



Press and Information

General Court of the European Union  
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Judgment in Case T-48/17  
Alliance for Direct Democracy in Europe (ADDE) v Parliament

## **The European Parliament's decision on the financing of the ADDE party in 2015 is annulled for lack of impartiality**

*However, the Parliament was entitled to demand a bank guarantee and to limit pre-financing for the financial year 2017*

In December 2014, Alliance for Direct Democracy in Europe (ADDE), a political party at European level dominated by the UK Independence Party (UKIP), was the subject of a decision of the Parliament's Bureau awarding it a maximum grant of €1 241 725 for the 2015 financial year.

Additional checks were subsequently carried out and an external audit report concluded that certain expenditure was ineligible for the 2015 financial year. Therefore, in November 2016, the Parliament declared the sum of € 500 615.55 to be ineligible and requested ADDE to reimburse the sum of € 172 654.92.

In December 2016, the Bureau of the Parliament adopted a decision awarding a maximum grant of € 1 102 642.71 to ADDE for the 2017 financial year. The Bureau of the Parliament stipulated that the pre-financing would be limited to 33% of the maximum amount of the grant, conditional upon the presentation of a bank guarantee, in view of the fact that ADDE's financial viability had been called into question in the absence of own resources.

ADDE brought an action before the General Court for annulment of the two decisions of November and December 2016 concerning the 2015 and 2017 financial years.

According to ADDE, the decision relating to the 2015 financial year is neither fair nor impartial on account of the composition of the Bureau of the Parliament. In particular, ADDE argues that the Bureau does not include a single representative of the 'Eurosceptic' parties and is unable to ensure the impartial and objective control of the funds allocated to European political parties and to the political foundations linked to them. In addition, according to ADDE, a member of the Bureau of the Parliament made public statements before the meeting that led to the adoption of the contested decision relating to the 2015 financial year, demonstrating her hostility and lack of impartiality towards ADDE.

In today's judgment, the General Court states that the member in question of the Bureau of the Parliament made comments which, from the point of view of an external observer, allowed the inference that that member had prejudged the issue before the contested decision relating to the 2015 financial year was adopted. In addition, that member was, with another member, responsible within the bureau for monitoring files relating to the funding of political parties at European level. The Court next states that, **given the categorical and unequivocal content of those statements made before the contested decision relating to the 2015 financial year was adopted, the appearances of impartiality were seriously compromised.**

The Court points out that the Parliament must provide sufficient guarantees to rule out any doubt over the lack of bias of its members when taking administrative decisions, which means that **the members are to abstain from making public statements relating to the proper or improper management of funds by political parties at European level when the files are being examined.**

The Court next examines the ineligibility of certain expenditure connected with the financing of certain opinion polls in the UK.

The Court observes, first, that the funding of political parties at European level from the general budget of the EU or from any other source may not be used for the direct or indirect funding of other political parties, and in particular national parties or candidates, and secondly, that funds from the EU cannot be used to finance referenda campaigns.

The Court points out that the opinion poll at issue was conducted in Belgium, France, Hungary, the Netherlands, Poland, Sweden and the UK, on a sample of around 1 000 people in each State. The questions, which were the same in the seven Member States, concerned, inter alia, the EU membership of those States, how the participants would vote in an eventual EU membership referendum and reforming the conditions for EU membership. The Court next finds that **only the part of the opinion poll relating to the UK is concerned by the prohibition of the financing of referenda campaigns**. Therefore, the Court considers that the declaration that all the expenditure relating to the opinion poll was ineligible was not justified.

**In view of the requirements for impartiality and the characteristics of the opinion poll in question, the Court annuls the Parliament's decision relating to the 2015 financial year.**

According to ADDE, the decision relating to the 2017 financial year infringes the principle of proportionality and the principle of equal treatment as regards the limiting of pre-financing to 33% of the total grant together with the requirement for a bank guarantee.

The Court observes that **the Parliament has the power, first, to require a bank guarantee to be provided and, secondly, to limit the amount of the pre-financing in order to limit the financial risk for the EU connected with the pre-financing**.

The Court finds that alternative measures could not have safeguarded the financial interests of the EU in the same way as the measures adopted by the Parliament. Terminating the grant where the beneficiary is declared bankrupt or is the subject of liquidation proceedings does not ensure that the Parliament will be able to recover any disbursed funds. The same applies to merely limiting the pre-financing to 33% of the amount of the grant without requiring a bank guarantee, which could not ensure any recovery of the sums disbursed by the Parliament. Therefore, in view of the Parliament's margin of discretion when determining the appropriate and necessary measures for protecting the EU against a financial risk, the Court concludes that there was no infringement of the principle of proportionality.

The Court also concludes that there was no infringement of the principle of equal treatment since the Bureau of the Parliament adopted, at the same time, similar measures reducing the financial risk relating to seven recipients, including ADDE. In addition, even though the Parliament envisaged asking some beneficiaries for measures to improve their financial situation, that possibility was envisaged for all the beneficiaries and there is no indication that the Parliament actually offered that possibility to some beneficiaries, but not to ADDE.

**The Court therefore dismisses the application for annulment of the decision relating to the 2017 financial year.**

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**NOTE:** An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months and ten days of notification of the decision.

**NOTE:** An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to EU law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

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The [full text](#) of the judgment is published on the CURIA website on the day of delivery

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