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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU, Euratom) No. 1141/2014 of the European Parliament and the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations – *Presidency debriefing on the outcome of the trilogue* – *Analysis of the final compromise text with a view to agreement*

I. INTRODUCTION

1. On 21 February 2018, COREPER gave a mandate[1] to the Presidency to start negotiations with the European Parliament on the Commission proposal amending Regulation (EU, Euratom) No. 1141/2014 of the European Parliament and the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations - 2017/0219 (COD).

2. In view of the next European elections, this regulation should enter into force before June 2018 in order to have under the new provisions the registrations for 2019 budget of EUPPs and EUPFs. On 27 February 2018, the first and final trilogue took place and co-legislators found provisional agreement. The final compromise text is reflected in the fourth column of the table in ADD1.

[1] 6177/18 + ADD1

II. MAIN ELEMENTS OF THE FINAL COMPROMISE TEXT

3. The main political provisions discussed in informal trilogue were registration conditions for EUPPs in rows 15, 21, 40 and 69 of the table in ADD1. In particular, there were two main difficult points: the obligation to publish the EUPPs logos and programs in their member parties' websites, and the information on gender balance to be sent when filling the registration file.

4. Regarding the **publication of logos and programs**, the Presidency managed to have provisionally agreed the COREPER text; in addition, taking into consideration some concerns expressed by several Member States, some flexibilities were inserted in the provision (no need to publish them "*continuously*", but "*as a rule*" "*throughout*" the year, and only for EU member parties). As for the **gender information**, the COREPER II text was accepted in rows 21, 40 and 69. A reference to gender was strongly requested by the European Parliament. A mere encouragement of including information on gender balance was then inserted in Recital 5 of the amending regulation (row 15). Thus, gender information is not a compulsory precondition for registration and does not appear in any Article of the Regulation.

5. Regarding the **National Contact Points** definition, the final compromise text, addressing some concerns expressed during the last COREPER meeting, does not include any reference to the Financial Regulation in Article 2(10) of Regulation No. 1141/2014. The possibility to choose as a National Contact Point among the persons or bodies already designated for issues related to the early detection and exclusion system is only mentioned in the new Recital 3a (rows 13 and 29 of the table in ADD1).

6. The provisional agreement also includes the COREPER text on the need to pay particular attention to the position of **small European Political Parties and Foundations** for the next comprehensive review of the Regulation No. 1141/2014 (rows 20 and 66 of the table in ADD1).

7. As regards the issue of the responsibility of **natural persons**, as provided for in the Commission proposal's new paragraph 5a of Article 27 of Regulation No. 1141/2014, the COREPER II had explicitly specified in its mandate that the financial sanctions foreseen in paragraph 4 of the same Article, actually conceived for the European political parties and foundations, would be applicable to natural persons but could be proportionally adjusted "*taking into account the specific situation of the natural person concerned and the circumstances of the case*".

8. During the negotiations it became clear that the amending provision in question was not aimed at imposing financial sanctions on natural persons. The sole aim of the amending provision is introducing the possibility for the Authority, when imposing a financial sanction on a European political party or foundation, to ascertain, in specific cases, the responsibility of the natural persons concerned. The recognition of the responsibility of the natural persons concerned eventually made by the Authority is therefore meant to be relevant only as regards the recovery of amounts unduly paid, as referred to in Article 30 of Regulation 1141/2014.

9. For this reason, the final compromise text actually corresponds to the original Commission proposal but for the sake of clarity, the amending provision on the responsibility of natural persons was moved from the existing Article 27, which deals with "*Sanctions*", to a new Article 27a, specifically dedicated to the "*Responsibility of natural persons*" (rows 52-54 of the table in ADD 1). Furthermore, the element of proportionality introduced in the COREPER mandate is now enshrined in the amended Article 30(2), which deals with the recovery of amounts unduly paid (rows 57-58 of the table in ADD 1).

10. The reference to the natural persons which had been added by COREPER in Article 34 of Regulation 1141/2014 ("*Right to be heard*") is maintained and merely updated, in order to take into account the introduction of the new Article 27a (rows 61-62 of the table in ADD 1).

III. CONCLUSION

11. The Permanent Representatives Committee is invited to approve the final compromise text as set out in ADD 1 with a view to securing an agreement on this file.