, it is established that a European political party or a European political foundation has deliberately influenced or attempted to influence the outcome of elections to the European Parliament by taking advantage of an infringement of the applicable rules on the protection of personal data;

↓ new

- (viii) in the event of failure to provide evidence on the use of logos and publication of political programmes in accordance with Article 21(3);
- (ix) in the event of failure to provide evidence on gender representation in accordance with Article 21(4).

↓ 1141/2014 (adapted)  
⇒ new

(b) quantifiable infringements:

- (i) where a European political party or a European political foundation has accepted donations and contributions that are not permitted under Article ~~2320~~(1) or (5), unless the conditions laid down in Article ~~2320~~(7~~6~~) are met;
- (ii) in the event of non-compliance with the requirements laid down in Articles ~~2424~~ and ~~2522~~.

3. The Authorising Officer of the European Parliament may exclude a European political party or a European political foundation from future Union funding for up to five years, or up to 10 years in cases of an infringement repeated within a five-year period, when it has been found guilty of any of the infringements listed in ~~points (v) and (vi) of point (a) of~~ paragraph 2, ~~points (a)(v) and (vi)~~. This is without prejudice to the powers of the Authorising Officer of the European Parliament as set out in Article ~~204n~~ ~~231~~ of ~~the Financial Regulation~~ ~~Regulation (EU, Euratom) 2018/1046~~ ~~Regulation (EU, Euratom) 2018/1046~~.

4. For the purposes of paragraphs 2 and 3, the following financial sanctions shall be imposed on a European political party or a European political foundation:

<sup>39</sup> ~~Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p. 1).~~

(a) in cases of non-quantifiable infringements, a fixed percentage of the annual budget of the European political party or European political foundation concerned  as follows :

(i)  ⇒ up to  5 % ~~;~~ ~~☐~~

(ii)  ⇒ from 5% to 10%  ~~7,5 %~~ if there are concurrent infringements; ~~;~~ ~~☐~~

(iii)  ⇒ from 10% to 15 %  ~~20 %~~ if the infringement in question is a repeated infringement; ~~;~~ ~~☐~~

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↓ new

(iv) from 15% to 20 % in the case of further repeated infringements;

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↓ 1141/2014 (adapted)

⇒ new

(v) a third of the percentages set out ~~above~~  in points (i) to (iv)  if the European political party or European political foundation concerned has voluntarily declared the infringement before the Authority has officially opened an investigation, even in the case of a concurrent infringement or a repeated infringement, and the party or foundation concerned has taken the appropriate corrective measures; ~~;~~

(vi) 50 % of the annual budget of the European political party or European political foundation concerned for the preceding year, ~~when it has been found by a judgment having the force of res judicata to have engaged in illegal activities detrimental to the financial interests of the Union as defined~~  ⇒ is in one of the situations of exclusion referred to  in Article ~~106~~136(1) of ~~the Financial Regulation~~  Regulation (EU, Euratom) 2018/1046  .

(b) in cases of quantifiable infringements, a fixed percentage of the amount of the irregular sums received or not reported in accordance with the following scale, up to a maximum of 10 % of the annual budget of the European political party or European political foundation concerned:

– (i) 100 % of the irregular sums received or not reported where those sums do not exceed EUR 50000; ~~;~~ ~~☐~~

– (ii) 150 % of the irregular sums received or not reported where those sums exceed EUR 50000 but do not exceed EUR 100000; ~~;~~ ~~☐~~

– (iii) 200 % of the irregular sums received or not reported where those sums exceed EUR 100000 but do not exceed EUR 150000; ~~;~~ ~~☐~~

– (iv) 250 % of the irregular sums received or not reported where those sums exceed EUR 150000 but do not exceed EUR 200000; ~~;~~ ~~☐~~

– (v) 300 % of the irregular sums received or not reported where those sums exceed EUR 200000; ~~;~~ ~~☐~~

– (vi) one third of the percentages indicated ~~above~~  in points (i) to (v)  if the European political party or European political foundation concerned has voluntarily declared the infringement before the Authority and/or the Authorising Officer of the European Parliament has officially opened an

investigation and the party or foundation concerned has taken the appropriate corrective measures.

For the application of the percentages indicated ~~above~~ ☒ in the first subparagraph ☒, each donation or contribution shall be considered separately.

5. Whenever a European political party or a European political foundation has committed concurrent infringements of this Regulation, only the sanction laid down for the most serious infringement shall be imposed, unless otherwise provided in ~~point (a) of paragraph 4, first subparagraph, point (a).~~

6. The sanctions laid down in this Regulation shall be subject to a limitation period of ~~five~~ ⇒ ten ⇐ years from the date of commission of the infringement concerned or, in the case of continuing or repeated infringements, from the date on which those infringements ceased.

↓ 2019/493 Art. 1.6(b)

7. Where a decision of the national supervisory authority as referred to in Article ~~1210a~~ has been repealed, or where a remedy against such decision has been granted, provided that all national remedies have been exhausted, the Authority shall review any sanction imposed pursuant to ~~point (a)(vii) of paragraph 2, point (a)(vii).~~ at the request of the European political party or European political foundation concerned.

↓ 2018/673 Art. 1.10

#### *Article ~~3127a~~*

#### **Responsibility of natural persons**

Where the Authority imposes a financial sanction in the situations referred to in ~~points (a)(v) or (a)(vi) of Article 2730(2), points (a)(v) or (a)(vi).~~ it may, for the purpose of recovery pursuant to Article ~~3430(2)~~, establish that a natural person who is a member of the administrative, management or supervisory body of the European political party or European political foundation, or who has powers of representation, decision or control with regard to the European political party or European political foundation is also responsible for the infringement, in the following cases:

- (a) in the situation referred to in ~~point (a)(v) of Article 3027(2), point (a)(v).~~ where, in the judgment referred to in that provision, the natural person has been found to be also responsible for the illegal activities in question;
- (b) in the situation referred to in ~~point (a)(vi) of Article 27(2), point (a)(vi).~~ where the natural person is also responsible for the conduct or inaccuracies in question.

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↓ 1141/2014

*Article ~~3228~~*

**Cooperation between the Authority, the Authorising Officer of the European Parliament and the Member States**

1. The Authority, the Authorising Officer of the European Parliament and the Member States via the National Contact Points shall share information and keep each other regularly informed of matters related to funding provisions, controls and sanctions.
2. They shall also agree on practical arrangements for such exchange of information, including the rules regarding the disclosure of confidential information or evidence and the cooperation among Member States.

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↓ new

3. The Authority and the Authorising Officer of the European Parliament shall regularly exchange views and information on the interpretation and implementation of this Regulation.

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↓ 1141/2014 (adapted)  
→<sub>1</sub> 2018/673 Art. 1.11(a)  
⇒ new

~~43.~~ The Authorising Officer of the European Parliament shall inform the Authority of any findings which might give rise to the imposition of sanctions under Article ~~3027~~(2) to (4), with a view to allowing the Authority to take appropriate measures. ⇒ The Authority shall make a decision on the imposition of sanctions within [6 months]. ⇐

54. The Authority shall inform the Authorising Officer of the European Parliament of any decision it has taken in relation to sanctions, in order to enable him or her to draw the appropriate consequences under ~~the Financial Regulation~~ ⇔ Regulation (EU, Euratom) 2018/1046 ⇔.

*Article ~~3329~~*

**Corrective measures and principles of good administration**

1. ⇒ With a view to fully comply with the obligations referred to in Article 38, ⇐ ~~Before taking~~ ⇔ the Authority's ⇔ a final decision relating to any of the sanctions referred to in Article ~~3027~~, the Authority or the Authorising Officer of the European Parliament shall give the European political party or the European political foundation concerned an opportunity to introduce the measures required to remedy the situation within a reasonable period of time, which shall not normally exceed one month. In particular, the Authority or the Authorising Officer of the European Parliament shall allow the possibility of correcting clerical and arithmetical errors, providing additional documents or information where necessary or correcting minor mistakes.
2. Where a European political party or a European political foundation has failed to take corrective measures within the period of time referred to in paragraph 1, the appropriate sanctions referred to in Article ~~3027~~ shall be decided.

3. Paragraphs 1 and 2 shall not apply in relation to the conditions set out ~~in points (b) to (d) of Article 3(1), points (b) to (f) and in point (e) of Article 3(2), point (c).~~

#### *Article ~~3430~~*

#### **Recovery**

1. On the basis of a decision of the Authority removing a European political party or a European political foundation from the Register, the Authorising Officer of the European Parliament shall withdraw or terminate any ongoing decision or agreement on Union funding, except in the cases provided for in ~~point (e) of Article 1916(2), point (c), and in points (b) and (d) of Article 3(1), points (b) and (f).~~ ~~They~~ ~~He or she~~ shall also recover any Union funding, including any unspent Union funds from previous years.

2.  $\rightarrow_1$  A European political party or European political foundation on which a sanction has been imposed for any of the infringements listed in Article ~~3027(1) and in points (v) and (vi) of Article 3027(2), points (a) (v) and (vi),~~ shall for that reason no longer be in compliance with Article ~~2118(2).~~ As a result, the Authorising Officer of the European Parliament shall terminate the contribution or grant agreement or decision on Union funding received under this Regulation and shall recover amounts unduly paid under the contribution or grant agreement or decision, including any unspent Union funds from previous years. The Authorising Officer of the European Parliament shall also recover amounts unduly paid under the contribution or grant agreement or decision from a natural person in respect of whom a decision pursuant to Article ~~3127a~~ has been taken, taking into account, where applicable, exceptional circumstances relating to that natural person.  $\leftarrow$

$\downarrow$  2018/673 Art. 1.11(b)

In the event of such termination, payments by the Authorising Officer of the European Parliament shall be limited to the reimbursable expenditure incurred by the European political party or the eligible costs incurred by the European political foundation up to the date when the termination decision takes effect.

$\downarrow$  1141/2014 (adapted)

$\Rightarrow$  new

This paragraph shall also be applicable to the cases referred to in ~~point (e) of Article 1916(2), point (c), and in points (b) and (d) of Article 3(1), points (b) and (f).~~

## **CHAPTER VI**

### ***FINAL PROVISIONS***

#### *Article ~~3531~~*

#### **Provision of information to citizens**

Subject to Articles ~~2421~~ and ~~2522~~ and to their own statutes and internal processes, European political parties may, in the context of elections to the European Parliament, take all appropriate measures to inform citizens of the Union of the affiliations between national political parties and candidates and the European political parties concerned.

Article ~~36~~<sup>32</sup>

**Transparency**

1. The European Parliament ~~shall make public~~, under the authority of its Authorising Officer or under that of the Authority,  shall make public the following  on a website created for that purpose,  in an open, machine readable format  ~~the following~~:

- (a) the names and statutes of all registered European political parties and European political foundations, together with the documents submitted as part of their applications for registration in accordance with Article ~~9~~<sup>9</sup>, at the latest four weeks after the Authority has adopted its decision and, thereafter, any amendments notified to the Authority pursuant to Article ~~10~~<sup>9</sup>(5) and (6);
- (b) a list of applications that have not been approved, together with the documents submitted as part thereof, together with the application for registration in accordance with Article ~~9~~<sup>9</sup> and the grounds for rejection, at the latest four weeks after the Authority adopted its decision;
- (c) an annual report with a table of the amounts paid to each European political party and European political foundation, for each financial year for which contributions have been received or grants have been paid from the general budget of the European Union;
- (d) the annual financial statements and external audit reports referred to in Article ~~26~~<sup>23</sup>(1), and, for European political foundations, the final reports on the implementation of the work programmes or actions;
- (e) the names of donors and their corresponding donations reported by European political parties and European political foundations in accordance with Article ~~23~~<sup>20</sup>(2), (3) and (4), with the exception of donations from natural persons the value of which does not exceed EUR 1500 per year and per donor, which shall be reported as 'minor donations'. Donations from natural persons the annual value of which exceeds EUR 1500 and is below or equal to EUR 3000 shall not be published without the corresponding donor's prior written consent to their publication. If no such prior consent has been given, such donations shall be reported as 'minor donations'. The total amount of minor donations and the number of donors per calendar year shall also be published;
- (f) the contributions referred to in Article ~~23~~<sup>20</sup>(~~97~~) and (~~10~~<sup>8</sup>) and reported by European political parties and European political foundations in accordance with Article ~~23~~<sup>20</sup>(2), including the identity of the member parties or organisations which made those contributions;

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↓ new

- (g) in the 6-month period prior to the elections to the European Parliament, the weekly reports received pursuant to Article 23(3);

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↓ 1141/2014

- (~~h~~<sup>e</sup>) the details of and reasons for any final decisions taken by the Authority pursuant to Article ~~30~~<sup>27</sup>, including, where relevant, any opinions adopted by the committee of independent eminent persons in accordance with Articles ~~11~~<sup>10</sup> and ~~14~~<sup>11</sup>, having due regard to Regulation ~~(EU) 2018/1725(EG) No 45/2001~~;

(~~ih~~) the details of and reasons for any final decision taken by the Authorising Officer of the European Parliament pursuant to Article ~~3027~~;

↓ 2018/673 Art. 1.12(a)

(~~ij~~) a description of the technical support provided to European political parties;

↓ 2018/673 Art. 1.12(b) (adapted)

(~~ki~~) the evaluation report of the European Parliament on the application of this Regulation and on the funded activities referred to in Article ~~4238~~; and

↓ 2018/673 Art. 1.12(c)

(~~lk~~) an updated list of Members of the European Parliament who are members of a European political party.

↓ 1141/2014 (adapted)

2. The European Parliament shall make public the list of legal persons who are members of a European political party, as annexed to the party statutes in accordance with Article 4(2) and updated in accordance with Article ~~109~~(6), as well as the total number of individual members.

3. Personal data shall be excluded from publication on the website referred to in paragraph 1 unless those personal data are published pursuant to paragraph 1, points (a), (e), or (~~hg~~) ~~of paragraph 1~~.

4. European political parties and European political foundations shall, in a publicly available privacy statement, provide potential members and donors with the information required by Article ~~1340~~ of Regulation (EU) 2016/679 ~~Directive 95/46/EC~~, and shall inform them that their personal data will be processed for auditing and control purposes by the European Parliament, the Authority, OLAF, the Court of Auditors, Member States, or external bodies or experts authorised thereby, and that their personal data will be made public on the website referred to in paragraph 1 under the conditions set out in this Article. The Authorising Officer of the European Parliament, in application of Article ~~1511~~ of Regulation (EU) 2018/1725 ~~(EC) No 45/2001~~, shall include the same information in calls for contributions or proposals as referred to in Article ~~2148~~(1) of this Regulation.

#### *Article ~~3733~~*

### **Protection of personal data**

1. In processing personal data pursuant to this Regulation, the Authority, the European Parliament and the committee of independent eminent persons ~~established by~~  referred to in  Article ~~1411~~ shall comply with Regulation (EU) 2018/1725. For the purposes of the processing of personal data, they shall be considered data controllers in accordance with ~~point (d) of~~ Article ~~23~~, point (8), of that Regulation.

2. In processing personal data pursuant to this Regulation, European political parties and European political foundations, Member States when exercising control over aspects relating to the financing of European political parties and European political foundations in

accordance with Article ~~2724~~, and the independent bodies or experts authorised to audit accounts in accordance with Article ~~2623~~(1) shall comply with Regulation (EU) 2016/679~~Directive 95/46/EC~~ and with the national provisions adopted pursuant thereto. For the purposes of the processing of personal data, they shall be considered data controllers in accordance with Article 4, point (7d) of ~~Article 24~~ of that ~~Directive~~Regulation.

3. The Authority, the European Parliament and the committee of independent eminent persons ~~established by~~  referred to in  Article ~~1411~~ shall ensure that personal data collected by them pursuant to this Regulation are not used for any purpose other than to ensure the legality, regularity and transparency of the funding of European political parties and European political foundations and the membership of European political parties. They shall erase all personal data collected for that purpose at the latest 24 months after the publication of the relevant parts in accordance with Article ~~3632~~.

4. The Member States and independent bodies or experts authorised to audit accounts shall use the personal data they receive only in order to exercise control over the financing of European political parties and European political foundations. They shall erase those personal data in accordance with applicable national law after transmission pursuant to Article ~~3228~~.

5. Personal data may be retained beyond the time limits laid down in paragraph 3 or provided for by the applicable national law as referred to in paragraph 4 where such retention is necessary for the purposes of legal or administrative proceedings relating to the funding of a European political party or a European political foundation or the membership of a European political party. All such personal data shall be erased at the latest one week after the date of conclusion of the said proceedings by a final decision, or after any audits, appeals, litigation or claims have been disposed of.

6. The data controllers referred to in paragraphs 1 and 2 shall implement appropriate technical and organisational measures to protect personal data against accidental or unlawful destruction, accidental loss, alteration or unauthorised disclosure or access, in particular where the processing of such data involves their transmission over a network, and against all other unlawful forms of processing.

7. The European Data Protection Supervisor shall be responsible for monitoring and ensuring that the Authority, the European Parliament and the committee of independent eminent persons ~~established by~~  referred to in  Article ~~1411~~ respect and protect the fundamental rights and freedoms of natural persons in the processing of personal data pursuant to this Regulation. Without prejudice to any judicial remedy, any data subject may lodge a complaint with the European Data Protection Supervisor if  they  ~~he or she~~ considers that  their  ~~his or her~~ right to the protection of ~~his or her~~  their  personal data has been infringed as a result of the processing thereof by the Authority, the European Parliament or the committee.

8. European political parties and European political foundations, the Member States and the independent bodies or experts authorised to audit accounts under this Regulation shall be liable in accordance with applicable national law for any damage they cause in the processing of personal data pursuant to this Regulation. The Member States shall ensure that effective, proportionate and dissuasive sanctions are applied for infringements of this Regulation, of Regulation (EU) 2016/679~~Directive 95/46/EC~~ and of the national provisions adopted pursuant thereto, and in particular for the fraudulent use of personal data.

*Article ~~38~~<sup>34</sup>*

**Right to be heard**

Before the Authority or the Authorising Officer of the European Parliament takes a decision which may adversely affect the rights of a European political party, a European political foundation, an applicant as referred to in Article ~~98~~ or a natural person as referred to in Article ~~31~~<sup>27a</sup>, it shall hear the representatives of the European political party, European political foundation or applicant, or the natural person concerned. The Authority or the European Parliament shall duly state the reasons for its decision.

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*Article ~~39~~<sup>35</sup>*

**Right of appeal**

Decisions taken pursuant to this Regulation may be the subject of court proceedings before the Court of Justice of the European Union, in accordance with the relevant provisions of the TFEU.

*Article ~~40~~<sup>36</sup>*

**Exercise of the delegation**

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in ⇒ Article 5 (2) and (4), ⇐ Article ~~87~~(2) and Article ~~98~~(3) shall be conferred on the Commission for ~~a~~ ⇒ an undetermined ⇐ period of ~~five years~~ ⊗ time ⊗ from ~~24 November 2014~~ ⇒ [date of entry into force of the Regulation] ⇐ . ~~The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.~~

3. The delegation of power referred to in ⇒ Article 5(2) and (4), ⇐ Article ~~87~~(2) and Article ~~98~~(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

⊗ 4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. ⊗

~~54.~~ As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

~~65.~~ A delegated act adopted pursuant to ~~⇒ Article 5 (2) or (4), ⇐ Article 87(2) and~~ ~~⊗~~ or ~~⊗~~ Article ~~98~~(3) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

#### Article ~~4137~~

### Committee procedure

1. The Commission shall be assisted by ~~a committee~~ ~~⊗~~ the ... [name of the committee] established by ... [reference to the legal act which created the committee] ~~⊗~~. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

↓ 2018/673 Art. 1.14 (adapted)  
⇒ new

#### Article ~~4238~~

### Evaluation

The European Parliament shall, after consulting the Authority, publish by ~~⇒ [one year after the elections to the European Parliament] ⇐ 31 December 2021 and every five years thereafter~~ a report on the application of this Regulation and on the activities funded. The report shall indicate, where appropriate, possible amendments to be made to the statute and funding systems.

No more than ~~six months~~ ~~⇐~~ ~~⇒~~ one year ~~⇐~~ after the publication of the report by the European Parliament, the Commission shall present a report on the application of this Regulation ~~⇐~~ ~~⊗~~ accompanied, if appropriate, by a proposal to amend this Regulation. ~~⇐~~ ~~⊗~~ The Commission's report shall pay ~~⊗~~ ~~in which~~ particular attention ~~will be paid to its~~ ~~⊗~~ the ~~⊗~~ implications ~~⊗~~ of this Regulation ~~⊗~~ for the position of small European political parties and European political foundations. ~~The report shall, if appropriate, be accompanied by a legislative proposal to amend this Regulation.~~ ~~⇐~~ However, the Commission's report shall not cover the evaluation of the requirements for political advertising set out in this Regulation, which shall be part of the report referred to in Article 19 of Regulation 2022/xx [on the transparency and targeting of political advertising]. ~~⇐~~

↓ 1141/2014 (adapted)

#### Article ~~4339~~

### Effective application

Member States shall make such provision as is appropriate to ensure the effective application of this Regulation.

*Article 40*

**Repeal**

~~Regulation (EC) No 2004/2003 is repealed with effect from the date of entry into force of this Regulation. It shall however continue to apply as regards acts and commitments relating to the funding of political parties and political foundations at European level for the 2014, 2015, 2016 and 2017 budget years.~~

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↓ 2018/673 Art. 1.15

*Article 4440a*

**Transitional provision**

~~1. The provisions of this Regulation applicable prior to 4 May 2018 shall continue to apply as regards acts and commitments relating to the funding of European political parties and European political foundations at European level for the financial year 2018.~~

~~2. By way of derogation from Article 18(2a), the Authorising Officer of the European Parliament shall, before deciding on an application on funding for the financial year 2019, request the evidence referred to in Article 18(2a) only for a period from 5 July 2018.~~

~~3. European political parties registered before 4 May 2018 shall, at the latest by 5 July 2018, submit documents proving that they satisfy the conditions laid down in points (b) and (ba) of Article 3(1).~~

~~4. The Authority shall remove a European political party and its affiliated European political foundation from the Register where the party in question fails to prove within the period of time set out in paragraph 3 that it meets the conditions laid down in points (b) and (ba) of Article 3(1).~~

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↓ new

1. By way of derogation from Article 5(4), until [five years after the entry into force of this Regulation], the report on the implementation of the policy for the use of political advertising shall cover the political advertisements published by the European political party from [the date of entry into force of this Regulation]. The first report shall be prepared by [one year after the entry into force of this Regulation].

2. Regarding the applications for funding for the first financial year following the entry into force of this Regulation, the Authorising Officer of the European Parliament shall only request the evidence referred to in Article 21(4) and (5) for the 6 months period preceding the application.

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↓ 2018/673 Art. 1.15 (adapted)

*Article 45*

⊗ **Repeal** ⊗

⊗ Regulation (EU, Euratom) No 1141/2014 is repealed. ⊗

☒ References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex IV. ☒

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↓ 1141/2014 (adapted)

*Article ~~464~~*

**Entry into force ~~and application~~**

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

~~The Commission shall adopt delegated acts as referred to in Article 7(2) and in point (a) of Article 8(3) by no later than 1 July 2015.~~

~~This Regulation shall apply from 1 January 2017. The Authority referred to in Article 6 shall however be set up by 1 September 2016. European political parties and European political foundations registered after 1 January 2017 may only apply for funding under this Regulation for activities starting in the 2018 budget year or thereafter.~~

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*