European Democracy: Commission sets out new laws on political advertising, electoral rights and party funding

Brussels, 25 November 2021

The European Commission has today presented a proposal on transparency and targeting of political advertising, as part of measures aimed at protecting election integrity and open democratic debate. The proposed rules would require any political advert to be clearly labelled as such and include information such as who paid for it and how much. Political targeting and amplification techniques would need to be explained publicly in unprecedented detail and, would be banned when using sensitive personal data without explicit consent of the individual. The Commission also proposes to update the current EU rules concerning EU “mobile citizens” and their right to vote in European and municipal elections as well as on European political parties and foundations.

Vice-President for Values and Transparency, Vera Jourová said: "Elections must not be a competition of opaque and non-transparent methods. People must know why they are seeing an ad, who paid for it, how much, what micro-targeting criteria were used. New technologies should be tools for emancipation, not for manipulation. This ambitious proposal will bring unprecedented level of transparency to political campaigning and limit the opaque targeting techniques.”

Commissioner for Justice, Didier Reynders, said: "Fair and transparent elections are an integral part of a vibrant and functioning society. That is why we need to support inclusive and equal participation in the 2024 elections to the European Parliament and in municipal elections across the EU. With the proposal on political advertising, we are securing the use of personal data in context of political targeting, protecting the democratic process. Together, we are making progress with our common work for democracy.”

Clear rules on transparency and targeting of political advertising

With the digital transition under way, people must be able to easily distinguish whether they are looking at paid political content – offline and online, and be able to participate in open debates, free from disinformation, interference and manipulation. People should be able to clearly see who sponsored a political advert and why. The main measures set out in the proposed Regulation on transparency and targeting of political adverts include:

- **Scope:** Political ads will cover ads by, for or on behalf of a political actor as well as so called issue-based ads which are liable to influence the outcome of an election or referendum, a legislative or regulatory process or voting behaviour.

- **Transparency labels:** Paid political advertising must be clearly labelled and provide a set of key information. This includes the name of the sponsor prominently displayed and an easily retrievable transparency notice with (1) the amount spent on the political advertisement, (2) the sources of the funds used and (3) a link between the advertisement and the relevant elections or referenda.

- **Strict conditions for targeting and amplification:** Political targeting and amplification techniques, which use or infer sensitive personal data, such as ethnic origin, religious beliefs or sexual orientation, will be banned. Such techniques will be allowed only after an explicit consent from a person concerned. Targeting could also be allowed in the context of legitimate activities of foundations, associations or not-for-profit bodies with a political, philosophical, religious or trade union aim, when it targets their own members. For the first time it will be mandatory to include into the ads' clear information on what basis the person is targeted and to publish which groups of individuals were targeted, on the basis of which criteria and with what amplification tools or methods, among others. Organisations making use of political targeting and amplification will need to adopt, apply and make public an internal policy on the use of such techniques. If all transparency requirements cannot be met, a political add cannot be published.

- **Fines for breaches:** Member States will be required to introduce effective, proportionate and dissuasive fines when the rules on transparency of political advertising are breached. Under the
proposed Regulation, National Data Protection Authorities will monitor specifically the use of personal data in political targeting and have the power to impose fines in line with EU data protection rules.

**Update of EU rules on EU political parties and foundations and on electoral rights**

The Commission has also proposed to revise the EU rules on funding of European political parties and foundations. The current framework had a number of loopholes, preventing the parties and foundations from operating and fulfilling their mission to represent the voice of EU citizens. The updates to the Regulation seek to facilitate European political parties interactions with their national member parties and across borders, increase transparency, in particular in relation to political advertisement and donations, cut excessive administrative burden and increase the financial viability of European political parties and foundations.

Finally, the Commission has proposed to update the current rules on European elections and municipal for EU citizens who reside in a different Member State to their state of nationality ("mobile EU citizens"). While there are around 13.5 million such citizens, very few exercise their right to vote in European and municipal elections. In order to ensure inclusive participation ahead of European elections in 2024, the Commission proposes targeted amendments to the existing Directives on electoral rights including, among others, obligation to inform such citizens proactively of their electoral rights, use standardised templates for registration as voters or candidates as well as use of language broadly spoken by the mobile EU citizens residing at the territory. The proposal also includes safeguards for EU mobile citizens not to be de-registered from electoral roll in the country of their origin.

**Next Steps**

The proposals will now be discussed by the European Parliament and the Council. To ensure that the 2024 elections to the European Parliament take place under the highest democratic standards, the aim is for the new rules to enter into force and be fully implemented by Member States by spring 2023, i.e. one year before the elections.

**Background**

As part of her priority for a new push for European democracy in her political guidelines, President von der Leyen announced legislative proposals to ensure greater transparency on paid political advertising and clearer rules on the financing of European political parties.

In the European Democracy Action Plan, adopted in December 2020, the Commission presented its first assessment of the challenges in relation to political advertising and issues linked to new techniques used to target advertising based on users' personal data. Regardless of whether the data was properly obtained or not, those techniques can be misused to exploit citizens’ vulnerabilities. EU citizens have a right to receive objective, open and pluralistic information. This is particularly pertinent, as a recent Eurobarometer survey showed that nearly four out of ten Europeans have been exposed to content where they could not easily determine whether it was a political advertisement or not.

The proposed Regulation builds on and complements relevant EU law, including the General Data Protection Regulation (‘GDPR’) and the proposed Digital Services Act (‘DSA’), which, once adopted, will lay out comprehensive transparency, accountability and systems design rules for advertising on online platforms, also as regards political advertising. The update of the self-regulatory Code of Practice on Disinformation, based on the recently published Commission guidance, will also complement the proposed Regulation.

The Regulation on the statute and funding of European political parties and European political foundations is a recent piece of legislation, only applied at the 2019 elections to the European Parliament. However, a number of loopholes were identified in the current regulatory framework that prevent European political parties and foundations from fulfilling their mission to help to create a European political space. The Commission is therefore putting forward today a proposal to recast that Regulation.

EU citizens residing in a different Member State than the one of their origin – mobile EU citizens - have the right to vote and stand as candidates in elections to the European Parliament and municipal elections in their Member State of residence. Yet, their turnout is frequently lower than that of citizens who are nationals of the host Member State. This is partly due to complicated registration processes in a Member State of residence or lack of clear information on their rights. This makes it more difficult for mobile EU citizens to exercise their voting rights and thus undermines their democratic rights. To address these concerns, update to the relevant legal framework, namely the Directive on the right to vote and stand as a candidate in elections to the European Parliament and
the Directive on the exercise of the right to vote and to stand as a candidate in municipal elections is proposed.

For More Information

Questions and Answers on Reinforcing democracy and integrity of elections package
Factsheet on European democracy: new transparency rules on political advertising and targeting
Video by Vice-President Vera Jourová on political advertising
Electoral rights webpage – all legal files and annexes
European Democracy Action Plan

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