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from:	General Secretariat
to:	Permanent Representatives Committee/Council
Subject:	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 - Outcome of the European Parliament's first reading (Strasbourg, 14 to 17 April 2014)

I. INTRODUCTION

In accordance with the provisions of Article 294 of the TFEU and the joint declaration on practical arrangements for the codecision procedure ¹, a number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this dossier at first reading, thereby avoiding the need for second reading and conciliation.

In this context, the rapporteur, Mrs Marietta GIANNAKOU (EPP-GR) presented one compromise amendment (amendment 92) to the proposal for a Regulation, on behalf of the Committee on Constitutional Affairs. This amendment had been agreed during the informal contacts referred to above.

¹ OJ C 145, 30.6.2007, p.5

II. VOTE

When it voted on 16 April 2014, the plenary adopted the compromise amendment (amendment 92) to the proposal for a Regulation. The Commission's proposal as thus amended and the legislative resolution constitute the Parliament's first reading position¹, it reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

¹ The text of the amendment adopted and the European Parliament's legislative resolution are set out in the Annex. The amendment is presented in the form of a consolidated text, where changes to the Commission's proposal are highlighted in *bold and italics*. The symbol "■" indicates deleted text. The text has not yet undergone legal-linguistic finalisation.

Statute and funding of European political parties and European political foundations *I**

European Parliament legislative resolution of 16 April 2014 on the 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 (COM(2012)0499 – C7-0288/2012 – 2012/0237(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2012)0499),
- having regard to Article 294(2) and Article 224 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0288/2012),
- having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
- having regard to the opinion of the Court of Auditors of 7 February 2013¹,
- having regard to the opinion of the Economic and Social Committee of 13 February 2013²,
- having regard to the opinion of the Committee of the Regions of 31 January 2013³,
- having regard to its resolution of 6 April 2011 on the application of Regulation (EC) No 2004/2003 on the regulations governing political parties at European level and the rules regarding their funding⁴,
- having regard to the undertaking given by the Council representative by letter of 5 March 2014 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
- having regard to Rule 55 of its Rules of Procedure,
- having regard to the report of the Committee on Constitutional Affairs and the opinions of the Committee on Budgets and the Committee on Legal Affairs (A7-0140/2013),

1. Adopts its position at first reading hereinafter set out;

¹ OJ C 67, 7.3.2013, p. 1.

² OJ C 133, 9.5.2013, p. 90.

³ OJ C 62, 2.3.2013, p. 77.

⁴ OJ C 296 E, 2.10.2012, p. 46.

2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Position of the European Parliament adopted at first reading on 16 April 2014 with a view to the adoption of Regulation (EU) No .../2014 of the European Parliament and of the Council on the statute and funding of European political parties and European political foundations *

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 224 thereof,

Having regard to the 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 Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Having regard to the opinion of the European Court of Auditors³,

■

Acting in accordance with the ordinary legislative procedure⁴,

* TEXT HAS NOT YET UNDERGONE LEGAL-LINGUISTIC FINALISATION.

¹ OJ C 133, 9.5.2013, p.90.

² OJ C 62, 2.3.2013, p.77.

³ OJ C 67, 7.3.2013, p.1.

⁴ Position of the European Parliament of 16 April 2014.

Whereas:

- (1) 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 at European level contribute to forming European political awareness and to expressing the political will of citizens of the Union.
- (2) 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.
- (3) European citizens should be enabled to use these rights to participate fully in the democratic life of the Union.
- (4) 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 and Union level.

- (5) 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 European institutions, in particular the European Parliament.
- (6) Experiences 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 Council¹, and the legislative resolution on the application of Regulation (EC) No 2004/2003, adopted by the European Parliament on 6 April 2011², show the necessity to improve the legal and financial framework for European political parties and their affiliated European political foundations to enable them to become more visible and effective actors in the multi-level political system of the Union.
- (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 for European political parties and their affiliated European political foundations ■ .

¹ Regulation (EC) No 2004/2003 of the European Parliament and of the Council of 4 November 2003 on the regulations governing political parties at European level and the rules regarding their funding (OJ L 297, 15.11.2003, p. 1).

² OJ C 296 E, 2.20.2012, p.46.

- (8) *An Authority for European political parties and foundations should be created for the purpose of registration, control and sanctions of European political parties and European political foundations. Registration should be necessary to obtain the European legal status, which entails a series of rights and obligations. To avoid any possible conflict of interests, the Authority should be independent.*
- (9) The procedures to be followed by European political parties and their affiliated European political foundations to obtain a 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 a European legal status. It is also necessary to lay down the procedures for cases where a European political party or a European political foundation may forfeit, lose or give up its European legal status.

- (10) *In order to facilitate the oversight of legal entities that will be subject to both European and national legislation, 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 the Register to be managed by the Authority for European political parties and foundations, in particular as regards the information and supporting documents held by the Register. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.***

- (11) ***In order to ensure uniform conditions for the implementation of this Regulation, provisions on the registration number system and information to be made available by the Register to third parties upon request, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹.***
- (12) European political parties and their affiliated European political foundations, which wish to obtain recognition as such at the European level through a European legal status and to receive public funding from the general budget of the European Union, should respect certain principles and fulfil certain conditions. In particular, it is necessary for European political parties and their affiliated European political foundations to respect the values on which the European Union is founded, as ***expressed in Article 2 TEU***.

¹ 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).

- (13) *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 European Union is founded as expressed in Article 2 TEU, should only be taken in case of manifest and serious breach of these values. When it takes a decision to de-register, the Authority should fully respect the Charter.*
- (14) 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 to the statutes of European political parties and European political foundations which have established their seat on their territory, provided these are not inconsistent with this Regulation.*

- (15) *The Authority should verify regularly that the conditions and requirements related to the registration of European political parties or European political foundations continue to be met. Decisions related to respect for the values on which the European Union is founded as expressed in Article 2 TEU, should only be taken in accordance with a procedure specifically designed to this effect, following consultation of a Committee of independent eminent persons.***
- (16) *The Authority is a body of the Union within the meaning of Article 263 TFEU.***
- (17) *Independence and transparency of the Committee of independent eminent persons should be guaranteed.***
- (18) *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. This provision does not entitle them to nominate candidates in national or European elections or to participate in referendum campaigns. Any such or similar entitlement remains under the competence of Member States.***

- (19) *The activities of European political parties and European political foundations should be governed by this Regulation, and, for matters not governed by the Regulation, by the relevant provisions of national law in the Member States. The legal status of European political parties and European political foundations should be governed by the present Regulation and the applicable provisions of national law in the Member State of the seat. The Member State of the seat may define ex-ante the applicable law or may leave optionality for European political parties and European political foundations. The Member State of the seat may impose other or additional requirements than those defined in the present 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.***

(20) *As a key element of the 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, the applicant and concerned third parties. In particular, any pre-existing national legal personality should be converted into a European legal personality and any individual rights and obligations that the former national legal entity has incurred should be transferred to the new European legal entity. Moreover, in order to facilitate continuity of activity, safeguards should be made to avoid that the concerned Member State applies prohibitive conditions on such conversion. The Member State of the seat may specify the types of national legal persons that may convert into the European legal personality and it may withhold its agreement to acquisition of legal personality under the present Regulation until adequate guarantees are provided, in particular, for the legality of the statutes of the applicant 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.*

- (21) *The termination of European legal personality should be subject to requirements and procedures to protect the interests of the European Union, the Member State of the seat, the European political party or European political foundation and concerned third parties. 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 shall be considered as a conversion of the European legal personality and any individual rights and obligations that the former European legal entity has incurred should be transferred to the national legal entity. Moreover, in order to facilitate continuity of activity, safeguards should be made to avoid that the concerned Member State applies prohibitive conditions on 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 respect of the non-profit condition. The Authority and the Authorising Officer of the European Parliament may agree modalities with the concerned Member State of the termination of the European legal personality, in particular to ensure the recovery of funds received from the Union budget and any financial penalties.*

- (22) *If a European political party or European political foundation seriously fails to respect relevant national legislation and if the matter relates to elements affecting the respect of the values on which the European Union is founded as expressed in Article 2 TEU, the Authority should decide to apply the procedures of the present Regulation upon request of the concerned Member State. 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 respect relevant national legislation on any other matter.*

- (23) 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 obtained a European legal status. While it is crucial to ensure that the conditions to become a European political party are not excessive but can be readily met by organised and serious transnational alliances of political parties or natural persons or both, it is also necessary to establish proportionate criteria in order to allocate limited resources from the Union budget, which objectively demonstrate the European ambition and genuine electoral support of a European political party. Such a criterion is best based on the outcome of elections to the European Parliament, in which the European political parties are required to participate under this Regulation, providing a precise indication of the electoral recognition of a European political party. It should reflect the role the European Parliament has 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 active actors of Europe's representative democracy, in order to effectively 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.

- (24) To increase the transparency of European political party funding, and in order to avoid potential abuse of the funding rules, a Member of the European Parliament should, for the purposes of funding only, be considered as a member of only one European political party, which should, where relevant, be the one to which his or her national or regional political party is affiliated on the final date for the submission of applications.
- (25) 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 granting such funding.
- (26) In order to *enhance their* independence, accountability and responsibility, certain types of donations and contributions to European political parties and European political foundations from sources other than the budget of the European Union should be prohibited or subject to limitations **■**. *Any restriction on free movement of capital which may be entailed by such limitations is justified on ground on public policy and is strictly necessary for the attainment of these objectives.*

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- (27) European political parties should be able to finance 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 should be governed by the rules applicable in each Member State. █
- (28) 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. Moreover, European political parties and their affiliated European political foundations should not finance █ referenda campaigns. 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.

- (29) *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. These rules should provide for strict transparency, accounting, auditing and financial control of European political parties and their affiliated European political foundations, as well as 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.*

- (30) *In order to ensure the respect of the obligations of this Regulation regarding funding and expenditure of European political parties and European political foundations and regarding other matters, it is necessary to establish effective control mechanisms. For this purpose, 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 effective and efficient control of obligations stemming from applicable national law.***
- (31) *It is necessary to foresee a clear, strong and dissuasive system of sanctions in order to ensure the effective, proportionate and uniform respect of the obligations regarding the activities of European political parties and European political foundations. Such system should also respect the ne bis in idem principle under which the same offence cannot be sanctioned twice. It is also necessary to define the respective roles of the Authority and of the Authorising Officer of the European Parliament in control and verification of compliance with this Regulation as well as the cooperation mechanisms between them and the Member States authorities.***

- (32) *In order to help raise the European political awareness of citizens and to promote the transparency of the European electoral process, 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.*
- (33) 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, related notably to their statutes, membership, financial statements, donors and donations, contributions and grants received from the budget of the Union, as well as information related to decisions taken by the **Authority and the Authorising Officer of the** European Parliament on registration, funding and **sanctions**, should be published. Establishing 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 European representative democracy, and, more broadly, preventing corruption and abuses of power.

(34) In compliance with the principle of proportionality, the obligation to publish the identity of natural persons should not apply to ■ donations equal to or below EUR 1 500 per year and per donor. ***Such publication should not apply to donations between EUR 1 500 and EUR 3 000 unless prior written consent to the publication has been expressed by the donor. These thresholds constitute an appropriate balance between the fundamental right to the protection of personal data on one hand, and the legitimate public interest in transparency on the funding of European political parties and foundations on the other hand, as reflected in international recommendations to avoid corruption in relation to funding of political parties and foundations. Disclosure of donations above EUR 3 000 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 12 000 where publication should take place expeditiously.

- (35) This Regulation respects the fundamental rights and observes the principles enshrined in the Charter **I**, in particular Articles 7 and 8 thereof which state that everyone has the right to respect for 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 these rights and principles.
- (36) Regulation (EC) No 45/2001 of the European Parliament and of the Council¹ 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.
- (37) Directive 95/46/EC of the European Parliament and of the Council² applies to the processing of personal data carried out in application of this Regulation.

¹ 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).

² Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281, 23.11.1995, p. 31).

- (38) 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 for exercising 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 the data controllers within the meaning of Regulation (EC) No 45/2001 or Directive 95/46/EC. It is also necessary to specify the maximum period for which they may retain the 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 need to take all the appropriate measures to comply with the obligations imposed by Regulation (EC) No 45/2001 and 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, as well as to procure the correction and erasure of their personal data.

(39) The provisions of Chapter III of Directive 95/46/EC on judicial remedies, liability and sanctions apply 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 subject to appropriate *sanctions* for infringements of this Regulation.

(40) Technical assistance 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.

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

(42) The judicial control which falls within the jurisdiction of the Court of Justice of the European Union will help to ensure the correct application of this Regulation. Provisions 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.*

- (43) *Member States should ensure national provisions that are conducive for the effective application of this Regulation.*
- (44) Given the need for significant changes and additions to the rules and procedures currently applicable to ■ political parties and ■ political foundations *at European level*, Regulation (EC) No 2004/2003 should be repealed.
- (45) *Member States should be given sufficient time to adopt provisions to ensure a smooth and effective application of this Regulation. A transition period should therefore be foreseen between the entry into force of this Regulation and its application.*
- (46) *The European Data Protection Supervisor was consulted and adopted an opinion¹,*

HAVE ADOPTED THIS REGULATION:

¹ OJ C 253, 3.9.2013, p.12.

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:

- (1) 'political party' means an association of citizens:
- which pursues political objectives, *and*

– *which is either recognised by, or established in accordance with, the legal order of at least one Member State;*

(2) ‘political alliance’ means structured cooperation between political parties and/or *citizens*;

(3) ‘European political party’ means a ‘political alliance’ which pursues political objectives and is registered with the *Authority* 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, *is* registered with the *Authority* 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 European Union, underpins and complements the objectives of the European political party by performing one or several 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;
- (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 VI*** of Part One of Regulation (EU, Euratom) ***No 966/2012***¹ ***of the European Parliament and of the Council*** (‘the Financial Regulation’) or a contribution awarded in accordance with Regulation (EU) No .../2014 of the European Parliament and of the Council²⁺;
- (7) ‘donation’ means cash offerings, ***any offering*** in kind, ***the provision below market value of goods, services(including loans) or works as well as 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***;

¹ Regulation (EU, Euratom) No 966/2012 ***of the European Parliament and of the Council*** of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

² Regulation (EU) No .../2014 of the European Parliament and of the Council amending Regulation (EU, Euratom) No 966/2012 as regards the financing of European political parties (OJ L ..).

⁺ OJ: Please insert the number of the Regulation contained in document st 17469/12 - 2012/0336(COD) and complete the footnote.

(8) ‘contribution from members’ means any payment in cash, including membership fees, or contributions in kind, or the provision below market value of goods, services (including loans) or works, as well as any other transaction which constitutes an economic advantage for the European political party or the European political foundation concerned, when provided to the European political party or the European political foundation by one of their respective members, with the exception of usual political activities carried out on a voluntary basis by individual members;

(9) the ‘annual budget’ for the purpose of Articles 20 and 27 means the total amount of expenditure in the given year as reported in the annual financial statements of the European political party or the European political foundation;

(10) 'National Contact Point' means the liaison points designated for issues related to the central exclusion database referred to in Article 108 of the Financial Regulation (Regulation (EU) No 966/2012) and in Article 144 of the Rules of Application¹, or any other persons specifically designated by the relevant authorities in the Member States for the purpose of exchanging information in the application of the present Regulation;

(11) 'seat' means the location where the European political party or the European political foundation has its central administration;

(12) 'concurrent offences' means two or more offences committed as part of the same unlawful act;

(13) 'repeated offence' means an offence committed, while the same type of offence has been sanctioned within the preceding five years.

¹ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (*OJ L 362, 31.12.2012, p. 1*).

Chapter II
Statute for European political parties and European political foundations

Article 3
Conditions for registration

1. A political alliance, as defined in Article 2 point (2), shall be entitled to apply to register as a European political party subject to the following conditions:

(a) it must have its seat in a Member State *as indicated in its statutes*,

(b) it *or its members* must be represented, in at least one quarter of the Member States, by Members of the European Parliament, national Parliaments, regional Parliaments or regional assemblies, or

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,

(c) it must observe, in particular in its programme and in its activities, ■ the values on which the European 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,

(d) 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,

(e) it must not pursue profit goals.

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

(a) it must be affiliated with a European political party *registered* in accordance with the conditions and procedures laid down in this Regulation ■ ,

(b) it must have its seat in a Member State *as indicated in its statutes*,

(c) it must observe, in particular in its programme and in its activities, the values on which the European 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,

(d) its objectives must complement the objectives of the European political party with which it is formally affiliated,

(e) its governing body must be composed of members from at least one quarter of the Member States,

(f) it must not pursue profit goals.

3. A European political party can have only one formally affiliated European political foundation. ■ Each European political party and affiliated European political foundation must ensure a separation between the daily management and governing structures and the financial accounts of the European political party, on the one hand, and of its *affiliated* European political foundation, on the other hand.

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*** include provisions covering at least the following:

(a) ***its name and logo***, which must be clearly distinguishable from ***those*** of any existing European political party and European political foundation;

(b) the address of its seat;

■

(c) a political programme setting out ***its*** purpose and objectives ;

(d) ***a statement that it does not pursue profit goals in conformity with Article 3(1)(e)***;

(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;*

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(g) *the internal procedure in case of its voluntary* dissolution ■ as a ■ European political party.

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, with the list of *member parties* annexed to *the statutes*;

(b) the rights and duties associated with all types of membership ■ and the relevant voting rights;

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(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;*

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(e) its approach to transparency, notably on books, accounts and donations, privacy and the protection of personal data;

(f) the *internal* procedure for amending *its* statutes.

3. *The Member State of the seat may impose additional requirements to the statutes, provided these are not inconsistent with the present Regulation.*

Article 5
Governance of European political foundations

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

- (a) ***its name and logo***, which must be clearly distinguishable ■ from ***those*** of any existing ***European political party and*** European political foundation;
- (b) the address of its seat; ■
■
- (c) a description of ***its*** purpose and objectives ■ , which must be compatible with the tasks listed in Article 2 point (4);
- (d) ***a statement that it does not pursue profit goals in conformity with Article 3(2)(f)***;

(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 █ 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*;

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(h) the *internal* procedure for amending *its* statutes;

(i) the *internal procedure in case of its voluntary* dissolution ■ as a ■ European political foundation.

The Member State of the seat may impose additional requirements to the statutes, provided these are not inconsistent with the present Regulation.

Article 6

Authority for European political parties and foundations

1. An Authority for European political parties and foundations (the 'Authority') is hereby established for the purpose of registration, control and sanctions of European political parties and European political foundations in accordance with this Regulation.

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

The Authority shall decide on registration and de-registration of European political parties and European political foundations according to the procedures and conditions laid down in the present Regulation. In addition, the Authority shall regularly verify that the registration conditions set out in Article 3 and the governance provisions set out in accordance with Article 4(1) (a), (b) and (d) to (f) and Article 5 (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 European Commission by common accord, on the basis of proposals made by a selection committee composed of the Secretary Generals of those three institutions following an open call for candidates.

The Director of the Authority shall be selected on the basis of his or her personal and professional qualities. He or she shall not be member of the European Parliament, hold electoral mandates or be current or former employee of a European political party or a European political foundation. The selection of the Director shall not be liable to result in a conflict of interests between 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 the Regulation.

A vacancy caused by resignation, retirement, dismissal or death shall be filled according to the same procedure.

In the event of a normal replacement or voluntary resignation the Director shall continue his or her functions until a replacement has been appointed.

If the Director of the Authority no longer fulfils the conditions required for the performance of his or her duties, 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 Appointing Authority may assign the Director to other tasks provided that such tasks are not incompatible with the workload resulting from his or her duties as Director for the Authority and are not liable of creating any conflict of interest or of jeopardising the full independence of the Director.

The Director of the Authority shall be independent in the performance of 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 his or her duties.

The European Parliament, the Council and the European Commission shall exercise jointly, with regard to the Director, the powers conferred on the Appointing Authority by the Staff Regulations of Officials and Conditions of Employment of Other Servants of the European Union. 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.

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

5. The Director of the Authority shall be assisted by staff from one or more institutions of the European Union. When working for the Authority, such staff shall act under the sole authority of the Director of the Authority.

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.

6. The Authority shall conclude agreements with the European Parliament and if appropriate other institutions on any administrative arrangements necessary to carry out its tasks, in particular agreements regarding the staff, services and support provided under 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 of the General Budget. 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 it shall be made public. The European Parliament shall delegate the duties of Authorising Officer with respect to these appropriations to the Director of the Authority.

8. Council Regulation No 1¹ 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 of the bodies of the European Union.

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

¹ Council Regulation No 1 of 15 April 1958 determining the languages to be used in the European Economic Community (OJ 17, 6.10.1958, p. 385).

10. The Director shall submit annually a report to the European Parliament, the Council and the European Commission on the activities of the Authority.

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 when foreseen 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 7

Register for European political parties and foundations

1. The Authority shall establish and manage a Register on European political parties and European political foundations. Information from the Register shall be available on line in accordance with Article 32.

2. In order to ensure the proper functioning of the Register, the Commission shall be empowered to adopt delegated acts in accordance with Article 36 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 shall 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 applications for registration in accordance with Article 8(2), any documents from the Member States of the seat as referred to in Article 15(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 Article 4(1)(f) and Article 5(g);

(b) materials referred to in point (a) for which the Register shall be competent to certify legality as established by the Authority pursuant to its competences under the present Regulation; the Authority shall not be competent for verifying compliance by a European political party or European political foundation with any obligation or requirement imposed on them by the Member State of the seat pursuant to Articles 4, 5 and Article 14(2) and which are additional to the obligations and requirements pursuant to the present Regulation.

3. The Commission shall by implementing acts detail the registration number system to be applied by the Register and standard extracts from the Register to be made available by the Register to third parties upon request, including the content of letters and documents. This information 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 Article 4(1)(f) and Article 5(g). Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 37.

Article 8
Application for registration

1. In order to register **■** an application *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 to this Regulation;*
 - (b) the party or foundation statutes, *containing the provisions* required by Articles 4 and 5, *including the relevant annexes and, where applicable, the statement of the Member State of the seat referred to in Article 15(2).*

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 36 and within the scope of the relevant provisions of this Regulation:

(a) to identify any complementary information or supporting document in relation to paragraph 2 necessary to allow the Authority to fully carry out its responsibilities under this Regulation in relation to the operation of the Register;

(b) to amend the standard formal declaration in Annex to this Regulation in respect of the particulars to be filled in by the applicant where necessary to ensure that sufficient information is being held in relation to the signatory, his or her mandate and the European political party or European political foundation which 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 32.

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Article 9
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 5.

2. The Authority shall adopt a decision to register the applicant, unless it establishes that it fails to satisfy the conditions for registration laid down in Article 3 or that the statutes do not contain the provisions required by Articles 4 and 5.

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 10a(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. The deadline set out in the second subparagraph shall only start to run from the date of receipt of a complete application by the Authority.

3. The standardized formal declaration referred to in Article 6(2)(a) shall be considered sufficient for the Authority to ascertain that the applicant complies with the conditions specified in Article 3(1)(c) or Article 3(2)(c), 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 party or foundation statutes. 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 6(2)*, ***shall be notified to the Authority which shall update the registration in accordance with the procedures set out in the Article 15, paragraphs 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* on a yearly basis **■**. Any changes following which the European political party may no longer satisfy the requirement *laid down* in Article 3(1)(b) ***shall be communicated to the Authority within four weeks of any such change.***

Article 10
Verification of registration *conditions and requirements*

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

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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 Articles 3(1)(c) and 3(2)(c), are no longer complied with, it shall notify the European political party or foundation concerned.***

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3. *The European Parliament, the Council or the European Commission may lodge with the Authority a request for verification of the respect by a specific European political party or European political foundation of the conditions laid down in Articles 3(1)(c) and 3(2)(c). In such cases and in the cases referred to in Article 16(3)(a), the Authority shall ask the Committee of independent eminent persons established in Article 11 for an opinion on the subject. The Committee shall give an opinion within two months.*

In case the Authority becomes aware of facts which may give rise to doubts pertaining to the respect by a specific European political party or European political foundation of the conditions laid down in Articles 3(1)(c) and 3(2)(c), it shall inform the European Parliament, the Council and the European 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 European Commission shall indicate their intention within two months of receiving this information.

The procedures foreseen in the first and second subparagraphs shall not be initiated within a period of two months prior to the elections to the European Parliament.

Having regard to the Committee's opinion, the Authority shall decide whether to de-register the concerned European political party or European political foundation. 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 Articles 3(1)(c) or 3(2)(c) can only be adopted in case of manifest and serious breach of these conditions. It shall be subject to the procedure set out in paragraph 3a.

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 the respect of the conditions set out in articles 3(1)(c) or 3(2)(c) shall be communicated to the European Parliament and the Council. The decision shall only enter into force 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 case of an objection by the Council and by the European Parliament, the European political party or foundation shall remain registered.

The European Parliament and the Council can only object to the decision for reasons related to the assessment of the condition for registration referred to in Article 3(1)(c) and 3(2)(c).

The concerned European political party or European political foundation shall be informed that the decision of the Authority to de-register it has been subject to an objection.

The European Parliament and the Council shall take position according to their respective decision making rules as established in line with the Treaties. Any objection shall be duly reasoned and public.

5. *A decision of the Authority to de-register a European political party or a European political foundation, which has not been subject to an objection under the procedure set out in paragraph 4 shall be published in the Official Journal of the European Union, together with the detailed grounds for de-registration and shall enter into force three months following the date of such publication.*

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 Registry. ■

Article 11
Committee of independent eminent persons

1. A Committee of independent eminent persons ('the Committee') is hereby established. The Committee 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 not be members of the European Parliament, the Council or the Commission, hold electoral mandates, be officials or servants of the 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. Members shall neither seek nor take instructions from any institution or government or from any other body, office or agency. Members 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 cannot be renewed.

2. The Committee shall adopt its internal rules of procedure. The Chair of the Committee shall be elected by its members amongst them according to its internal rules of procedure. 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. When requested by the Authority, the Committee shall give an opinion on any possible manifest and serious breach of the values on which the European Union is founded, as referred to in Articles 3(1)(c) and 3(2)(c), by a European political party or a European political foundation. To this end, the Committee may request any relevant document and piece of evidence from the Authority, the European Parliament services, the concerned European political party or European political foundation, other political parties, political foundations or other stakeholders and may request to hear their representatives.

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 12
Legal personality

The European political party and the European political foundation shall have *European* legal personality ■ .

Article 13
Legal recognition and capacity

The European political party and the European political foundation shall have ■ legal recognition and capacity in all Member States.

Article 14
Applicable law

1. The European political party and the European political foundation shall be governed by this Regulation **■** .

2. For matters not regulated by this Regulation or, where matters are partly regulated by it, for those aspects not covered by it, the European political party and the European political foundation shall be ***governed by the applicable provisions of national law*** in the Member State in which it has its seat **■** .

Activities carried out by the European political party and the European political foundation 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 partly regulated by them, for those aspects not covered by them, the European political party and the European political foundation shall be governed by the provisions of their respective statutes.

Article 15
Acquisition of European legal personality

- 1. The European political party and the 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 9.*

- 2. If the Member State in which an applicant for registration as a European political party or European political foundation has its seat so requires, the application submitted pursuant to Article 6 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 14(2).*

3. In case the applicant enjoys legal personality under the law of a Member State, the acquisition of European legal personality shall be considered by that Member State as a conversion of the national legal personality into a successor European legal personality. The latter shall fully maintain pre-existing rights and obligations of the former national legal entity which shall cease to exist. The concerned Member State shall not apply prohibitive conditions in the context of such conversion. The applicant shall maintain its seat in the concerned Member State until a decision has been published in accordance with Article 9.

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

Article 16
Termination of European legal *personality*

1. A European political party or a European political foundation shall *lose* its European legal personality *upon the entry into force* of the *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 Articles 10(2) to 10(5);*
- (b) *in the situation provided for in Article 10(6);*

- (c) at the request of the European political party or European political foundation;*
- (d) in the cases referred to in point (b) of paragraph 2.*

3. If a European political party or European political foundation has seriously failed to fulfil relevant obligations under national law applicable by virtue of Article 14(2) first subparagraph, the Member State of the seat may address to the Authority a duly reasoned request for de-registration which must identify precisely and exhaustively the illegal actions and the specific national requirements that have been violated. In such cases, the Authority shall:

- (a) for matters related exclusively or pre-dominantly to elements affecting the respect of the values on which the European Union is founded, as expressed in Article 2 of the Treaty on the European Union, initiate a verification procedure in accordance with Article 10(3). Article 10(4), (5) and 6 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 concerned European political party or European political foundation from the Register.

If a European political party or European political foundation has seriously failed to fulfil relevant obligations under national law applicable by virtue of Article 14(2) second subparagraph, and if the matter relates exclusively or pre-dominantly to elements affecting the respect of the values on which the European Union is founded as expressed in Article 2 TEU, the concerned Member State may address a request to the Authority in accordance with the provisions of the first sub-paragraph. The Authority shall proceed in accordance with point (a) of paragraph 3.

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

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

5. If the European political party or European political foundation acquires legal personality under the law of the Member State of its seat, this acquisition shall be considered by that Member State as a conversion of the European legal personality into a national legal personality that fully maintains pre-existing rights and obligations of the former European legal personality. 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, the European political party or European political foundation shall be wound up in accordance with the applicable law of that Member State. The concerned Member State may require that winding up is preceded by acquisition of a national legal personality in accordance with the provisions of paragraph 5.

7. In all situations referred to in paragraphs 5 and 6, the Member State concerned shall ensure that the non-profit condition in Article 3 is fully respected. The Authority and the Authorising Officer of the European Parliament may agree with the concerned Member State on the modalities of the termination of the European legal personality, in particular to ensure the recovery of funds received from the general budget of the European Union and payment of financial sanctions imposed in accordance with Article 27.

Chapter IV
Funding provisions

Article 17
Funding conditions

1. A European political party 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 106(1)** of the Financial Regulation 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, ■ registered in accordance with the conditions and procedures laid down in this Regulation, and ■ not in one of the situations of exclusion referred to **in Article 106(1)** of the Financial Regulation 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 and Article 3(1)(b), and for the application of the provisions in Article 19(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 his or her national or regional political party is affiliated on the final date for the submission of applications.

4. Financial contributions or grants from the general budget of the European Union **shall** not exceed **85 %** of the annual reimbursable expenditure indicated in the budget of a **European political party and 85 % 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 following financial **year** after its award. Amounts unused following **this** financial **year** shall be recovered in accordance with the Financial Regulation.

5. ***Within the limits set out in Articles 21 and 22, 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 18
Application for funding

1. In order to receive funding from the general budget of the European Union, a European political party or a European political foundation, which satisfies the conditions of Article 17(1) or (2), shall file an application with the European Parliament following a call for contributions or proposals.
2. The European political party and the European political foundation must, at the time of its application, comply with the obligations listed in Article 23, and, from the date of application until the end of the financial year *or of the action* covered by the contribution or grant, remain registered in the Registry and not be the subject of any of the *sanctions* foreseen in *Article 27(1) and (2) (e) and (f)*.
3. A European political foundation shall include in its application its annual work programme *or action plan*.

4. 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 authorise and manage the corresponding appropriations, in accordance with the Financial Regulation.

5. 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 19

Award criteria and distribution of funding

1. The respective appropriations available to the European political parties and the European political foundations which have been awarded contributions or grants in accordance with Article 13 shall be distributed annually on the basis of the following distribution key:

- 15 % shall be distributed in equal shares,
- 85 % shall be distributed in proportion to their share of elected members of the European Parliament among the beneficiary European political parties.

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.

2. The distribution referred to in paragraph 1 shall be based on the number of elected members in the European Parliament who are members of the applicant European political party on the final date for the submission of applications, taking into account the provisions of Article 17(3).

After this 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 17(1) for the European political party to be represented in the European Parliament by at least one of its members.

Article 20 Donations and contributions

1. European political parties and European political foundations may accept donations from natural or legal persons of up to a value of **EUR 18 000** 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 23, 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 the 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 is more than EUR 1 500 and below or equal to EUR 3 000, the concerned European political party or European political foundation shall indicate whether the corresponding donors have provided prior written consent to publication in accordance with Article 32(1)(e).

3. Donations received by the European political parties and European political foundations 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 the provisions of paragraph 2.

4. Single donations exceeding a value of EUR 12 000 that have been accepted by the European political parties and European political foundations shall be immediately reported to the **Authority** in writing and in accordance with the provisions of paragraph 2.

5. A European political party and a European political foundation shall not accept:

(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;

(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 European elections.**

6. Any donation that is not permitted under this Regulation shall within 30 days following the date it is received by the European political party or the European political foundation:

- be returned to the donor or any person acting on the donor's behalf; or,
- when it is not possible to return it, be reported to *the Authority and* the European Parliament. The Authorising Officer *of the European Parliament* shall proceed to the establishment and authorisation of the recovery order in accordance with the provisions laid down in *Articles 78* and *79* of the Financial Regulation. The funds shall be entered as general revenue in the European Parliament section of the Budget.

7. Contributions to a European political party from its members shall be admissible. These contributions shall not exceed 40 % of the annual budget of that European political party.

8. Contributions to a European political foundation from its members, *and* from *the* European political *party with which it is affiliated*, shall be admissible. These contributions shall not exceed 40 % of the annual budget of that European political foundation and may not derive from funds received by a European political party pursuant to this Regulation from the general budget of the European Union.

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.

9. Without prejudice to paragraphs 7 and 8, European political parties and European political foundations may accept contributions from citizens which are their members of up to a value of EUR 18 000 per year and per member, when such contributions are made by the member concerned on its own behalf.

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

10. Any contribution that is not permitted under this Regulation shall be returned in accordance with paragraph 6.

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Article 21

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 the elections to the European Parliament, in which they, ***or their members***, participate as required in Article 3(1)(d).

In accordance with Article 8 of the Act concerning the election of the members of the European Parliament by direct universal suffrage¹, 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.

2. Expenditure linked to ***the*** campaigns ***referred to in paragraph 1*** shall be clearly identified as such by the European political parties in their annual financial statements.

■

¹ OJ L 278, 8.10.1976, p. 5.

Article 22
Prohibition of funding

1. ***Notwithstanding Article 21(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. ***These 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 financing their tasks as defined in point (4) of Article 2 and to meet expenditure directly linked to the objectives set out in their statutes according to Article 5. 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 █ referenda campaigns.

Chapter V
Control and *Sanctions*

Article 23
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 the revenue and expenditure, and assets and liabilities at the beginning and at the end of the financial year, according to 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 as defined in Article 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council*¹;

¹ 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).

(b) an external audit report on the annual financial statements, covering both the reliability of these annual financial statements and the legality and regularity of their revenue and expenditure, carried out by an independent body or expert ■ ;

(c) the list of donors and **contributors and** their corresponding donations **or contributions** reported in accordance with Article 20(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, and with other organisations, evidence of the expenditure incurred by the European political parties or the European political foundations directly or through these 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 **paragraph 1(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.**

4. The 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 24
General rules on control

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

2. The Authority shall control compliance by the European political parties and European political foundations with the obligations stemming from this Regulation, in particular in relation to Article 3, Article 4(1) points (a), (b), and (d) to (f), Article 5 (a) to (d) and (g), paragraphs (5) and (6) of Article 9, Articles 20, 21 and 22.

The Authorising Officer of the European Parliament shall control compliance by the European political parties and European political foundations with the obligations related to Union funding stemming from this Regulation in accordance with the Financial Regulation. In carrying out such control, 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 the Authorising Officer of the European Parliament referred to in paragraph 2 shall not extend to the compliance by European political parties and European political foundations with the obligations stemming from applicable national law as referred to in Article 14.

4. The European political parties and European political foundations shall provide any information requested by the Authority, the Authorising Officer of the European Parliament, the European 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 control of compliance with Article 20, the 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 control of compliance with the condition in Article 3(1)(b), first subparagraph.

Article 25
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.

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.

Control shall also be exercised on the basis of annual certification by an external and independent audit, as provided for in Article 23(1).

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

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4. Any document or information required by the Court of Auditors 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, 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 the European political foundation* 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 (EC) No 1073/1999 of the European Parliament and of the Council ¹ and Council Regulation (Euratom, EC) No 2185/96² 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, the findings may give rise to recovery decisions by *the Authorising Officer of the European Parliament*.

¹ Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by OLAF (OJ L 136, 31.5.1999, p. 1).

² 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).

Article 26
Technical support

All technical support from 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 27
Sanctions

1. ***In accordance with Article 16, the Authority shall decide to remove a European political party or a European political foundation from the Register by way of sanction in the following situations:***

(a) when it is subject of a judgement which has the force of res judicata for illegal activities detrimental to the financial interests of the Union as defined in Article ***106(1) of the Financial Regulation;***

(b) when it is established, according to the procedures set out in paragraphs (2) to (5) of Article 10 that it no longer fulfils the conditions set out in Article 3(1) (a), (c) and (e) and in Article 3(2);

(c) when a Member State request for de-registration on grounds of serious failure to fulfil obligations under national legislation meets the requirements set out in Article 16(2)(b).

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

(a) non-quantifiable offences:

(i) in case of non-compliance with the requirements of paragraphs (5) and (6) of Article 9:

(ii) *in case of non-compliance with the commitments taken and the information provided by a European political party or █ European political foundation in accordance with Article 4(1) (a), (b) and (d) to (f) and with Article 5 (a), (b), (d) and (e),*

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(iii) *in the event of failure to transmit █ the list of donors and their corresponding donations in accordance with Article 20(2) or to report donations in accordance with paragraphs (3) and (4) of Article 20,*

(iv) *in the cases where a European political party or a European political foundation has violated the obligations laid down in Article 23(1) or Article 24(4);*

(v) when a European political party or a European political foundation is subject of a judgement which has the force of res judicata for illegal activities detrimental to the financial interests of the Union as defined in Article 106(1) of the Financial Regulation;

(vi) in the cases where the European political party or the European political foundation has at any moment intentionally omitted or 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 considered material omissions or misstatements of items in accordance with the international accounting standards.

(b) quantifiable offences:

(i) if a European political party or a European political foundation has accepted donations **and contributions** that are not permitted according to Article 20(1) or (5) **unless the conditions of Article 20(6) are met;**

(ii) In case of non-compliance with the requirements of Articles 21 and 22.

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 5 years, or up to 10 years in cases of a repeated offence within a five year period, when it has been found guilty of the offences listed in paragraph 2(a) (v) and (vi). This is without prejudice to the powers of the Authorising Officer of the European Parliament set out in Article 204n of the Financial Regulation.

4. *For the purpose of the application of paragraphs 2 and 3, the following financial sanctions shall be applied to a European political party or a European political foundation:*

(a) In cases of non-quantifiable offences, a fixed percentage of the annual budget of the concerned European political party or European political foundation:

– *5%; or*

– *7,5 % if there are concurrent offences; or*

– *20 % if it is a repeated offence; or*

– *a third of the percentages above if the European political party or European political foundation has voluntarily declared the offence before the Authority has officially opened an investigation, even in the case of a concurrent offence or a repeated offence, and has taken the appropriate corrective measures;*

– **50 % of the annual budget of the concerned European political party or European political foundation incurred in the preceding year, when it is subject of a judgment which has the force of res judicata for illegal activities detrimental to the financial interests of the Union as defined in Article 106(1) of the Financial Regulation.**

(b) In cases of quantifiable offences, a fixed percentage of the amount of the irregular sums perceived or not reported as according to the following scale, with a maximum of 10 % of the annual budget of the concerned European political party or European political foundation:

– **100 % of the irregular sums perceived or not reported if it is less than or equal to EUR 50 000; or**

- *150 % of the irregular sums perceived or not reported if it is less than or equal to EUR 100 000, or*
- *200 % of the irregular sums perceived or not reported if it is less than or equal to EUR 150 000, or*
- *250 % of the irregular sums perceived or not reported if it is less than or equal to EUR 200 000, or*
- *300 % of the irregular sums perceived or not reported if it is less than or equal than EUR 250 000 or higher, or*
- *A third of the percentages indicated above if the European political party or European political foundation has voluntarily declared the offence before the Authority and/or the Authorising Officer of the European Parliament has officially opened an investigation and has taken the appropriate corrective measures.*

For the application of the percentages indicated above, each donation or contribution shall be considered separately.

5. *Whenever a European political party or a European political foundation has committed concurrent offences to this Regulation, only the sanction foreseen for the most serious offence shall be imposed, unless otherwise provided in paragraph 4(a).*

6. *The sanctions laid down in this Regulation shall be subject to a limitation period of 5 years as of the day the infringement concerned was committed or, in the case of continuing or repeated infringements, the date on which the infringements ceased.*

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Article 28

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

The Authority, the Authorising Officer of the European Parliament and the Member States via the national contact points shall share information and regularly inform each other on matters related to funding provisions, controls and sanctions.

They shall also agree on practical arrangements for this exchange of information including the rules regarding the disclosure of confidential information or evidence and the cooperation among Member States.

The Authorising Officer of the European Parliament shall inform the Authority of any findings which may be capable of giving rise to sanctions under Article 27(2) to (4) with a view to allowing the Authority to take appropriate measures.

The Authority shall inform the Authorising Officer of the European Parliament of any decision it has taken on sanctions in order to enable the latter to draw the appropriate consequences under the Financial Regulation.

Article 29

■ **Corrective measures *and good administration principles***

1. Before taking a final decision related to any of the ***sanctions referred to*** in Article 27, ***the Authority or the Authorising Officer of the European Parliament*** shall give the European political party or the European political foundation concerned the opportunity ■ to introduce the measures required to remedy the situation within a reasonable time period, ***which shall normally not exceed one month. In particular, the Authority or the Authorising Officer of the European Parliament shall allow the possibility to correct clerical, arithmetic errors, provide additional documents or information where necessary or to correct any minor mistakes.***

2. *When a European political party or a European political foundation has failed to take corrective measures within the prescribed time limit, the appropriate sanctions referred to in Article 27 shall be decided.*

3. *Paragraphs 1 and 2 shall not apply for the conditions set out in Article 3(1) (b) to (d) and in Article 3(2)(c).*

*Article 30
Recoveries*

1. *On the basis of the decision of the Authority removing from the Register a European political party or a European political foundation, the Authorising Officer of the European Parliament shall withdraw or terminate any on-going decision or agreement on Union funding, except in the case foreseen in Article 16(2)(c) and Article 3(1)(b) and (d). He shall also recover any Union funding, including any unspent Union funds from previous years.*

2. A European political party or a European political foundation which is the subject of a **sanction** imposed on it on the basis of the infringements listed in **Article 27(1) and 2(e)** and (f), shall no longer be in compliance with Article 18(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 recover amounts unduly paid under the contribution or grant agreement or decision, including any unspent Union funds from previous years.

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

This paragraph shall also be applicable to the cases referred to in Article 16(2)(c) and Article 3(1)(b) and (d).

Chapter VI
Final Provisions

Article 31
Information to citizens

Subject to Articles 21 and 22 and to their own statutes and internal processes, European political parties may in the context of the 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.

Article 32
Transparency

1. ***The European Parliament shall make public, under the authority of the Authority or its Authorising Officer, on a website created for the purpose 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 the application for registration in accordance with **Article 8**, at the latest four weeks after the **Authority** has adopted its decision and, beyond this date, any amendments notified to the **Authority** pursuant to **paragraphs (5) and (6) of Article 9**;

- (b) a list of those applications that have not been approved, together with the documents submitted as part of the application for registration in accordance with *Article 8* and the grounds for rejection, at the latest four weeks after the *Authority* has 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 23(1), and, for the 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 the European political parties and European political foundations in accordance with Article 20(2), (3) and (4), with the exception of donations from natural persons not exceeding a value of **EUR 1 500** per year and per donor which shall be reported as "minor donations". ***Donations from natural persons the value of which is more than EUR 1 500 and below or equal to EUR 3 000 shall not be published without prior written consent to their publication expressed by the corresponding donor. If no prior consent has been expressed, 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 20(7) and (8) and reported by the European political parties and European political foundations in accordance with Article 20(2), including also the identity of the ***member parties or organisations*** who have made the contributions, ■ ;

(g) the details of and reasons for any final decisions taken by the **Authority** pursuant to Article 27, including, where relevant, the opinions adopted by the Committee of independent eminent persons in accordance with **Articles 10 and 11**, having due regard to the provisions of Regulation (EC) No 45/2001:

(h) the details of and reasons for any final decision taken by the Authorising Officer of the European Parliament pursuant to Article 27;

(i) **a description of** the technical support provided to European political parties ■ ;

■

(j) the evaluation report of the European Parliament on the application of this Regulation and the activities funded as referred to in Article 38.

2. **The European Parliament shall make public** the list of **legal persons being** members of a European political party, annexed to the party statutes in accordance with Article 4(2) and updated in accordance with **Article 9(6) as well as the total number of individual** members.

3. *Personal data shall be excluded from publication on the website unless this personal data shall be published pursuant to (a), (e), or (g) 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 10 of Directive 95/46/EC and inform them *about the conditions under which their personal data will be made public in the website referred to in paragraph 1* and 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 by these, *provided that they are subject to it under this Regulation*. The *Authorising Officer of the* European Parliament, in application of Article 11 of Regulation (EC) No 45/2001, shall include the same information in the calls for contributions or proposals referred to in Article 13(1).

Article 33
Protection of personal data

1. In processing personal data pursuant to this Regulation, *the Authority*, the European Parliament and the committee referred to in *Article 11* shall comply with Regulation (EC) No 45/2001. For the purposes of the processing of personal data, they shall be considered as data controllers in accordance with Article 2(d) of Regulation (EC) No 45/2001.

2. In processing personal data pursuant to this Regulation, the European political parties and the European political foundations, the *Member States* competent for exercising control over aspects related to the financing of European political parties and European political foundations in accordance with *Article 24* and the independent bodies or experts authorised to audit accounts in accordance with Article 23(1) shall comply with Directive 95/46/EC and the national provisions adopted pursuant thereto. For the purposes of the processing of personal data, they shall be considered as data controllers in accordance with Article 2(d) of Directive 95/46/EC.

3. **The Authority**, the European Parliament and the committee referred to in **Article 11** 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 this purpose** at the latest 24 months after publication of the relevant parts in accordance with Article 32.

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 28**.

5. Personal data may be retained beyond the time limits laid down in paragraph 3 or foreseen by the applicable national law referred to in paragraph 4 if 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 or accidental loss, alteration, unauthorised disclosure or access, in particular where the processing involves the transmission of data 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 referred to in **Article 11** 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, every data subject may lodge a complaint with the European Data Protection Supervisor if he or she considers that his or her right to the protection of their personal data has been infringed as a result of the processing of this data by **the Authority**, the European Parliament or the committee.

8. The European political parties and the 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 they are subject to effective, proportionate and dissuasive **sanctions** for infringements of this Regulation, Directive 95/46/EC and the national provisions adopted pursuant thereto, and in particular for the fraudulent use of personal data.

Article 34
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 or an applicant as referred to in Article 8, it shall hear the representatives of the European political party, the European political foundation or the applicant concerned. The Authority or the European Parliament shall duly state the reasons for its decision.

Article 35
Right of appeal

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■ 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 36
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 7 and Article 8(3a) shall be conferred on the Commission for a period of five years from ...^{*}. 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.*

^{*} OJ: Please insert date: date of entry into force of this Regulation as provided in Article 30.

3. The delegation of power referred to in Article 7 and Article 8(3a) 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. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 7 and Article 8(3) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 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 37
Committee procedure

1. The Commission shall be assisted by a 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.

Article 38
Evaluation

The European Parliament shall, *after consultation of the Authority*, publish *by mid-2018* a report on the application of this Regulation and the activities funded. The report shall indicate, where appropriate, possible amendments to be made to the statute and funding systems.

Before the end of 2018, the Commission shall present a report on the application of this Regulation accompanied, if appropriate, by a legislative proposal to amend this Regulation.

Article 39
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 related to funding of political parties and political foundations at European level for the 2014, 2015, 2016 and 2017 budget years.*

Article 41
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 referred to in Article 7(2) and in point (a) of Article 8(3) no later than the 1 July 2015.

The Regulation shall apply from 1 January 2017. The Authority referred to in Article 5a shall however be set up by 1 September 2016. European political parties and European political foundations registered after 1 January 2017 can only apply for funding for activities starting in 2018.

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

Done at ...

*For the European Parliament
The President*

*For the Council
The President*

Standard declaration to be filled out by each applicant

The undersigned, who is fully mandated by [Name of the European political party or European political foundation] hereby certify that:

[Name of the European political party or European political foundation] is committed to comply with the conditions for registration laid down in Article 3(1)(c) / 3(2)(c), i.e. to observe, in its programme and in its activities, the values on which the European Union is founded as expressed in Article 2 of the Treaty on European Union, 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.

Authorised signature:

<i>Title (Mrs, Mr, Prof, ...) name and forename:</i>	
<i>Function in the organisation applying for registration as European political party / European political foundation:</i>	
<i>Place/date:</i>	
<i>Signature:</i>	
