

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

*Article 1*

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

- (1) In paragraph 2 of Article 121, the following point is added:
  - (j) contributions to European political parties referred to in Title VIII of Part Two..
- (2) Article 125 is amended as follows:
  - (a) the second subparagraph of paragraph 3 is deleted;
  - (b) paragraph 6 is replaced by the following:

6. If a European political foundation within the meaning of Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council<sup>(1)</sup> realises a surplus of income over expenditure at the end of a financial year in which it received an operating grant, the part of that surplus corresponding to up to 25 % of the total income for that year may, by derogation from the no-profit principle laid down in paragraph 4 of this Article, be carried over to the following year provided that it is used before the end of the first quarter of that following year..
- (3) In Part Two, the following Title is added:

TITLE VIII

**CONTRIBUTIONS TO EUROPEAN POLITICAL PARTIES**

*Article 204a*

**General provisions**

- 1 For the purposes of this Regulation, European political parties shall mean the entities registered as such in accordance with Regulation (EU, Euratom) No 1141/2014.
- 2 Direct financial contributions from the budget may be awarded to European political parties in view of their contribution to forming European political awareness and to expressing the political will of the citizens of the Union in accordance with Regulation (EU, Euratom) No 1141/2014.

*Article 204b*

**Principles**

- 1 Contributions shall only be used to reimburse the percentage set out in Article 17(4) of Regulation (EU, Euratom) No 1141/2014 of the operating costs of

European political parties directly linked to objectives of those parties, as specified in Article 17(5) and Article 21 of that Regulation.

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

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

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

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

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

#### *Article 204c*

#### **Budgetary aspects**

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

#### *Article 204d*

#### **Call for contributions**

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

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

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

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

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

6 The call for contributions shall require an estimated budget.

#### *Article 204e*

#### **Award procedure**

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

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

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

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

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

#### *Article 204f*

#### **Evaluation procedure**

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

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

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

- a the subject and the overall amount of the contribution;
- b the name of the selected applicants and the amounts accepted;
- c the names of any applicants rejected and the reasons for that rejection.

4 The authorising officer responsible shall inform applicants in writing of the decision on their applications. If the application for funding is rejected or the amounts requested are not awarded in part or in full, the authorising officer responsible shall give the reasons for either the rejection of the application or the non-award of the amounts requested, with reference in particular to the eligibility and award criteria referred to in paragraphs 1 and 2. If the application is rejected, the authorising officer responsible shall inform the applicant of the available means of administrative and/or judicial redress as provided for by Article 97 of this Regulation.

### *Article 204g*

#### **Form of contributions**

- 1 Contributions may take any of the following forms:
- a reimbursement of a percentage of the reimbursable expenditure actually incurred;
  - b reimbursement on the basis of unit costs;
  - c lump sums;
  - d flat-rate financing;
  - e a combination of the forms referred to in points (a) to (d).
- 2 Only expenditure which meets the criteria established in the calls for contributions and which has not been incurred prior to the date of submission of the application may be reimbursed.

### *Article 204h*

#### **Rules for contribution**

- 1 Unit cost shall cover all or certain specific categories of reimbursable expenditure which are clearly identified in advance by reference to an amount per unit.
- 2 Lump sums shall cover, in global terms, certain expenditure necessary for carrying out a specific activity of the European political party. Lump sums shall be used only in combination with other forms of contributions.
- 3 Flat-rate financing shall cover specific categories of reimbursable expenditure which are clearly identified in advance by applying a percentage.
- 4 Where lump sums, flat-rate financing or unit costs are used, they shall be defined in the call for contributions with their respective amounts and rates, where applicable. The call for contributions shall also contain a description of the methods for determining lump sums, flat-rate financing or unit costs, which shall be based on objective means such as statistical data, certified or auditable historical data of the European political parties or their usual cost accounting practices. The contribution agreement or decision shall include provisions that allow verifying that the conditions for the award of lump sums, flat-rate financing or unit costs have been complied with.

### *Article 204i*

#### **Prefinancing**

The contributions shall be paid out in full through one single prefinancing payment, unless, in duly justified cases, the authorising officer responsible decides otherwise.

### Article 204j

#### Guarantees

The authorising officer responsible may, if he or she deems it appropriate and proportionate, on a case-by-case basis and subject to risk analysis, require the European political party to lodge a guarantee in advance in order to limit the financial risks connected with the prefinancing payment only when, in the light of the risk analysis, the European political party is at imminent risk of being in one of the situations described in points (a) and (d) of Article 106(1) of this Regulation or when a decision of the Authority for European political parties and foundations established under Article 6 of Regulation (EU, Euratom) No 1141/2014 ('the Authority') has been communicated to the European Parliament and the Council in accordance with Article 10(4) of that Regulation.

The provisions laid down in Article 134 of this Regulation on the prefinancing guarantee for grants shall apply *mutatis mutandis* to guarantees which may be required in the cases foreseen in the first paragraph of this Article to prefinancing payments made to European political parties.

### Article 204k

#### Use of contributions

- 1 Contributions shall be spent in accordance with Article 204b.
- 2 Any part of the contribution not spent within the financial year covered by that contribution (year n) shall be spent on any reimbursable expenditure incurred by 31 December of year n+1. Any remaining part of the contribution that is not spent within that time limit shall be recovered in accordance with Chapter 5 of Title IV of Part One.
- 3 European political parties shall respect the maximum co-financing rate laid down in Article 17(4) of Regulation (EU, Euratom) No 1141/2014. Remaining amounts of the previous year's contributions may not be used to finance the part which European political parties must provide from their own resources. Contributions by third parties to joint events shall not be considered to be part of the own resources of a European political party.
- 4 European political parties shall use the part of the contribution that has not been used within the financial year covered by that contribution before using contributions awarded after that year.
- 5 Any interest yielded by the prefinancing payments shall be considered as part of the contribution.

### Article 204l

#### Report on the use of the contributions

- 1 The European political party shall, in accordance with Article 23 of Regulation (EU, Euratom) No 1141/2014, submit its annual report on the use of the

contribution and its annual financial statements for approval to the authorising officer responsible.

- 2 The annual activity report referred to in Article 66(9) of this Regulation shall be drafted by the authorising officer responsible on the basis of the annual report and the annual financial statements referred to in paragraph 1 of this Article. Other supporting documents may be used for the purposes of drafting that report.

#### *Article 204m*

### **Payment of the balance**

- 1 The amount of the contribution shall not become final until the approval of the annual report and the annual financial statements referred to in Article 204l(1) by the authorising officer responsible. Approval of the annual report and the annual financial statements shall be without prejudice to subsequent checks by the Authority.

- 2 Any unspent amount of prefinancing shall not become final until it has been used by the European political party to pay reimbursable expenditure which meets the criteria defined in the call for contributions.

- 3 Where the European political party fails to comply with its obligations related to the use of contributions, the contributions shall be suspended, reduced or terminated after the European political party has been given the opportunity to present its observations.

- 4 The authorising officer responsible shall verify before making the payment of the balance that the European political party is still registered in the Register referred to in Article 7 of Regulation (EU, Euratom) No 1141/2014 and has not been the subject of any of the penalties provided for in Article 27 of that Regulation between the date of its application and the end of the financial year covered by the contribution.

- 5 Where the European political party is no longer registered in the Register referred to in Article 7 of Regulation (EU, Euratom) No 1141/2014 or has been the subject of any of the penalties provided for in Article 27 of that Regulation, the authorising officer responsible may suspend, reduce or terminate the contribution and recover amounts unduly paid under the contribution agreement or decision, in proportion to the seriousness of the errors, irregularities, fraud or other breach of obligations related to the use of contribution, after the European political party has been given the opportunity to present its observations.

#### *Article 204n*

### **Control and penalties**

- 1 Each contribution agreement or decision shall provide expressly for the European Parliament, European Anti-Fraud Office and the Court of Auditors to exercise their powers of control, on documents and on the premises, over all European political parties, contractors and subcontractors who have received Union funding.

- 2 Administrative and financial penalties which are effective, proportionate and dissuasive may be imposed on applicants by the authorising officer responsible, in accordance with Article 109 of this Regulation and with Article 27 of Regulation (EU, Euratom) No 1141/2014.

- 3 Penalties referred to in paragraph 2 may also be imposed on European political parties which, at the moment of the submission of the application for contribution or after having received the contribution, made false declarations in supplying the information requested by the authorising officer responsible or failed to supply such information.

*Article 204o*

**Record keeping**

- 1 European political parties shall keep all records and supporting documents pertaining to the contribution for five years following the submission of the annual report and the annual financial statements referred to in Article 204l(1).
- 2 Records related to audits, appeals, litigation or the settlement of claims arising out of the use of the contribution shall be retained until the end of such audits, appeals, litigation or settlement of claims.

*Article 204p*

**Selection of external audit bodies or experts**

The independent external audit bodies or experts referred to in Article 23 of Regulation (EU, Euratom) No 1141/2014 shall be selected through a public procurement procedure. The term of their contract shall be no longer than five years. After two consecutive terms, they shall be deemed to have conflicting interests which may negatively affect the performance of the audit..

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**Status:** This is the original version (as it was originally adopted).

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- (1) Regulation (EU, Euratom) No 1141/2014 of the European Parliament and of the Council of 22 October 2014 on the statute and funding of European political parties and European political foundations ([OJ L 317, 4.11.2014, p. 1](#)).’.