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## 1. Background and common elements

As part of the European Transparency Initiative (ETI), the Commission launched in 2008 a voluntary register for lobbyists to promote transparency in lobbying the EU institutions.

<https://webgate.ec.europa.eu/transparency/regrin/infos/howtoregister.do>

Registrants are required to publish in the register '*an estimate of the cost associated with the direct lobbying of EU institutions*'. Little guidance has been provided from the Commission on how this estimate is to be calculated. This creates a risk that conflicting or incompatible information provided by registrants of the same type will undermine the credibility of the information provided. SEAP is therefore providing such guidelines.

### Objective of the SEAP guidelines

To provide a consistent methodology for the provision of information in the Commission register.

### Definitions

SEAP recommends the following definition of direct lobbying:

"Any active engagement with personnel and members of EU institutions with the objective of promoting a particular EU policy or legislative outcome".

### Duplication and double counting

SEAP recommends that registrants avoid double counting. Thus where registrants pay fees for external services such as EU affairs consultants, legal firms or trade associations these fees should **NOT** be included in the registrant's calculations. SEAP recommends that registrants request the underlying consultant, legal firm or association they use to make such a declaration.

### Transparency & complying with the SEAP code of conduct

Each SEAP member subscribes to the organisation's code of conduct. Article 2 states that "[European affairs professionals when making representations to the EU institutions shall be open and transparent in declaring their name, organisation or company, and the interest they represent.](#)" In keeping with this SEAP recommends registrants while NOT counting the fees do publish their membership or use of these external services.

### VAT

All estimates should exclude VAT.

### Statement on SEAP code and SEAP guidelines

All registrations should state:

- a) the registrant is a signatory of the SEAP code,
- b) this registration is calculated according to the SEAP guidelines.

### Balancing accounting with reputation

While SEAP does not recommend overstating lobbying costs, there is a risk in being challenged for providing figures which are perceived by third parties as too low and being accused of dishonesty as a result. Erring on the side of generosity may be a better course where there is uncertainty.

## 2. Trade associations

### Background

The Registration procedure states:

“Registrants of the category in-house lobbyists and trade associations active in lobbying are expected to provide an estimate of the cost associated with the direct lobbying of EU institutions. This estimate does not have to satisfy conventional financial reporting and accountancy requirements and therefore has no legally binding characteristics or effects. Registrants are asked to disclose the total cost of their organisation associated to lobbying EU institutions, based on the latest annual accounts. This cost is defined as the registrant's total spending for such activities. To offer the greatest possible flexibility, the costs can be declared either in absolute amounts or as a range, the intervals are expressed in steps of 50.000 €.”

### Methodology and what to declare

It is impossible to definitively separate direct lobbying from the indirect elements of interest representation. SEAP therefore recommends that all direct and indirect forms of interest representation by trade associations are quantified for the purposes of ETI registration. As a general rule the cost of “direct lobbying” has two headings:

- (1) a share of ‘**personnel costs**’ devoted to lobbying (salaries etc)
- (2) a share of ‘**other costs**’ associated with lobbying (entertainment, events etc)

#### (1) Guidance on calculating the share of ‘personnel costs’

SEAP recommends that the share of personnel costs is calculated on the basis of staff time devoted to lobbying: e.g. a director general might spend 10% of their time, an EU affairs manager 40%, and a communications manager 25%. The share of personnel costs devoted to direct lobbying would then be the sum of the respective shares.

#### (2) Guidance on calculating the share of ‘other costs’

SEAP recommends the inclusion of other expenses which may be relevant to ‘direct lobbying’ such as entertainment, events, travel, and communication (but excluding fees paid to external bodies). These costs will vary widely and may be costly to accurately estimate. SEAP therefore recommends a simple formula to apply the aggregate percentage of staff time from (1) above, to the estimate of all heading (2) items. For example:

|                         |                     |
|-------------------------|---------------------|
| Director General:       | 10 / 100            |
| EU affairs manager:     | 40 / 100            |
| Communications manager: | 25 / 100            |
| Secretary:              | 0 / 100             |
| <hr/>                   |                     |
| Total:                  | 75 / 400 (i.e. 19%) |

The amount declared is thus 19% of total personnel costs + 19% of other costs.

### A note of caution

Associations should take into account local legal provisions. In some member states there are case by case agreements with the tax authorities on VAT exemptions with respect to lobbying. Associations should consider the respective political risks and benefits inherent in the amount they declare as lobbying cost.

## 3. Corporates

### Background

The Registration procedure states:

“Registrants of the category in-house lobbyists and trade associations active in lobbying are expected to provide an estimate of the cost associated with the direct lobbying of EU institutions. This estimate does not have to satisfy conventional financial reporting and accountancy requirements and therefore has no legally binding characteristics or effects. Registrants are asked to disclose the total cost of their organisation associated to lobbying EU institutions, based on the latest annual accounts. This cost is defined as the registrant's total spending for such activities. To offer the greatest possible flexibility, the costs can be declared either in absolute amounts or as a range, the intervals are expressed in steps of 50.000 €.”

### Methodology and what to declare

It is impossible to definitively separate direct lobbying from the indirect elements of interest representation. SEAP therefore recommends that all direct and indirect forms of interest representation by corporates are quantified for the purposes of ETI registration.

As a general rule the cost of “direct lobbying” has two headings:

- (3) a share of ‘**personnel costs**’ devoted to lobbying (salaries etc)
- (4) a share of ‘**other costs**’ associated with lobbying (entertainment, events etc)

#### (1) Guidance on calculating the share of ‘personnel costs’

SEAP recommends that the share of personnel costs is calculated on the basis of staff time devoted to lobbying: e.g. the director might spend 10% of their time, an EU affairs manager 40%, and a communications manager 25%. The share of personnel costs devoted to direct lobbying would then be the sum of the respective shares.

#### (2) Guidance on calculating the share of ‘other costs’

SEAP recommends the inclusion of other expenses which may be relevant to ‘direct lobbying’ such as entertainment, events, travel, and communication (but excluding fees paid to external bodies). These costs will vary widely and may be costly to accurately estimate. SEAP therefore recommends a simple formula to apply the aggregate percentage of staff time from (1) above, to the estimate of all heading (2) items. For example:

|                         |                     |
|-------------------------|---------------------|
| Office Director:        | 10 / 100            |
| EU affairs manager:     | 40 / 100            |
| Communications manager: | 25 / 100            |
| Secretary:              | 0 / 100             |
| <hr/>                   |                     |
| Total:                  | 75 / 400 (i.e. 19%) |

The amount declared is thus 19% of total personnel costs + 19% of other costs.

Where there is no separate budget and public affairs professionals are part of another department SEAP recommends taking the personnel costs of the individuals for whom public affairs is the primary responsibility and calculating a figure which would represent the other associated costs. If in doubt SEAP recommends applying the US norm of +75%. Thus the total declaration is 175% of the primary personnel costs estimated.

### Transparency under the SEAP code

SEAP recommends corporates declare the lists of their memberships of trade associations and the consultancies and legal offices they use.

## ***4. Public affairs consultancies***

### **Background**

The Registration procedure states:

“For professional consultancies and law firms involved in lobbying EU institutions, the total turnover linked to lobbying EU institutions, as well as the relative weight of the clients in this turnover, should be declared. Registrants are asked to disclose first the total turnover of their organisation linked to lobbying EU institutions, based on the latest annual accounts. This turnover is defined as the registrant's total revenue from all clients for such activities. To offer the greatest possible flexibility, the turnover can be declared either in absolute amounts or as a range. The intervals are expressed in steps of 50.000 €.”

### **Methodology and what to declare**

Public Affairs consultancies' principal income takes the form of professional service fees which are generally charged on an hourly/daily basis, or as a retainer.

SEAP recommends Public Affairs consultancies disclose the total share of their turnover related to providing direct lobbying.

SEAP recommends Public Affairs consultancy disclose turnover shares by client, based on the Commission's annual budget bands indicating annual turnover.

### **Transparency under the SEAP code**

SEAP recommends public affairs consultancies declare their client lists.

## 5. Law firms

### Background

The Registration procedure states:

“For professional consultancies and law firms involved in lobbying EU institutions, the total turnover linked to lobbying EU institutions, as well as the relative weight of the clients in this turnover, should be declared. Registrants are asked to disclose first the total turnover of their organisation linked to lobbying EU institutions, based on the latest annual accounts. This turnover is defined as the registrant's total revenue from all clients for such activities. To offer the greatest possible flexibility, the turnover can be declared either in absolute amounts or as a range. The intervals are expressed in steps of 50.000 €.”

### Methodology and what to declare

Law firms principal income takes the form of professional service fees which are generally charged on an hourly/daily basis, or as a retainer.

SEAP recommends that any law firms deciding to register disclose the total share of their turnover related to providing direct lobbying.

SEAP recommends law firms disclose turnover shares by client, based on the Commission's annual budget bands indicating annual turnover.

### Transparency under the SEAP code

SEAP recommends that law firms declare their list of clients on whose behalf they conduct interest representation work, provided this does not constitute a breach of legal or professional duties of the lawyers concerned.

### Relationship to national groups of law firms and national law

As noted above, law firms should ensure compliance with professional duties before registering and disclosing client matters. Bars and law societies should be consulted for further advice.

## 6. NGOs and think tanks

### **Background**

The Registration procedure states:

"Registrants of the categories "NGOs and think-tanks" as well as "other organised civil society organisations" have to publish their overall budget i.e. the total budget of the organisation, be it dedicated to interest representation or not. Once this amount has been disclosed, the main sources of its funding, such as public (European, national or sub-national) funding, donations, membership-fees, etc. have to be indicated".

### **Methodology and what to declare**

SEAP recommends NGOs and think tanks follow this simple Commission procedure above and register their total budget.

### **Transparency under the SEAP code**

SEAP recommends NGOs and think tanks declare the full list of all their sources of funding.

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