ЕВРОПЕЙСКИ ПАРЛАМЕНТ PARLAMENTO EUROPEO EVROPSKÝ PARLAMENT EUROPA-PARLAMENTET
EUROPÄISCHES PARLAMENT EUROOPA PARLAMENT ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΟΒΟΥΛΙΟ EUROPEAN PARLIAMENT
PARLEMENT EUROPÉEN PARLAIMINT NA hEORPA PARLAMENTO EUROPEO EIROPAS PARLAMENTS
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ECPRD Request 1419

The financing of political parties and political foundations in EU Member States

(Requested by the Directorate-General for Finance of the European Parliament)

Compilation prepared by Nikolai Kohl, trainee in the Directorate for Relations with National Parliaments, under the supervision of Josep Maria Ribot and Ulrich Hüschen, Administrators and ECPRD Correspondent and ECPRD Deputy-Correspondent respectively.

Comparative summary closed on 7 May 2010

European Parliament
Directorate-General for the Presidency
Directorate for Relations with National Parliaments

Introduction

This ECPRD comparative study was launched by the Directorate for Relations with National Parliaments of DG Presidency, following a request by the Directorate-General for Finance for a study on the financing of political parties and political foundations in the Members States of the EU (internal EP reference, GEDA D(2010)13514).

A total of 24 national parliaments of the EU Member States replied to the request, comprising of a series of 8 questions, by the deadline of 7 May 2010. Those not having responded are Luxemburg, Malta, and the Netherlands. Replies arriving after the deadline may be annexed to this compilation at a later date and consulted on the ECPRD website (login: epstaff - password: epstaff).

This compilation is structured by country, first with a summary of the replies submitted by each parliament followed by an annex with the full text of the reply, often including references to legislation and other regulations. A comparative table providing a synthesis of the basic content, drawn up by the Directorate for Relations with National Parliaments, is provided at the beginning of the study.

It can be noted, that the ECPRD in the context of comparative requests have covered this subject matter in the past. These requests with their replies, and often with comparative summaries, can be consulted on the ECPRD website. In particular, Question 1 of the current request (description of the system of financing parties and political foundations) is covered in Requests numbered 37, 114 and 173 and Requests 963, 1212 and 1378 deal with the subject of private donations (question 4 of the current request).

Most of the questions tabled by DG Finance were answered though not all national parliaments answered as comprehensively as each other on some of the issues, particularly for example, question 8 on the methods of apportioning subsidies between parties and foundations, usually because of lack of regulation in this area in some of the Member States.

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ECPRD request 1419: The financing of political parties and political foundations in the EU Member States

Column 1 gives a brief overview:
- subsidies for parties: Yes or No,
- amount of donations: Limited (Ltd.) or Unlimited (Ul.),
- subsidies for foundations: Yes or No.

Please consider the respective summary of each Member State for more detailed information about each question.

	1. General description of the system of financing	2. Maximum rates of subsidies and the minimum rate of co-financing	3. The eligibility requirements for obtaining a subsidy	4. Rules concerning private donations (for natural and legal persons)	5. The systems of awarding subsidies	6. Documents submitted as part of the subsidy request	7. Financial audit of parties at national level	8. The methods of apportioning subsidies between parties and foundations
Austria	-Subsidies: Yes -Donations: Ul. -Foundations: Yes	-Variable maximum -No co-financing	-1MP or 1% of national elections	-Natural: unlimited -Legal: unlimited	-If ≥5 MPs: 218,019€/party; the remaining funds proportional -If ≥1 MP: 1.95€/ eligible voter. -If ≥1 MEP: 1.95€/ eligible voter less 10%.	No work programme	Annual report	-Basic amount: 661,570€ -Additional amount: 27,708€ per MP -Plus 40% of combined basic and additional amount
Belgium	-Subsidies: Yes -Donations: Ltd. -Foundations: Yes	-Variable maximum -No co-financing	-1 MP	-Natural: 500€/party -Natural: 2000€ total -Legal: 500€/party -Legal: 2000€ total	-125000€/party fixed -1.25€ per vote	No work programme	Annual report	Foundations are regulated in the same way as parties
Bulgaria	-Subsidies: Yes -Donations: Ltd. -Foundations: No	-Variable maximum -No co-financing	-1 MP or 1% of national elections	-Natural: 5115€ total -Legal: banned	-Proportional ?€	No work programme	Annual report: 31.03	Not regulated
Cyprus	-Subsidies: Yes -Donations: Ul. -Foundations: Yes	-4.4 mio € or 7.0 mio € (elections) -No co-financing	-1 MP and 1.8% of national elections	-Natural: unlimited -Legal: unlimited	-Fixed ?€ -Proportional ?€	No work programme	Annual report	342000€ as subsidies for foundations

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Czech Republic	-Subsidies: Yes -Donations: Ul. -Foundations: ?	-Variable maximum -No co-financing	-1 MP -3% of national elections	-Natural: unlimited -Legal: unlimited	-Fixed per party 234000€ + 7900€ per 0.1% (up to 5%). -Fixed per member 35000€	No work programme	Annual report: 01.04	No data
Denmark	-Subsidies: Yes -Donations: Ul. -Foundations: ?	-Variable maximum -No co-financing	-1 MP	-Natural: unlimited -Legal: unlimited	-Fixed per party 444000€ -Fixed per member 69600€	No data	No data	No data
Estonia	-Subsidies: Yes -Donations: Ul. -Foundations: ?	-Variable maximum -No co-financing	-5% of national elections: full subsidy -4% or 1%: partial amount	-Natural: unlimited -Legal: unlimited	-If 5%: proportional of ?€ -If 4%: 16500€ -If 1%: 10000€	No work programme	Annual report	No data
Finland	-Subsidies: Yes -Donations: Ul. -Foundations: No	-36 mio € -No co-financing	-1 MP	-Natural: unlimited -Legal: unlimited	-Fixed per member 180000€	No work programme	No data	-No subsidies -Parties and foundations are free to exchange money
France	-Subsidies: Yes -Donations: Ltd. -Foundations: ?	-74.8 mio € -No co-financing	-1 MP -1% in 50 districts	-Natural: 4600€/candidate -Natural: 7500€ total -Legal: banned	-Proportional per vote ½ -Proportional per member ½ -Up to 50% of authorised electoral expenses	No work programme	Annual report	No data
Germany	-Subsidies: Yes -Donations: Ul. -Foundations: Yes	-133 mio € -50% co-financing	-0.5% of national or European elections or 1% Landtag or 10% in a constituency	-Natural: unlimited -Legal: unlimited	-Per vote 0.85€ (up to 4 mio votes) + 0.70€ (if more) -0.38€ for 1€ donation (max for	No work programme	Annual report: 30.09	Proportional ca. 330 mio € for 6 main foundations.

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					3300€ per person)			
Greece	-Subsidies: Yes -Donations: Ltd. -Foundations: Yes	-1,02‰ of revenues of state budget -0.22‰ of state budget (0.35‰ if multiple elections) -No co-financing	-1 MP or MEP or 1.5% in 70 constituencies	-Natural: 15000€/party -Natural: 3000€/MP -Legal: 1500€/party -Legal: 3000/MP	-Proportional to national elections 80% of subsidies -Proportional to EP elections 10% of subsidies -Equally to parties if 1.5% of votes in 70% of constituencies	No work programme	Annual report	According to party financing 0,1‰ of revenues of state budget
Hungary	-Subsidies: Yes -Donations: Ul. -Foundations: Yes	-9.5 mio € -No co-financing	-1% of national elections	-Natural: unlimited -Legal: unlimited	-Equally to parties in Parliament 25% -Proportional 75%	No work programme	Annual report	Proportional 4.7 mio €
Ireland	-Subsidies: Yes -Donations: Ltd. -Foundations: ?	-Variable maximum -No co-financing	-2% of national elections -1 MP	-Natural: 6348€ total -Legal: 6348€ total	-Fixed 126974€ per party -Degressive (15872€-48574€) per member	No work programme	Annual report	No data
Italy	-Subsidies: Yes -Donations: Ul. -Foundations: ?	-Variable maximum -No co-financing	-1% of national elections -1 MP or 5% (Senato) -1 regional member or MEP	-Natural: unlimited -Legal: unlimited	-Proportional 1€ per citizen on electoral rolls pertaining to Camera elections	No work programme	Annual report: 31.07	No data
Latvia	-Subsidies: No -Donations: Ltd. -Foundations: ?	-No subsidies	-No subsidies	-Natural: max 100 minimum monthly wages total -Legal: likewise	-No subsidies	No work programme	Annual report: 31.03	No data

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Lithuania	-Subsidies: Yes -Donations: Ltd. -Foundations: No	-Variable maximum -No co-financing	-3% in Seimas or municipal council	-Natural: 11334€/party -Legal: 11334€/party	-Proportional -Up to 25% of authorised electoral expenses	No work programme	Annual report: 01.03	Not regulated
Luxembourg	No data	No data	No data	No data	No data	No data	No data	No data
Malta	No data	No data	No data	No data	No data	No data	No data	No data
Netherlands	No data	No data	No data	No data	No data	No data	No data	No data
Poland	-Subsidies: Yes -Donations: Ltd. -Foundations: ?	-Variable maximum -No co-financing	-3% (6% coalition) of national elections -1 MP	-Natural: 15 minimum wages (25 if multiple elections) -Legal: banned	-Degressive per votes -Authorised electoral expenses per member	No work programme	Annual report: 31.03	No data
Portugal	-Subsidies: Yes -Donations: Ltd. -Foundations: No	-Variable maximum -No co-financing	-1 MP or 50000 votes	-Natural: 10480€/party	-Per vote 3.10€ in national elections	No work programme	Annual report	No subsidies
Romania	-Subsidies: Yes -Donations: Ltd. -Foundations: ?	-0.04% of state budget revenues -No co-financing	-5% of national elections -50 seats for county counselors	-Natural: 200 gross minimum salaries (400 if elections) -Legal: 500 gross minimum salaries (1000 if elections)	-Proportional of national parliament 75% of subsidies -Proportional of county counselors 25% of subsidies	No work programme	Annual report: 31.03	No data
Slovakia	-Subsidies: No -Donations: Ul. -Foundations: ?	-No subsidies	-No subsidies	-Natural: unlimited -Legal: unlimited	-No subsidies	No work programme	Annual report: 30.04	No data
Slovenia	-Subsidies: Yes -Donations: Ltd. -Foundations: Yes	-0.017% of GDP (2010 2.8 mio €) -No co-financing	-1% of national elections -1 MP or MEP	-Natural: 10 average monthly worker's salary in total -Legal: likewise	-Equally 10% of subsidies -Proportional 90% of subsidies -0.33€ per vote	No work programme	Annual report 30.04	No subsidies

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Spain	-Subsidies: Yes -Donations: Ltd. -Foundations: ?	-Variable maximum -No co-financing	-1 MP	-Natural: 60,000 EUR -Legal: 60,000 EUR	-Up to an authorised limit: -12,000€ per MP -0,45€ per vote Congress election -0,18€ per vote Senate election -0,12€ per elector per group in Congress or Senate	No work programme	Annual report	No subsidies
Sweden	-Subsidies: Yes -Donations: Ul. -Foundations: No	-41,5 mio € -No co-financing	-1 MP or 2.5% of national elections	-Natural: unlimited -Legal: unlimited	-103865€ per MP -Various additional subsidies	No work programme	Annual report	No subsidies
United Kingdom	-Subsidies: No -Donations: Ul. -Foundations: No	-No subsidies	-No subsidies	-Natural: unlimited -Legal: unlimited	-No subsidies	No work programme	Annual report	No data

Austria

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Austria is comprised of private financing and public financing (two kinds of state subsidies).
- Foundations (referred to as "political academies") receive separate state funding (see question nr. 8).

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- No constant maximum rate of subsidies.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy
(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- For the purposes of publicity and campaigning: At least 1 member of the Nationalrat or more than 1 per cent of valid votes in elections to the Nationalrat.
- As a contribution to the costs of election-campagining: At least 1 member of the Nationalrat or 1 member of the European Parliament.

Question 4, rules concerning private donations

- The amount of private donations is not limited.
- Donations in excess of annually 7,260 EUR per party must be recorded (stating the amount and the identification of the donor) and submitted to the President of the Court of Auditors.
- Each political party must publish the report with the list of donations in the Official Gazette of the Wiener Zeitung by 20 September.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- For the purposes of publicity and campaigning:
  - Each party represented in the Nationalrat with at least 5 representatives receives a basic allowance of 218,019 EUR annually.
  - The remaining funds are distributed among the political parties represented in the Nationalrat in proportion with the number of votes received in the general election.
  - Parties not represented in the Nationalrat, which have received more than 1 per cent of valid votes, may claim funds as well.
- As a contribution to the costs of election-campagining:
  - Each party represented in the Nationalrat receives proportional funds by multiplying the number of those eleigible to vote in the particular Nationalrat elections by the amount of 1.95 EUR (as of 2005).
  - Each party represented in the European Parliament receives funds subject to the aforementioned conditions (1.95 EUR), reduced by 10 per cent.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No annual work programme.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Parties must keep precise record on the proper use of allocated funds which must be examined annually by two sworn auditors and published in the Wiener Zeitung Official Gazette.
- In addition, parties receiving funds must compile an annual report on their income and expenditure. This report must be checked and signed by two independent auditors.

Question 8, the methods of apportioning subsidies between parties and foundations

- The funding of political academies consists of a basic amount (661,570 EUR in 2010).
- In addition, every political academy may claim an additional amount for each member of the Nationalrat (27,708 EUR in 2010).
- Furthermore, every political academy can claim funding for the promotion of international education to the extent of 40 percent of the sum of basic amount and additional amount.

- The aim of political academies is to promote political and cultural discourse and education by providing publications, debate events, seminars, lectures, etc. for the politically interested public.

Annex

1. A brief, general description of the systems of financing parties and political foundations
[please indicate if requests 37, 114 and its update 173 are still reflecting the present state in your country]

The financing as well as the public funding of political parties are regulated in the "Federal Law on the Activities, Financing and Campaigns of Political Parties (Political Parties Act – PartG)".

In addition, the "Federal Law on the Promotion of Communication Science (PubFG)" provides a legal basis for the funding of so called "political academies" of political parties.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

3. The eligibility requirements for obtaining a subsidy
(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

Political parties which are represented in the *Nationalrat* (Lower House of the Austrian Parliament) or at least received more than 1 percent of valid votes in elections to the *Nationalrat* may claim funds under this federal law for the purposes of publicity and campaigning (§ 2 PartG). Furthermore political parties represented in the *Nationalrat* or the *European Parliament* following elections thereto, may claim federal support funds as a contribution to the costs of election-campaigning (§§ 2a and 2b PartG).

1. 2. The Law on the Funding of Parliamentary Groups stipulates in § 1 (1) that the parliamentary groups of deputies to the National Council and members of the Federal Council and the European Parliament are entitled to a contribution to cover their costs arising from their parliamentary duties.

The costs arising from parliamentary duties in particular are spending on personnel, including IT infrastructure, public relations, events, inquiries, mailings and newsletters, printed matter, brochures, expenses for international work.
For more detailed information please see the Law on the Funding Of Parliamentary Groups, Federal Law Gazette N° 156/1985 N° 139/2008.

c) Political parties not represented in the *Nationalrat* (but which received more than 1 percent of valid votes in elections to the *Nationalrat*) may claim funds for the purposes of publicity and campaigning (1) for the election year, as is done by political parties according to sub-par.b; these funds are to be paid to them in the quarter following the elections to the *Nationalrat*.

4. Rules concerning private donations
[you should consider the replies given already in the framework of the recent requests 963, 1212, 1378]

(7) As an appendix to the report (list of donations), donations in excess of the sum of 7,260 Euro made to the political party concerned or to its organisations (provincial, district or local organisations) in the year of the report must be identified as follows:
1. *Total sum of donations from natural persons, who do not come under No 2;*
2. *Total sum of donations from natural and legal persons entered in the Register of Companies;*
3. *Total sum of donations from associations, who do not come under No 4 and*
4. *Total sum of donations from public law corporations, from professional and trade associations founded on voluntary membership, from institutions, foundations or funds.*

(8) Donations according to Par. 7 No. 1 to 3 must be recorded, stating the amounts as well as the names and addresses of donors, in a special list (list of donors), which must be submitted to the President of the Court of Auditors by the time stated in Par. 9. The President of the Court of Auditors must, at the request of the political party concerned, state publicly whether a donation was declared in compliance with the law in the list of donors submitted by the party. The President of the Court of Auditors informs the Federal Chancellor if lists of donors have not been submitted within the time limit or are submitted late.

(9) Each political party must publish the report with the list of donations in the Official Gazette of the Wiener Zeitung by 30th September of the following year.

(10) Should a political party not publish or submit the report, the list of donations or donors within the time limit according to Par. 8 and 9, the Federal Chancellor must withhold any allocations (§ 3 Par. 2) falling to the party until the publication or submission is made in compliance with the law.

5. The systems of awarding subsidies and the systems controlling the use of funds

2. 1. According to § 2 (1) PartG the federal budget support granted to the political parties for the purposes of publicity and campaigning must be utilised in accordance with the following conditions. § 2 (2) PartG stipulates that the amount allocated is calculated in the following manner:

a) each political party represented in the *Nationalrat* (Lower House of the Austrian Parliament) with at least five representatives (club status) receives a basic allowance of € 218,019 annually;

b) The remaining funds according to (1) are, following the granting of the support according to sub-par. a, distributed among the political parties represented in the *Nationalrat* in proportion with the number of votes received in the previous general election;

c) Political parties not represented in the *Nationalrat* (but which received more than 1 percent of valid votes in elections to the *Nationalrat*) may claim funds for the purposes of publicity and campaigning (1) for the election year, as is done by political parties according to sub-par.b; these funds are to be paid to them in the quarter following the elections to the *Nationalrat*.

According to § 2 (3) PartG, the allocations according to § 2 (2) PartG amount to € 14,383,200. This sum shall be decreased or increased as of 2005 in line with the changes to the consumer price index 1996 of the previous year announced by the federal office "Statistik Austria". In 2010, the allocations according to § 2 (2) PartG amount to € 16.164.960.

As regard the "campaigning costs allowance", § 2a PartG holds:

(1) Each political party represented in the Nationalrat following elections thereto, which submits an application before election day, may claim federal support funds following a general election as a contribution to the costs of campaigning (campaigning costs allowance), in accordance with the following conditions.

(2) The total sum of the support funds to be allocated in accordance with Par. 1 is calculated by multiplying the number of those eligible to vote in the particular Nationalrat elections by the amount of 1.94 Euro. This sum shall be decreased or increased as of 2005 in line with changes to the consumer price index 1996 of the previous year announced by the federal office "Statistik Austria".

(3) The sum calculated according to Par. 2 is distributed among the political parties that are represented in the Nationalrat in proportion to the number of votes

received in the previous general election. The sums falling to parties which did not submit an application for the award of the campaigning costs allowance, is to be accounted for in the calculation, but is not to be paid out.

(4) Applications for the award of the campaigning costs allowance are to be submitted to the Bundeskanzleramt (Federal Chancellery). § 4 must be applied mutatis mutandis.

(5) Par. 3, as amended in the Federal Law, Federal Law Gazette No 117/1996, is to be applied for the first time in the distribution of campaigning cost allowances falling to those political parties eligible to claim for the Nationalrat elections of 1995.

In addition, each political party represented by delegates to the European Parliament following elections to the European Parliament may – in accordance with § 2b PartG – claim a campaigning cost allowance subject to the conditions in § 2a mutatis mutandis, whereby the amount resulting in accordance with § 2a (2) is to be reduced by 10 percent.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

7. Some information on the procedures and financial audit of parties and foundations at national level

The financing of political parties receiving funds under the Political Parties Act (PartG) is regulated in § 4 PartG as follows:

§ 4. *(1) The political parties must keep precise records on the proper use of allocated funds (§ 2 Par. 1).*

(2) These records and all accompanying documents are to be examined annually by two sworn auditors; the result of the audit is to be published in the "Amtsblatt zu Wiener Zeitung" (Wiener Zeitung Official Gazette).

(3) Auditors assigned with the audit of a political party are to be appointed from a list of five auditors by the Minister of Finance, which is to be presented to the Minister of Finance by the political party to be audited within four weeks of an order to that effect; should such a list not be submitted by a political party within the period prescribed, the Minister of Finance shall appoint an auditor without proposals.

(4) In addition, each political party receiving funds under this federal law is publicly accountable as regards the nature of their income and expenditure. To this end, the political party concerned must compile an annual report on their income and expenditure. This report must be checked and signed by two independent auditors. The report must include a list of income and expenditure (Par. 5 and 6).

(5) Reports must identify at least the following types of income separately:

1. *Member contributions;*
2. *Allocations according to this federal law;*
3. *Special contributions from the Members of Parliament and officials belonging to the corresponding party;*
4. *Revenue form corporate shares;*
5. *Revenue from other assets;*
6. *Donations (Par. 7);*
7. *Net revenue from events, the sale of publications and logos as well as similar direct income from party activities;*
8. *Loans;*
9. *Allocations in the form of staff who are supplied without a fee or without corresponding remuneration (live subsidies);*
10. *Other types or revenue and income, whereby any corresponding to more than 5% of the annual income must be identified separately.*

(6) Reports must separately identify at least the following types of expenditure:

1. *Staff costs;*
2. *Office costs and purchases;*
3. *Administrative costs for campaigning work including press products;*
4. *Events;*
5. *Fleet;*
6. *Other administrative costs;*
7. *Member contributions;*
8. *Legal, auditing and consultation costs;*
9. *Loan costs and repayments;*
10. *International work;*
11. *Other types of costs, whereby those over 72,672 Euro must be identified separately.*

8. The methods of apportioning subsidies between parties and foundations

In addition, the "Federal Law on the Promotion of Communication Science (PubFG)" provides a legal basis for the funding of so called "political academies" of political parties. The aim of political academies is to promote political and cultural discourse and education by providing publications, debate events, seminars, lectures, etc. for the politically interested public.

As regards the funding of political academies, § 2 (2) PubFG states that the so called "basic amount" which political academies can claim corresponds to the sum of the income of five university professors (salary level 8) and seven contract agents of the federal government (salary level b, 17). Thus, the "basic amount" for each political academy in 2010 is € 661,570. In addition, every political academy may claim an "additional amount" for each member of the *Nationalrat*. The additional amount for each member of the *Nationalrat* accounts for the income of a contract agent of the federal government (salary level c, 15), i.e. € 27,708 in 2010. Furthermore, every political academy can claim funding for the promotion of international education to the extent of 40 percent of the sum of "basic amount" and "additional amount".

Belgium

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Belgium is comprised of private financing (membership fees, donations, other activities) and public financing (a fixed sum and a variable sum per vote from the State budget).
- The financing of political foundations is regulated in the same way as political parties.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- Fixed sum: the current annual maximum rate of subsidies is 125,000 EUR for any political party represented in the House of Representatives or the Senate by one member.
- Variable sum: is dependent on the number of votes.
- There is no minimum rate of co-financing

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- At least one directly elected member in the House of Representatives or the Senate.

Question 4, rules concerning private donations

- Private persons are authorised to donate to parties a sum not exceeding 500 EUR. Donors may disburse each year a total not exceeding 2,000 EUR.
- All donations from legal persons – companies, associations or other bodies – are prohibited.
- Political parties are required to record each year the identities of individuals who make donations of EUR 125 or more.
- An additional registration is provided when elections are held: political parties must register the identity of the private individuals who made donations and notify this information, as well as the amounts of the said donations, to the Audit Commission within 45 days following the elections.
- Donations from foreign persons or bodies are not prohibited and are not subject of any specific regulations.
- Sanctions apply in the event of violation of the donation regulations:
  - A political party that accepts a donation in violation of the legal provisions would lose, to the extent of double the amount of its donation, its entitlement to its allowance.

- Persons who make illicit donations to political parties shall be fined: if the Court so orders, the judgement may be published in the daily and weekly newspapers that it designates.

- Bequests do not fall within the remit of the provisions in respect of donations and do not have to be registered.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- A fixed annual sum of 125,000 EUR for each entitled party.
- A variable annual sum of 1.25 EUR per vote as validly expressed in House and Senate elections.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No annual work programmes.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Political parties and their components are required to establish an annual report on their accountancy. These reports, and all the accountancy data that they contain (Balance Sheet, Income Statement and Notes), are submitted to the audit commission for election expenditure and political party accountancy and are published in a public parliamentary document.
- The Audit Commission is obliged to seek the advice of the Court of Audit. Non-approval of a report entails the loss of allowance during a minimum period of one month and a maximum period of four months. Decisions relating to approval and summaries of the financial reports are published in the *Official Gazette*.

Question 8, the methods of apportioning subsidies between parties and foundations

- In Belgium the definition of « Political Party » was broadened in order to extend the legislation in respect of funding and accountancy to party components, such as research departments, scientific organisations, and political training institutions.
- The political parties dispose of a spending autonomy and are free in the allocation of their resources to their components.

Annex

1. A brief, general description of the systems of financing parties and political foundations

[please indicate if requests 37, 114 and its update 173 are still reflecting the present state in your country]

The basic legislation is laid down in the Act of 4 July 1989 on limiting and monitoring election expenditure on elections to the federal houses of parliament and the open financing and accounting of political parties.

A limited list of the financial resources of a political party and its components[1] is included under Article 1 of the Act of 04 July 1989 :

Are considered financial resources:

- *Allowances afforded by virtue of Chapter III of the Act of 04 July 1989 and/or by virtue of any analogous legal or regulatory provision;*
- *Gifts, donations or bequests;*
- *Contributions paid by the groups of the House of Representatives, the Senate, the Community and Regional Parliaments or the Provincial Councils;*
- *Membership dues;*
- *Revenue from moveable or fixed assets;*
- *Revenue from events or publications, and advertising revenue;*
- *Contributions from party components;*
- *Various activities with pecuniary value or expressible in pecuniary value.*

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

Any political party that is represented in the House of Representatives or the Senate by one directly elected member **(*Questions 3 and 5*)** and that includes in its articles of association or programme a provision by which it undertakes to respect, in its political actions, the rights and freedoms guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) and its additional

[1] Political foundations as such linked to political parties do not exist in Belgium. However, the definition of « Political Party » in the 1989 Act was broadened in 1998 in order to extend the legislation in respect of funding and accountancy to party components:
"Are To be considered as components of a political party are bodies, associations, groups and regional entities of a political party, whatever their legal form, which have direct links with that party, namely : ***Research departments ; Scientific organisations*** *;* ***Political training institutions*** *; Producers of party political broadcasts ; Institutions cited at Article 22 (that receive donations) ; Entities constituted at the district and/or constituency level for elections for the Federal Houses and the Municipal and Regional Councils ; Political groups of the Federal Houses, (…), the Community and Regional Parliaments and the Provincial Councils, and the institutions set up as non-profit associations, which receive the allowances or subsidies these Assemblies grant to political parties and political groups. ».*

protocols and to have them respected by its components and its elected representatives, is entitled to an annual allowance consisting (i) of a fixed sum of EUR 125,000 and (ii) of a variable sum of EUR 1.25 per vote as validly expressed in House and Senate elections (***Question 2***) (Art. 15, 15*bis* and 16). [2]

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

Any political party that is represented in the House of Representatives or the Senate by one directly elected member **(*Questions 3 and 5*)** and that includes in its articles of association or programme a provision by which it undertakes to respect, in its political actions, the rights and freedoms guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) and its additional protocols and to have them respected by its components and its elected representatives, is entitled to an annual allowance consisting (i) of a fixed sum of EUR 125,000 and (ii) of a variable sum of EUR 1.25 per vote as validly expressed in House and Senate elections (***Question 2***) (Art. 15, 15*bis* and 16).

4. Rules concerning private donations

With the passing years, and especially since 1989, the funding of parties by way of donation has been regulated ever more strictly; legislators are tending to ring-fence private funding.

Articles 16bis and 16ter of the 1989 Act govern donations. These rules appear in Part III of this Act on the financing of political parties but they apply equally in large measure to candidates or lists.

Following certain affairs in the 1980s, the Federal Parliament decided to limit donations to parties and candidates from legal persons and to put a final ban in 1993. All donations from legal persons – companies, associations or other bodies – are prohibited. This applies to direct donations from legal persons but also to donations from private individuals acting in reality as intermediaries of legal persons or unincorporated associations. Services provided by legal persons or unincorporated associations free-of-charge or for a sum below their real cost are considered as forbidden donations, as are the opening of lines of credit without repayment obligations. The law makes an exception for the political parties themselves: they may continue to make donations to their candidates and political representatives.

Articles 16bis and 16ter authorize:

[2] The political parties do not have to present annual work programmes which would be checked at the end of the period of financing, to see if they are conforming to the programmes presented (***Question 6***).

a) donations from private individuals to parties and their components, lists, candidates and political office holders (persons already elected and standing for election or re-election);
b) political party donations to candidates and political office holders;
c) party donations to their components and vice versa. These various forms of support must be registered.

Gifts by office holders to their political parties do not constitute donations.

Article 16bis of the Act of 4 July 1989 requires political parties and their components to record each year the identities of individuals who make donations, in whatever form, of EUR 125 or more to political parties or their components, lists, candidates or political office holders. This information has been confidential since the privacy commission ruled in 1999 that information on donations included personal data covered by the 1992 protection of privacy legislation.

An additional registration is provided when elections are held: provided donations of EUR 125 or more are mentioned in the declaration of the sources of the funds, sent in after the elections, the political parties and individual candidates concerned must register the identity of the private individuals who made donations and notify this information, as well as the amounts of the said donations, to the Audit Commission within 45 days following the elections (Art. 6 of the Act of 04 July 1989 and Art. 116, paragraph 6, of the Electoral Code, both modified by the Act of 02 April 2003).

Article 16bis imposes certain ceilings on donations. Parties and their components, lists, candidates and political office holders may each receive annually as donations from the same individual a sum not exceeding EUR 500, or its equivalent value. Donors may disburse each year a total not exceeding EUR 2 000 or its equivalent value on donations to parties and their components, lists, candidates and political office holders.

Donations from foreign persons or bodies are not prohibited and are not subject of any specific regulations.

The donations to political parties and their components are not tax deductible.

For political parties and their components, and for political office holders, the arrangements for recording donations are laid down in Article 16ter of the Act of 4 July 1989 and the royal decree of 10 December 1998.

The Parliamentary Audit Commission (Article 16ter) checks these donation registrations.

Finally, reasonably heavy sanctions apply in the event of violation of the donation regulations:

- A political party that accepts a donation in violation of the legal provisions would lose, to the extent of double the amount of its donation, its entitlement to its allowance during the months following the declaration of this breach by the Audit Commission.

- Persons who make illicit donations to political parties shall be fined : if the Court so orders, the judgement may be published in the daily and weekly newspapers that it designates.

A. 2.2. Sponsorship

"The sponsorship, by business firms, of activities of political parties and candidates, and of events organised by them remains possible even during election time."

"By sponsorship, one should understand for example the financial support granted for the benefit of the event, with, as a counterpart, the advertising of the sponsor, for instance in a propaganda folder or a program, on flags, etc. If the sponsor pays a price above market price for that advertising, the difference must be entered up as a donation. Let us stress once again that legal entities (companies) are not allowed to make donations to political parties, lists of candidates, candidates or representatives" (Audit Commission Vade-Mecum of 09 April 2003, House of Representatives Document n° 50 2461/001 and Senate Document n° 2-1600/1, pages 41 and 97).

A. 2.3. Special Events

Parties may organise special events and make profits (fund-raising dinners, for example), but always in accordance with the donation regulations.

Furthermore, Article 4, paragraph 3, 7°, of the Act of 04 July 1989 stipulates that, to a certain extent, the income from election events may be deducted from the organisational costs, which of course reduces the election expenditure that is to be declared.

A. 2.4. Bequests

Bequests do not fall within the remit of the provisions in respect of donations. Only donations *inter vivos* are affected.

Consequently, bequests do not have to be registered in pursuance of the Act of 04 July 1989 (Audit Commission Vade-Mecum of 09 April 2003, House of Representatives Document n° 50 2461/001 and Senate Document n° 2-1600/1, page 97).

(Audit Commission Vade Mecum, House of Representatives document 2130/1 of 02 April 1999, p. 47).

5. The systems of awarding subsidies and the systems controlling the use of funds

Any political party that is represented in the House of Representatives or the Senate by one directly elected member **(*Questions 3 and 5*)** and that includes in its articles of association or programme a provision by which it undertakes to respect, in its political actions, the rights and freedoms guaranteed by the European Convention for the

Protection of Human Rights and Fundamental Freedoms (ECHR) and its additional protocols and to have them respected by its components and its elected representatives, is entitled to an annual allowance consisting (i) of a fixed sum of EUR 125,000 and (ii) of a variable sum of EUR 1.25 per vote as validly expressed in House and Senate elections (***Question 2***) (Art. 15, 15*bis* and 16).

These allowances, which are adjusted according to the variations of the consumer price index (Art. 18), are paid monthly by the House and the Senate, at the party's behest, into non-profit associations designated to this effect by each political party and recognised by the King, by a Decree laid down after deliberation in the Council of Ministers (***Question 6***) (Art. 20 and 22). An additional allowance is afforded, by virtue of regulatory provisions enacted by the respective Parliaments, to French-speaking parties that form a recognised political group in the Walloon Parliament and to Dutch-speaking parties that form political groups of at least five representatives in the Flemish Parliament.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

Political parties do not have to present annual work programmes which would be checked at the end of the period of financing, to see if they are conforming to the programmes presented (Question 6).

7. Some information on the procedures and financial audit of parties and foundations at national level

For the Belgian legislator, one of the corollaries of public funding is the maintenance of an open accountancy (*Questions 5 and 7*).

Political parties and their components are required to establish an annual report on their accountancy, which in turn is the subject of a report drawn up by the companies' appointed statutory auditors. These reports, and all the accountancy data that they contain (Balance Sheet, Income Statement and Notes), are submitted to the audit commission for election expenditure and political party accountancy (cf. infra) and are published in a public parliamentary document (for the accounting year 2008 for example: please consult the web site of the House of Representatives: www.lachambre.be: DOC 52 1968/1-3). The Audit Commission is obliged to seek the advice of the Court of Audit. On the basis of this advice and its own investigations, the Audit Commission checks the conformity of the financial reports with the regulatory controls in force and decides whether or not to approve them. Non-approval of a report entails the loss of allowance during a minimum period of one month and a maximum period of four months. Decisions relating to approval and summaries of the financial reports are published in the *Official Gazette* (Art. 22 to 25*bis*).

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<u>THE AUDIT COMMISSION FOR ELECTION EXPENDITURE AND POLITICAL PARTY ACCOUNTANCY</u>

The Audit Commission plays an important role in all provisions seeking to ensure compliance with the various items of legislation. It is made up of ten Members of the House of Representatives and ten Members of the Senate and is chaired by the two Chairmen, who are not however entitled to vote (Art. 1, 4°).

It fulfils its duties both in matters concerning the funding and the accountancy of political parties (approving party financial reports) and the control of election expenditure (scrutinising the reports drawn up by the chairmen of the main electoral constituency committees, the power to order mandates to be stripped from elected representatives of the provincial councils in the event of protest, the possibility of withholding political party allowances for certain periods in the event of breach of the relevant legislation, and so on).

The Commission must seek the advice, under the terms set out in the Act of 04 July 1989, of the Court of Audit both for controlling the expenditure of the political parties and individual candidates and for checking the financial reports of the political parties and their components. If it deems it relevant, the Commission can also request the advice of the Court of Audit with regard to the exercise of its other legal responsibilities.

The Commission fulfils its duties in accordance with the rules that have been determined both by the law and by its own Statutes and Policies & Procedures.

8. The methods of apportioning subsidies between parties and foundations

Political foundations as such linked to political parties do not exist in Belgium. However, the definition of « Political Party » in the 1989 Act was broadened in 1998 in order to extend the legislation in respect of funding and accountancy to party components:
"Are To be considered as components of a political party are bodies, associations, groups and regional entities of a political party, whatever their legal form, which have direct links with that party, namely : ***Research departments ; Scientific organisations*** *;* ***Political training institutions*** *; Producers of party political broadcasts ; Institutions cited at Article 22 (that receive donations) ; Entities constituted at the district and/or constituency level for elections for the Federal Houses and the Municipal and Regional Councils ; Political groups of the Federal Houses, (...), the Community and Regional Parliaments and the Provincial Councils, and the institutions set up as non-profit associations, which receive the allowances or subsidies these Assemblies grant to political parties and political groups. ».*

The political parties dispose of a **spending autonomy** and are free in the allocation of their resources to their components **(*Question 8*)**.

Bulgaria

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Bulgaria is comprised of private financing (membership fees, donations, limited economic activities) and public financing (state subsidies).
- Bulgarian legislation does not regulate the establishment and functioning of political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- No constant maximum rates of subsidies.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- At least 1 candidate elected as member of parliament.
- However, state subsidy shall be also released to the parties, which are not represented in the National Assembly, but have obtained not less than 1 per cent of all valid votes at the latest parliament elections.

Question 4, rules concerning private donations

- The amount of donations per natural person is limited to 10,000 BGN (5,114.35 EUR).
- Political parties may not receive funds by legal persons, sole entrepreneurs, and religious institutions;
- Political parties may not receive anonymous donations
- Funds from foreign governments or foreign state enterprises, foreign trade companies or foreign non-profit entities are not allowed.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- No information has been provided as regards the amount of the state subsidy.
- The total amount provided in the budget shall be diversified proportionally to the received valid votes from each party or coalition.
- State subsidy shall be also released to the parties, which are not represented in the National Assembly, but have obtained not less than 1 per cent of all valid votes at the latest parliament elections.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- Political parties or coalitions which have candidates elected as members of parliament shall submit their application for subsidies to the Ministry of finance with their registration, their current status, their bank account.
- Annual work programmes are not required.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Annually, prior to the 31 March, the political parties shall submit at the Accountancy Office the financial report on paper and electronic carrier. Attached to it shall be a declaration according to a model, containing a list of the natural persons, who have made donations.
- The financial reports prior to their provision at the Accountancy Office shall be subject to independent financial audit and certification by an independent financial auditor. The Accountancy Office shall publicize, in a term before 15 April of the current year, on its Internet-page the reports and declarations.
- In case of non-submission or late submission of the financial reports at the Accountancy Office, the political parties shall loose their right of state subsidy until next elections for Members of Parliament are held.
- In case of breach of the audit law, the collected evidence shall be forwarded to the Sofia-city Prosecution within 7-days period from its adoption.
- Within one month after elections the political parties shall declare to the Audit Office about the funds accrued and spent during the pre-election campaign. The Audit Office shall publish the reports under Para 1 on its internet site within 15 days from expiration of the term for their submission.

Question 8, the methods of apportioning subsidies between parties and foundations

- Bulgarian legislation does not regulate the establishment and functioning of political foundations.

Annex

1. A brief, general description of the systems of financing parties and political foundations

The activity of the political parties shall be funded by own revenues and by state subsidy.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

...

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

Art. 25. (amend. – SG 73/06; amend. - SG 06/09) (1) The state subsidy shall be released annually in four equal instalments from the state budget for funding of the political parties or coalitions registered in the Central Election Commission for participation in elections, who have participated in the latest parliamentary elections and who have candidates elected as members of parliament.

(2) The total amount provided in the budget shall be diversified proportionally to the received valid votes from each party or coalition.

(3) The state subsidy granted to each coalition under Para 1 shall be allocated between the constituting parties according to a coalition agreement. In case of lack of a coalition agreement or in case of change to the membership of the parliamentary groups of the political parties or coalitions formed as a result of the last parliamentary elections, the state subsidy shall be allocated by granting it to political parties constituted before the parliamentary elections having court registration and any newly formed parliamentary group or political parties to which the independent national representatives declare affinity. The Ministry of Finance shall transfer the share of the subsidy for each party to an account, indicated by the party.

Art. 26. State subsidy shall be also released to the parties, which are not represented in the National Assembly, but have obtained not less than one per cent of all valid votes at the latest parliament elections.

(4) (amend. – SG 73/06; amend. - SG 06/09) Annually, prior to the 31st of March, the political parties shall submit at the Accountancy Office the financial report on paper and electronic carrier. Attached to it shall be a declaration according to a model, containing a list of the natural persons, who have made donations.

4. Rules concerning private donations

[you should consider the replies given already in the framework of the recent requests 963, 1212, 1378]

Art. 23. (1) Own revenues of political parties shall be the revenues from:

3. donations and testaments by natural persons;

(2) (amend. - SG 06/09) The donation by a single natural person for one calendar year shall not exceed BGN 10 000.

(3) The political parties may obtain loans from bank in amount up to 2/3 of the reported at the Audit Office revenues for the previous calendar year.

(4) (amend. - SG 06/09) The state subsidy and revenues under Para 1, items 1,2,5 and 6 shall be included in the revenues under Para 3.

(5) (amend. - SG 06/09) The non-monetary revenues under Para 1 shall be evaluated per fair market price in accordance with the Accountancy Law.

Art. 24. (amend. - SG 06/09) The political parties may not receive:

1. anonymous donations;
2. funds by legal persons and sole entrepreneurs;
3. funds by religious institutions;
4. funds from foreign governments or foreign state enterprises, foreign trade companies or foreign non-profit entities.

5. The systems of awarding subsidies and the systems controlling the use of funds

Art. 25. (amend. – SG 73/06; amend. - SG 06/09) (1) The state subsidy shall be released annually in four equal instalments from the state budget for funding of the political parties or coalitions registered in the Central Election Commission for participation in elections, who have participated in the latest parliamentary elections and who have candidates elected as members of parliament.

(2) The total amount provided in the budget shall be diversified proportionally to the received valid votes from each party or coalition.

(3) The state subsidy granted to each coalition under Para 1 shall be allocated between the constituting parties according to a coalition agreement. In case of lack of a coalition agreement or in case of change to the membership of the parliamentary groups of the political parties or coalitions formed as a result of the last parliamentary elections, the state subsidy shall be allocated by granting it to political parties constituted before the parliamentary elections having court registration and any newly formed parliamentary group or political parties to which the independent national representatives declare affinity. The Ministry of Finance shall transfer the share of the subsidy for each party to an account, indicated by the party.

Art. 26. State subsidy shall be also released to the parties, which are not represented in the National Assembly, but have obtained not less than one per cent of all valid votes at the latest parliament elections.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

The political parties or coalitions registered in the Central Election Commission for participation in elections, who have participated in the latest parliamentary elections and who have candidates elected as members of parliament shall submit their application for subsidies to the Ministry of finance. Together with the application they have to submit a number of documents which concern their registration, their current status, their bank account.
There aren't any provisions in Bulgarian legislation as regards annual work programmes. The political parties in Bulgaria shall submit a financial report at the end of the accounting period.

7. Some information on the procedures and financial audit of parties and foundations at national level

Chapter four.
PUBLICITY AND FINANCIAL CONTROL (TITLE AMEND. - SG 06/09)

Art. 33 (1) The financial control over the political parties activity and over the management of the provided property shall be performed by the Accountancy Office.

(2) The political parties shall apply double-entry accountancy following the provisions of the Accountancy Law.

Art. 34. (1) (amend. – SG 73/06; amend. - SG 06/09) The political parties shall draw up financial report for the previous calendar year according to the requirements of Art. 26 of the Accountancy Law.

(2) (amend. – SG 73/06) The financial reports under Para 1, prior to their provision at the Accountancy Office, shall be subject to independent financial audit and certification by an independent financial auditor, in case a political party has received or spent sums and/or other property amounting over 50 000 BGN, regardless of their origin, during the accountancy period.

(3) The expenditures for the audit and the certification of the financial reports shall be on the account of the respective political party.

(4) (amend. – SG 73/06; amend. - SG 06/09) Annually, prior to the 31st of March, the political parties shall submit at the Accountancy Office the financial report on paper and electronic carrier. Attached to it shall be a declaration according to a model, containing a list of the natural persons, who have made donations.

(5) (new – SG 73/06; amend. - SG 06/09) Any annual financial report failing to meet the requirements of Para 1 and/or Para 4 regarding its form, contents and the way of filing it, and also when it is not accompanied by the declaration under Para 4, shall be deemed not to have been filed.

(6) (prev. text of para 5 – SG 73/06; amend. - SG 06/09) The Accountancy Office shall publicize, in a term before 15th of April of the current year, on its Internet-page the reports and declarations under Para 4, a list with names of the

parties which have not submitted reports within the term under Para 4 as well as a list of the parties granted a state subsidy during the preceding year.

(7) (new – SG 73/06) The Accountancy Office shall prepare a model of the declaration under para 4.

Art. 35. (amend. - SG 06/09) (1) Within 6 months from expiration of the time limit for receiving the annual financial reports the Audit Office shall conduct an audit for the compliance with the requirements of this law and of the Accountancy Law of the financial activity, the income, expenditure and management of the property provided to the political parties, which during the preceding year:

1. have been granted state subsidy;

2. have used the premises - state or municipal property, provided to them;

3. have participated in elections, if such were held.

(2) When conducting the audit under Para 1 the Audit Office authorities shall be entitled to:

1. free access to the office premises and to all documents, reports, assets and debts related to the financial activity of the political parties;

2. request within terms specified by them reference reports, certified copies of documents and other information related to the audits, including on an electronic carrier;

3. request oral or written explanation from the officials, including from former officials, regarding facts found during the audits, as well as regarding questions related to their competence;

4. request reference reports, certified copies of documents and other information from natural persons, legal persons and sole entrepreneurs outside the specified political party, related to possible cases of illegal activity;

5. request and receive information from all authorities in the country and access to their databases in connection to the audit.

(3) In case of denial of information under Para2, Item 4 the chairman of the Audit Office shall be entitled to issue an order for an inspection of the legal person or of the sole entrepreneur in connection with the denied information. In case of impediment to the inspection caused by the legal person or the sole entrepreneur the Audit Office shall approach the prosecution authorities.

(4) The written evidence collected during the inspection under Para 3 shall be integral part of the documentation of the audit.

Art. 35a. (new - SG 06/09) (1) Upon expiration of the term under Art. 34, Para 6 the National Revenue Agency authorities shall act according to their competence under the order of Chapter Fifteen of the Tax-Insurance Procedure Code in respect of the political parties receiving state subsidy and which have failed to submit their reports to the Audit Office.

(2) The National Revenue Agency shall act as referred to in Para 1 within the terns under Art. 114, Para 1 and 2 of the Tax-Insurance Procedure Code.

(3) Upon expiration of the terms under Para 2 the executive director of the National Revenue Agency shall send to the Audit Office information about its acts, including any revision acts issued.

(4) The Audit Office shall publish on its internet site the report from the audit under Art. 35, Para 1 and the received information by the National Revenue Agency within one month from receiving the report, respectively from receiving the information under Para 3.

Art. 36. (1) In case of non-submission or late submission of the financial reports at the Accountancy Office, the political parties shall loose their right of state subsidy until next elections for Members of Parliament are held.

(2) (amend. - SG 06/09) In case of found by the Audit Office authorities during the audit violations by political parties at the collection and expending funds, violations in management of the provided property or in the financial reporting, the report, in its relevant part and the collected evidence shall be forwarded to the Sofia-city Prosecution within 7-days period from its adoption.

Art. 37. (amend. - SG 06/09) (1) The Accountancy Office shall issue certificates for the submitted and/or non-submitted within the term under Art. 34, Para 4 annual financial reports of the political parties for the previous three years, and in respect of the newly registered political parties - from the date of their judicial registration.

(2) The certificate under Para 1 shall be submitted by the political party to the respective central election commission at its registration for participation in elections.

Art. 37a. (new - SG 06/09) (1) Within one month after elections the political parties shall declare to the Audit Office on an electronic or paper carrier reports about the funds accrued and spent during the pre-election campaign.

(2) The reports under Para 1 shall be drawn up according to forms approved by the Audit Office for the respective type of elections.

(3) The Audit Office shall publish the reports under Para 1 on its internet site within 15 days from expiration of the term for their submission.

8. The methods of apportioning subsidies between parties and foundations

Bulgarian legislation does not regulate the establishment and functioning of political foundations.

Cyprus

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Cyprus is comprised of private financing (membership fees, donations, other activities) and public financing (a State's grant for political parties and political foundations respectively).
- Political foundations receive separate subsidies.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- For political parties the maximum rate for the grant is 4,470,000 EUR for a non-election year, while for an election year, the maximum rate is 7,032,040 EUR.
- With regard to political foundations such as youth organizations of parties, the rate of the grant is 342,000 EUR.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- At least one member of the party must be elected in the House of Representatives.
- A party must attain the threshold of 1.8 per cent of the vote in the Parliamentary Elections in order to be represented in the House of Representatives.

Question 4, rules concerning private donations

- Private donations to parties are not regulated by any law.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- The information that has been provided is not very detailed:
  > "an equal amount as a basic grant whilst any balance remaining is distributed proportionately according to the results of the last Parliamentary Elections."
- For political parties the maximum rate for the grant is 4, 470, 000 EUR for a non-election year, while for an election year, the maximum rate is 7, 032, 040 EUR.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No annual work programmes.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Political parties, which receive governmental grants, are obliged to submit, within three months following the end of the financial year, audited accounts to the President of the House for the amount of the grant they received.
- No information has been provided about how a breach of law will be sanctioned.

Question 8, the methods of apportioning subsidies between parties and foundations

- The information that has been provided is not very detailed:

  "With regard to political foundations such as youth organizations of parties, the rate of the grant is 342, 000 EUR."

Annex

1. A brief, general description of the systems of financing parties and political foundations

[please indicate if requests 37, 114 and its update 173 are still reflecting the present state in your country]

Political parties represented in the House of Representatives are granted within the State's annual grant, which is allocated as follows: an equal amount to cover their contributions towards their respective political parties of the EU, an equal amount as a basic grant whilst any balance remaining is distributed proportionately according to the results of the last Parliamentary Elections. With regard to Youth Organizations (political foundations) those whose political parties are represented in the House of Representatives, are allocated a grant as follows: an equal amount is granted to each and any balance remaining is distributed proportionately according to the results of the last Parliamentary Election.

Private donations to parties are allowed but not regulated by any law.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

The maximum rate for the grant is 4, 470, 000 euros for a non-election year, while for an election year, the maximum rate is 7, 032, 040 euros, for parties. With regard to political foundations such as youth organizations of parties, the rate of the grant is 342, 000 euros.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

A party must attain the threshold of 1,8% of the vote in the Parliamentary Elections in order to be represented in the House of Representatives.

At least one member of the party must be elected in the House of Representatives.

4. Rules concerning private donations

[you should consider the replies given already in the framework of the recent requests 963, 1212, 1378]

Private donations to parties are allowed but not regulated by any law.

5. The systems of awarding subsidies and the systems controlling the use of funds

Political parties represented in the House of Representatives are granted within the State's annual grant, which is allocated as follows: an equal amount to cover their contributions towards their respective political parties of the EU, an equal amount as a basic grant whilst any balance remaining is distributed proportionately according to the results of the last Parliamentary Elections.

The maximum rate for the grant is 4, 470, 000 euros for a non-election year, while for an election year, the maximum rate is 7, 032, 040 euros, for parties.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

There is no need to submit any documents so as to request the grant.

7. Some information on the procedures and financial audit of parties and foundations at national level

Concerning controlling of funds, the political parties, which receive governmental grants, are obliged to submit, within three months following the end of the financial year, audited accounts to the President of the House for the amount of the grant they received.

8. The methods of apportioning subsidies between parties and foundations

With regard to Youth Organizations (political foundations) those whose political parties are represented in the House of Representatives, are allocated a grant as follows: an equal amount is granted to each and any balance remaining is distributed proportionately according to the results of the last Parliamentary Election.

With regard to political foundations such as youth organizations of parties, the rate of the grant is 342, 000 euros.

Czech Republic

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in the Czech Republic is comprised of private financing (membership fees, donations, and other activities) and public financing (permanent contributions and mandate contributions).
- No information has been provided about political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- No constant value of maximum rates of subsidies.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- Each political party and movement of which at least 1 candidate has been elected to the Chamber of Deputies, the Senate, a regional council or the Municipal Council of the City of Prague is entitled to receive a mandate contribution.
- At least 3% of the votes in the elections to the Chamber of Deputies.
- All political parties and movements are obligated to present their annual financial reports featuring the following information to the Chamber of Deputies by 1 April.

Question 4, rules concerning private donations

- The amount of private donations is not limited.
- If the overall value of any donation made by the same donor in one year exceeds CZK 50,000.00 (1,988.46 EUR), a notarised copy of his/her donation contract must be enclosed to the list of donations and donors.
- No political party or movement may accept free benefits and gifts from:
    - state enterprises and legal entities in which the state or a state enterprise has a stake of more than 10 per cent and legal entities partially managed and supervised by the state.
    - foreign legal entities, except for political parties and foundations, private individuals that are not citizens of the Czech Republic, except for foreign nationals having permanent residence in the Czech Republic.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- Permanent annual contributions: each political party and movement that wins at least 3 per cent of the overall amount of votes is entitled to receive CZK 6 million (237,700.00 EUR) plus CZK 200,000.00 (EUR 7,921.00) for every 0.1 per cent up to 5 per cent. No additional sum is paid to the political parties and movements that acquire more than 5 per cent of the overall amount of votes.
- The mandate contribution totals CZK 900,000.00 (EUR 35,650.00) per year for every Senator or Deputy and CZK 250,000.00 (EUR 9,902.00) per year for every member of a regional council or the Municipal Council of the City of Prague.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No work programmes are required.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- All political parties and movements are obligated to present their annual financial reports featuring the following information to the Chamber of Deputies by 1 April of each year:
  - annual accounting statements in accordance with special regulations,
  - auditor's report on annual financial statement with no reservations,
  - total earnings and total expenses, including operating and wage expenses, tax and fee expenses, and election expenses,
  - all received gifts and donations, including the donor's first name, surname, date of birth and permanent address (in the case of private individuals) or the donor's business name, registered address and identification number (in the case of legal entities),
  - all inherited assets; where the overall value of such assets exceed CZK 100,000.00 (3,976.91 EUR), it is necessary to identify the decedent,
  - all members whose annual membership fee exceeds CZK 50,000.00 (1,988.46 EUR), including the amount paid by each such member and his/her first name, surname, date of birth and permanent address.
- The annual financial reports of all political parties and movements are regarded as public records; it is possible to search in them and to make copies, duplicates or excerpts in the Office of the Chamber of Deputies.

Question 8, the methods of apportioning subsidies between parties and foundations

- No information has been provided about apportioning of subsidies.

Annex

1. A brief, general description of the systems of financing parties and political foundations

No reference to requests 37, 114, 173.

Establishment of Political Parties and Movements

§ 6

(2) The following information and documents must be attached to every registration proposal:

8. economic management principles,

9. the way of calculation of membership fees, if the members are obligated to pay them; if the amount of membership fee of any member totals more than CZK 50,000.00 a year, the political party or movement is obligated to state this fact, together with the member's identification details, in an appendix to its annual financial report in compliance with Article 18, Section 1,

Economic Management of Political Parties and Movements

§ 17

(1) Every political party and movement is liable for its obligations up to the value of its assets. Its members, however, are neither liable for nor guarantee its obligations.

(2) No political party or movement is entitled to transact business in its own name. [2b)]

(3) A political party or movement is entitled to establish a business company or cooperative or to participate in an existing business company or cooperative as a partner or member only if such a company or cooperative is engaged exclusively in the following activities:

a) publishing or printing services, radio or television broadcasting,
b) publication and promotional activities,
c) organisation of cultural, social, sport, leisure, educational or political events, or
d) production and sales of articles promoting its program and activities.

(4) Political parties and movements may have revenues from the following resources:

a) contributions to election expenses from the state budget of the Czech Republic,
b) allowance for operational expenses from the state budget of the Czech Republic (hereinafter only the "operational allowance"),
c) membership fees,
d) donations and inheritance,
e) rentals and sales of tangible and intangible assets,
f) interest on deposits,
g) participation in business transactions of other legal entities pursuant to Section 3,
h) organisation of raffles and cultural, social, sport, leisure, educational and political events,
i) loans and credits.

(5) All political parties and movements are obligated to keep accounts in compliance with special laws. [3)]

(6) No political party or movement may own assets located outside the territory of the Czech Republic.

§ 18
(1) All political parties and movements are obligated to present their annual financial reports featuring the following information to the Chamber of Deputies by 1 April of each year:
f) all members whose annual membership fee exceeds CZK 50,000.00, including the amount paid by each such member and his/her first name, surname, date of birth and permanent address.
(2) The time limit specified in Section 1 herein shall be regarded as duly met if an annual financial report is forwarded to a holder of a post licence or a holder of a special post licence on 1st April at the latest.

§ 19
No political party or movement may accept free benefits and gifts from:
a) the state (unless specified otherwise in this act of law),
b) institutions receiving contributions for the state budget,
c) all types of municipalities, except for rentals of commercial premises,
d) state enterprises and legal entities in which the state or a state enterprise has a stake and legal entities partially managed and supervised by the state; this provision shall not be applied if the interest of the state or a state enterprise does not exceed 10%,
e) legal entities partially owned by any type of municipality; this provision shall not be applied if the interest held by a municipality does not exceed 10%,
f) beneficiary societies,
g) other legal entities defined by special legal regulations,
h) foreign legal entities, except for political parties and foundations,
i) private individuals that are not citizens of the Czech Republic, except for foreign nationals having permanent residence in the Czech Republic.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

No constant value of maximum rates of subsidies.

Determination of the contributions
Economic Management of Political Parties and Movements
§ 20

(6) Each political party and movement that wins at least 3% of the overall amount of votes is entitled to receive a permanent annual contribution to its operational expenses totalling CZK 6 million plus CZK 200,000.00 for every 0.1% up to 5%. No additional sum is paid to the political parties and movements that acquire more than 5% of the overall amount of votes.
(7) The aforementioned mandate contribution totals CZK 900,000.00 per year for every Senator or Deputy and CZK 250,000.00 per year for every member of a regional council or the Municipal Council of the City of Prague.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?

- Must a party have a minimum number of members elected to national or regional parliaments?

Economic Management of Political Parties and Movements
§ 20

(3) Each political party and movement that presents its complete financial report (Article 18, Section 5) within the specified time limit (Article 18) is entitled to a permanent contribution or to a mandate contribution.

(4) Each political party and movement that manages to win at least 3% of the votes in the elections to the Chamber of Deputies is entitled to receive a permanent contribution.

(5) Each political party and movement of which at least one candidate has been elected to the Chamber of Deputies, the Senate, a regional council or the Municipal Council of the City of Prague (this provision also applies to candidates of coalitions of political parties and/or movements) in the elections to the Chamber of Deputies, the Senate, a regional council or the Municipal Council of the City of Prague is entitled to receive a mandate contribution.

(6) Each political party and movement that wins at least 3% of the overall amount of votes is entitled to receive a permanent annual contribution to its operational expenses totalling CZK 6 million plus CZK 200,000.00 for every 0.1% up to 5%. No additional sum is paid to the political parties and movements that acquire more than 5% of the overall amount of votes.

(7) The aforementioned mandate contribution totals CZK 900,000.00 per year for every Senator or Deputy and CZK 250,000.00 per year for every member of a regional council or the Municipal Council of the City of Prague.

4. Rules concerning private donations

Economic Management of Political Parties and Movements
§ 18
(1) All political parties and movements are obligated to present their annual financial reports featuring the following information to the Chamber of Deputies by 1 April of each year:
d) all received gifts and donations, including the donor's first name, surname, date of birth and permanent address (in the case of private individuals) or the donor's business name, registered address and identification number (in the case of legal entities),
e) all inherited assets; where the overall value of such assets exceed CZK 100,000.00, it is necessary to identify the decedent,
(3) If the overall value of any donation made by the same donor in one year exceeds CZK 50,000.00, a notarised copy of his/her donation contract must be enclosed to the list of donations and donors specified in Section 1, Subsection d). Both documents must feature the same information.

5. The systems of awarding subsidies and the systems controlling the use of funds

Economic Management of Political Parties and Movements
§ 19a

(1) If a political party or movement accepts any financial benefit contrary to this act of law, it shall be obligated to return it, together with an interest based on the

discount rate of the Czech National Bank valid as of the date of refund, to the donor by 1st April of the year following the year of its receipt at the latest. If such procedure cannot be applied for any reason, the political party or movement shall be obligated to transfer the received financial benefit to the state budget within the same time limit. If the financial benefit is not returned or transferred to the state budget by the political party or movement within the said time limit, the relevant inland revenue authority[5)] shall impose a fine totalling twice the amount of such financial benefit.

(2) All fines pursuant to Section 1 herein are regarded as revenues of the state budget. The fines pursuant to this Article may be imposed within 1 year following the date on which the relevant inland revenue authority learns that a political party or movement has not returned a financial benefit acquired contrary to this act of law to its donor or has not transferred it to the state budget. The fines pursuant to this Article may be imposed no later than 3 years after the year in which a financial benefit contrary to this act of law has been accepted.

§ 20

(1) All political parties and movements are entitled to state contribution upon the terms and conditions defined by the law.

(2) Operational allowances consist of permanent contributions and mandate contributions.

(7) The aforementioned mandate contribution totals CZK 900,000.00 per year for every Senator or Deputy and CZK 250,000.00 per year for every member of a regional council or the Municipal Council of the City of Prague.

(8) The mandate contribution is paid during the entire electoral term only to the political party or movement in whose list of candidates the Senator, Deputy, member of a regional council or member of the Municipal Council of the City of Prague has been registered. If the elected Senator, Deputy, member of a regional council or member of the Municipal Council of the City of Prague is included in the list of candidates of a coalition, the mandate contribution shall be paid during the entire electoral term only to the political party or movement on whose list of candidates he/she has been registered. No mandate contribution shall be paid if the mandate of a Senator is terminated in the course of an electoral term or if a vacant mandate of a Deputy or a member of a regional council or the Municipal Council of the City of Prague is not filled.

(9) When determining whether a political party or movement operating as a part of a coalition is entitled to receive a permanent contribution and when calculating its amount, it is necessary to take into account the agreement of coalition members on their proportion in overall election results. If no such agreement exists or if it is not presented to the Ministry of Finance within the specified time limit, the election result shall be divided equally among all coalition members. The provisions of Section 3 herein remain unaffected. All political parties or movements operating as a part of a coalition shall present their agreements to the Ministry of Finance on the last day of the period in which the lists of candidates can be registered at the latest.

(10) If a coalition of political parties or movements is entitled to a permanent contribution but the agreements presented to the Ministry of Finance in compliance with Section 9 by its individual members differ, the Ministry of Finance shall suspend its payment of permanent contributions to all coalition members; as soon as the differences are eliminated, the Ministry of Finance shall pay out all outstanding contributions.

(11) In the year of the elections to the Chamber of Deputies, the Senate, regional councils or the Municipal Council of the City of Prague the annual operational allowance is calculated for each electoral term separately. Each political party and movement is entitled to one-twelfth of its annual operational allowance a month. In the month in which the elections take place, each political party and movement shall receive the higher of the two amounts to which it is entitled in accordance with its election results in both respective electoral terms. If the Chamber of Deputies is dissolved or if new elections to regional councils or to the Municipal Council of the City of Prague are held, each qualified political party and movement shall also be entitled to a proportional part of its annual mandate contribution for the month in which the Chamber of Deputies is dissolved or in which new elections to regional councils or to the Municipal Council of the City of Prague are held. If the mandate of any Deputy, Senator, regional councillor or member of the Municipal Council of the City of Prague becomes vacant and is not filled or if the mandate of any Senator is terminated, a proportional part of the annual mandate contribution shall also be paid for the month in which any of the aforementioned circumstances occurs.

§ 20a

(1) In each electoral term all operational allowances shall be paid out by the Ministry of Finance at the request of individual political parties and movements in two biannual instalments in arrears. The instalment for the first half shall be paid out by 30th June and the instalment for the second half by 1st December. It is necessary to present a separate request for each instalment.

(3) An operational allowance whose payment has been suspended in compliance with Section 2 shall be paid out by the Ministry of Finance at the request of the relevant political party or movement if

a) the political party or movement presents its annual financial report and it is complete in accordance with the findings of the Chamber of Deputies,

b) a judicial decision rejecting a proposal for suspension of all activities of the political party or movement becomes legally effective and the activities of the political party or movement have not been suspended, or

c) the activities of the political party or movement are renewed (Article 14, Section 3).

§ 20b

(1) If the mandate of a Deputy, regional councillor or member of the Municipal Council of the City of Prague becomes vacant or if the mandate of a Senator is terminated (Article 20, Section 8), the Ministry of Finance shall stop paying the relevant mandate allowance in the period (Article 20a, Section 1) following the period in which the mandate became vacant or was terminated.

(2) All facts specified in Article 20, Section 8 must be reported by the Chamber of Deputies, the Senate, regional public administration authority or the Metropolitan Authority of the City of Prague to the Ministry of Finance at least 20 days before the due date of the next instalment of operational allowance.

(3) If the Deputy, regional councillor or member of the Municipal Council of the City of Prague replacing a Deputy, regional councillor or member of the Municipal Council of the City of Prague whose mandate has been vacated stood as a candidate of a different coalition party or movement than the original Deputy, regional councillor or member of the Municipal Council of the City of Prague, the Chamber of Deputy, the relevant regional council or the Municipal Council of the City of Prague shall report this fact to the Ministry of Finance within 20 days.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

All political parties and movements are obligated to present their annual financial reports featuring the following information to the Chamber of Deputies by 1 April of each year:

a) annual accounting statements in accordance with special regulations, [3)]

b) auditor's report on annual financial statement with no reservations,

c) total earnings structured in accordance with Article 17, Section 4, and total expenses, including operating and wage expenses, tax and fee expenses, and election expenses,

d) all received gifts and donations, including the donor's first name, surname, date of birth and permanent address (in the case of private individuals) or the donor's business name, registered address and identification number (in the case of legal entities),

e) all inherited assets; where the overall value of such assets exceed CZK 100,000.00, it is necessary to identify the decedent,

f) all members whose annual membership fee exceeds CZK 50,000.00, including the amount paid by each such member and his/her first name, surname, date of birth and permanent address.

(2) The time limit specified in Section 1 herein shall be regarded as duly met if an annual financial report is forwarded to a holder of a post licence or a holder of a special post licence on 1st April at the latest.

(3) If the overall value of any donation made by the same donor in one year exceeds CZK 50,000.00, a notarised copy of his/her donation contract must be enclosed to the list of donations and donors specified in Section 1, Subsection d). Both documents must feature the same information.

(4) All political parties and movements shall present their annual financial reports on forms and with attachments defined by the Ministry of Finance in a special implementary regulation.

(5) An annual financial report shall be regarded as complete if it contains all information specified in Sections 1 and 3 herein and if it is presented on the form and with the attachments indicated in Section 4 herein.

(6) The annual financial reports of all political parties and movements are regarded as public records; it is possible to search in them and to make copies, duplicates or excerpts in the Office of the Chamber of Deputies.

Economic Management of Political Parties and Movements
§ 20a
(2) The Ministry of Finance shall suspend its payment of operational allowance, if
a) no annual financial report is presented to the Chamber of Deputies,
b) the presented annual report is incomplete according to the findings of the Chamber of Deputies, or
c) a legal action is launched pursuant to Article 15.

7. Some information on the procedures and financial audit of parties and foundations at national level

Economic Management of Political Parties and Movements
§ 17
(5) All political parties and movements are obligated to keep accounts in compliance with special laws. [3)]

§ 18
(1) All political parties and movements are obligated to present their annual financial reports featuring the following information to the Chamber of Deputies by 1 April of each year:
a) annual accounting statements in accordance with special regulations, [3)]
b) auditor's report on annual financial statement with no reservations,
c) total earnings structured in accordance with Article 17, Section 4, and total expenses, including operating and wage expenses, tax and fee expenses, and election expenses,
(4) All political parties and movements shall present their annual financial reports on forms and with attachments defined by the Ministry of Finance in a special implementary regulation.
(5) An annual financial report shall be regarded as complete if it contains all information specified in Sections 1 and 3 herein and if it is presented on the form and with the attachments indicated in Section 4 herein.
(6) The annual financial reports of all political parties and movements are regarded as public records; it is possible to search in them and to make copies, duplicates or excerpts in the Office of the Chamber of Deputies.

§ 19a
(3) If according to the findings of the Chamber of Deputies, the facts specified in the annual financial report of any political party or movement contravene Article 19 of this act of law or are not supported by the evidence indicated in Article 18, Section 3, the Chamber of Deputies shall inform the relevant inland revenue authority.

§ 20a
(4) The Chamber of Deputies checks once a year

a) whether the annual financial reports presented by individual political parties and movements within the time limit defined in Article 18, Sections 1 and 2 herein are complete,

b) whether the annual financial reports presented by individual political parties in previous years and classified by the Chamber of Deputies as incomplete have been completed and whether those annual financial reports which were not supplied at all in previous years have been provided; all incomplete annual financial reports must be completed and all due annual financial reports forwarded to the Chamber of Deputies within the time limit specified in Subsection a).

The Chamber of Deputies shall inform the Ministry of Finance of its findings on 7 June of each calendar year at the latest.

(5) The Ministry of Finance shall adjust the amount of the next instalment of operating allowance accordingly if the conditions determining its calculation change during the year.

8. The methods of apportioning subsidies between parties and foundations

Political foundations are not mentioned in the given texts.

Denmark

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Denmark is comprised of private financing (membership fees, donations, other activities) and public financing ("Basic-sum" and "Seat-sum").
- No information has been provided about political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- No constant maximum rate of subsidies.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- At least 1 ordinary member.

Question 4, rules concerning private donations

- The amount of private/individual donations or corporate donations to political parties and Members of Parliament is not limited.
- Donations to political parties above 20.000 DKK (2.688,44 EUR) must be made public in the accounts of the political party which has received the donation.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- Basic-sum in 2009:
  - 275,667 DKK (37,007 EUR) per month to all party groups with more than 3 members.
  - 68,917 DKK (9,252 EUR) per month to all party groups with fewer than 4 members.
- Seat-sum in 2009:
  - 43,209 DKK (5,801 EUR) per month per ordinary member.
  - 14,403 DKK (1,934 EUR) per month per member who is also Speaker/Minister.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No relevant information has been provided.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- No relevant information has been provided.

Question 8, the methods of apportioning subsidies between parties and foundations

- No relevant information has been provided.

Annex

1. A brief, general description of the systems of financing parties and political foundations

[please indicate if requests 37, 114 and its update 173 are still reflecting the present state in your country]

Under Danish law there are two types of public support for political parties and foundations.

The grants consist of a so-called "Basic-sum" and a "Seat-sum".

Request 963:
Under Danish law there isn´t any ban on private/individual donations or corporate donations to political parties.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

In The Rules on grants to party groups in the Folketinget a party group is defined as a group representing a party which is nominated for the Folketinget. Members and member groups outside the party groups do not automatically have the right to grants. They have to send in an application to the Presidium (the Speaker and 4 deputy chairmen).

In each case the Presidium fixes the amount. Maximum amount to an independent member is the Seat-sum. The Presidium normally grants the maximum amount.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

The Ministry of the Interior and Social Affairs manages the political party subsidy scheme of the central government and determines the annual local political party subsidy rate managed by the local authorities.

Political party grants provided by central government

Parties and candidates outside the parties who have stood in the latest general election and received at least 1,000 votes are entitled to receive funding for their political work in Denmark.

Political party grants provided by local government

Lists of candidates who have stood in the latest regional council election and received at least 500 votes or in a local council election and received at least 100 votes (500 votes in Copenhagen) are also entitled to receive funding for political work performed in the region and local authority area, respectively.

4. Rules concerning private donations

]
Under Danish law there isn´t any ban on private/individual donations or corporate donations to political parties**.**

Under Danish law both political parties and Members of Parliament are entitled to accept donations.

There aren´t any upper limits on the amount which can be donated to political parties or Members of Parliament. Donations to political parties above 20.000 dkk must be made public in the accounts of the political party which has received the donation. The Committee of the Standing Orders of the Folketing has issued rules about voluntary registration of finansiel interests of the MPs. Such a registration is voluntary but if a MP chooses to follow the rules the MP must make public all finansiel gifts or support which clearly exceeds 3.000 dkk.

The legal basis is in relation to the political parties is consolidated act number 1123 of 24/10/2006 about private contributions to political parties and the publications of the accounts of political parties. This act is unfortunately only available in Danish. The legal basis in relation to the MPs is Rules about voluntary registration of tasks and financial interests decided by the Standing Orders Committee on 18. may 1994 with changes decided by the committee on 13. december 2001 and 3. march 2005. These rules are unfortunately only available in Danish.

5. The systems of awarding subsidies and the systems controlling the use of funds

The grants consist of a so-called "Basic-sum" and a "Seat-sum".

The Basic-sum is paid to each party group, and it is the same amount to all groups with more than 3 members, whether the group is big or small. Party groups with fewer than 4 members are granted with only ¼ of the Basic-sum per member of the group. In addition to the Basic-sum a party group shall receive a Seat-sum. Please find attached the rates of party group support for 2008 and 2009.

In The Rules on grants to party groups in the Folketinget a party group is defined as a group representing a party which is nominated for the Folketinget. Members and member groups outside the party groups do not automatically have the right to grants. They have to send in an application to the Presidium (the Speaker and 4 deputy chairmen).

In each case the Presidium fixes the amount. Maximum amount to an independent member is the Seat-sum. The Presidium normally grants the maximum amount.

Grants to Political Parties

The Ministry of the Interior and Social Affairs manages the political party subsidy scheme of the central government and determines the annual local political party subsidy rate managed by the local authorities.

Political party grants provided by central government

Parties and candidates outside the parties who have stood in the latest general election and received at least 1,000 votes are entitled to receive funding for their political work in Denmark.

Grants for 2009

The grant per vote in the payment of party grants for 2010 based on general election participation is: DKK 27.50 (increase from DKK 26.50 in 2009).

The grant has an effect on the support given for the calendar year 2009 and is adjusted annually, cf. section 4a of the Danish Act on Political Party Subsidies.

Political party grants provided by local government

Lists of candidates who have stood in the latest regional council election and received at least 500 votes or in a local council election and received at least 100 votes (500 votes in Copenhagen) are also entitled to receive funding for political work performed in the region and local authority area, respectively.

Grants for 2009

The grant per vote in the payment of party grants for 2010 based on local council election participation is: DKK 6.25 (increase from DKK 6.00 in 2009).

The grant per vote in the payment of party grants for 2010 based on regional council election participation is: DKK 4.00 (increase from DKK 3.75 in 2009).

The grant has an effect on the support given for the calendar year 2010.

Rates of financial support of the party groups 2009

	2008	2009	
	DKK/month	DKK/month	
Basis-sum to the party group	261.547	275.667	5,40%
1/4 basis-sum to the party group	65.387	68.917	5,40%
Seat-sum (per ordinary member)	40.950	43.209	5,52%
1/3 seat-sum (per member who is also Speaker/Minister)	13.650	14.403	5,52%
	2008	2009	
	EUR/month	EUR/month	
Basis-sum to the party group	35.111	37.007	5,40%
1/4 basis-sum to the party group	8.778	9.252	5,40%
Seat-sum (per ordinary member)	5.497	5.801	5,52%
1/3 seat-sum (per member who is also Speaker/Minister)	1.832	1.934	5,52%

**) Exchange rate per 31-08-2007 7,4491 DKK/EURO

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

No relevant information has been provided.

7. Some information on the procedures and financial audit of parties and foundations at national level

No relevant information has been provided.

8. The methods of apportioning subsidies between parties and foundations

No relevant information has been provided.

Estonia

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<u>**Summary**</u>

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Estonia is comprised of private financing (membership fees, donations, economic activities) and public financing (state subsidies).
- No information has been provided about political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- No constant maximum rate of subsidies.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- *If a party wins at least 5 per cent of the valid votes cast it is entitled to receive allocations in proportion to the number of votes received.*
- *However, a political party is entitled to receive a fixed amount of state subsidies if it wins at least 1 or 4 per cent of the valid votes cast at the Riigikogu elections.*

Question 4, rules concerning private donations

- The amount of private donations is not limited.
- Donations cannot be anonymous or concealed.
- Donations have to be published in the public register of donations which is also published on the webpage of the political parties.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- Allocations to the parliamentary parties from the state shall be distributed in proportion to the number of votes received in the previous Riigikogu elections between the political parties which receive at least 5 per cent of the votes. The sum is decided annually in the state budget.
- A political party which participates in Riigikogu elections and fails to reach the election threshold (5 per cent of votes) but receives at least:
    - 1 per cent of the votes shall receive an allocation of 150,000 kroons (10,000 EUR) from the state budget per year,

- 4 per cent of the votes shall receive an allocation of 250,000 kroons (16,500 EUR) from the state budget per year.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No annual work programme.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Political parties shall submit, within one month after election day, a report to the Select Committee concerning expenses and sources used for the election campaign in Riigikogu or local government council elections or elections to the European Parliament.
- Political parties that receive allocations from the state budget must go through annual audit control by the independent auditor; specific requirements are set by the Authorised Public Accountants Act law.

Question 8, the methods of apportioning subsidies between parties and foundations

- No information has been provided about political foundations.

Annex

1. A brief, general description of the systems of financing parties and political foundations

According to the Political Parties Act of Estonia (para. 12) only following sources are legitimate assets and funds for Political Party:
1. membership fees established by the articles of association of a political party,
2. allocations from the state budget received pursuant to this Act,
3. Donations of natural persons
4. Income earned on the assets of the political party

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

Allocations to the parliamentary parties from the state shall be distributed in proportion to the number of votes received in the previous Riigikogu elections between the political parties which receive at least 5 per cent of the votes. The sum is decided annually in the state budget, there are no minimum rates of co-financing.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

A political party which participates in Riigikogu elections and fails to reach the election threshold (5 % of votes) but receives at least:

1) 1 % of the votes shall receive an allocation of 150 000 (approx 10000 euro) kroons from the state budget per year;

2) 4 % of the votes shall receive an allocation of 250 000 kroons (16 500 euro) from the state budget per year.

Allocations to the parliamentary parties from the state shall be distributed in proportion to the number of votes received in the previous Riigikogu elections between the political parties which receive at least 5 per cent of the votes. The sum is decided annually in the state budget, there are no minimum rates of co-financing.

4. Rules concerning private donations

[you should consider the replies given already in the framework of the recent requests 963, 1212, 1378]

There are no upper limits on the sum of donations or campaign costs, but donations of political parties cannot be anonymous or concealed and have to be published in the public register of donations (also published on the web page of political party), political parties which receive allocations from the state budget shall conduct an audit. The annual report together with the annexes prescribed by law shall be published.

5. The systems of awarding subsidies and the systems controlling the use of funds

The allocations from state budget are decided annually and distributed proportionally according to the votes and mandates received in the parliamentary elections.
The sum is decided annually in the state budget, there are no minimum rates of co-financing.

A political party which participates in Riigikogu elections and fails to reach the election threshold (5 % of votes) but receives at least:

1) 1 % of the votes shall receive an allocation of 150 000 (approx 10000 euro) kroons from the state budget per year;

2) 4 % of the votes shall receive an allocation of 250 000 kroons (16 500 euro) from the state budget per year.

Allocations to the parliamentary parties from the state shall be distributed in proportion to the number of votes received in the previous Riigikogu elections between the political parties which receive at least 5 per cent of the votes. The sum is decided annually in the state budget, there are no minimum rates of co-financing.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

Political parties shall submit, within one month after election day, a report to the Select Committee on the Application of Anti-Corruption Act (consisting representatives of party factions in the Riigikogu) concerning expenses incurred and sources of funds used for the conduct of the election campaign in Riigikogu or local government council elections or elections to the European Parliament by the political party, non-profit associations specified in § 126 of this Act or persons who stood as candidates in the list of the political party. The committee has the right to demand additional documents concerning expenses incurred and sources of funds used by political parties, non-profit associations or persons who stood as candidates.

7. Some information on the procedures and financial audit of parties and foundations at national level

Political parties that receive the allocations from the state budget must go through annual audit control by the independent auditor, specific requirements are set by the Authorised Public Accountants Act law.
Section 4 of the Law determines following:

8. The methods of apportioning subsidies between parties and foundations

No information available about apportioning subsidies between parties and foundations.

Finland

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Finland is comprised of private financing (membership fees, donations, economic activities) and public financing (state subsidies).
- Political foundations are regulated in the same way as any other foundation by the Foundations Act (see question 8).

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- In 2009, altogether, the parties received 36 million EUR as State subsidy.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- At least 1 candidate elected as a Member of Parliament.
- Within three months after granting of a State subsidy, a party has to present the Ministry of Justice a statement on the use of the subsidy from the party's auditor. In addition, the party has to present a profit and loss account and a balance sheet with annexes, and an auditor's report of such subordinate associations to which part of the granted subsidy had been allocated.

Question 4, rules concerning private donations

- The amount of donations per person is not limited.
- Neither the means, sources nor amounts of fund-raising of the parties has been regulated according to the present laws.
- New regulations have been planned.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- In 2009, the political parties were granted 180,000 EUR per MP as State subsidy.
- About a half is meant to fund their political activities and the other half for the parties' communication and PR purposes.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No annual work programmes.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- The Ministry of Justice inspects the accountancy and use of funds of the associations and may also appoint an auditor to carry out inspections relating to the accountancy and use of funds.
- The State Audit Office has the right to inspect the use of funds granted as government subsidies. It may inspect the accountancy in order to determine whether the funds have been used in accordance with the law.
- Within three months after granting of a State subsidy, a party has to present the Ministry of Justice a statement on the use of the subsidy from the party's auditor. In addition, the party has to present a profit and loss account and a balance sheet with annexes, and an auditor's report of such subordinate associations to which part of the granted subsidy had been allocated. In addition, those elected (and their substitutes) are obligated to submit a notification of their election financing.
- There are no rules concerning repayment of subsidies in cases of possible malpractices. In the new Government proposal these omissions would be corrected.

Question 8, the methods of apportioning subsidies between parties and foundations

- The use of the political parties' own funds is not regulated.
- Political foundations do not receive state subsidies.
- Supervision of the political foundations is made at the National Board of Patents and Registration.

Annex

1. A brief, general description of the systems of financing parties and political foundations

In Finland, a lively discussion concerning funding of political parties and election campaigns has been going on for the past two years. In March 2010, the Government submitted a proposal (HE 6/2010, available in Finnish and Swedish only) for amending the legislation. The aim of the proposal is to increase transparency of party funding and to prevent corruption and other unappropriate influencing on parties' activities, according to the GRECO recommendations.
As the regulations concerning funding of the political parties and election campaigns are just about to change, it might be useless to describe the present situation thoroughly. Therefore, I will only give you a short description of the present situation and a summary of the planned changes to present legislation.

Here are the answers from the Eduskunta, Parliament of Finland:
Parties receive party subsidies each year. The provisions are to be found in the Act on Political Parties.

Other sources of income for the parties include donations, membership fees, lotteries, revenues of business activities and different kind of sales proceeds and collections.

Political foundations are regulated by the Foundations Act.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

In 2009, the political parties were granted 180.000 euros per each MP as State subsidy. Altogether, the parties received 36 million euros as State subsidy. Of this amount about a half is meant to fund their political activities and the other half for the parties' communication and PR purposes.
The financial statements of year 2009 are not available yet. However, in 2008 the overall budgets of political parties represented in Parliament were nearly 44 million euros. State subsidies formed 82 percent of the total budget.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

In order to be entered in the Party Register, an association must have at least 5.000 signed support cards of citizens entitled to vote in parliamentary elections. In order to obtain a State subsidy, the party must have at least one candidate elected as a Member of Parliament.

Must a party attain a certain percentage of the vote in national or regional elections? According to present legislation, no. However, this may change in the near future: According to the new Government proposal a party should nationally attain at least three per cent of all the votes given in parliamentary elections in order to get a seat in the Parliament.

Must a party have a minimum number of members elected to national or regional parliaments?
According to the Act on Political Parties, Section 6(1)
A political party that fails to gain a parliamentary seat in two consecutive parliamentary elections is deleted from the Party Register. The same applies if a political party ceases to be a registered association.
Within three months after granting of a State subsidy, a party has to present the Ministry of Justice a statement on the use of the subsidy from the party's auditor. In addition, the party has to present a profit and loss account and a balance sheet with annexes, and an auditor's report of such subordinate associations to which part of the granted subsidy had been allocated

4. Rules concerning private donations

[you should consider the replies given already in the framework of the recent requests 963, 1212, 1378]

Donations to political parties or to Members of Parliament are not banned. Neither the means, sources nor amounts of fund-raising of the parties has been regulated.
In the new Government proposal, however, new restrictions on giving and receiving donations have been planned: A donor can give a party, party association or a society near the party (eg. a political foundation) no more than 30.000 euros per calendar year. In spite of this, societies near the party (eg. political foundations) could still donate the party more than 30.000 euros per year.

In addition, parties would have to report all donations worth of 1.500 euros or more to the National Audit Office of Finland. Of donations worth more than 1.500 euros a public register of party funding would be created, consisting of donors' names and the sums they have donated.
What concerns elections funding, there are limits on the amount which can be donated to a candidate in parliamentary (and other) elections:
Act on a Candidate's Election Funding, Section 4 – Limitations on election funding received by a candidate
(1) No candidate, his or her support group or other entity operating exclusively for the
purpose of promoting the candidate may accept any campaign contributions unless the donor
can be identified. However, this does not apply to campaign contributions received as a result
of ordinary fund-raising activities.

(2) No candidate, his or her support group or other entity operating exclusively for the purpose of promoting the candidate may accept campaign contributions from a single donor in excess of 3.000 euros in municipal elections, 6.000 euros in parliamentary elections and 10.000 euros in the European Parliamentary elections. However, this limitation does not apply to campaign contributions received from the registered associations of political parties.

According to the new Government proposal, a candidate couldn't receive a donation worth more than 1.500 euros from a single donor (this concerns all elections). In addition, parties will be forbidden to receive donations from abroad.

5. The systems of awarding subsidies and the systems controlling the use of funds

In 2009, the political parties were granted 180.000 euros per each MP as State subsidy. Altogether, the parties received 36 million euros as State subsidy. Of this amount about a half is meant to fund their political activities and the other half for the parties' communication and PR purposes.

The financial statements of year 2009 are not available yet. However, in 2008 the overall budgets of political parties represented in Parliament were nearly 44 million euros. State subsidies formed 82 percent of the total budget.

Parties are given State subsidies in order *to finance the party's public activities specified in its rules and regulations and the party programme* (Act on Political Parties, Section 9(1)).

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

For the purpose of overseeing the activities, accountancy and use of funds of the parties, every party has to submit documents on the closing of the accounts to the Ministry of Justice within three months of the confirmation of the final accounts.

According to the Decree on State subsidies for political parties (27/1973), the parties must fill in an application to get a State subsidy. In the application, the political party has to notify the names of the party's MPs elected to parliament, and the number of the party's transfer account.

The subsidy is granted by the Council of State. Conditions concerning payment, use, accounting and supervision of the subsidy are enclosed to the decision of a grant.

The use of the subsidies and the relevant documents are supervised by the Ministry of Justice. The auditors check that the rules of the associations are being followed. In practice it can be difficult to compare the activities with the party rules as they usually are on a very general level. There are no annual work programmes to be checked.

7. Some information on the procedures and financial audit of parties and foundations at national level

(1) The Ministry of Justice supervises the use of the subsidy granted from government funds and monitors compliance with this Act and other provisions and regulations issued by virtue of this Act in the activities of a party and associations acting as its district organisations as well as other associations referred to in section 8 (2).
(2) The Ministry of Justice inspects the accountancy and use of funds of the associations referred to in subsection 1. The Ministry may also appoint an auditor approved by the Central Chamber of Commerce to carry out inspections and examinations relating to the accountancy and use of funds.
(3) The State Audit Office has the right to inspect the use of funds granted as government subsidies to the associations referred to in subsection 1. For this purpose the State Audit Office may inspect the accountancy of an association in order to determine whether the funds have been used in accordance with the law for the purpose the subsidy has been intended for.

In addition, concerning election funding: According to the Act on a Candidate's Election Funding, Section 5, those elected (and their substitutes) are obligated to submit a notification of their election financing:
Disclosure obligation
(1) An election funding disclosure is to be filed by:
1) a member of Parliament elected in parliamentary elections and an alternate member appointed upon confirmation of the election results;
2) the political party nominating a candidate for a Presidential election and the polling representative of the constituency association nominating a candidate or their alternate;
3) a council member and an alternate member elected in municipal elections; and
4) a member of the European Parliament elected in the European Parliamentary elections and an alternate member appointed upon confirmation of the election results.

Within three months after granting of a State subsidy, a party has to present the Ministry of Justice a statement on the use of the subsidy from the party's auditor. In addition, the party has to present a profit and loss account and a balance sheet with annexes, and an auditor's report of such subordinate associations to which part of the granted subsidy had been allocated.
In the new Government proposal the National Audit Office of Finland would be given the supervision of complying with the rules on subsidies, the cost and financing of electoral campaigns and composing and filing of documents concerning them. The Ministry of Justice would supervise the party subsidies only on those sectors, which were not under the supervision of the National Audit Office.

If the regulations concerning State subsidies had been neglected, the payments would be terminated.
However, in the Act on Political Parties, there are no mention of a competent authority in such cases (although in pratice the decision of terminating the payment of a subsidy would be made at the Prime Minister's Office). There are no rules concerning repayment of subsidies in cases of possible malpractises, either. In the new Government proposal these omissions would be corrected.

Supervision of the political foundations are made at the National Board of Patents and Registration (Foundations Act, Chapter 3, Section 13; please see the link below).

8. The methods of apportioning subsidies between parties and foundations

Political foundations are regulated by the Foundations Act.

Supervision of the political foundations are made at the National Board of Patents and Registration (Foundations Act, Chapter 3, Section 13; please see the link below).

In the vicinity of the parties there are lots of different kinds of organizations and foundations concentrated in various subjects: Youth, education, culture, social affairs, communications etc. Some of them are specialized in funding and subsidizing organizational activities. The budgets of these organizations and foundations range from a couple of hundred euros to millions of euros. The mass of property of some of the wealthiest foundations can be much bigger than that of the parties.

In Finland, the organizational structure of the parties vary from each other. Usually they are organized in three levels: central, district and local organizations. The parties also have women and youth organizations, which may have their own member organizations.
The parties' use of their own funds is not regulated. Only the State subsidies must be used according to the regulations of the Act on Political Parties: From that half of the State subsidy, which is meant to fund parties' political activities, 12 percent must be used for subsidizing district organizations and women's political activities. There are no other regulations concerning the use of subsidies.
Therefore, it is difficult to give a compact description of the methods of apportioning subsidies between parties and foundations.

France

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in France is comprised mainly of public financing (basic subsidies and electoral reimbursements). Parties are free to acquire private income as well (membership fees, donations, economic activities).
- No information has been provided about political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- The total amount for 2010 is 74,881,516.29 EUR, shared between more than 40 political parties or groups.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- At least 1 member in the Parliament.
- At least 1 per cent of the votes in at least 50 districts in the first round of the last legislative election for the first half of the public subsidies.
- Only parties represented in the Parliament and entitled to the first half of the subsidies can receive the second half.
- Another criterion is the respect of the constitutional obligation (equal access of men and women to all elective offices): when in a party the differential between the number of candidates of each sex exceeds 2 per cent of the total number of candidates of this party, the first half of the subsidies granted is reduced by ¾ of the differential.

Question 4, rules concerning private donations

- To political parties:
  - donations from natural persons are authorised within the limit of 7,500 EUR per person and per year,
  - donations from legal persons, apart from political parties or groups, have been forbidden since 1995
  - those who do not respect these obligations are punishable by a fine of 3,500 EUR and/or one year of prison.
- To candidates to legislative elections:
  - donations from natural persons cannot exceed 4,600 EUR, however, there is no maximum limit for donations coming from political parties,

   - donations from legal persons, apart from political parties, are forbidden.
- Donations over 150 EUR cannot be paid in cash.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- Subsidies to political groups and parties:
   - the first half of public subsidies is distributed among parties in proportion to the number of votes gathered during the first round of the last legislative election,
   - the second half is distributed among parties in proportion to the number of MPs who belong to this party.
- Financing of political campaigns:
   - If the campaign accounts of the various parties are validated, the state grants the candidates who have received at least 5 per cent of the votes a flat-rate reimbursement of 50 per cent of the authorised limit of expenditure.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- To apply for the first half of subsidies all candidates must indicate in their statement of candidature the party or group to which they belong.
- No annual work programmes.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Political parties must keep a statement of account describing the activities of the party and of all the societies, firms or bodies which are associated to it. The statement of account must include a balance sheet and a profit and loss account (documentary evidence is not obligatory).
- Each statement of account has to be certified by two independent auditors, transmitted to a specific independent audit agency, the "Commission Nationale des Comptes de Campagne et des Financements Politiques" (CNCCFP) and finally published in the Journal Officiel.
- If the CNCCFP considers that there have been some misstatements, it can refer the matter to the judge of the election, who may, if the irregularity is established, pronounce the immediate resignation of the faulty elected person or the ineligibility for one year of the faulty candidate.

Question 8, the methods of apportioning subsidies between parties and foundations

- No information has been provided about foundations.

Annex

REPARTITION OF PUBLIC SUBSIDIES FOR 2010

PARTIS ET GROUPEMENTS POLITIQUES BÉNÉFICIAIRES DE LA PREMIÈRE FRACTION DE L'AIDE PUBLIQUE POUR 2010

	NOMBRE de voix prises en compte	NOMBRE de candidats hommes	NOMBRE de candidats femmes	MONTANT de la première fraction de l'aide publique pour 2010 compte tenu de la loi sur la parité
I. — Partis et groupements politiques ayant présenté des candidats dans au moins 50 circonscriptions (métropole)				
Union pour un mouvement populaire-UMP	10 287 207	435	153	13 120 031,95
Parti socialiste	6 432 544	291	240	10 273 457,33
UDF-Mouvement démocrate	1 920 304	358	203	2 776 584,02
Parti communiste français-PCF	1 158 559	275	239	1 875 616,00
Front national-FN	1 095 784	283	275	1 838 366,81
Les Verts	859 781	288	292	1 442 431,04
Ligue communiste révolutionnaire-LCR	534 666	252	245	896 994,51
Mouvement pour la France-MPF	356 786	212	208	598 570,10
Parti radical de gauche	365 162	48	23	504 766,25

Lutte ouvrière-LO	218 233	282	281	366 123,53
Chasse, pêche, nature et traditions-CPNT	214 389	124	122	359 674,56
Le Trèfle-Les Nouveaux Ecologistes homme-nature-animaux	99 603	91	99	163 583,31
Mouvement écologiste indépendant-MEI	77 253	72	60	123 714,10
Solidarité écologie gauche alternative-SEGA	73 220	52	32	108 215,48
Sous-total I	23 693 491	3 063	2 472	34 448 128,99
II. — Partis et groupements politiques ayant présenté des candidats exclusivement outre-mer				
Parti communiste réunionnais	59 096	3	1	74 357,81
Tahoeraa Huiraatira	36 141	2	0	30 316,38
Mouvement indépendantiste martiniquais	21 864	4	0	18 340,32
Identité et République	17 018	1	0	28 550,63
Parti progressiste martiniquais	16 358	1	1	27 443,37
Groupement France-Réunion	11 901	1	1	19 965,98
Démocratie et République-anciennement Metz pour tous	8 746	0	1	14 672,92
Guadeloupe unie socialisme et réalités	6 955	1	1	11 668,21
Bâtir le pays Martinique	5 848	2	0	4 905,51
RAUTAHI	5 242	1	1	8 794,36
L'Action	4 920	1	0	8 254,15
No oe e te nunaa	4 743	1	1	7 957,20
Rassemblement pour la Calédonie	4 352	1	0	7 301,23
Parti socialiste réunionnais	3 765	4	1	4 421,51

NOFWAP la Guadeloupe en action	3 732	2	2	6 261,07
Rassemblement démocratique pour la Martinique	3 156	1	0	5 294,73
Avenir meilleur pour la population de La Réunion	2 756	2	3	4 623,67
La Relève	1 920	1	0	3 221,13
Droite sociale-anciennement Union centriste et libérale	1 808	1	0	3 033,23
Mouvement libéral populaire-anciennement Mouvement libéral martiniquais	1 781	1	0	2 987,93
Parti socialiste guyanais	1 429	1	0	2 397,39
Archipel demain	1 098	1	0	1 842,08
Fetia Api	1 021	0	2	856,45
Cap sur l'avenir	966	0	1	1 620,63
Parti communiste guadeloupéen	707	1	0	1 186,11
Te'Avei'a	542	1	0	909,30
Sous-total II	227 865	35	16	301 183,30
Total	23 921 356	3 098	2 488	34 749 312,29

PARTIS ET GROUPEMENTS POLITIQUES BÉNÉFICIAIRES DE LA SECONDE FRACTION DE L'AIDE PUBLIQUE POUR 2010

PARTIS ET GROUPEMENTS POLITIQUES représentés au Parlement	NOMBRE DE PARLEMENTAIRES ouvrant droit au versement de l'aide publique			MONTANT de la seconde fraction de l'aide publique attribuée pour 2010
	Assemblée nationale	Sénat	Total	
Union pour un mouvement populaire	313	148	461	20 219 613
Parti socialiste	191	104	295	12 938 798
Parti communiste français	20	23	43	1 885 994
FETIA API	22	11	33	1 447 391
UDF-Mouvement démocrate	3	25	28	1 228 089
Parti radical de gauche	8	9	17	745 626
Démocratie et République - Metz pour tous	5	4	9	394 743
Les Verts	3	5	8	350 883
Mouvement pour la France	3	2	5	219 302
Parti progressiste martiniquais	2	1	3	131 581
Tahoeraa Huiraatira	0	2	2	87 721
Parti communiste réunionnais	1	1	2	87 721
Guadeloupe unie, socialisme et réalités	1	1	2	87 721
Mouvement indépendantiste martiniquais	1	0	1	43 860
Rassemblement démocratique pour la Martinique	0	1	1	43 860
Parti socialiste guyanais	0	1	1	43 860
Parti communiste guadeloupéen	1	0	1	43 860
Cap sur l'avenir	1	0	1	43 860
Mouvement libéral populaire - anciennement Mouvement libéral	0	1	1	43 860

martiniquais				
La Relève	0	1	1	43 860
Total des parlementaires rattachés	575	340	915	40 132 204
Parlementaires non rattachés	2	3	5	

Germany

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Germany is comprised of private financing (membership fees, donations, and other activities) and public financing.
- The system of financing is completely separate for political parties and political foundations; please find the descriptions regarding the systems of financing political parties in section 8.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- The maximum rate of subsidies is 133 million EUR per year for all parties together.
- Owing to the ban on political parties being 'predominantly' funded by the state, the level of state funding given to each political party may not exceed the total annual revenue raised by the party itself ('relative limit'). If the latter is lower, the state funding allocated to the party is limited to the party's own total annual revenue.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- Political parties are entitled to receive state funding if they won at least 0.5 per cent of the valid votes cast for their party lists at the most recent European or Bundestag elections, or if they polled at least 1 per cent of votes cast at one of the most recent Landtag elections.
- Where a party has no authorised list, the Law on Political Parties stipulates that it is entitled to state funding if it wins 10% of the valid direct votes cast in a constituency.
- Further precondition for entitlement to state funding is the submission of the last due statement of account to the President of the German Bundestag by 30 September of the entitlement year.

Question 4, rules concerning private donations

- The amount of private donations is not limited.
- Individual donations to the party as a whole exceeding 50,000 EUR must be reported to the President of the German Bundestag to be published in a separate Bundestag printed paper.
- Political Parties may only accept cash donations of up to 1,000 EUR.

- If a party accepts donations that are not permitted, it will be fined three times the illegally acquired amount.
- Tax relief on contributions given to parties (membership subscriptions, donations) can be claimed by natural persons, but not by legal entities such as corporations or associations

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- Parties entitled to state funding receive 0.85 EUR per valid vote won at the most recent European, Bundestag, and Landtag elections up to a total of four million votes, and 0.70 EUR for every additional vote thereafter.
- For contributions given by natural persons, parties receive 0.38 EUR per euro which was donated up to a total of 3,300 EUR per person annually.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- All political parties must publicly account for their assets and for the sources and uses of their funds in a statement of account broken down into the party as a whole, its federal association, its Land associations and subordinated regional associations.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- By 30 September, a statement of account, which must usually be audited by an independent party, must be submitted to the President of the German Bundestag, who publishes it as a Bundestag printed paper. The President of the German Bundestag, too, examines the statement.
- A list of source references for the previously published statements of account and the reports can be viewed online.
- If the amount of contributions reported in a party's statement of account is incorrect, the incorrect level of funding assessed is declared null and void and a demand issued for repayment of the excess amount.
- If the audits conducted reveal misstatements in the statements of account, the party concerned will be fined twice the misstated amount. Anyone who causes misstatements about the party's revenue or assets or donations will receive a custodial sentence of up to three years or a fine.
- Sanctions are also imposed on anyone who conceals material information in the audit report. If the offender is acting in return for a financial advantage or in order to harm another person, he will receive a custodial sentence of up to five years or a fine.

Question 8, the methods of apportioning subsidies between parties and foundations

1. The system of financing is completely separate for political parties and political foundations.
2. Subsidies exist for the following six foundations associated to the six biggest parties: Friedrich-Ebert-Stiftung/SPD (FES), Konrad-Adenauer-Stiftung/CDU (KAS), Hanns-Seidel-Stiftung/CSU (HSS), Friedrich-Naumann-Stiftung für die Freiheit/FDP (FNS), Heinrich-Böll-Stiftung/Grüne (HBS), and Rosa-Luxemburg-Stiftung/Die Linke (RLS).
3. All subsidies together result in around 330 million EUR per year for all the six foundations.
4. As regards private donations, see question 4.
5. The amount of the annual subsidies and their distribution among the individual foundations is stipulated by the budget committee, conforming the average results of the last four federal elections (Bundestag): FES: 32.84%; KAS: 29.15%; HSS: 10.33%; FNS: 10.33%; HBS: 10.33%; RLS: 7.00%.
6. A report on expenditure of funds is required by each political foundation.
7. The reports on expenditure are checked by the responsible administrative authority.

Annex

1. A brief, general description of the systems of financing parties and political foundations

Following the fundamental ruling by the Federal Constitutional Court on the state funding of political parties on 9 April 1992 (Decisions of the Federal Constitutional Court [BVerfGE] vol. 85, pp. 264 ff.), the relevant provisions in the Law on Political Parties (PartG)[3] were thoroughly amended with effect from 1 January 1994. The procedure for reimbursing election campaigning costs for the various elections at federal and Land (state) level applied hitherto was replaced by a system of general annual state funding (amendment to the Law on Political Parties of 31 January 1994, Federal Law Gazette I p. 149[4]). The Eighth Law on the Amendment to the Law on Political Parties of 28 June 2002 again amended the Law on Political Parties in material respects (Federal Law Gazette I p. 2268; draft bill: Bundestag printed paper 14/8778[5]), amongst other things, considerably increasing the severity of financial and criminal-law sanctions for infringements of the Law on Political Parties. The Ninth Law on the Amendment to the Law on Political Parties of 22 December 2004 (Federal Law Gazette I p. 3673, draft bill: Bundestag printed paper 15/4246) introduced modifications of some elements of reporting and accounting requirements.

Under section 18 (1) of the Law on Political Parties, German political parties receive state funding to help them perform the duties incumbent on them under the Basic Law[6] and specified in the Law on Political Parties. The amount of state funding the parties receive is determined by the extent to which they are established within society. This is measured, firstly, by the parties' performance at the most recent European, Bundestag and Landtag (state parliament) elections and, secondly, by the level of contributions they receive from natural persons. Contributions under this definition are paid-up membership subscriptions, contributions by elected representatives, and legally acquired donations (section 18 (3) no. 3 of the Law on Political Parties).

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

The maximum rate of subsidies is 133 million EUR per year for all parties together.

After this limit was raised in line with inflation to DM 245 million for the years 1998 to 2001, the absolute limit has now been set at €133 million for years as from 2002 (section 18 (2) of the Law on Political Parties).

[3] The Law on Political Parties is available online in German: http://www.bundestag.de/bundestag/parteienfinanzierung, and in English: http://www.bundestag.de/ htdocs_e/bundestag/function/party_funding.

[4] The Federal Law Gazette is available online at: www.bundesgesetzblatt.de (German only)

[5] The online search interface for Bundestag printed papers is: drucksachen.bundestag.de/drucksachen/en/index.php

[6] The Basic Law is available in German at: www.gesetze-im-internet.de/gg/index.html, and in English at: http:// www.bundestag.de/htdocs_e/documents/legal.

Owing to the ban – deriving from section 21 (1) of the Basic Law – on political parties being 'predominantly' funded by the state, section 18 (5) sentence 1 of the Law on Political Parties states that the level of state funding given to each political party may not exceed the total annual revenue raised by the party itself ('relative limit'). If the latter is lower, the state funding allocated to the party is limited to the party's own total annual revenue.

3. The eligibility requirements for obtaining a subsidy
(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

Under section 18 (4) of the Law on Political Parties, parties are entitled to receive state funding if they won at least 0.5% of the valid votes cast for their party lists at the most recent European or Bundestag elections, or if they polled at least 1% of votes cast at one of the most recent Landtag elections. If parties merge (c.f. section 9 (3) of the Law on Political Parties), the votes they have received prior to this are only added together if both parties concerned received the necessary 0.5% or 1% of votes. Where a party has no authorised list, section 18 (4) of the Law on Political Parties stipulates that it is entitled to state funding if it wins 10% of the valid direct votes cast in a constituency.

Further preconditions for entitlement to state funding are the submission of the last due statement of account, which must comply with legal regulations (section 19a (1) and (3) of the Law on Political Parties) and – for parties not entitled to state funding in the previous year – a written application for assessment and disbursement of state funding (section 19 (1) of the Law on Political Parties).

The parties must submit to the President of the German Bundestag the relevant statements of account for the year preceding the entitlement year by 30 September of the entitlement year. The President may extend the deadline for submitting these statements of account by up to three months pursuant to section 19a (3) sentence 2 of the Law on Political Parties. If a party fails to submit its statement of account by this deadline, it irrevocably loses its entitlement to contributions-based funding pursuant to section 19a (3) sentence 3 of the Law on Political Parties. If a party fails to submit its statement of account by 31 December of the year following the entitlement year (assessment year), it also irrevocably loses its entitlement to votes-based funding and, consequently, its entire entitlement to state funding for the entitlement year.

4. Rules concerning private donations

The amount of private donations is not limited. Contributions by natural persons in excess of the eligible amount of €3,300 are permitted, as are contributions by legal entities, they are not included in the calculation of contributions-based funding and are only taken into account for the purpose of assessing the relative limit.

Section 25 (3) of the Law on Political Parties states that individual donations to the party as a whole exceeding €50,000 must be reported without delay to the President of the German Bundestag irrespective of any subsequent reporting so that they – and the name of the donor – can be published in a timely fashion in a separate Bundestag printed paper (cf. list of sources: publication of individual donations exceeding €50,000). If the party fails to comply with this reporting requirement, it will not face any legal consequences.

Section 25 (1) sentence 2 of the Law on Political Parties stipulates that parties may only accept cash donations of up to €1,000.

If a party accepts donations that are not permitted under section 25 (2) of the Law on Political Parties (e.g. in cases where the donor is unknown or where such donations have obviously been given in order to gain a financial or political advantage, or where the donations come from public bodies) and does not forward them without delay to the President of the German Bundestag pursuant to section 25 (4) of the Law on Political Parties, it will be fined three times the illegally acquired amount (section 31c (1) sentence 1 of the Law on Political Parties).

5. The systems of awarding subsidies and the systems controlling the use of funds

Under section 18 (3) of the Law on Political Parties, parties entitled to state funding receive €0.85 per valid vote won at the most recent European, Bundestag and Landtag elections up to a total of four million votes, and €0.70 for every additional vote thereafter (votes-based funding). In other words, the financial rewards given by the state vary depending on electoral success.

For contributions given by natural persons, section 18 (3) No. 3 of the Law on Political Parties states that parties receive €0.38 per euro donated per person per year up to a total of €3,300 (contributions-based funding).

Although contributions by natural persons in excess of the eligible amount of €3,300 are permitted, as are contributions by legal entities, they are not included in the calculation of contributions-based funding and are only taken into account for the purpose of assessing the relative limit.

Section 18 (2) of the Law on Political Parties states that the maximum annual amount of state funding that may be granted to all parties together may not exceed an 'absolute limit' of €133 million per year.

Under section 19a (1) of the Law on Political Parties, on 15 February of each year the President of the German Bundestag – as the authority responsible for administering the funds in accordance with the Law on Political Parties – assesses the amount of state funding to be allocated to the entitled parties for the previous year (entitlement year).

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would

then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

The total level of contributions used to assess contributions-based funding is disclosed by the parties in an audited statement of account for the year preceding the year for which they are claiming funding (entitlement year) pursuant to section 24 (8) of the Law on Political Parties.

Section 21 (1) sentence 4 of the Basic Law and sections 23 ff. of the Law on Political Parties state that all political parties must publicly account for their assets and for the sources and uses of their funds – irrespective of whether they are entitled to receive direct state funding – in a statement of account broken down into the party as a whole, its federal association, its Land associations and subordinated regional associations.

7. Some information on the procedures and financial audit of parties and foundations at national level

Section 24 of the Law on Political Parties prescribes the scope and structure of such statements of account; the statement of assets and liabilities must be accompanied by an explanatory note meeting certain minimum requirements (section 24 (7) of the Law on Political Parties). The statement of account must usually be audited by an independent party (auditor or firm of auditors) and, together with the pertinent audit opinion, be submitted to the President of the German Bundestag, who publishes it as a Bundestag printed paper (section 23 (2) of the Law on Political Parties).

The President of the German Bundestag, too, examines whether the statement of account complies with the provisions of Part Five of the Law on Political Parties (section 23a of the Law on Political Parties). If there is good reason to believe that a party's statement of account contains misstatements, the Bundestag Administration must clarify the facts of the matter by following a specific procedure, possibly drawing on the services of independent auditors. In such cases, state funding may only be provisionally assessed and only disbursed against provision of collateral amounting to the party's possible payment obligation (sections 31a to 31c, cf. subsequent nos. 9.1 to 9.3) (section 19a (1) sentence 3 of the Law on Political Parties).

A list of source references for the previously published statements of account and the reports by the President of the German Bundestag on these statements of account can be viewed online.

If the amount of contributions reported in a party's statement of account – on which the calculation of its state funding is based – is incorrect and, as a result, the party has been granted too much state funding, the incorrect level of funding assessed is declared null and void and a demand issued for repayment of the excess amount; where appropriate, this amount may be offset against the next payments due. The levels of funding assessed and disbursed to the other parties remain unchanged (section 31a (4) of the Law on Political Parties).

If the audits conducted pursuant to section 23a of the Law on Political Parties (cf. no. 8 above) reveal misstatements in the statements of account, the party concerned will be fined twice the misstated amount.

Anyone who – in an attempt to conceal the sources or uses of a party's funds or assets or to circumvent the statutory reporting and accounting requirements – causes misstatements about the party's revenue or assets to be made in a submitted statement of account or submits an incorrect statement of account or, as the recipient of a donation, divides this donation into smaller portions and accounts for them – or arranges for them to be accounted for – as such or, in contravention of the obligation under section 25 (1) sentence 3 of the Law on Political Parties, does not forward a donation without delay to a member of the party's national executive authorised by the party to handle its financial affairs in accordance with its statutes will receive a custodial sentence of up to three years or a fine.

Sanctions – from which the offender cannot be exempted as a result of his or her having reported the relevant actions themselves – are also imposed on anyone who, when acting as an auditor or assistant to an auditor, incorrectly reports the findings of the audit of a statement of account, conceals material information in the audit report or issues an audit opinion that is factually incorrect. If the offender is acting in return for payment or in order to gain a financial advantage either for himself or for another person or in order to harm another person, he will receive a custodial sentence of up to five years or a fine (section 31d (2) of the Law on Political Parties).

8. The methods of apportioning subsidies between parties and foundations

No English version available.

1. A brief, general description of the systems of financing political foundations

Das finanzielle Förderinstrument der parteinahen Stiftungen sind Bundeszuwendungen in Form von Globalzuschüssen (institutionelle Förderung) und Projektfördermitteln (Projektförderung). Gefördert werden die Friedrich-Ebert-Stiftung (FES), die Konrad-Adenauer-Stiftung (KAS), die Hanns-Seidel-Stiftung (HSS), die Friedrich-Naumann-Stiftung für die Freiheit (FNS), die Heinrich-Böll-Stiftung (HBS) und die Rosa-Luxemburg-Stiftung (RLS).

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the political foundations

Für alle Parteien insgesamt etwa **330 EUR** pro Jahr.

Im Jahr 2009 beliefen sich die Globalzuschüsse auf insgesamt **94,5 Mio. €.** Für die Durchführung von Baumaßnahmen(Neu-, Um- und Erweiterungsbauten) standen 2009 zusätzliche Mittel i. H. v. **7,7 Mio. €** bei Kap. 0602 Titel 894 02 zur Verfügung.

Auswärtiges Amt, Kap. 0504 Tit. 681 11:

2009 – **7,94 Mio. €** für Stipendien, Austauschmaßnahmen und Beihilfen für Nachwuchswissenschaftler (Stipendiatenprogramme Ausland);

Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung, Kap. 2302 Tit. 687 04:

2009 – **216 Mio. €** für die Förderung entwicklungspolitischer Vorhaben der politischen Stiftungen; Die Förderung dient dem Aufbau internationaler Beziehungen sowie der Finanzierung von Auslandsbüros, von Projekten mit Partnerorganisationen und von Veranstaltungen im Ausland.

Die parteinahen politischen Stiftungen werden auch aus den Haushalten der Länder institutionell und projektbezogen gefördert. Die Förderung durch die Länder hatte im Jahr 2008 (auf der Grundlage der von den Stiftungen eingereichten Verwendungsnachweise) ein Gesamtvolumen von rd. **3 Mio. €.**

3. The eligibility requirements for obtaining a subsidy

No special eligibility requirements.
Six foundations of the six biggest parties are eligible.

4. Rules concerning private donations

See rules concerning private donations for political parties.

5. The systems of awarding subsidies and the systems controlling the use of funds

Die jährliche Festlegung der Höhe der Globalzuschüsse und ihre Verteilung auf die einzelnen politischen Stiftungen sind der parlamentarischen Entscheidung (Haushaltsausschuss) vorbehalten. Die Mittelverteilung des Bundes orientiert sich an den Durchschnittsergebnissen der letzten vier Bundestagswahlen, die den politischen Stiftungen nahe stehende Parteien erzielt haben. Eine Anpassung des Verteilungsschlüssels erfolgt nicht unmittelbar nach einer Bundestagswahl, sondern erst im darauf folgenden Jahr. Die Praxis der Mittelvergabe des Bundes entspricht damit der Regelung, die die politischen Stiftungen (FES, KAS, HSS, FNS und HBS) in der 1998 verabschiedeten Gemeinsamen Erklärung vorgeschlagen haben. Die Rosa-Luxemburg-Stiftung hat sich dieser Erklärung inzwischen angeschlossen. Der Verteilung der jährlichen Globalzuschüsse liegt zurzeit folgender Schlüssel zugrunde:

FES	–	32,84 v. H.
KAS	–	29,15 v. H.
HSS	–	10,33 v. H.
FNS	–	10,33 v. H.
HBS	–	10,33 v. H.
RLS	–	7,00 v. H.

6. The documents submitted by the foundations as part of the procedure for the subsidy request.

Die zweckgerechte Verwendung der Zuwendungen ist von politischen Stiftungen (durch Vorlage eines im Zuwendungsbescheid vorgeschriebenen Verwendungsnachweises) nachzuweisen.

7. Some information on the procedures and financial audit of foundations at national level

Die Verwendungsnachweise werden von den zuständigen Verwaltungsbehörden geprüft.

Greece

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Greece is comprised of private financing (membership fees, donations, other activities) and public financing (regular funding and electoral funding).
- Political foundations receive additional funding by the state for research and training purposes.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- The annual regular financing received by the political parties, amounts to 1.02 per mille of the revenues of the state budget.
- The electoral funding, whenever it takes place, must not exceed annually 0.22 per mille of the state budget - in case, however, of multiple elections in the same year, the above funding must not exceed 0.35 per mille of the state budget.
- The funding to political foundations amounts to 0.1 per mille of the revenues of the state budget.

Question 3, the eligibility requirements for obtaining a subsidy
(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- Entitled of state funding are parties which:
  - are represented in the national Parliament and/or
  - are represented in the European Parliament and/or
  - in the last general elections submitted electoral ballots at least in 70 per cent of the country's constituencies and received at least 1.5 per cent of the total number of valid votes cast.

Question 4, rules concerning private donations

- Donations to parties by the same person cannot exceed 15,000 EUR per annum.
- Donations to MPs by the same person, during the electoral period cannot exceed 3,000 EUR.
- Donations or any other form of funding, to parties and to their parliamentary candidates are prohibited from:
  - natural persons of non Greek citizenship,
  - legal persons of public or private entity,
  - local authorities,

- natural persons who own or publish any kind of daily or periodic publications, radio or television stations
- Private funding is subject to limitations and/or restrictions only as regards political parties, not as regards political foundations.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- The state funding is distributed as follows:
  - 80 per cent of the annual state funding is distributed to political parties which are represented in Parliament according to their electoral power,
  - 10 per cent is distributed to political parties which are represented in the European Parliament,
  - 10 per cent is distributed equally among the political parties which in the last general elections submitted electoral ballots at least in 70 per cent of the country's constituencies and received at least equal to 1,5 per cent of the total number of valid votes cast in the entire country.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- Political parties are bound to submit their annual financial statement.
- No work programmes.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Political parties are bound to submit their annual financial statement and publish their financial accounts. The financial management of political parties and their political foundations is controlled at the end of the annual exercise.
- Political parties hold balance accounts (income - expenditures), while the political foundations hold the balance accounts required by law according to their specific legal personality (e.g. private law legal entity, corporation etc).
- Political parties elaborate their annual balance sheet –including the financial management of their foundations – which is published to the Official Gazette of the Greek state.
- All the above mentioned elements and their proof are submitted for elaboration and control to the Monitoring Committee within 15 days after their publication.
- No information has been provided about how a breach of law will be sanctioned.

Question 8, the methods of apportioning subsidies between parties and foundations

- The funding to political foundations amounts to 0.1 per mille of the revenues of the state budget.

- Funding to political foundations is distributed similar as funding to political parties (see: question 5).
- Political foundations hold the balance accounts required by law according to their specific legal personality (e.g. private law legal entity, corporation etc).

Annex

1. A brief, general description of the systems of financing parties and political foundations

The finances of the political parties are regulated by article 29 paragraph 2 of the revised Constitution of Greece (2001).In this article is stated that political parties are entitled to receive financial support by the State for their electoral and operating expenses, transparency in their management (whose control is entrusted to a specific institution), while finally, a maximum limit for the electoral expenses is to be imposed by legislation (see: art 29 of the Greek Constitution at www.parliament.gr/English). The constitutional definitions are specified in Executive Statute Law 3023/2002, which is still in force, following some specific amendments.

(Any further reference to articles is thereon to provision of Statute Law 3023/2002).

The funding of political parties is from the state and private resources. Public finance is divided into regular (tactical) and electoral and is provided as percentage to the revenues of the state budget. Regular funding is cleared on an annual basis while electoral is credited each time that national or European elections are held (article 1 paragraphs 3 and 4). In view of the electoral period, the State provides services and offers facilities to the political parties, such as free radio/television broadcast, space for public advertising and reduced postal rates.

Political parties are also credited annually with financial aid for research and training purposes. This is also set as percentage to the revenues of the state budget and is distributed in the same way as the state funding. The appropriate amount is distributed to political foundations.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

The annual regular financing received by the political parties, amounts to 1.02‰ of the revenues of the state budget (according to article 1 paragraph 3). The electoral funding, whenever it takes place, must not exceed annually 0.22‰ of the state budget - in case, however, of multiple elections in the same year, the above funding must not exceed 0.35‰ of the state budget (article 1 paragraph 4). Finally, the funding to political foundations amounts to 0.1‰ of the revenues of the state budget. Private funding is subject to limitations and/or restrictions only as regards political parties – i.e. not as regards political foundations.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:

- Are there a minimum number of members required to obtain a subsidy?

- Must a party attain a certain percentage of the vote in national or regional elections?

- Must a party have a minimum number of members elected to national or regional parliaments?

Political parties which are entitled of state funding (regular or electoral) are the following:

ii. Parties represented in Parliament and/or,
iii. European Parliament and/or,
iv. Parties which in the last general elections submitted electoral ballots at least in 70% of the country's constituencies and received number of votes, at least equal to 1,5% of the total number of valid votes cast in the entire country.

The 80% of the annual state funding is distributed to political parties which are represented in Parliament according to their electoral power; 10% is distributed to political parties which are represented in the EP, and the rest 10% is distributed equally among the political parties which have participated in the elections as described above under question 3 (iii). Funding to political foundations is distributed similar to the above (article 4 paragraph 1).
The *electoral funding* is distributed in two phases: prior to the elections 60% of the total funding is distributed proportionally among the political parties which were represented in the dissolved Parliament or the EP; the remaining 40% is distributed among the parties which received number of votes equal at least to 1,5% of the valid votes in the entire country proportionally to their recent electoral power.

4. Rules concerning private donations

Private funding is subject to limitations and/or restrictions only as regards political parties – i.e. not as regards political foundations.

Donations to political parties or Members of Parliament are generally not banned in our country.

However, donations to parties by the same person cannot exceed 15.000 euro per annum and donations to MPs by the same person, during the electoral period cannot exceed 3.000 euro. Furthermore, donations or any other form of funding, to parties and to their parliamentary candidates are prohibited from:

- Natural persons of non Greek citizenship.
- Legal persons of public or private entity
- Local authorities
- Natural persons who own or publish any kind of daily or periodic publications
- Natural persons who own radio or television stations

In general the relevant legal base on the above matter is provided by Act 3023/2002.

5. The systems of awarding subsidies and the systems controlling the use of funds

Political parties which are entitled of state funding (regular or electoral) are the following:

v. Parties represented in Parliament and/or,
vi. European Parliament and/or,

vii. Parties which in the last general elections submitted electoral ballots at least in 70% of the country's constituencies and received number of votes, at least equal to 1,5% of the total number of valid votes cast in the entire country.

The 80% of the annual state funding is distributed to political parties which are represented in Parliament according to their electoral power; 10% is distributed to political parties which are represented in the EP, and the rest 10% is distributed equally among the political parties which have participated in the elections as described above under question 3 (iii). Funding to political foundations is distributed similar to the above (article 4 paragraph 1).
The *electoral funding* is distributed in two phases: prior to the elections 60% of the total funding is distributed proportionally among the political parties which were represented in the dissolved Parliament or the EP; the remaining 40% is distributed among the parties which received number of votes equal at least to 1,5% of the valid votes in the entire country proportionally to their recent electoral power.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

In order to receive state funding, political parties and political foundations are not bound to submit their annual plan of action. The political parties, however, are bound to submit their annual financial statement and publish their financial accounts as required by law. These are monitored and controlled by the ad hoc parliamentary Committee provided in art. 29 of the Constitution and art. 21 of Statute law 3023/2002.

7. Some information on the procedures and financial audit of parties and foundations at national level

The political parties, however, are bound to submit their annual financial statement and publish their financial accounts as required by law. These are monitored and controlled by the ad hoc parliamentary Committee provided in art. 29 of the Constitution and art. 21 of Statute law 3023/2002.

The financial management of political parties and their political foundations is controlled at the end of the annual exercise. The political parties hold balance accounts (income - expenditures), while the political foundations hold the balance accounts required by law according to their specific legal personality (e.g. private law legal entity, corporation etc). The political parties elaborate their annual balance sheet –including the financial management of their foundations – which is published to the Official Gazette of the Greek state.
All the above mentioned elements and their proof are submitted for elaboration and control to the Monitoring Committee within 15 days after their publication. This Monitoring Committee (art. 29 of the Constitution and art. 21 of Statute Law 3023/2002) is Chaired by one of the Vice – Presidents of the Parliament. It is formed by MPs (one representative from each parliamentary group) and by three high-rank

Judges (one from the each of the three Supreme Courts of the Country: Administrative, Civil and Penal Court, Court of Audit). This Committee is assisted in its work by chartered accountants and its task is completed within 3 months.

8. The methods of apportioning subsidies between parties and foundations

Political parties are also credited annually with financial aid for research and training purposes. This is also set as percentage to the revenues of the state budget and is distributed in the same way as the state funding. The appropriate amount is distributed to political foundations.

Finally, the funding to political foundations amounts to 0.1‰ of the revenues of the state budget.

- 80% of the annual state funding is distributed to political parties which are represented in Parliament according to their electoral power,
- 10% is distributed to political parties which are represented in the European Parliament,
- 10% is distributed equally among the political parties which in the last general elections submitted electoral ballots at least in 70% of the country's constituencies and received number of votes, at least equal to 1,5% of the total number of valid votes cast in the entire country.

Funding to political foundations is distributed similar to the above.

Political parties which are entitled of state funding (regular or electoral) are the following:

viii. Parties represented in Parliament and/or,
ix. European Parliament and/or,
x. Parties which in the last general elections submitted electoral ballots at least in 70% of the country's constituencies and received number of votes, at least equal to 1,5% of the total number of valid votes cast in the entire country.

The 80% of the annual state funding is distributed to political parties which are represented in Parliament according to their electoral power; 10% is distributed to political parties which are represented in the EP, and the rest 10% is distributed equally among the political parties which have participated in the elections as described above under question 3 (iii). Funding to political foundations is distributed similar to the above (article 4 paragraph 1).
The *electoral funding* is distributed in two phases: prior to the elections 60% of the total funding is distributed proportionally among the political parties which were represented in the dissolved Parliament or the EP; the remaining 40% is distributed among the parties which received number of votes equal at least to 1,5% of the valid votes in the entire country proportionally to their recent electoral power.

Political foundations hold the balance accounts required by law according to their specific legal personality (e.g. private law legal entity, corporation etc).

Hungary

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Hungary is comprised of private financing (membership fees, donations, other activities) and public financing (state subsidies).
- Political foundations receive separate subsidies.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- The ceiling for the annual subsidies allotted to political parties is of maximum 2,511 billion Forints (9,5 million EUR)
- The ceiling for the annual subsidies allotted to party foundations is of maximum 1,26 billion Forints (4,7 million EUR).
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- At least 1 per cent of the votes cast by voters participating at parliamentary election.

Question 4, rules concerning private donations

- Donations to political parties from private persons are acceptable without limitations.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- 25 per cent of the amount of the state budget appropriated for the support of parties shall be divided - in equal proportion - among the parties that are represented in parliament.
- 75 per cent of the amount of the state budget appropriated for the support of parties shall be due to the parties in proportion to the votes cast in favour of the party and the candidates of the party in the first valid round on the basis of the result of the parliamentary elections.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No annual work programme.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Political parties shall publish their annual account on finances (final accounts) in the Official Hungarian Gazette.
- The State Audit Office shall be authorized to control the legality of the financial management of the parties.
- No information has been provided about how a breach of law will be sanctioned.

Question 8, the methods of apportioning subsidies between parties and foundations

- Financial support from the central budget shall be paid to the foundations consistent with the share of votes the founding party, and the candidates delegated by such party has received during the first valid round of the last general parliamentary elections.

Annex

1. A brief, general description of the systems of financing parties and political foundations

The financing of political parties and political foundations in Hungary is regulated by the Act XXXIII of 1989 on the Operation and Financial Management of Political Parties - you can see in the annex. Last amendments: 30-09-2008, Section 9/A, 2-8.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

The rate of State subsidy, intended for the financing of political parties is determined yearly by the law on the State Budget. In 2010 the direct subsidy for the financing of political parties is 2,511 billion Forints (9,513,579 EUR), through the party foundations is 1,26 billion Forints (4,773,839 EUR) (2010 is a year of parliamentary elections).

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

According to the Section 5 (2) the party that on the parliamentary elections has obtained more than 1% of the votes cast by voters participating in the balloting can be entitled to budgetary subsidy.

4. Rules concerning private donations

Donations to political parties from private persons are acceptable without upper limit.

5. The systems of awarding subsidies and the systems controlling the use of funds

System of awarding subsidies by parties, according to Section 5 (2):
„…The parties shall be entitled to state budgetary subsidies according to the provisions of this act.
Twenty-five per cent of the amount of the state budget appropriated for the support of parties shall be divided - in equal proportion - among the parties that are represented in parliament. The amount corresponding to the remaining 75% shall be due to the parties in proportion to the votes cast in favour of the party and the candidates of the party in the first valid round on the basis of the result of the parliamentary elections. The party that has not obtained 1% of the votes cast by voters participating in the balloting shall not be entitled to any budgetary subsidy."

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

Budgetary subsidies for the parties are paid in equal sums at the first day of each quarter. The results of the parliamentary elections shall be first taken into consideration as of the first day of the month following the establishment of the validity of the mandate of the members of parliament.
Parties are obliged to shall publish their annual account on finances, but it doesn't have to be based on an annual work programme presented beforehand.

7. Some information on the procedures and financial audit of parties and foundations at national level

According to Section 9 political parties shall publish their annual account on finances (final accounts) in the Official Hungarian Gazette.

According to Chapter V. the State Audit Office shall be authorized to control the legality of the financial management of the parties.

8. The methods of apportioning subsidies between parties and foundations

System of awarding subsidies by party foundations, according to Section 9/A. (5)
„Financial support from the central budget shall be paid to the foundations consistent with the share of votes the founding party, and the candidates delegated by such party has received during the first valid round of the last general parliamentary elections."

Ireland

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Ireland is comprised of private financing (membership fees, donations, other activities) and public financing (State Finance and Parliamentary Allowance).
- No information has been provided about political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- No constant value of maximum rates of subsidies.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- The State Finance: at least 2 per cent of the of the first preference votes at the last Dáil election.
- The Parliamentary Allowance: at least 1 member elected to Dáil Éireann or Seanad Éireann.
- An allowance shall not be paid unless the statement and auditor's report have been received by the Standards Commission not more than 120 days after the end of the financial year.

Question 4, rules concerning private donations

- The amount of private donations is limited to 6,348.69 EUR from the same person in the same calendar year.
- Donations exceeding 5,078.95 EUR in value received from the same person in the same calendar year must be disclosed in the party's annual Donation Statement.
- Donations from foreign and anonymous donors are banned.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- State Finance:
  - Annual flat rate payment of 126,974 EUR.
  - Is paid for the general conduct and management of the party's affairs and may not be applied to, or to recoup, election or referendum expenses.

  - Additionally, a proportion of a fund (currently approx. 5 million EUR) determined by the party's proportion of first preference votes to Dáil.
  - There are currently five parties in receipt of state funding: Fianna Fail, Fine Gael, The Labour Party, Green Party, and Sinn Fein.
- Parliamentary Allowance:
  - Is paid for the expenses arising from the parliamentary activities, including research, of the party:

Dáil members	Seanad members
< 10 = 48,547 EUR per member	< 5 = 31,743 EUR per member
10-30 = 38,837 EUR per member	> 5 = 15,872 EUR per member
> 30 = 19,423 EUR per member	

  - If a qualifying party forms part of the governance, then the combined allowances in respect of its members of the Dáil only is reduced by one-third.
  - Allowance paid per independent member: of the Dáil = 27,934 EUR; of the Seanad = 15,872 EUR

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- There is no requirement as described above.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- The Standards Commission has a supervisory role in relation to expenditure of the party leader's allowance. It must receive and consider statements of expenditure of the allowance and to consult, if necessary, with the parliamentary party leaders on matters contained in their statements.
- The Standards Commission must furnish a report to the Minister for Finance on the statements received by it and to lay a copy of its report before the Houses of the Oireachtas.
- It must also facilitate the inspection and copying of the statements furnished to it.
- Parliamentary party leaders must prepare not more than 120 days after the end of the financial year, a statement of any expenditure from the allowance. The statement must be audited by a public auditor and must be submitted with the auditor's report to the Standards Commission.

Question 8, the methods of apportioning subsidies between parties and foundations

- No information has been provided about political foundations.

Annex

1. A brief, general description of the systems of financing parties and political foundations

The financing of political parties in Ireland is comprised of state funding for political parties, funding of parliamentary parties through the Party Leaders Allowance and donations from private individuals and organisations.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

This question is not relevant to the Irish situation as payments are dependent on either percentage of first preference votes or number of members in the Houses of the Oireachtas.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

State finance is available to registered political parties that received at least 2% of the of the first preference votes at the last Dáil election. There is a flat rate payment of €126, 974 to each party in addition to a proportion of a fund determined by the party's first preference votes as a proportion of the total first preference votes received by all qualified parties.
The parliamentary allowance is paid to party leaders on the basis of the number of members there are in the parliamentary party.

State funding for political parties
The *Electoral Act 1997,1*as amended, deals with State financing of registered parties and private donations to political parties. The 1997 Act introduced an annual payment to 'qualified political parties' for non-election related administration, research and organisation expenses. To qualify for the payment a political party must be included in the Register of Political Parties and must have received at least 2% of the first preference votes at the last Dáil election.
The Act provides a payment of €126, 974 to each party in addition to a proportion of a fund (currently approx. €5million) which is determined by the party's first preference votes as a proportion of the total first preference votes received by all qualified parties.
There are currently five parties in receipt of such funding – Fianna Fail, Fine Gael, The Labour Party, Green Party and Sinn Fein.

In accordance with Section 18 of the Act, the funds received by qualified parties must be applied to:

" ... the general conduct and management of the party's affairs and the lawful pursuit by it of any of its objectives and, without prejudice to the generality of the foregoing, any or all of the following purposes, namely -

(i) the general administration of the party,
(ii) research, education and training,
(iii) policy formulation, and

(iv) the co-ordination of the activities of the branches and members of the party."

The funding received is also deemed to include provision for expenditure by qualified parties in relation to the promotion of participation by women and young persons in political activity. The funding received may not be applied to, or to recoup, election or referendum expenses.

Parliamentary Party Funding - Party Leaders Allowance
Oireachtas (Ministerial and Parliamentary Offices) (Amendment) Act 20012 deals with the payment of an annual allowance to the parliamentary leader of a qualifying party in relation to expenses arising from the parliamentary activities, including research, of the party. This allowance is known as the 'Party Leaders Allowance'. The allowance was first introduced in 1938.

The criteria for receipt of the party leaders allowance are different to those for state finance under *Electoral Act 1997.* A qualifying party is defined in the Act as a political party, registered in the Register of Political Parties, which contested the last preceding general election or any subsequent bye-elections and which had at least one member elected to Dáil Éireann or elected or nominated to Seanad Éireann. The allowance is calculated for each parliamentary leader by reference to the number of members of the party elected to Dáil Éireann or elected or nominated to Seanad Éireann. If a qualifying party forms part of the Government, then the combined allowances in respect of its members of the Dáil only is reduced by one-third.

The allowance is paid per member according to the following criteria:

Dáil members	**Seanad members**
Less than 10 members - €48,547 Between 10 and 30 members - €38,837 More than 30 members - €19,423	Less than 5 members - €31,743 More than 5 members - €15,872

Independent members (i.e. non-party members) of the Oireachtas are also paid an allowance under the *Oireachtas (Ministerial and Parliamentary Offices) (Amendment) Act 2001.*

Dáil Member – €27,934
Seanad Member – €15,872

The allowance to both party leaders and independent members is paid for 'expenses arising from the parliamentary activities, including research, of the party'. Section 14 of the act states that:

‘expenses arising from parliamentary activities, including research’ includes expenditure on the following categories—

(*a*) the general administration of the parliamentary activities of a qualifying party,
(*b*) the provision of technical or specialist advice likely to be required in connection with legislative proposals or potential parliamentary initiatives,
(*c*) research and training,
(*d*) policy formulation,
(*e*) the provision of consultants’ services, including the engagement of public relations consultants,
(*f*) polling or public attitude sampling in connection with parliamentary debates or initiatives,
(*g*) the purchase of support services for a parliamentary party from the party,
(*h*) the payment to a parliamentary leader of any salary or honorarium in respect of duties arising from his or her activities as such leader as distinct from those of a member of Dáil Éireann or a holder of a ministerial office,
(*i*) the payment to another person of any salary or honorarium in respect of duties arising from the person’s activities in a parliamentary party,
(*j*) the provision for, or recoupment of, transport and personal expenditure incurred by a parliamentary leader, officers or a parliamentary party spokesperson as a result of their parliamentary party function,
(*k*) entertainment;

4. Rules concerning private donations

The upper limit on donations to parties is €6,348.69 from the same person in the same calendar year. Donations exceeding €5,078.95 in value received from the same person in the same calendar year must be disclosed in the party's annual Donation Statement.

The *Electoral Act 1997* introduced a limit on private donations to political parties, this Act was amended by the Electoral Act 2001. The Standards in Public Office published

Guidelines for Political Parties on donations and prohibited donations3 which are available online.

Private donations to political parties are permitted up to certain limits.

Donations exceeding €5,078.95 in value received from the same person in the same calendar year must be disclosed in the party's annual Donation Statement. A political party may not accept a donation from the same person in the same calendar year which exceeds €6,348.69 in value.
Donations from foreign and anonymous donors are banned.

• Donations are any contribution given for political purposes by any person, whether or not the person is a member of a political party, and includes all or any of the following, namely -

a donation of money;
a donation of property or goods;
conferring the right to use, without payment or other consideration, indefinitely or for a specified period of time, any property or goods;

the supply of services without payment or other consideration therefor;

the difference between the commercial price and the price charged for the purchase, acquisition or use of property or goods, or the supply of any service, where the price, fee or other consideration is less than the commercial price; (this can include a loan provided to a political party by a financial institution at terms and conditions which are more favourable than that provided by the financial institution to other individuals.)

a contribution made by a person to a fund-raising event organised for the purpose of raising funds for a political party. The donation is that proportion of the contribution which is attributable to the net profit, if any, deriving from the event.

5. The systems of awarding subsidies and the systems controlling the use of funds

State finance is available to registered political parties that received at least 2% of the of the first preference votes at the last Dáil election. There is a flat rate payment of €126, 974 to each party in addition to a proportion of a fund determined by the party's first preference votes as a proportion of the total first preference votes received by all qualified parties.

The parliamentary allowance is paid to party leaders on the basis of the number of members there are in the parliamentary party.

State funding for political parties

The *Electoral Act 1997,1*as amended, deals with State financing of registered parties and private donations to political parties. The 1997 Act introduced an annual payment to 'qualified political parties' for non-election related administration, research and organisation expenses. To qualify for the payment a political party must be included in the Register of Political Parties and must have received at least 2% of the first preference votes at the last Dáil election.

The Act provides a payment of €126, 974 to each party in addition to a proportion of a fund (currently approx. €5million) which is determined by the party's first preference votes as a proportion of the total first preference votes received by all qualified parties.

There are currently five parties in receipt of such funding – Fianna Fail, Fine Gael, The Labour Party, Green Party and Sinn Fein.

In accordance with Section 18 of the Act, the funds received by qualified parties must be applied to:

> " ... the general conduct and management of the party's affairs and the lawful pursuit by it of any of its objectives and, without prejudice to the generality of the foregoing, any or all of the following purposes, namely -

(i) the general administration of the party,
(ii) research, education and training,
(iii) policy formulation, and

> (iv) the co-ordination of the activities of the branches and members of the party."

The funding received is also deemed to include provision for expenditure by qualified parties in relation to the promotion of participation by women and young persons in political activity. The funding received may not be applied to, or to recoup, election or referendum expenses.

Parliamentary Party Funding - Party Leaders Allowance
Oireachtas (Ministerial and Parliamentary Offices) (Amendment) Act 20012 deals with the payment of an annual allowance to the parliamentary leader of a qualifying party in relation to expenses arising from the parliamentary activities, including research, of the party. This allowance is known as the 'Party Leaders Allowance'. The allowance was first introduced in 1938.

The criteria for receipt of the party leaders allowance are different to those for state finance under *Electoral Act 1997.* A qualifying party is defined in the Act as a political party, registered in the Register of Political Parties, which contested the last preceding general election or any subsequent bye-elections and which had at least one member elected to Dáil Éireann or elected or nominated to Seanad Éireann. The allowance is calculated for each parliamentary leader by reference to the number of members of the party elected to Dáil Éireann or elected or nominated to Seanad Éireann. If a qualifying party forms part of the Government, then the combined allowances in respect of its members of the Dáil only is reduced by one-third.

The allowance is paid per member according to the following criteria:

Dáil members	**Seanad members**
Less than 10 members - €48,547 Between 10 and 30 members - €38,837 More than 30 members - €19,423	Less than 5 members - €31,743 More than 5 members - €15,872

Independent members (i.e. non-party members) of the Oireachtas are also paid an allowance under the *Oireachtas (Ministerial and Parliamentary Offices) (Amendment) Act 2001.*

Dáil Member – €27,934
Seanad Member – €15,872

The allowance to both party leaders and independent members is paid for 'expenses arising from the parliamentary activities, including research, of the party'. Section 14 of the act states that:
'expenses arising from parliamentary activities, including research' includes expenditure on the following categories—

(*a*) the general administration of the parliamentary activities of a qualifying party,
(*b*) the provision of technical or specialist advice likely to be required in connection with legislative proposals or potential parliamentary initiatives,
(*c*) research and training,
(*d*) policy formulation,
(*e*) the provision of consultants' services, including the engagement of public relations consultants,
(*f*) polling or public attitude sampling in connection with parliamentary debates or initiatives,

(*g*) the purchase of support services for a parliamentary party from the party,
(*h*) the payment to a parliamentary leader of any salary or honorarium in respect of duties arising from his or her activities as such leader as distinct from those of a member of Dáil Éireann or a holder of a ministerial office,
(*i*) the payment to another person of any salary or honorarium in respect of duties arising from the person's activities in a parliamentary party,
(*j*) the provision for, or recoupment of, transport and personal expenditure incurred by a parliamentary leader, officers or a parliamentary party spokesperson as a result of their parliamentary party function,
(*k*) entertainment;

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

Various documents, including auditors reports, must be supplied to the Standards in Public Office Commission in respect of state finance of political parties, donations received and expenditure of the party leaders allowance.

Section 20 of the Electoral Act 1997 provides that the appropriate officer of each qualified party must furnish to the Standards Commission an Exchequer Expenditure Statement stating that funding received in respect of the preceding year was applied to some or all of the purposes referred to in section 18, and indicating the actual matters to which the funding was applied, including the amounts applied to the promotion of participation by women and young persons in political activity. The Exchequer Expenditure Statement must be audited by a public auditor and a copy of the auditor's report must be furnished to the Standards Commission with the Exchequer Expenditure Statement.

In accordance with Section 18 of the Act, the funds received by qualified parties must be applied to:

> " ... the general conduct and management of the party's affairs and the lawful pursuit by it of any of its objectives and, without prejudice to the generality of the foregoing, any or all of the following purposes, namely -

(i) the general administration of the party,
(ii) research, education and training,
(iii) policy formulation, and

> (iv) the co-ordination of the activities of the branches and members of the party."

The funding received is also deemed to include provision for expenditure by qualified parties in relation to the promotion of participation by women and young persons in political activity. The funding received may not be applied to, or to recoup, election or referendum expenses.

7. Some information on the procedures and financial audit of parties and foundations at national level

The Standards in Public Office Commission has a supervisory role under the Electoral Act 1997, as amended, (the Electoral Acts) and the Oireachtas (Ministerial and Parliamentary Offices) (Amendment) Act 2001, (the Party Leaders Allowance Act).

State funding and donations

The Electoral Acts require the Standards Commission to monitor and, where it considers it appropriate to do so, to report to the Chairman of Dáil Éireann on matters relating to -

the acceptance and disclosure of donations received by political parties, Members of both Houses and of the European Parliament and candidates at Dáil, Seanad, European Parliament and presidential elections

the opening and maintenance of political donations accounts

the limitation, disclosure and reimbursement of election expenses

State financing of qualified political parties

• the registration of "third parties" (i.e. campaign / lobby groups or individuals which accept a donation for political purposes which exceeds €127 in value) and other persons.

The Standards Commission has a supervisory role in relation to expenditure of the party leader's allowance. It must receive and consider statements of expenditure of the allowance and to consult, if necessary, with the parliamentary party leaders on matters contained in their statements. The Standards Commission must furnish a report to the Minister for Finance on the statements received by it and to lay a copy of its report before the Houses of the Oireachtas. It must also facilitate the inspection and copying of the statements furnished to it.

Section 20 of the Electoral Act 1997 provides that the appropriate officer of each qualified party must furnish to the Standards Commission an Exchequer Expenditure Statement stating that funding received in respect of the preceding year was applied to some or all of the purposes referred to in section 18, and indicating the actual matters to which the funding was applied, including the amounts applied to the promotion of participation by women and young persons in political activity. The Exchequer Expenditure Statement must be audited by a public auditor and a copy of the auditor's report must be furnished to the Standards Commission with the Exchequer Expenditure Statement.

Party Leaders Allowance

Section 1.10(11) of the Oireachtas (Ministerial and Parliamentary Offices) (Amendment) Act 2001 provides that parliamentary party leaders must prepare, or cause to be prepared, not more than 120 days after the end of the financial year in which an allowance has been paid, a statement of any expenditure from the allowance. The statement must be audited by a public auditor and must be submitted with the auditor's report to the Standards Commission within this 120 day period. Section 1.10(12)(a) of the Act provides that an allowance shall not be paid unless the statement and auditor's report have been received by the Standards Commission not more than 120 days after the end of the financial year to which the statement and auditor's report relate.

8. The methods of apportioning subsidies between parties and foundations

No information available about apportioning subsidies between parties and foundations.

Italy

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Italy is comprised of private financing (membership fees, donations, and other activities) and public financing (reimbursement of electoral expenses).
- No information has been provided about political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- No constant value of maximum rates of subsidies.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- For the Chamber of Deputies: parties and movements that have exceeded the threshold of 1 per cent of validly cast votes.
- For the Senate of the Republic: candidate lists that have obtained at least 1 elected candidate or at least 5 per cent of valid votes at the regional level share the breakdown of the fund together with candidates not linked to any group who received at least 15 per cent of valid votes cast in their constituency.
- For the Overseas constituency: the lists of candidates having obtained at least 1 person elected or at least 4 per cent of the valid votes in the breakdown.
- For the European Parliament: the political parties and movements that have obtained at least 1 elected representative.
- For the regional elections: the lists having obtained at least 1 candidate elected.
- For referenda: the attainment in the actual referendum of a *quorum* of valid participants in the vote (50 per cent plus one of those entitled to vote).
- Report 45 days after taking office.

Question 4, rules concerning private donations

- Private individuals (physical persons) and juridical persons (entities, associations, companies, etc.) may make donations by means of money or by providing goods and services without any restrictions on the amount.
- To safeguard transparency: if more than 50,000 EUR per year, the donor and the beneficiary have to sign a joint declaration to the Presidency of the Chamber of Deputies.

- In the case of companies financing is allowed only if: direct or indirect public shareholding in the company does not exceed 20% and the financing is duly recorded in the balance sheet.
- Ban (and relative penalties) to funding and contributions to members of the National Parliament, Italian members of the European Parliament, regional, provincial and municipal councillors, candidates to the above offices, internal groupings of political parties, those holding office as president, secretary or political and administrative executive at the national, regional, provincial and municipal level in a political party.
- Contributions from private persons are eligible for tax breaks in the form of income tax deductions.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- The reimbursements are split up among the political movements or parties eligible for them into four funds corresponding to the bodies to be elected: Senate of the Republic; Chamber of Deputies; European Parliament; Regional Councils.
- The amount of each of the four funds is the equivalent, for each year of the legislature to the sum obtained by multiplying by 1 euro the number of citizens on the electoral rolls pertaining to the Chamber of Deputies elections.
- For constituencies outside of Italy (referred to as overseas constituency) the amount for the Senate and Chamber is increased by 1.5 per cent.
- Campaigns for election of the local authorities (municipal and provincial councils) are not eligible for reimbursement.
- For *referenda:* reimbursement of the sum produced by the multiplication of 1 euro by the number of valid signatures and, in any case, not exceeding a maximum total limit of 2,582,285 euro per year.
- The provided document was unclear as regards: possibly 20 million EUR will be subtracted from the annual total amount:
  - Art. 2, para. 275, of the financial law (budget) for 2008 (L. 244/2007) reduced by 20 million euro per year, starting from 2008, the authorized expenditure earmarked for the payment of reimbursements to political parties and movements for electoral and referendum expenses pursuant to L. 157/1999.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No work programmes are required.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- No later than 45 days after taking office, obligation to account for all the contributions received for the electoral campaign by a report on their electoral campaign expenses and the relative sources of funding. These reports are monitored by the Court of Accounts

- By 31 July each year, a yearly report: the sums for electoral contributions and the electoral reimbursements, the expenses for the electoral campaigns and any breakdown among the political-organizational levels of the party or movement of the contributions received for electoral expenses.
- A board of auditors at the beginning of each legislative period, checks the accounts.

Question 8, the methods of apportioning subsidies between parties and foundations

- No information has been provided about foundations.

Annex

1. A brief, general description of the systems of financing parties and political foundations

No reference to requests 37, 114, 173.

Preamble

In Italy the system of political parties relies on two main sources of funding:

- State contributions in the form of **reimbursement of electoral expenses** incurred by parties and political movements;
- **financing by physical persons** of parties and political movements, as well as of candidates and those elected, in the ways and within the limits prescribed by law.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

No constant value of maximum rates of subsidies.

Determination of the contributions

The expenses of the political parties and movements which may be reimbursed are those incurred in the electoral campaigns relative to the following bodies:

- **Chamber of Deputies**;
- **Senate**;
- **European Parliament**;
- **Regional Councils.**

The reimbursements are split up among the political movements or parties eligible for them into **four funds** corresponding to the bodies to be elected (Senate of the Republic; Chamber of Deputies; European Parliament; Regional Councils; L. 157/1999, art. 1, paras. 1 and 3).

The **amount** of each of the four funds is the equivalent, **for each year** of the legislature to the sum obtained by **multiplying by 1 euro the number of citizens on the electoral rolls** pertaining to the Chamber of Deputies elections (L. 157/1999, art. 1, paras. 1, 3 and 5).

For reimbursements to political parties and movements of expenses incurred during electoral campaigns in the **Overseas constituency** specific provisions have recently been introduced. They entail an **increase** in the amount **of the two funds** relative to the electoral expenses incurred for the renewal of the Senate and the Chamber **to the tune of 1.5 per cent**, with these sums being allocated to the payment of the reimbursement for the political elections in the Overseas constituency (L. 157/1999, art. 1, paras. 1-*bis* and 5-*bis*).

Campaigns for election of the **local authorities** (municipal and provincial councils) are **not eligible for reimbursement**.

Lastly the law makes provision for a form of reimbursement for the campaigns relative to the abrogative ***referenda*** specified in art. 75 and for the constitutional *referenda* pursuant to art. 138 of the Constitution (L. 157/1999, art. 1, para. 4).

The promoting committees are allocated a reimbursement amounting to the sum produced by the **multiplication of 1 euro by the number of valid signatures** collected up to a total of the minimum amount required for the request to be valid (500,000) **and, in any case, not exceeding a maximum total limit of 2,582,285 euro per year**.

??? unclear: Possibly, the annual total amount minus 20 million EUR

> Art. 2, para. 275, of the financial law (budget) for 2008 (L. 244/2007) **reduced by 20 million euro per year,** starting from 2008, the authorized expenditure earmarked for the payment of reimbursements to political parties and movements for electoral and referendum expenses pursuant to L. 157/1999.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

Breakdown of funds
The breakdown of the **Chamber of Deputies** fund is performed in proportion to the list votes obtained among the parties and movements that have exceeded the **threshold of 1 per cent of validly cast votes**.

Specific criteria are laid down in art. 9, para. 3, of L. 515/1993 for calculating the reimbursement due to parties or movements having presented lists or candidates exclusively in regions in which the special statute prescribes special safeguards for **linguistic minorities**.

The reimbursement fund pertaining to electoral expenses for renewing the **Senate of the Republic** is instead broken down on a regional basis.

For this purpose the fund is in the first instance split up among the regions in proportion to their respective populations. The share due to each region is then split up among the lists of candidates standing in the region on the same ticket, in proportion to the votes received at the regional level. The candidate lists having obtained at least **one elected candidate** or at least **5 per cent of valid votes** at the regional level share in the breakdown of the fund together with candidates not linked to any group who are declared elected or receive at least 15 per cent of valid votes cast in their constituency (L. 515/1993, art. 9, para. 2).

In the case of reimbursements referring to electoral campaigns in the **Overseas constituency**, the additional amounts deriving from the 1.5 per cent increase in the two funds pertaining to the reimbursement of electoral expenses for the renewal of the Senate and the Chamber (see above) are in the first instance **distributed** among the four **sections** into which the Overseas constituency is subdivided (comprising

respectively States and territories belonging to Europe, South America, North and Central America, Asia, Oceania and Antarctica) in proportion to the population.
In each breakdown the relative allowance is therefore proportionately split exclusively among the lists of candidates having obtained **at least one person elected** or at least **4 per cent** of the valid votes in the breakdown (L. 157/1999, art. 1, para. 5-*bis*).
The **European Parliament** election fund is split among the political parties and movements that have obtained **at least one elected representative**, in proportion to the votes obtained by each at the national level (L. 515/1993, art. 16).
In the case of **regional elections** the first step is to **split the fund among the regions** in proportion to their respective populations. In each region the share allotted is therefore broken down in proportion to the votes obtained among the lists having obtained **at least one candidate elected** to the regional council of the region concerned (L. 43/1995, art. 6, para. 2).
The payment of reimbursements for ***referenda*** is conditional (as far as abrogative *referenda* are concerned) upon the attainment in the actual referendum of a *quorum* of valid participants in the vote (50 per cent plus one of those entitled to vote); (L. 157/1999, art. 1, para. 4).

4. Rules concerning private donations

No reference to requests 963, 1212, 1378.

Funding by private persons

General limits and obligations

Law 195/1974[7] imposed several **limits on contributions from private persons** in favour of political forces, as well as introducing measures aimed at guaranteeing the **transparency** of the relative sources of funding.
Private individuals (**physical persons**) and **juridical persons** (entities, associations, companies, etc.) may make contributions to parties or to their political-organizational branches, as well as to parliamentary groups. In the case of companies financing is allowed **only if**:

- public shareholding in the company does not exceed 20%;
- the company is not controlled by a company in which the public shareholding exceeds 20%;
- financing is regularly approved by the competent company governing body;
- the financing is duly recorded in the balance sheet (L. 195/1974, art. 7, par. 1).

On the other hand it is **prohibited** for **public administration** bodies, **public entities, companies** with a public shareholding exceeding **20 per cent** or companies controlled by the latter to make contributions to parties or their political-organizational branches, or to parliamentary groups (L. 195/1974, art. 7, para. 2).
Any breach of the above provisions is punished by a **prison term** of 6 months to 4 years, and by a **fine** of up to three times the sum paid or received (L. 195/1974, art. 7, para. 3).
Law 659/1981[8] (art. 4, para. 1) has extended this ban (and relative penalties) to **funding and contributions** in any form and however paid, even indirectly, to

[7] Law no. 195 of 2 May 1974, *State contribution to the financing of political parties*. This was the first general law governing party financing and has been extensively modified since.

- members of the **National Parliament**;
- Italian members of the **European Parliament**;
- regional, provincial and municipal **councillors**;
- **candidates** to the above offices;
- **internal groupings** of political parties;
- **those holding office** as president, secretary or political and administrative executive at the national, regional, provincial and municipal level in a political party.

Without prejudice to the general ban on party funding provided for in art. 7 of Law 195/1974 and illustrated above, physical persons and juridical persons may contribute to the activities of political parties and movements by means of **contributions in money or by providing goods and services** without any restrictions on the amount. However, the law does impose the respect of certain obligations to safeguard transparency.

For instance, when a private contribution exceeds the sum of **50,000 euro** in the course of a year, the donor and the beneficiary are called upon to sign a **joint declaration** to this effect addressed to the Presidency of the Chamber of Deputies. (L. 659/1981, art. 4, para. 3). Moreover, the parties are obliged to account for all the contributions received for the electoral campaign to elect the Speaker of the House (see *infra*).

Any breach of these provisions is punished by a **fine** of twice to six times the amount of the contribution that has not been declared (L. 659/1981, art. 4, para. 6).

Contributions from private persons are eligible for **tax breaks** in the form of income tax deductions (D.P.R. 917/1986, art. 15, para. 1-*bis* and art. 78; see *infra*).

5. The systems of awarding subsidies and the systems controlling the use of funds

The reimbursements are split up among the political movements or parties eligible for them into **four funds** corresponding to the bodies to be elected (Senate of the Republic; Chamber of Deputies; European Parliament; Regional Councils).

The **amount** of each of the four funds is the equivalent, **for each year** of the legislature to the sum obtained by **multiplying by 1 euro the number of citizens on the electoral rolls** pertaining to the Chamber of Deputies elections.

Breakdown of funds

The breakdown of the **Chamber of Deputies** fund is performed in proportion to the list votes obtained among the parties and movements that have exceeded the **threshold of 1 per cent of validly cast votes**.

Specific criteria are laid down in art. 9, para. 3, of L. 515/1993 for calculating the reimbursement due to parties or movements having presented lists or candidates exclusively in regions in which the special statute prescribes special safeguards for **linguistic minorities**.

The reimbursement fund pertaining to electoral expenses for renewing the **Senate of the Republic** is instead broken down on a regional basis.

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[8] Law no 659 of 18 November 1981, *Amendments and additions to law no. 195 of 2 May 1974 governing State contributions to the political parties.*

For this purpose the fund is in the first instance split up among the regions in proportion to their respective populations. The share due to each region is then split up among the lists of candidates standing in the region on the same ticket, in proportion to the votes received at the regional level. The candidate lists having obtained at least **one elected candidate** or at least **5 per cent of valid votes** at the regional level share in the breakdown of the fund together with candidates not linked to any group who are declared elected or receive at least 15 per cent of valid votes cast in their constituency (L. 515/1993, art. 9, para. 2).

In the case of reimbursements referring to electoral campaigns in the **Overseas constituency**, the additional amounts deriving from the 1.5 per cent increase in the two funds pertaining to the reimbursement of electoral expenses for the renewal of the Senate and the Chamber (see above) are in the first instance **distributed** among the four **sections** into which the Overseas constituency is subdivided (comprising respectively States and territories belonging to Europe, South America, North and Central America, Asia, Oceania and Antarctica) in proportion to the population.
In each breakdown the relative allowance is therefore proportionately split exclusively among the lists of candidates having obtained **at least one person elected** or at least **4 per cent** of the valid votes in the breakdown (L. 157/1999, art. 1, para. 5-*bis*).
The **European Parliament** election fund is split among the political parties and movements that have obtained **at least one elected representative**, in proportion to the votes obtained by each at the national level (L. 515/1993, art. 16).
In the case of **regional elections** the first step is to **split the fund among the regions** in proportion to their respective populations. In each region the share allotted is therefore broken down in proportion to the votes obtained among the lists having obtained **at least one candidate elected** to the regional council of the region concerned (L. 43/1995, art. 6, para. 2).
The payment of reimbursements for ***referenda*** is conditional (as far as abrogative *referenda* are concerned) upon the attainment in the actual referendum of a *quorum* of valid participants in the vote (50 per cent plus one of those entitled to vote); (L. 157/1999, art. 1, para. 4).

Mode of payment of reimbursements

The political parties or movements that wish to benefit from reimbursements must **make application** to the Speaker of the competent house of parliament no later than ten days after the date of expiry of the presentation of the candidate lists, after which they shall no longer be eligible (L. 157/1999, art. 1, para. 2).

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

7. Some information on the procedures and financial audit of parties and foundations at national level

No later than 45 days after taking office, the representatives of parties, movements, lists and groups of candidates running in political elections are obliged to account for all the contributions received for the electoral campaign by presenting to the Speakers of the respective Houses **a report on their electoral campaign expenses and the relative sources of funding**. These reports are monitored by the Court of Accounts, to which the Speakers of the two Houses transmit the documents, through an ad hoc **Electoral expenses control board** composed of three magistrates randomly selected from among serving council members (L. 515/1993, art. 12).
Furthermore, the legal representatives or treasurers of the political parties or movements must transmit to the Speaker of the Chamber of Deputies, **by 31 July each year, a yearly report** accompanied by a management report and a supplementary note.

The report must make mention of the sums relative to the credits for electoral contributions and the electoral reimbursements. Indication must be given in the report of the expenses incurred for the electoral campaigns and any breakdown among the political-organizational levels of the party or movement of the contributions received for electoral expenses. A **board of auditors** composed of five official auditors appointed with the approval of the Speakers of the two Houses, at the beginning of each legislative period, checks that the accounts, the report and the supplementary note comply with the law. The documents are published in the *Official Gazette* by the *bureau* of the Chamber of Deputies (L. 2/1997, art. 8 and attachments A and B).

8. The methods of apportioning subsidies between parties and foundations

Latvia

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Latvia is comprised exclusively of private financing (membership fees, donations, economic activities)
- Public financing (subsidies and subventions) is not allowed.
- No information has been provided about political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- Not applicable.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- Not applicable.

Question 4, rules concerning private donations

- The total amount from one natural person is limited to 100 x minimum monthly wage per year.
- No donations allowed by legal persons.
- Anonymous gifts are not allowed.
- Donations are allowed only by Latvian citizens and persons with a Latvian Alien's passport.
- 15 days after the receipt of the donation the party shall publish online the type, amount, date, and the identity of the natural person.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- Not applicable.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- Not applicable.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Within 30 days after the election parties with candidates for the election to the Saeima, local government councils (parish councils) or the European Parliament shall submit a declaration of income and expenses which discloses all the revenues and expenses of 120 days before the election.
- The Corruption Prevention and Combating Bureau (CPCB) shall perform an audit of the declarations and shall within 6 months inform the public regarding all breaches of the provisions and the measures carried out for the prevention thereof.
- Parties shall submit to the CPCB and the State Reveneue Service a copy of the annual report not later than 31 March which shall be published in the official newspaper “Latvijas Vestnesis” and homepage of the Bureau within 10 days.
- If the CPCB identifies a breach of the law the party has to pay the illegally acquired financial assets into the State budget within 30 days.
- If a party has repeatedly failed to submit the declarations or the annual report, the CPCB has the duty to initiate suspension of the activity of the party and ultimately initiate termination of the activity of the party.
- A sworn auditor whose opinion regarding the financial and economic activities of the relevant political organisation (party) shall be included within the annual report, shall audit the financial and economic activities of a party.

Question 8, the methods of apportioning subsidies between parties and foundations

- No information has been provided about political foundations.

<u>Annex</u>

1. A brief, general description of the systems of financing parties and political foundations

Financing of political organizations and parties are determined by the Law on Financing of Political Organisations (Parties), adopted on 19.07.1995. Political organisations (parties) may be financed by:

1) membership fees and joining fees;

2) gifts (donations) from natural persons;

3) the income earned by economic activities of the relevant political organisation (party) or income (dividends) from the investments in capital companies; and/or

4) other sources of financing, except by those prohibited to finance political organisations (parties) by law.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

State subsidies to political parties and organizations in Latvia are no eligible.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

Not applicable

4. Rules concerning private donations

According to the Section 3 of the Law
(…)The total payments of a party member in the form of membership fee, joining fee and gifts (donations) may not exceed 100 minimum monthly wages.

According to the Section 4.

(1) Political organisations (parties) may accept gifts (donations) from:

1) Latvian citizens;

2) persons who in accordance with law have the right to receive an Aliens passport of the Republic of Latvia; or

(2) To one political organisation (a party) a natural person is allowed to make a gift (a donation) not exceeding 100 minimum monthly wages over a period of one calendar year.

According to the Section 7.

(1) Financing of political organisations (parties) in the form of anonymous gifts (donations) is prohibited.

Restrictions for Financing are following (Section 6)

(1) Natural persons are prohibited to finance political organisations (parties) from gifts and loans of other persons. Natural persons, who have been sentenced with prohibition to stand for candidate in the elections of the Saeima, European Parliament and/or local, except for rehabilitated persons, are prohibited to finance political organisations (parties) by gifts or donations.

(3) It is prohibited to finance political organisations (parties) through a third party. Cases, when to implement personal interests of financing the political organisation (party), identity data of another person have been used, or when a donation to the political organisation (party) is given through another person, shall be considered financing of the political organisation (party) through a third party.

Section 4 of the Law determines following:

(3) Within a period of 15 days after the receipt of the gift (donation) the political organisation (party) shall, in accordance with the procedures specified by the Cabinet, publish information regarding such gift (donation) on a separate Internet page, indicating its type, amount, date of receipt, as well as the natural person who has given the gift (donation). The expenses incurred by publishing the referred to information on the Internet shall be covered from the State budget.

According to the Section 8.2

(1) The political organisations (parties) which have submitted their lists of candidates for the election to the Saeima, local government councils (parish councils) or the European Parliament, shall submit to the Corruption Prevention and Combating Bureau a declaration of income and expenses of elections signed by the leader of the relevant political organisation (party) in accordance with the procedures specified by the Cabinet within a period of 30 days after the election of the Saeima, local government councils (parish councils) or the European Parliament.

(2) The declaration of income and expenses of elections shall disclose all the revenues and expenses, which have been incurred over the period from the 120th day before the elections up to the Election Day, as well as expenses that will incur when paying invoices for the aforementioned activities after the elections.

5. The systems of awarding subsidies and the systems controlling the use of funds

Not applicable

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.
In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

Not applicable

7. Some information on the procedures and financial audit of parties and foundations at national level

Section 4 of the Law determines following:

According to the Section 8.2

(1) The political organisations (parties) which have submitted their lists of candidates for the election to the Saeima, local government councils (parish councils) or the European Parliament, shall submit to the Corruption Prevention and Combating Bureau a declaration of income and expenses of elections signed by the leader of the relevant political organisation (party) in accordance with the procedures specified by the Cabinet within a period of 30 days after the election of the Saeima, local government councils (parish councils) or the European Parliament.

(2) The declaration of income and expenses of elections shall disclose all the revenues and expenses, which have been incurred over the period from the 120th day before the elections up to the Election Day, as well as expenses that will incur when paying invoices for the aforementioned activities after the elections.

(3) The Corruption Prevention and Combating Bureau shall perform an audit of declarations of income and expenses of elections and shall, within a period of 6 months from the closing date of the period for submitting the declarations, inform at once the public regarding all breaches of the provisions for the financing of political organisations (parties) identified in all those declarations submitted, as well as regarding the measures carried out for the prevention thereof.

According to the Section 8.5

Political organisations (parties) shall submit to the Corruption Prevention and Combating Bureau one copy of the annual report thereof according to the procedures specified by the Cabinet not later than March 31. Another copy Political organisations (parties) shall submit to the State Revenue Service.

Corruption Prevention and Combating Bureau shall publish this information in the official newspaper "Latvijas Vestnesis" and homepage of the Bureau at the least 10 days after receiving the annual report..

According to the Section 9.

(2) Any person shall have the right to apply to the Corruption Prevention and Combating Bureau and to the relevant political organisation (party) for familiarisation with the annual report, the annual declaration of financial activities.

The Law on Financing of Political Organisations (Parties) determines following procedures:

Section 13. Control and Monitoring over the Implementation of the Law

The Bureau for the Prevention and Combating of Corruption shall perform the control and monitoring over the implementation of this Law.

Section 10. Liability for the Failure to Comply with this Law

(1) If a political organisation (party) fails to submit the annual report or a declaration of financial activities and a statement regarding the planned election expenses until the term specified by the Law or these documents fail to disclose information specified by the Law, or they contain false information, or if the provisions of Section 2, Paragraph one; Section 3, Paragraph one or two; Section 4, Paragraphs two and three; Section 6, Paragraphs two, five and six; Section 7, Paragraphs one and three and of Sections 8.4 and 9.1 of this Law be breached, the political organisation (party) shall be administratively held liable in accordance with the procedures prescribed by law.

(2) If the Corruption Prevention and Combating Bureau identifies a breach of Section 2, Paragraphs one and three; Section 4, Paragraphs one; Section 6 Paragraph one; of this Law, the Head of the Bureau for the Prevention and Combating of Corruption has the duty to charge the relevant political organisation (party) to include the illegally acquired financial assets into the State budget within the period of 30 days, and to transfer the property to the State property in accordance with the procedures specified by the Cabinet.(...) Upon a motivated request from the relevant political organisation (party) the Head of the Corruption Prevention and Combating Bureau may divide the repayment of the financial assets into periods or extend the period of repayment of financial assets, but not longer than for a period of 90 days.

(21) If the Corruption Prevention and Combating Bureau identifies the breach of provisions of Section 8.4 of this Law, the Head of the Corruption Prevention and Combating Bureau has the duty to charge the relevant political organisation (party) to include the financial assets into the State budget within the period of 30 days in such amount as refers to the amount of pre-election expenses exceeded. Upon a motivated request from the relevant political organisation (party) the Head of the Corruption Prevention and Combating Bureau may divide the transfer of the financial

assets into periods or extend the period for transfer of financial assets, but not longer than for a period of 90 days.

(3) If the Corruption Prevention and Combating Bureau identifies a received gift (donation) which has not been disclosed in the annual declaration of financial activities of the political organisation (party) and in the information regarding the gifts (donations) received, the Head of the Corruption Prevention and Combating Bureau has the duty to charge the relevant political organisation (party) to include the illegally acquired financial assets into the State budget within a period of 30 days and to transfer the property to the State property in accordance with the procedures specified by the Cabinet. Upon a motivated request from the relevant political organisation (party) the Head of the Corruption Prevention and Combating Bureau may divide the repayment of the financial assets into periods or extend the period of repayment of financial assets, but not longer than for a period of 90 days.

(4) If the Corruption Prevention and Combating Bureau identifies that a political organisation has repeatedly failed to submit the declarations indicated in Sections 8, 8.1, 8.2 and 8.5 of this Law or the annual report, the Head of the Corruption Prevention and Combating Bureau has a duty to issue a warning to the leader of the relevant political organisation (party) in writing within a period of two weeks.

(5) If a political organisation (party) fail to fulfil the obligation specified in Paragraphs 1.1 two, 2.1 and three of this Section within the term period specified by the Corruption Prevention and Combating Bureau or within a month after forwarding of a warning fails to submit the declarations or the annual report, the Head of the Corruption Prevention and Combating Bureau has a duty to initiate suspension of the activity of the relevant political organisation (party) through court within a period of two weeks.

(6) If the political organisation (party) fails to comply with the court judgment on suspension of activity or fails to prevent the breach of law in the period appointed by the court, the Head of the Corruption Prevention and Combating Bureau has the duty to initiate termination of the activity of the relevant political organisation (party) through court.

Section 11. Audit of Financial and Economic Activities

(*1) A sworn auditor whose opinion regarding the financial and economic activities of the relevant political organisation (party) shall be included within the annual declaration of financial activities that is submitted to the Corruption Prevention and Combating Bureau, shall audit the financial and economic activities of a political organisation (party) not less than once a year if turnover of the financial resources is more than 10 minimum monthly wages.*

(2) The audit provided for in Paragraph one of this Section shall be financed from the funds of the relevant political organisation (party).

8. The methods of apportioning subsidies between parties and foundations

Not applicable

Lithuania

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Lithuania is comprised of private financing (membership fees, donations, other activities) and public financing (subsidies from the State budget).
- The Law does not regulate political foundations in Lithuania.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- No constant maximum rates of subsidies.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- At least 3 per cent of votes cast for the candidates of the political parties in last elections to the Seimas and elections to municipal councils.

Question 4, rules concerning private donations

- One natural or legal person may during a calendar year donate for one political party a donation not exceeding 300 x minimum living standard (130 LTL (37,78 EUR)).
- Donations are only allowed by:
  - citizens and permanent residents of the Republic of Lithuania,
  - private legal persons registered in the Republic of Lithuania whose authorised capital does not comprise state or municipal capital,
  - private legal persons of the member states of NATO and the European Union.
- If one natural person has donated to a political campaign participant during one political campaign more than 10 per cent of the revenue received during the last year, such donor and his donation (donations) must be declared in the opinion of the State Tax Inspectorate under the Ministry of Finance.
- Natural persons who have donated a donation in the amount of 100 LTL (29 EUR) and more, as well as all legal persons who have donated must be made public.
- It shall be prohibited to make secret obligations. A copy of the agreement must be delivered to the Central Electoral Commission together with the election

campaign financial report; the Commission must announce the text of the agreement in the website of the Central Electoral Commission.
- Donations of natural persons that exceed 1,000 LTL (290 EUR) and all donations of legal persons must be donated by bank transfer.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- The amount of an appropriation allocated from the state budget for a political party shall be determined by multiplying a six-month financial coefficient of one elector's vote by the number of votes of the electors who cast their votes for the candidates of this political party.
- However, no information has been provided as regards the specific budget for subsidies.
- Additionally, political parties shall be entitled to compensation of up to 25 per cent of the authorised expenditure linked to political campaign. The sum of appropriations designated to compensate part of political campaign-related expenditure shall be set in the state budget of the Republic of Lithuania.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No annual work programmes.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Each year political parties shall, not later than 1 March of the coming year, submit to the State Tax Inspectorate and the Central Electoral Commission an annual financial statement of the political party by an attested copy of an accounting journal, and at the request of the Central Electoral Commission – also by the documents justifying the data contained in the financial statement.
- Political parties must carry out an independent audit of its activities if a political party has received during a calendar year a sum exceeding 3,000 x minimum living standard (130 LTL (37.78 EUR)) and submit the report of the independent audit to the Central Electoral Commission and the State Tax Inspectorate within 3 months from the end of the financial year.

Question 8, the methods of apportioning subsidies between parties and foundations

- The Law does not regulate political foundations in Lithuania.

Annex

1. A brief, general description of the systems of financing parties and political foundations

The purpose of the *Law on Funding Political Parties and Political Campaigns, and Control of Funding* (hereinafter: the Law) (see the link to the English version of the document http://www3.lrs.lt/pls/inter/dokpaieska.showdoc_l?p_id=335868) is to ensure democracy of political campaigns, legality and publicity of funding of political parties and political campaigns, to lay down the procedure for funding political parties and political campaigns, and to establish efficient and transparent control of funding of political parties and political campaigns. The Law does not regulate "political foundations" in Lithuania.

It's important to note that there are no such institutions as "political foundations" in Lithuania. There are several institutions, named, for example, "Institute of Democratic Policy", but these "institutes" works like independent think tanks or the like - without clear relations with political parties. Despite this, such "institutes" sometimes collaborate with political parties in areas of research, conferences, publishing and so on. Such "institutes" has no organizational links with political parties; parties are not represented in the advisory boards of "institutes" as well. (According to response by the Seimas to the ECPRD Request No. 646 - Political Foundations).

Under the Article 7 of the Law, **permanent sources of funding of political parties are**:
1) membership fees of the political party;
2) state budget appropriations and reimbursement of a part of political campaign expenditure;
3) funds received by the political party from its other activities referred to in Article 14[9] of this Law;
4) appropriations paid political parties by international organisations whose member the Republic of Lithuania or the political party is;
5) donations set by this Law (received from legal and natural persons);
6) credits of the banks registered in the Republic of Lithuania for the political party.

Sources of funding of political parties shall be permanent (sources of funding traditional for this political party during the period between political campaigns and during a political campaign) and political campaign funding sources.

Sources of funding of political campaign of the political party shall be as follows:

[9] Political parties shall enjoy the right to engage in publishing, distribution of printed matter and party symbols, management, use and disposal of the property belonging by the right of ownership, organisation or political and cultural events (lectures, exhibitions, etc.) and other activities; money received from such activities may be used only for pursuance of the purposes of the political party as specified in the statutes of the party. Parties shall also be entitled to the interest on bank deposits. (Article 14 of the Law)

1) own funds of the political party, received from the sources of funding of the political party and used to fund political campaigns of the party, lists of candidates nominated by the party and candidates nominated by the party;
2) donations received by the political party during the period of political campaign;
3) credits received by the political party from the banks registered in the Republic of Lithuania during the period of political campaign.
It shall be prohibited to fund political parties or political campaigns with the funds which are not specified in this Article.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

There are no maximum rates of subsidies and the minimum rate of co-financing by the parties in Lithuania. The total sum of funds which could be used as subsidies designed and apportioned for political parties depends on the decision of government and parliament.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

The relevant answer is b. Under the Article 13 of the *Law on Funding Political Parties and Political Campaigns, and Control of Funding*, the eligibility and amount of funding depends on the votes received in national parliamentary and municipal elections. A state budget appropriation shall be distributed to those political parties which have received not less than 3 per cent of votes cast for the candidates of the political parties in last elections to the Seimas and elections to municipal councils. For more details see answer to question No. 5.

4. Rules concerning private donations

According to the Article 12 of this Law the following shall have the right to make donations to political parties and political campaign participants:

1) the **citizens of the Republic of Lithuania** – to participants of all political campaigns and political parties; permanent residents of the Republic of Lithuania who are citizens of any other member state of the European Union – to participants of campaigns and political parties linked to elections to the European Parliament and elections to municipal councils; permanent residents of the Republic of Lithuania who are not citizens of any other member state of the European Union or stateless persons – to participants of political campaigns of elections to municipal councils;

2) the **private legal persons registered in the Republic of Lithuania** whose authorised capital does not comprise state or municipal capital and whose share of the authorised capital and (or) voting rights, granting the right to control activities of the legal person, belongs only to the natural persons referred to in subparagraph 1 of paragraph 1 of this Article, the legal persons registered in the Republic of Lithuania or the private legal persons of the member states of NATO and the European Union.

Political parties shall enjoy the right to make donations only for political campaigns of candidates or lists of candidates.
Political campaign funding agreements which confirm property and non-property (political) obligations of a political campaign participant (donor) and beneficiary must be drawn up in writing. They must be signed by a political campaign participant (donor), the political campaign treasurer and the donor. Political campaign funding agreements must be announced publicly and may not contradict public policy or good morals. It shall be prohibited to make secret obligations. A copy of the agreement must be delivered to the Central Electoral Commission together with the election campaign financial report; the Commission must announce the text of the agreement in the website of the Central Electoral Commission.
Agreements between donors and beneficiaries, related to commitments to personal, private or group interests, shall be prohibited.
Persons elected to state or municipal institutions shall be prohibited from representing donors' personal or group interests and taking decisions which are exceptional favourable to them.

Under the Article 10 of the Law, one natural person referred to in Article 12 of this Law may during a calendar year donate for one political party a donation not exceeding 300 minimum living standards[10]. If a political campaign takes place the same year, a natural person may donate to one independent participant of political campaign during this political campaign a donation not exceeding 300 minimum living standards. If one natural person has donated to a political campaign participant (participants) during one political campaign more than 10 per cent of the revenue received during the last year, such donor and his donation (donations) must be declared in the opinion of the State Tax Inspectorate under the Ministry of Finance (hereinafter referred to as the State Tax Inspectorate).
Natural persons who have donated a donation in the amount of LTL[11] 100 and more, as well as all legal persons who have donated must be made public. When accepting a donation, the donation sheet must be filled in. The donor's first name, surname and municipality in which he resides, the legal person's business name, municipality in which his registered office is located, must be announced by the political campaign treasurer not later than within 5 working days during the period of political campaign and at the end of the quarter during another period, in the public list of donors announced in the website of the Central Electoral Commission. In the case of a natural person who has donated a donation in the amount not exceeding LTL 100 and does not wish that his name be made public, the donation sheet shall be also filled out, in which the personal data of the donor shall be indicted: the first name, surname, personal number, place of residence. If a natural person who has donated a donation in the amount not exceeding LTL 100 and does not consent to his personal data being, it shall be prohibited to make the personal data public.
Cash donations of natural persons that exceed LTL 1000 and all cash donations of legal persons must be donated by bank transfer.
One legal person, referred to in Article 12 of this Law, may, during a financial year, donate for one political party a donation in the amount not exceeding 300 minimum living standards. If during the same year a political campaign takes place, a legal person may donate to one independent participant of political campaign during this

[10] Minimum living standard = 130 LTL.
[11] 1EUR ~3,45 LTL.

political campaign a donation in the amount not exceeding 300 minimum living standards.

5. The systems of awarding subsidies and the systems controlling the use of funds

Political parties shall be entitled to receive appropriations from the state budget in accordance with the procedure laid down by law.
The amount of an appropriation allocated from the state budget for a political party shall be determined in the following manner:
1) by summing up only those votes of electors which have been cast for the candidates of those political parties for whom a state budget appropriation may be allocated under paragraph 3 of this Article, the number of all votes is determined;
2) a six-month financial coefficient of one elector's vote is established by dividing the half of the state budget appropriation by the number of votes of all electors;
3) the six-month appropriation of the state budget allocated for a political party is established by multiplying a six-month financial coefficient of one elector's vote by the number of votes of the electors who cast their votes for the candidates of this political party.
A state budget appropriation shall be distributed to those political parties which have received not less than 3 per cent of votes of all electors cast for the candidates of the political parties in those elections to the Seimas, elections to municipal councils according to the results of which the state budget appropriation is distributed and for which the entitlement to state budget appropriations has not been suspended in accordance with the procedure laid down by law.
State budget appropriations shall be distributed according to the valid results of the elections to the Seimas, elections to municipal councils (run-off elections, new elections and repeat vote) in which the powers of the elected candidates have not been terminated or upon their termination a vacant place has been occupied without holding elections:
1) according to the results of the last elections to the Seimas, elections to municipal councils in multi- member constituencies. In the event, when the nominated list of candidates is coalitional, the received number of votes shall be distributed to political parties in proportion to the number of candidates on the coalition list;
2) according to the results of the last elections, run-off elections, last new elections to the Seimas in single-member constituencies. If several political parties have nominated a candidate, the votes received by the candidate shall be equally distributed among the political parties which have nominated him;
3) according to the results of the last repeat voting in single-member constituencies of elections to the Seimas. If repeat voting, upon election of Seimas member at the election, run-off election or new election, has not been held, then the results of the last elections, run-off elections or new elections in this single-member constituency shall be taken instead of the results of repeat voting. If several political parties have nominated a candidate, the votes received by the candidate shall be distributed equally among the political parties which have nominated him.
The amount of a state budget appropriation for a political party shall be determined by the Central Electoral Commission in accordance with the procedure laid down by this Article; the Commission shall, before 15 April and 15 November of each year, submit certificates about it to the Ministry of Finance.
Invoking the provisions of this Law, the Ministry of Finance shall provide for appropriations for political parties in a draft law on the approval of financial

indicators of the state budget and municipal budgets of each year. On the basis of the certificate submitted by the Central Electoral Commission, the Ministry of Finance shall transfer a part of the state budget appropriation designated for a political party to its account not later than within 15 days from the end of the time limits specified in paragraph 5 of this Article.

Compensation of part of expenditure linked to political campaign (Article 15)
1. Political parties shall be entitled to compensation of part of the expenditure linked to political campaign.
2. After the end of political campaign, the Central Electoral Commission shall, having verified political campaign funding reports according to the opinion of the State Tax Inspectorate as well as political campaign funding reports and other information, determine, within 15 days from the receipt of these reports and other information, the number of candidates and lists of candidates nominated by political parties, who of them each received not less than 3 per cent of votes of the electors participating at the elections in the appropriate constituencies, and funding which political campaigns no gross violations have been established, the total amount of the funds spent to finance political campaigns; it shall also determine whether or not debt obligations related to political campaign remain. Up to 25 per cent of political campaign-related expenditure may be compensated for the political parties which meet these conditions. The sum of appropriations designated to compensate part of political campaign-related expenditure shall be set in the state budget of the Republic of Lithuania. The sum of compensation set in the state budget shall be distributed among the political parties which are entitled to compensation of political campaign-related expenditure in proportion to the expenditure of their political campaign.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

According to the Article 22 of the Law each year political parties shall, not later than before the first of March of the coming year, submit to the State Tax Inspectorate and the Central Electoral Commission an annual financial statement of the political party for the past year.
Annual financial statement of the political party means a document in which political parties declare the received income during one financial year, donations and their donors, borrowed funds and other funds received legally, incurred expenditure, repaid debts, **indicate how the state budget appropriations have been used**. If during that calendar year a political party participated in the political campaign, total rates of a political campaign funding report must be indicated separately in an annual financial statement of the political party. If a political campaign ends in the year following the year it started, total rates of a political campaign funding report shall be indicated in a financial statement of the succeeding year.

There are no requirements for political parties to present annual work programmes in the context you asked.

7. Some information on the procedures and financial audit of parties and foundations at national level

Under the Article 19 an annual financial statement of the political party must be approved by the governing body of the political party. The annual financial statement of the political party must be accompanied by an attested copy of an accounting journal, and at the request of the Central Electoral Commission – also by the documents justifying the data contained in the financial statement. After inspection or making a copy, they shall be returned to the political party.
Under the Article 22 of the Law the State Tax Inspectorate inspect whether the data of annual financial statements of political parties, political campaign funding reports, accounting records of the political party or political campaign are in conformity with the available data on the person's declared income.

Under the Article 24 of the Law political parties must carry out an independent audit of its activities, if a political party has received during a calendar year the sum of income exceeding 3000 minimum living standards, and submit the report of the independent audit to the Central Electoral Commission and the State Tax Inspectorate within 3 months from the end of the financial year.

Currently the Seimas of the Republic of Lithuania is considering relevant amendments of the Law. According to the new draft of the Law, the National Audit Office shall carry out an audit in order to check how budged appropriations desigated for the parties are used.

8. The methods of apportioning subsidies between parties and foundations

The Law does not regulate "political foundations" in Lithuania.

Poland

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Poland is comprised of private financing (membership fees, donations, other activities) and public financing (subsidies and subventions).
- No information has been provided about political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- No constant value of maximum rates.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- "Subventions" for the elections to the Sejm if a political party has:
  - received at least 3 per cent of votes validly cast,
  - entered into an election coalition which received at least 6 per cent of votes validly cast.
- "Entity-defined subsidy" if a political party has at least 1 seat of a Deputy or a Senator.

Question 4, rules concerning private donations

- The total amount from one natural person is limited to 15 x the minimum wage (or 25 in the case of more than one election) per year.
- Donators must be Polish citizens with permanent residence within the territory of Poland.
- No donations allowed by legal persons.
- Contributions may not be made in cash.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- The amount of the annual "subvention" shall be determined in accordance with the principle of gradual degression, proportionally to the total number of valid votes cast. Zloty per vote (1 zloty = 0,2589 EUR): ≤5%: 10.,83 zloty, 5-10%: 8,66 zloty, 10-20%: 7,58 zloty, 20-30%: 4,33 zloty, >30%: 1,62 zloty.
- The amount of an "entity-defined subsidy" for each obtained seat shall be calculated by dividing by 560 the sum of all expenses up to an authorised

amount specified in election reports.

- Funds: a political party which receives a subvention shall transfer 5 to 15 per cent of the subvention to an Expert Fund. The Expert Fund may be used to finance the legal, political, sociological, social and economic (expert) opinions, and education and publishing activities.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- Political parties shall draw up the annual financial information concerning the received subvention and the expenses incurred and submit the information to the National Electoral Commission by 31 March of the successive year.
- No work programmes are needed.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- A political party shall submit to the National Electoral Commission, not later than by 31 March each year, a report concerning sources of the acquisition of financial means and about the expenses covered by the funds.
- Audit review and inspection authorities shall cooperate with the National Electoral Commission and shall be obliged to provide the results of audits conducted by these authorities.
- The report shall include the opinion and a report of a registered auditor concerning the receipts of the Election Fund of the political party. The auditor shall be appointed by the National Electoral Commission, and the cost of the opinion and report shall be covered by the National Electoral Office.
- The National Electoral Commission shall publish the information together with the opinion and report in the Official Gazette of the Republic of Poland "Monitor Polski".
- In the event of rejection by the National Electoral Commission of a report, the political party shall lose the right to receive the subvention for the next 3 years in which it is entitled to receive it.

Question 8, the methods of apportioning subsidies between parties and foundations

- No information is given about the methods of apportioning subsidies between parties and foundations.

Annex

1. A brief, general description of the systems of financing parties and political foundations

The Act of 27th June 1997 on Political Parties

Chapter 4
Finances and financing of political parties

ARTICLE 23a

The sources of financing of political parties shall be transparent.

ARTICLE 24

1. The assets of a political party shall be derived from membership fees, donations, bequests, legacies, income from property, as well as from subsidies and subventions specified by statute.
2. Assets of a political party may be assigned only for the party's statutory purposes, or for charity.
3. Political parties may not engage in economic activities.
4. Political parties may acquire income from property only, if it is generated by:
   1) interest on funds accumulated on bank accounts and deposits;
   2) trading in State Treasury bonds and Treasury bills;
   3) selling their assets;
   4) activities referred to in Article 27.
5. A political party may grant the use of property and premises possessed by it only for Deputies' or Senators' offices, or offices of councillors of a commune, a county or a voivodeship.
6. Political parties may not carry out public collections.
7. Political parties may contract bankers' credit for its statutory purposes.
8. Financial resources of a political party shall be collected exclusively in a bank account, subject to Article 26a

ARTICLE 26a

The obligation to deposit money on bank accounts shall not apply to the receipts of membership fees in an amount not exceeding, from one member in a year, the minimum wage established according to separate provisions and valid on the day preceding the payment, which have been left in local organizational units of the party for the purpose of covering their current operational expenses.

ARTICLE 27

The conduct by political party of activity consisting of the sale of copies of the party's statute or program, or items bearing the party's symbols, and publications promoting the purposes and activities of the political party, as well as the provision for the benefit of third persons of minor services utilising office equipment at the party's disposal shall not constitute economic activity within the meaning of other provisions.

The Act of 12th April 2001 on Elections to the Sejm of the Republic of Poland and to the Senate of the Republic of Poland.

ARTICLE 128

1. A political party whose election committee has participated in the election, a political party being a member of an election coalition, and also an election committee of voters shall be entitled to a subsidy from the State Budget, hereinafter called an "entity-defined subsidy", for each seat of a Deputy or a Senator it has obtained. The expenses related to an "entity-defined subsidy" shall be covered by the State Budget, in part: "Budget, public finances and financial institutions".

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

No constant value of maximum rates of subsidies.

ARTICLE 29

1. The amount of the annual subvention, referred to in Article 28, for a given political party or an election coalition shall be determined in accordance with the principle of gradual degression, proportionally to the total number of valid votes cast for constituency lists of candidates for Deputies of that party or election coalition, divided into the numbers of votes corresponding to individual percentage bands, in accordance with the following formula:

$S = W_1 \times M_1 + W_2 \times M_2 + W_3 \times M_3 + W_4 \times M_4 + W_5 \times M_5$

where:

S — means the amount of the annual subvention;

$W_{1\text{–}5}$ — means the number of votes, calculated successively for each line in the table below, established separately as a result of distribution the total number of valid votes cast nation-wide for the constituency lists of candidates for deputies of a given political party or election coalition, appropriately to the percentage band;

$M_{1\text{–}5}$ — the amount in the Polish zloty for each consecutive line of the table below:

Line	**Valid votes cast nation-wide for the constituency lists of candidates for deputies of a given political party or election coalition, distributed as appropriate to each band**		**Amount for one vote (M)**
	percent	**number of votes (W)**	
1.	to 5%		10.83 zloty
2.	5+ to 10%		8.66 zloty
3.	10+ to 20%		7.58 zloty
4.	20+ to 30%		4.33 zloty
5.	30+		1.62 zloty

The Act of 12th April 2001 on Elections to the Sejm of the Republic of Poland and to the Senate of the Republic of Poland.

ARTICLE 128

1. A political party whose election committee has participated in the election, a political party being a member of an election coalition, and also an election committee of voters shall be entitled to a subsidy from the State Budget, hereinafter called an “entity-defined subsidy”, for each seat of a Deputy or a Senator it has obtained. The expenses related to an “entity-defined subsidy” shall be covered by the State Budget, in part: “Budget, public finances and financial institutions”.

2. The amount of an entity-defined subsidy for each obtained seat shall be calculated by dividing by 560 the sum of all expenses specified in election reports of those election committees which have obtained at least one seat in the election. The expenses disclosed in election reports shall be applied for calculations up to the limit, referred to in Article 114, assigned to a given election committee.

3. The amount of an entity-defined subsidy shall be calculated in accordance with the following formula:

$$D_p = \frac{W}{560} \times M;$$

where:

D_p — means the amount of the entity-defined subsidy available;

W — means the total amount of expenditures for election campaigning (up to the limits assigned to election committees) of those election committees which have obtained at least one seat;

M — means the number of seats of Deputies and Senators obtained by a given election committee.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:

- Are there a minimum number of members required to obtain a subsidy?

- Must a party attain a certain percentage of the vote in national or regional elections?

- Must a party have a minimum number of members elected to national or regional parliaments?

ARTICLE 28

1. A political party which:
   1) having formed its own electoral committee in the elections to the Sejm received, nation-wide, at least 3% of votes validly cast for its constituency lists of candidates for deputies, or
   2) in the elections to the Sejm entered into an election coalition, whose constituency lists of candidates for deputies received, nation-wide, at least 6% of votes validly cast;

shall be entitled to receive during the term of office of the Sejm subventions from the State budget, hereafter called “subventions”, for its statutory activities, following the principles and procedures determined in this Act;

The Act of 12th April 2001 on Elections to the Sejm of the Republic of Poland and to the Senate of the Republic of Poland.

ARTICLE 128

1. A political party whose election committee has participated in the election, a political party being a member of an election coalition, and also an election committee of voters shall be entitled to a subsidy from the State Budget, hereinafter called an "entity-defined subsidy", for each seat of a Deputy or a Senator it has obtained. The expenses related to an "entity-defined subsidy" shall be covered by the State Budget, in part: "Budget, public finances and financial institutions".

4. Rules concerning private donations

ARTICLE 25

1 Funds may be transferred to a political party only by Polish citizens with permanent residence within the territory of the Republic of Poland, subject to the provisions of para. 2 below, Article 24 paras 4 and 7, Article 28 para. 1 and the provisions of the Act on Elections to the Sejm and to the Senate of the Republic of Poland, and the Act on Elections to the European Parliament, within the scope of an entity-defined subsidy.

2. *Repealed*

3. *Repealed*

??? imprecise:

> **4. The total amount of payments from one natural person to one political party, excluding membership fees in an amount not exceeding, in a year, the minimum wage established according to separate provisions and valid on the day preceding such payment, and payments for the Election Fund of a political party, shall not exceed, in one year, the equivalent of 15 times the minimum wage established according to separate provisions and valid on the day preceding such payment.**

4a. The provisions of paras 1 and 2 shall apply as appropriate to non-money assets.

5. A single contribution of an amount higher than the minimum wage established according to separate provisions and valid on the day preceding such payment, may be made to a political party only by an account-only cheque, transfer or bank (payment) card.

ARTICLE 36

1. The financial resources derived from the party's own contributions and donations, bequests and legacies, may be raised for the Election Fund.

2. *Repealed.*

3. Financial resources of the Election Fund shall be collected in a separate bank account.

ARTICLE 36a

1. The total amount of payments from one natural person to the Election Fund of a political party in one year may not exceed the equivalent of 15 times the minimum wage established according to separate provisions and valid on the day preceding the day of payment.

2. If, in a given calendar year, more than one election or national referendum are held, the total amount of payments to the Election Fund, referred to in para. 1, shall be increased to 25 times the minimum wage valid on the day preceding the day of payment. The provision in the first sentence shall not apply to additional elections, repeated elections,

early elections and new elections to constitutive organs of local government units, held during the term of office.

3. The contribution to the Election Fund may be made only by cheque, bank transfer, or bank [payment] card.

5. The systems of awarding subsidies and the systems controlling the use of funds

ARTICLE 29

1. The amount of the annual subvention, referred to in Article 28, for a given political party or an election coalition shall be determined in accordance with the principle of gradual degression, proportionally to the total number of valid votes cast for constituency lists of candidates for Deputies of that party or election coalition, divided into the numbers of votes corresponding to individual percentage bands, in accordance with the following formula:

$S = W_1 \times M_1 + W_2 \times M_2 + W_3 \times M_3 + W_4 \times M_4 + W_5 \times M_5$

where:

S — means the amount of the annual subvention;

W_{1-5} — means the number of votes, calculated successively for each line in the table below, established separately as a result of distribution the total number of valid votes cast nation-wide for the constituency lists of candidates for deputies of a given political party or election coalition, appropriately to the percentage band;

M_{1-5} — the amount in the Polish zloty for each consecutive line of the table below:

Line	**Valid votes cast nation-wide for the constituency lists of candidates for deputies of a given political party or election coalition, distributed as appropriate to each band**		**Amount for one vote (M)**
	percent	**number of votes (W)**	
1.	to 5%		10.83 zloty
2.	5+ to 10%		8.66 zloty
3.	10+ to 20%		7.58 zloty
4.	20+ to 30%		4.33 zloty
5.	30+		1.62 zloty

The Act of 12th April 2001 on Elections to the Sejm of the Republic of Poland and to the Senate of the Republic of Poland.

ARTICLE 128

1. A political party whose election committee has participated in the election, a political party being a member of an election coalition, and also an election committee of voters shall be entitled to a subsidy from the State Budget, hereinafter called an “entity-defined subsidy”, for each seat of a Deputy or a Senator it has obtained. The

expenses related to an "entity-defined subsidy" shall be covered by the State Budget, in part: "Budget, public finances and financial institutions".

2. The amount of an entity-defined subsidy for each obtained seat shall be calculated by dividing by 560 the sum of all expenses specified in election reports of those election committees which have obtained at least one seat in the election. The expenses disclosed in election reports shall be applied for calculations up to the limit, referred to in Article 114, assigned to a given election committee.

3. The amount of an entity-defined subsidy shall be calculated in accordance with the following formula:

$$D_p = \frac{W}{560} \times M;$$

where:

D_p — means the amount of the entity-defined subsidy available;

W — means the total amount of expenditures for election campaigning (up to the limits assigned to election committees) of those election committees which have obtained at least one seat;

M — means the number of seats of Deputies and Senators obtained by a given election committee.

FUNDS

ARTICLE 30

1. Political parties shall establish Expert Fund.

2. The financial means accumulated within the Expert Fund shall come only from the political party's own contributions.

3. A political party which receives a subvention shall transfer 5 to 15% of the subvention to the Expert Fund.

4. The financial means accumulated within the Expert Fund may be used to finance the legal, political, sociological, and social and economic [expert] opinions, and to finance education and publishing activities related to the statutory activities of a political party.

5. The financial means within the Expert Fund shall be accumulated in a separate sub-account of the bank account of the political party.

ARTICLE 34

3. The minister competent for public finances, after consulting the National Electoral Commission shall determine, by way of a regulation, the pattern of information with necessary explanation concerning the way of its preparation, and the extent of data included therein, so as to enable, in particular, a reliable verification of the data concerning the use of the subvention money, including the Expert Fund.

ARTICLE 35

1. A political party shall establish a permanent Election Fund in order to finance its participation in the elections to the Sejm, the Senate, in the elections to President of the Republic of Poland, and in local government elections.

2. The expenditures of the political party for the purposes referred to in para. 1 may be made only through the Election Fund from the day the electoral campaign begins. To this effect, financial means shall be transferred to the separate bank account of a

respective election committee.

3. A political party shall notify the National Electoral Commission about the establishment and liquidation of the Election Fund.

4. The fund shall be named: “The Election Fund of … (the party’s name)”.

ARTICLE 36

1. The financial resources derived from the party’s own contributions and donations, bequests and legacies, may be raised for the Election Fund.

2. *Repealed.*

3. Financial resources of the Election Fund shall be collected in a separate bank account.

ARTICLE 36a

1. The total amount of payments from one natural person to the Election Fund of a political party in one year may not exceed the equivalent of 15 times the minimum wage established according to separate provisions and valid on the day preceding the day of payment.

2. If, in a given calendar year, more than one election or national referendum are held, the total amount of payments to the Election Fund, referred to in para. 1, shall be increased to 25 times the minimum wage valid on the day preceding the day of payment. The provision in the first sentence shall not apply to additional elections, repeated elections, early elections and new elections to constitutive organs of local government units, held during the term of office.

3. The contribution to the Election Fund may be made only by cheque, bank transfer, or bank [payment] card.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

ARTICLE 34

1. Political parties shall draw up the annual financial information concerning the received subvention and the expenses incurred, hereafter referred to as ”information”.

2. Political parties submit information for a calendar year to the National Electoral Commission by 31st March of the successive year.

ARTICLE 34a

1. The National Electoral Commission, within 6 months from the day of submission of the information, shall:

1) accept the information with no reservations;
2) accept the information with reservations;
3) reject the information.

1a. The information shall be rejected if the party is found to have used the subvention funds for purposes unrelated to its statutory activity.

2. In the event of any doubts arising as regards the reliability and accuracy of the information the National Electoral Commission may request the given political party

to have the defects removed or to provide an explanation within a defined time limit.

3. The National Electoral Commission, in examining the information, may order that an expert opinion be prepared.

ARTICLE 34a

5. Within 30 days of the day of promulgation of the information, as referred to in Article 34 para. 5:

1) the political parties;
2) associations and foundations the statute of which provides for activities related to analysing the financing of the political parties

— may file, in writing, with the National Electoral Commission their reservations concerning the information, along with reasons for these reservations.

6. The National Electoral Commission shall provide, in writing, a response to the reservation referred to in para. 5 within 60 days of filing thereof.

ARTICLE 34c

1. A political party shall forfeit, for one year, the right to subvention if:

1) it fails to present the information within the time limit specified in Article 34 para. 2, or
2) the information is rejected by the National Electoral Commission, or
3) the Supreme Court rejects the complaint referred to in Article 34b para. 1.

2. The forfeiture of the right to subvention by a political party shall be in the calendar year following the year in which the fact, referred to in para. 1, occurred.

7. Some information on the procedures and financial audit of parties and foundations at national level

ARTICLE 34

4. Information shall be submitted together with an opinion and a report of a registered auditor selected by the National Electoral Commission. The cost of preparing the opinion and the report shall be covered by the National Electoral Office.

4a. Information shall be submitted in writing and also on computer-readable medium whose type and software format shall be specified by the minister competent for public finances by means of a regulation referred to in para. 3

5. The National Electoral Commission shall publish the information in the Official Gazette of the Republic of Poland — "Monitor Polski" within 14 days of the day of its submission to the National Electoral Commission.

ARTICLE 34a

4a.Audit, review and inspection authorities operating in government administration and local government, shall cooperate with the National Electoral Commission and shall be obliged to provide to the National Electoral Commission, upon request, the results of audits conducted by these authorities.

ARTICLE 38

1. A political party shall submit to the National Electoral Commission, not later than by 31 March each year, a report, hereafter referred to as "report", concerning sources of the acquisition of financial means, including bank loans and the conditions for obtaining it and about the expenses covered by the funds from the Election Fund in the previous calendar year.

2. The minister competent for public finances, after seeking the opinion of the National Electoral Commission, shall determine, by way of a regulation, the pattern for the report accompanied by necessary explanations concerning its preparation and a list of appended documents. The pattern should specify, in particular, the method of separate settlement of the money in the Election Fund of a political party.

3. The report shall include the opinion and a report of a registered auditor concerning the receipts of the Election Fund of the political party. The auditor shall be appointed by the National Electoral Commission, and the cost of the opinion and report shall be covered by the National Electoral Office.

3a. The report shall be submitted in writing and also on computer-readable medium whose type and software format shall be specified by the minister competent for public finances by means of a regulation referred to in para. 2.

4. The National Electoral Commission shall publish the report together with the opinion and report referred to in para. 3 in the Official Gazette of the Republic of Poland — "Monitor Polski" within 14 days from the day of its submission to the National Electoral Commission.

8. The methods of apportioning subsidies between parties and foundations

Portugal

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Portugal is comprised of private financing (membership fees, donations, other activities) and public financing (various subsidies from the State budget).
- Foundations are not supported by the state.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- The information which has been provided was contradictious as regards the total of the subsidy. Probably the following is applicable:
  - 20,000 x the value of the IAS[12] for the Assembly of the Republic's elections.
  - 10,000 x the value of the IAS for the President of the Republic's and European Parliament's elections.
  - 4,000 x the value of the IAS for the Regional Legislative Assemblies' elections.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy
(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- To obtain public subvention, political parties have to elect at least 1 MP of the Assembly of the Republic.
- The subsidy is also granted to the parties that, having failed to attain 1 MP, obtain a number of votes higher than 50,000.
- A requested for subsidies has to be made to the President of the Assembly of the Republic.

Question 4, rules concerning private donations

- The amount of a donation by a natural person per party is limited to 25 x the value of IAS.
- The donations, of a pecuniary nature, have to be necessarily deposited in a bank account and anonymous donations are forbidden.
- Excluded from the provisions previously set forth are the amounts with a value inferior to 25 per cent of IAS.

[12] The IAS (social support index) is presently 419.22 EUR.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- The subsidy consists of an amount in cash equal to 1/135 of the IAS value (currently 3.10 EUR) for each vote obtained in the most recent election for deputies to the Assembly of the Republic.
- The subsidy foreseen in the previous numbers is also granted to the parties that, having run for the Assembly of the Republic's election and having failed to attain a parliamentary representation, obtain a number of votes higher than 50,000.
- The information that has been provided does not include any specific monetary value as regards the following:
    - parties that run for the European Parliament elections have the right to a subsidy,
    - parties that run, at least, to 51 per cent of the places subject to suffrage for the Assembly of the Republic or for the Regional Legislative Assemblies and to which they obtain representation,
    - candidates to President of the Republic that obtain at least 5 per cent of votes also have the right to a subsidy.
- The subsidy cannot, in any case, surpass the value of the expenses included in the budget and effectively carried out.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No annual work programmes must be presented.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- The Entity for Accounts and Political Financing:
    - instructs the proceedings relating to the accounts of political parties and electoral campaigns that the Constitutional Court must assess;
    - monitors the correlation between reported expenditures and the actual costs held within the accounts of political parties and electoral campaigns;
    - performs, by its own initiative or at the request of the Constitutional Court, inspections and audits of any kind or nature to certain acts, procedures and aspects of financial management, of the accounts of the political parties or of the electoral campaigns.
- No information has been provided about how breaches of the law are sanctioned.

Question 8, the methods of apportioning subsidies between parties and foundations

- Foundations are not supported by the state.

Annex

1. A brief, general description of the systems of financing parties and political foundations

[please indicate if requests 37, 114 and its update 173 are still reflecting the present state in your country]

The political parties' income includes:

a) Regular and non-regular contributions from their members;
b) Contributions from representatives elected from lists submitted and supported by each party;
c) Public subsidies according to the law;
d) The outcome of fundraising activities carried out by them;
e) The return of their assets, namely their investments;
f) The proceeds of loans in accordance with the general provisions governing the financial markets' activity;
g) The product of inheritances or legacies;
h) According to Article 7, natural persons' donations;

Articles 10 and 11 deals with the benefits that political parties enjoy and article 12 with the accounting system they must have. Articles 23 to 27 state that the control of the political parties accounts are made by the Constitutional Court, with the help of the Entity for Accounts and Political Financing, regulated by Organic Law no. 2/2005, of 10 January (in Portuguese).

Finally, the financing of electoral campaigns is set in articles 16 to 22.

[I couldn't find the Portuguese answers to request 27. Answers to request 114 are still valid, but incomplete. Furthermore, the legal framework has changed since then. As mentioned in the beginning of the answer to request 173, the answers are given according to the old law. So, it is better to rely on this answer and on the Law no. 19/2003 and the Organic Law no. 2/2005, of 10 January.]

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

??? Possibly the total of the subsidy equals:

a) 20 000 times the value of the IAS for the Assembly of the Republic's elections;
b) 10 000 times the value of the IAS for the President of the Republic's and European Parliament's elections;
c) 4000 times the value of the IAS for the Regional Legislative Assemblies' elections.

As can be seen in answers to other questions, subsidies are mainly dependent on electoral results.

Subsidies do not depend on co-financing by political parties.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

Yes. To obtain public subvention, political parties have to elect at least one MP. The subsidy consists of an amount in cash equal to 1/135 of the IAS value (currently € 3.10533), for each vote obtained in the most recent election for deputies to the Assembly of the Republic.

The subsidy foreseen in the previous numbers is also granted to the parties that, having run for the Assembly of the Republic's election and having failed to attain a parliamentary representation, obtain a number of votes higher than 50 000.

In both cases, a requested has to be made to the President of the Assembly of the Republic.

Rules on the subsidy for electoral campaigns are set in articles 16 to 22. Parties that run for the European Parliament elections have the right to a subsidy as well as parties that run, at least, to 51% of the places subject to suffrage for the Assembly of the Republic or for the Regional Legislative Assemblies and to which they obtain representation; the candidates to President of the Republic that obtain at least 5% of votes also have the right to a subsidy.

The total of the subsidy equals:

d) 20 000 times the value of the IAS for the Assembly of the Republic's elections;
e) 10 000 times the value of the IAS for the President of the Republic's and European Parliament's elections;
f) 4000 times the value of the IAS for the Regional Legislative Assemblies' elections.

There is also a public subsidy for local election campaigns.

4. Rules concerning private donations

The donations, of a pecuniary nature, made by duly identified natural persons are subject to a limit of 25 times the value of IAS, per donor, and have to be necessarily made out by cheque or bank transfer (Article 7).

The donations, of a pecuniary nature, have to be necessarily deposited in a bank account exclusively opened for such purpose, where only the money that has such origin can be deposited (Article 7).

Anonymous donations are forbidden (Article 8).

Excluded from the provisions previously set forth are the amounts with a value inferior to 25% of the social support index, briefly designated as IAS[13], provided that, during a year and without prejudice to the provisions set out in Article 12, they do not exceed 50 times the value of the IAS.

5. The systems of awarding subsidies and the systems controlling the use of funds

Yes. To obtain public subvention, political parties have to elect at least one MP. The subsidy consists of an amount in cash equal to 1/135 of the IAS value (currently € 3.10533), for each vote obtained in the most recent election for deputies to the Assembly of the Republic.

The subsidy foreseen in the previous numbers is also granted to the parties that, having run for the Assembly of the Republic’s election and having failed to attain a parliamentary representation, obtain a number of votes higher than 50 000.

In both cases, a requested has to be made to the President of the Assembly of the Republic.

Rules on the subsidy for electoral campaigns are set in articles 16 to 22. Parties that run for the European Parliament elections have the right to a subsidy as well as parties that run, at least, to 51% of the places subject to suffrage for the Assembly of the Republic or for the Regional Legislative Assemblies and to which they obtain representation; the candidates to President of the Republic that obtain at least 5% of votes also have the right to a subsidy.

The total of the subsidy equals:

g) 20 000 times the value of the IAS for the Assembly of the Republic’s elections;
h) 10 000 times the value of the IAS for the President of the Republic’s and European Parliament’s elections;
i) 4000 times the value of the IAS for the Regional Legislative Assemblies’ elections.

There is also a public subsidy for local election campaigns.

Distribution of subsidy

1 – The distribution of the subsidy is made in the following terms: 20% are equally distributed among the parties and the candidates that fulfil the requirements set forth

[13] The IAS is presently € 419.22, according to Orders no. 1514/2008, of 24 December and 1457/2009, of 31 December.

in no. 2 of the previous Article and the remaining 80% are proportionately distributed in accordance with the electoral results obtained.
2 – As regards the elections for the Regional Legislative Assemblies, the subsidy is divided between the two Autonomous Regions according to the number of deputies of each one and, within each Autonomous Regions, under the terms set up in the previous number.
3 – As concerns the local municipalities' elections, the subsidy is distributed in the following terms: 25% are equally distributed among the parties, coalitions and groups of electors that fulfil the requirements set out in n. 3 of the previous Article and the remaining 75% are proportionately distributed in accordance with the electoral results obtained for the municipal assembly.
4 – The subsidy cannot, in any case, surpass the value of the expenses included in the budget and effectively carried out, which shall be deducted from the amount obtained from fundraising activities.
5 – The surplus remaining from the implementation of the provisions set out in the previous number is proportionately distributed among the candidatures that do not find themselves in the aforesaid situation."

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

Only documents related to the accounts are presented, according to article 12 ("ordinary" subsidy) and 15 to 22 (accounts of electoral campaigns).

No annual work programmes must be presented.

7. Some information on the procedures and financial audit of parties and foundations at national level

Supervision and control bodies of the parties' and of the electoral campaigns' accounts must be foreseen in the political parties' statutes, in order to ensure the compliance with the provisions laid down in the present law and in the electoral law to whom they respect (article 13).

In addition, article 9 of the Organic law no. 2/2005 gives to the Entity for Accounts and Political Financing the power to:

a) Instruct the proceedings relating to the accounts of political parties and electoral campaigns that the Constitutional Court must assess;
b) Monitor the correlation between reported expenditures and the actual costs held within the accounts of political parties and electoral campaigns;
c) Perform, by its own initiative or at the request of the Constitutional Court, inspections and audits of any kind or nature to certain acts, procedures and aspects of financial management, of the accounts of the political parties or of the electoral campaigns.

Furthermore, article 27 of the Organic law no. 2/2005 states that, as part of the process instruction, the Entity carries out audit of the accounts of political parties, limited in its scope, objectives and methods to the relevant aspects for the exercise of the jurisdiction held by the Entity and the Constitutional Court.

8. The methods of apportioning subsidies between parties and foundations

Portugal does have a number of political foundations. However, the dimension and the role of these foundations is relatively small and they are not supported by the state. Therefore, no analysis is made of these institutions.

Romania

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Romania is comprised of private financing (membership fees, donations, other activities) and public financing (subsidies from the State budget).
- No information has been provided about political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- The ceiling for the annual subsidies allotted to political parties is of maximum 0.04 per cent of the State budget revenues.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- 75 per cent of the annual budget is only available to political parties which attained the electoral threshold (5 per cent).
- 25 per cent of the annual budget is only available to political parties which got at least 50 seats of county counselors and counselors of Bucharest municipality.
- Obligation of publishing in the Official Gazette of Romania, no later than 31 March of the next year, the total amount of the membership fees and the list of the natural and legal persons who made donations whose cumulated amount in a fiscal year exceed 10 times the gross minimum salary at national level, as well as the total amount of the confidential donations received.

Question 4, rules concerning private donations

[you should consider the replies given already in the framework of the recent requests 963, 1212, 1378]

- The amount of donations per natural person is limited to 200 x gross minimum salaries (400 x in case of elections) per year. The amount of donations per legal person is limited to 500 x gross minimum salaries (1,000 x in case of elections) per year.
- The amount of overall donations per party is limited to 0.025 per cent (0.050 per cent in case of elections) of the State budget revenues in the respective year.

- The total amount that a political party may receive as confidential donations cannot exceed the equivalent of 0.006 per cent of the State budget revenues in the respective year.
- All donations shall be recorded in the accounts of the political parties, including the date when they were made and the identity of the sources of funding.
- Obligation of publishing in the Official Gazette of Romania no later than 31 March the list of the persons who made donations higher than 10 x the gross minimum salary at national level, as well as the total amount of the confidential donations received.
- Donations made by foreign States and organizations, as well as by foreign natural and legal persons are forbidden.
- Donations by public institutions, self-managed public companies, national companies, trade companies or banks where the main shareholder is the State or administrative-territorial units are forbidden.
- The amounts received by violation of the law shall be confiscated and transferred to the State budget.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- State subsidies are distributed as follows:
    - 75 per cent of the annual budget goes to parties proportionate with the number of votes obtained at the parliamentary elections, which is the arithmetical mean of the votes validly cast for the Chamber of Deputies and the Senate, if they attained the electoral threshold (5 per cent).
    - 25 per cent of the annual budget goes to parties proportionate with the number of votes obtained at local elections if they got at least 50 seats.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No submission of annual work programmes is required.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- The Permanent Electoral Authority (PEA) may decide to temporarily suspend the subsidy’s payment if certain legal dispositions of the law are infringed i.e.:
    - obligation of political parties to organize and manage their accountancy, according to the accounting legislation in force,
    - obligation of publishing in the Official Gazette of Romania, Part I, no later than 31 March their income sources.
- The control of funds representing State subsidy is also performed by the Court of Audit.

- The PEA is enabled to perform both the mandatory annual control and the punctual control upon receipt of notifications from any interested persons or by its own initiative.
- The control results (contained in a report) are published in the Official Gazette of Romania, Part I and on the PEA's web-site, within 15 days from the control's performance date.

Question 8, the methods of apportioning subsidies between parties and foundations

- No information has been provided about political foundations.

<u>Annex</u>

1. A brief, general description of the systems of financing parties and political foundations

The financing of political parties in Romania is comprised of private financing (membership fees, donations, incomes generate by the party's own activities) and public financing (subsidies from the State budget) of the political parties.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

The ceiling for the annual subsidies allotted to political parties is of maximum 0.04% of the State budget revenues. No minimum rate of co-financing.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

The public subsidies' allotment is based on the number of votes received in the most recent general and local elections. For the political/electoral alliances, the public subsidy is distributed on the basis of the agreement concluded between the alliance's members; in the absence of such an agreement, the subsidy is distributed according to the number of seats obtained by each alliance's member.

The State subsidies are distributed as follows:

- 75% of the annual budget allocated to political parties is distributed to the political parties, proportionate with the number of votes obtained at the parliamentary elections, that is the arithmetical mean of the votes validly cast for the Chamber of Deputies and the Senate, if they attained the electoral threshold (5%);

- 25% of the annual budget allocated to political parties is distributed to the political parties, proportionate with the number of votes validly cast, obtained at local elections held for county counselors and counselors of Bucharest municipality, if they got at least 50 seats of county counselors and counselors of Bucharest municipality.

PEA may decide to temporarily suspend the subsidy's payment if certain legal dispositions of Law 334/2006 are infringed i.e.:

- ✓ Art.13, para.3 – obligation of political parties to organize and manage their accountancy, according to the accounting legislation in force.
- ✓ Art.4, para.4 – obligation of publishing in the Official Gazette of Romania, Part I, no later than March the 31st of the next year, the total amount of the membership fees, as well as the list of the party's members who paid fees whose cumulated amount exceed 10 time the gross minimum salary at national level.
- ✓ Art.9 – obligation of publishing in the Official Gazette of Romania, Part I, no later than March the 31st of the next year, the list of the natural and legal persons who made donations whose cumulated amount in a fiscal year exceed 10 times the gross minimum salary at national level, as well as the total amount of the confidential donations received.
- ✓ Art.12, para.4 – prohibition of carrying on activities specific to commercial companies.

In fact, the payment's suspension is considered as an incentive for the parties to comply with the law. The suspension does not mean to stop the subsidies' payment; when the infringed legal conditions are fulfilled, the concerned party will receive the whole remaining amount.

4. Rules concerning private donations

Section 2 of Law no. 334/2006 provides for the rules concerning private donations.

"*Article 5*

1. The ceiling for the donations received by a political party during a fiscal year is 0.025% of the State budget revenues in the respective year.

2. The ceiling for the donations received during fiscal year when local, legislative, European or presidential elections are held is 0.050% of the State budget revenues in the respective year.

3. The ceiling for the donations received from a natural person during one year is of utmost 200 times the gross minimum salaries at national level as of January the 1st of the respective year.

3^1. The ceiling for the donations received from a natural person in the fiscal year in which multiple elections are held is of utmost 400 times the gross minimum salaries at national level as of January the 1st of the respective year, for each electoral campaign or referendum campaign, observing the rule defined at para.2.

4. The ceiling for the donations received from a legal person during one year is of utmost 500 times the gross minimum salaries at national level as of January the 1st of the respective year.

4^1. The ceiling for the donations received from a legal person in the fiscal year in which multiple elections are held is of utmost 1,000 times the gross minimum salaries at national level as of January the 1st of the respective year, for each electoral campaign or referendum campaign, observing the rule defined at para.2.

5. The total value of the donations made by legal persons, directly or indirectly controlled by another person or group of natural/legal persons, cannot exceed the limits fixed at para.3-4.

6. The value of the movable and fixed assets donated to a political party, as well as the value of the services provided to a political party shall be included in the value of the received donations and shall observe the ceiling defined at para.1-4.

7. At the time they make the donations, the legal persons having demandable oldstanding debts of more than 60 days to the State budget, the social insurance budget or local budgets are forbidden to make donations to the political parties, unless they should recover sums of money greater than their own debt.

8. When a donation is made by a legal persona, the political party has the obligation of requesting the donor to make a statement for assuming full liability as regards the observance of the condition defined at para.7.

9. The political parties are forbidden to accept donations either directly or indirectly of material goods, amounts of money or freely provided services, offered with the obvious purpose of obtaining an economic or political advantage or by violating the dispositions defined at para.8.

Article 6

All discounts exceeding 20% of the value of goods or services offered to political parties and independent candidates shall be considered as donations and shall be distinctively recorded in the political parties' or independent candidates' accounts, according to the norms elaborated by the Ministry of Public Finances.

Article 7

1. When a donation is received, the political party has the obligation to check and register the identity of the donor, irrespective of the public or confidential character of the donation.

2. If the donor so require, in writing, his identity remains confidential, provided that the donation does not exceed, per year, the ceiling of 10 times the gross minimum salaries at national level.

3. The total amount that a political party may receive as confidential donations cannot exceed the equivalent of 0.006% of the State budget revenues in the respective year.

Article 8

1. All donations shall be recorded in the accounts of the political parties, including the date when they were made, as well as any other information allowing the identification of the sources of funding.

2. The in-kind donations of goods and freely provided services shall be recorded (in the political parties' accounts) at their market value, under the conditions set by law.

3. Volunteer activities are not considered as donations, under the conditions set by law.

Article 9

1. The political parties have the obligation of publishing in the Official Gazette of Romania, Part I, no later than March the 31st of the next year, the list of the natural and legal persons who made donations whose cumulated amount in a fiscal year exceed 10 times the gross minimum salary at national level, as well as the total amount of the confidential donations received.

2. The list defined at para.1 must contain the following elements:

a. for natural persons: donor's name and surname, personal numeric code, citizenship, the value and type of donation, as well as the date when the donation was made;

b. for legal persons: name, headquarters, nationality, unique registration code, the value and type of donation, as well as the date when the donation was made.

Article 10

1. Public institutions, self-managed public companies, national companies, trade companies or banks where the main shareholder is the State or administrative-territorial units are forbidden to use their financial, human and technical resources for supporting the political parties' activities or their electoral campaign, otherwise than under the conditions set by the electoral laws.

2. The political parties are not allowed to accept donations or freely provided services from a public authority or institution, from self-managed public companies, from national companies or banks where the State is the sole or major shareholder.

3. Donations from trade unions or religious cult are forbidden, irrespective of their nature.

4. Any amounts received by violation of para.2-3 shall be confiscated and transferred to the State budget.

5. Dispositions contained in para.1-4 shall be accordingly applied to political and electoral alliances, as well as to independent candidates.

Article 11

1. Donations made by foreign States and organizations, as well as by foreign natural and legal persons are forbidden.

2. The exceptions from the provisions of para.1 are the donations consisting in material goods necessary for political activities, which are not electoral propaganda materials, received from international political organizations to which the respective political party is affiliated or from political parties or political formations with which the political party maintains relations of political cooperation. Propaganda material may also be received for being used only during the electoral campaign for the elections of Romania's representatives in the European Parliament.

3. The donations mentioned at para.2 are published in the Official Gazette of Romania, Part I, no later than March the 31st of the next year.

4. The donations mentioned at para.2 are exempted from customs taxes, excerpt the means of transportation.

5. The amounts received by violation of para.1 shall be confiscated and transferred to the State budget."

PEA may decide to temporarily suspend the subsidy's payment if certain legal dispositions of Law 334/2006 are infringed i.e.:

obligation of publishing in the Official Gazette of Romania, Part I, no later than March the 31st of the next year, the list of the natural and legal persons who made donations whose cumulated amount in a fiscal year exceed 10 times the gross minimum salary at national level, as well as the total amount of the confidential donations received.

5. The systems of awarding subsidies and the systems controlling the use of funds

According to Article 14 of Law no. 334/2006, as amended:

"1. Political parties receive annual subsidies from the State budget, under the conditions set by law.

2. The ceiling for the annual subsidies allotted to political parties is of maximum 0.04% of the State budget revenues. For the political parties which promote women on the electoral lists and place them on eligible positions, the sums allotted from the State budget are proportionally higher, according to the number of seats obtained in the elections by the women who participated in the elections.

3. Subsidy from the State budget is granted according to the following criteria:
a. number of votes obtained at the parliamentary elections;
b. number of votes obtained at local elections."

The State subsidies are distributed as follows:

- 75% of the annual budget allocated to political parties is distributed to the political parties, proportionate with the number of votes obtained at the parliamentary elections, that is the arithmetical mean of the votes validly cast for the Chamber of Deputies and the Senate, if they attained the electoral threshold (5%);
- 25% of the annual budget allocated to political parties is distributed to the political parties, proportionate with the number of votes validly cast, obtained at local elections held for county counselors and counselors of Bucharest municipality, if they got at least 50 seats of county counselors and counselors of Bucharest municipality.

The subsidy from the State budget is monthly paid into each political party's account, through the budget of the Permanent Electoral Authority). PEA is the public authority enabled to control the political parties and electoral campaigns' financing and financial activities.

Funds to be annually allocated to the political parties are included in the budget of the Permanent Electoral Authority, as main credit coordinator.

The Government Decision no.749/2007 describes in detail and accurately the calculation's formula for the distribution of State subsidies. The resulting sums are distributed to the parties in monthly installments and transferred to the party's central organization. These sums are distinctively registered in the political party's accounting records.

General presentation of the algorithm determining the level of subsidies allocated to each political party (the system itself is quite technical and complex):

▪ The annual subsidy allocated to political parties:

State Budget revenues x 0.04% = X billion lei

▪ This sum is transferred into PEA's budget on a quarterly basis (S_a – annual subsidy; S_{tx} – subsidy for quarter x).

Formula for calculating the monthly subsidy (S_l):

$S_l = S_{tx}/3$

▪ Calculation of subsidy according to the results obtained at the parliamentary elections (S_p):

$S_p = S_l$ x 75/100

▪ Calculation of subsidy according to the results obtained at the local elections. (S_{cl} - subsidy for local counselor)

$S_{cl} = S_l$ x 25/100

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

The appropriate legal documents are:

a. documents containing identification data: full and abbreviated name of the party; logo of the party and the electoral sign; the central headquarters address; bank account and the name of the bank; fiscal code; phone, fax, e-mail; legal representative; the authorized financial agent.

b. authentic copy of the court decision admitting the request for registration of the political party.

No submission of annual work programs is required.

7. Some information on the procedures and financial audit of parties and foundations at national level

PEA may decide to temporarily suspend the subsidy's payment if certain legal dispositions of Law 334/2006 are infringed i.e.:

✓ Art.13, para.3 – obligation of political parties to organize and manage their accountancy, according to the accounting legislation in force.

✓ Art.4, para.4 – obligation of publishing in the Official Gazette of Romania, Part I, no later than March the 31st of the next year, the total amount of the membership fees, as well as the list of the party's members who paid fees whose cumulated amount exceed 10 time the gross minimum salary at national level.

✓ Art.9 – obligation of publishing in the Official Gazette of Romania, Part I, no later than March the 31st of the next year, the list of the natural and legal persons who made donations whose cumulated amount in a fiscal year exceed 10 times the gross minimum salary at national level, as well as the total amount of the confidential donations received.

✓ Art.12, para.4 – prohibition of carrying on activities specific to commercial companies.

In fact, the payment's suspension is considered as an incentive for the parties to comply with the law. The suspension does not mean to stop the subsidies' payment; when the infringed legal conditions are fulfilled, the concerned party will receive the whole remaining amount.

The control of political parties funds' use at the Permanent Electoral Authority level is performed by the Department for controlling the financing of political parties and electoral campaigns.

The control of funds representing State subsidy is simultaneously performed by the Court of Audit also, according to procedures jointly established with PEA.

PEA is enabled to perform both the mandatory annual control and the punctual control upon receipt of notifications from any interested persons or by its own initiative. The person who files a notification is obliged to bring evidence supporting his/her claims. Art.36, para.3 of Law 334/2006 stipulates that using the notification mechanism by making "false statements in regard to the infringement of the legal provisions on political party financing constitutes criminal offence which is punishable with prison from 1 to 3 years."

The control results (contained in a report) are published in the Official Gazette of Romania, Part I and on PEA web-site, within 15 days from the control's performance date.

▪ PEA has the obligation of publishing on its own web-site, for each political party:

- the total amount of the membership fees received;

- the list of the party members who paid membership fees whose cumulated amount in one year exceed 10 time the gross minimum salary at national level;

- the list of the persons who made donations whose cumulated amount in one year exceed 10 times the gross minimum salary at national level;
- the total sum of the confidential donations received;
- the total amount of revenues coming from other sources.

8. The methods of apportioning subsidies between parties and foundations

No information available about apportioning subsidies between parties and foundations.

Slovakia

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in the Slovak Republic is comprised of private financing (membership fees, donations, other activities) exclusively.
- Public financing (subsidies and subventions) is not allowed.
- No information has been provided about political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- Not applicable.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- Not applicable.

Question 4, rules concerning private donations

- The amount of a donation is not limited.
- If the amount of a gift or another free of charge service exceeds SKK 5,000 (166 EUR) the party may accept it only based on a written agreement.
- No anonymous donation is allowed.
- A party may not accept donations from:
    - the State,
    - legal persons founded or established by the State or in which the State holds a stake,
    - natural person that is not a citizen,
    - legal person having its registered office abroad.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- Not applicable.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- Not applicable.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- A party shall be obliged to submit a report on elections-related expenses to the Ministry of Finance in paper and electronic form within 30 days after the elections. The final report shall be public and it shall be published on the website of the Ministry of Finance.
- A party shall be obliged to submit an annual report to the National Council in paper and electronic form before 30 April. The annual report shall be public and it shall be published on the website of the National Council.
- The annual report shall include:
  - financial statement for the accounting period verified by an auditor appointed by the Slovak Chamber of Auditors,
  - information on the financial situation of the party for at least two immediately preceding accounting periods.
- The auditor shall verify whether the annual report is in accordance with the financial statements.
- No information has been provided about how a breach of the law will be sanctioned.

Question 8, the methods of apportioning subsidies between parties and foundations

- Not applicable.

Annex

1. A brief, general description of the systems of financing parties and political foundations

In the Slovak Republic the issue of financing of political parties and political foundations is codified by the Act no. 85/2005 Coll. on political movements and political parties (especially part 4 on Economic management and financing of party).

The Act determines receipts of a party as follows:

(1) The receipts of a party may be the following:

a) Receipts of subscription fees;
b) Receipts of gifts and other free of charge services;
c) Inheritance receipts;
d) Receipts of sale or lease of its movables or real estates;
e) Interest yields from the bank deposits;
f) Share of profits from a company business;
g) Yields of securities negotiable on the public market;[14]
h) Loan and credit receipts;
i) State budget contributions.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

State subsidies to political parties and organizations are no eligible.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

Not applicable.

4. Rules concerning private donations

[you should consider the replies given already in the framework of the recent requests 963, 1212, 1378]

(1) Unless stipulated otherwise herein, a party may accept the gifts and other free of charge services. If the amount of a gift or another free of charge service exceeds SKK 5,000 (166 €) the party may accept it only based on a written agreement pursuant to this Act. However, this shall have no impact on the provisions of a separate regulation.[15]

[14] Act No 429/2002 Coll. on stock exchange as amended.
[15] Act No 162/1995 Coll. on land registry and on registration of property rights and other rights with regard to real estates (Land Registry Law) as amended.

(2) A deed of gift shall include:

a) Donor identification data:
   1. Forename, surname, birth number and permanent address in case of a natural person, or the company name, identification number and business place in case of a natural person – entrepreneur;
   2. Name or company name, registered office address, identification number, tax identification number, legal form, and forename, surname, birth number and permanent address of the person that is a statutory body or a statutory body member in case of a legal person;

b) Donee identification data, namely the name, registered office address, identification number, and in case of a financial gift the company name of a bank or a foreign bank branch and the donee account number as well;

c) Subject of donation data, namely:
   1. Amount of a financial gift;
   2. Exact designation of a movable making impossible its confusion with another one, and its value determined by an expert's report;
   3. In case of real estates, designation of the real estate according to the land registry, including determination of the real estate's value according to an expert's report;

d) Date and place of conclusion of the deed of gift;

e) Certified[1] signatures of the donor and of the party statutory body; this shall not apply, if the value of a financial gift or of a movable is inferior to SKK 100,000.

(3) For the purposes hereof, another free of charge service shall mean:

a) Borrowing of a movable or real estate;
b) Provision of a free of charge service;
c) Amount of the debt of a party assumed by a natural person or legal person;
d) Difference between the usual purchase or leasing price of a movable or real estate and the agreed price to be paid by the party to a natural person or legal person, if the agreed price is inferior to the usual one; usual price means the price for which such a movable or real estate is usually sold or rented in a specific time and place; or
e) Difference between the usual price of provision of a service and the agreed price to be paid by the party to a natural person or legal person, if the agreed price is inferior to the usual one; usual price means the price for which a natural person - entrepreneur or a legal person proposes the provision of the service on the market.

(4) The provisions of subsection 2 shall apply accordingly to the agreement on provision of another free of charge service.

Ban on acceptance of gifts and other free of charge services

A party may accept neither gifts nor other free of charge services from:

a) State, National Property Fund of the Slovak Republic, Slovak Land Fund, municipality or higher territorial unit;

b) Legal persons founded or established by the State, the National Property Fund of the Slovak Republic, the Slovak Land Fund, a municipality or a higher territorial unit;
c) Legal persons in which the State, the National Property Fund of the Slovak Republic, the Slovak Land Fund, a municipality or a higher territorial unit holds a stake;
d) Citizens association,[16] foundations,[17] non-profit-making organizations providing public services,[18] non-investment funds,[19] associations of interest of legal persons,[20] associations of municipalities,[21] and organisations with international element;[22]
e) Public institutions and other legal persons established by law;
f) Natural person that is not a citizen;
g) Legal person having its registered office abroad, in case its majority owner is not a citizen or a legal person having its registered office on the Slovak territory, except for a political party, group of political parties, or legal persons established or owned in majority by a political party;
h) Natural person or legal person, if the party is unable to indicate the identification data of the donor or the identification data of the contracting party having provided another free of charge service.

5. The systems of awarding subsidies and the systems controlling the use of funds

Not applicable.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

Not applicable.

7. Some information on the procedures and financial audit of parties and foundations at national level

Expenses related to elections to the National Council of the Slovak Republic

(1) A party shall be obliged to keep separate analytical accounts of expenses related to elections to the National Council of the Slovak Republic.

(2) The party shall be obliged to produce an interim report on elections-related expenses and a final report on elections-related expenses.

(3) The interim report produced by the party shall cover a period starting on the day of elections declaration and ending 30 days before the elections are held. The interim

[16] Act No 83/1990 Coll. on association of citizens as amended.
[17] Act No 34/2002 Coll. on foundations and on modification of the Civil Code as amended.
[18] Act No 213/1997 Coll. on non-profit-making organizations providing public services as amended by Act No 35/2002 Coll.
[19] Act No 147/1997 Coll. on non-investment funds and on amendment of Act No 207/1996 Coll.
[20] Section 20f to 20j of the Civil Code.
[21] Act No 369/1990 Coll. on municipal establishment as amended.
[22] Act No 116/1985 Coll. on conditions for activity of organizations with international element in the Czechoslovak Socialist Republic as amended by Act No 157/1989 Coll.

report shall be submitted by the party to the Ministry of Finance in the paper and electronic form at least 21 days before the elections are held. Except for the birth number of a donor, the interim report of a party shall be public and it may be consulted, extracted, abstracted or copied at the Ministry of Finance. The Ministry of Finance shall publish the interim report of the party on its website within seven days from its reception. The interim report shall be accessible to the public until a final report pursuant to subsection 4 is published.

(4) The final report produced by the party shall cover a period starting on the day of elections declaration and ending on the day the elections are held. The final report shall be submitted by the party to the Ministry of Finance in the paper and electronic form within 30 days from the day when the elections are held. Except for the birth number of a donor, the final report of a party shall be public and it may be consulted, extracted, abstracted or copied at the Ministry of Finance. The Ministry of Finance shall publish the final report of the party on its website within 30 days from its reception and keep it there during six months.

(5) Shall be included in an interim report and final report:

a) Overview of expenses on pre-election surveys and election public opinion surveys;
b) Overview of expenses on paid classified advertisements or advertising in the periodical press;[23]
c) Overview of expenses on political advertisement broadcasting according to a separate regulation;[24]
d) Overview of expenses on election posters and other information media located in the spots designed by the municipalities according to a separate regulation;[16]
e) Overview of travelling expenses of the political party members during the election campaign and overview of travelling allowances[25] of the party employees during the election campaign;
f) Overview of all other expenses of the party in relation to promotion of its activity and program;
g) Overview of the party receipts pursuant to section 22 subs. 1 point b) and h) during the period covered by the interim report and final report;
h) Separate records of loan and credit receipts pursuant to section 22 subs. 2 and separate records of gifts and other free of charge services pursuant to section 22 subs. 3 accepted during the period covered by the interim report and final report.

(6) The date determining whether to include an expense pursuant to subsection 5 point a) to f) in the interim report or final report is the day when a public opinion survey, advertising or promotional event is held.

(7) Should an interim report or final report not contain all required data, or should the data be incomplete, the Ministry of Finance would ask the party to remedy the deficiencies within 15 days from reception of the notification.

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[23] Section 3 subs. 1 of Act No 81/1966 Coll. on periodical press and other mass information means as amended.

[24] Section 24 of Act No 333/2004 Coll.

[25] Act No 283/2002 Coll. on travelling allowances as amended by Act No 530/2004 Coll.

Annual report

(1) A party shall be obliged to produce an annual report for the previous calendar year. The annual report for the previous calendar year shall be submitted to the National Council of the Slovak Republic every year before the 30th of April in the paper and electronic form. The annual report of the party shall be public and may be consulted, extracted, abstracted or copied in the National Council of the Slovak Republic or its authorised body. The annual reports of the parties shall be published by the Bureau of the National Council of the Slovak Republic on its website based on a decision taken by the National Council of the Slovak Republic or its authorised body before the 31st of July of the given calendar year. The birth numbers of the natural persons shall neither be part of the published nor disclosed data.

(2) Shall be included in an annual report:

a) **Financial statements for the accounting period verified by an auditor appointed by the Slovak Chamber of Auditors from a list of auditors by drawing lots;[26]**
b) **Information on financial situation of the party for at least two immediately preceding accounting periods;**
c) Information on events of special importance[13] occurred after the end of the accounting period covered by the annual report;
d) Information on the suggested profit distribution or loss settlement;
e) Overview of receipts of the party classified pursuant to section 22 subs. 1;
f) Separate records of loan and credit receipts pursuant to section 22 subs. 2;
g) Separate records of gifts and other free of charge services pursuant to section 22 subs. 3;
h) Information on performance of tax-related obligations;
i) Number of the party members as of the 31st of December of the calendar year covered by the annual report;
j) Total amount of the collected subscription fees and separate records of subscription fees pursuant to section 22 subs. 4;
k) Overview of overdue liabilities;
l) Financial statements of the company in which the party is a founder or the unique partner for the accounting period covered by the annual report.

(3) In addition to the financial statements pursuant to subsection 2 point a), the auditor shall also verify whether the annual report is in accordance with the financial statements for the same accounting period, and whether the economic management of the party is in compliance herewith. The auditor's report on the annual report shall be included in the annual report submitted by the party to the National Council of the Slovak Republic.

(4) The auditor verifying the financial statements pursuant to subsection 2 point a) shall have a right to request from the party statutory body all necessary documents and information indispensable to perform the audit.

(5) Should an annual report not include the data pursuant to subsection 2 or the auditor's report pursuant to subsection 3, should the data be incomplete or false, or should there be another breach of law identified in the annual report, the National

[26] Section 14 subs. 3 of Act No 466/2002 Coll. on auditors and the Slovak Chamber of auditors.

Council of the Slovak Republic or its authorised body would ask the party to remedy the deficiencies within the allotted time, before the 30th of June of the calendar year at the latest.

(6) Before the 31st of May of the calendar year, the National Council of the Slovak Republic or its authorised body shall notify the Ministry of Finance of the respect or non-respect of the obligations pursuant to subsection 1 in the scope specified in subsection 2 and 3. Should an annual report not include all required data, or should the data be incomplete or false according to the notification by the National Council of the Slovak Republic or its authorised body, the Ministry of Finance would suspend the payment of the contribution on activity and contribution on seats till the notification by the National Council of the Slovak Republic or its authorised body stating that the deficiencies have been remedied within the allotted time. Should a party remedy the deficiencies contained in the annual report within the allotted time, the Ministry of Finance would send to it the ex-post contribution on activity and contribution on seats for the period of their suspension as well.

8. The methods of apportioning subsidies between parties and foundations

Not applicable.

Slovenia

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

[please indicate if requests 37, 114 and its update 173 are still reflecting the present state in your country]

- The financing of political parties in Slovenia is comprised of private financing (membership fees, donations, limited economic activities) and public financing (state subsidies).
- Limited information has been provided regarding political foundations. Please see question 8.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- The maximum rate of subsidies is 0.017 per cent of the gross domestic product (in 2010: EUR 2,808.989).
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- Funding based on election results:
  - At least 1 per cent of the votes cast at parliamentary elections.
- Partial reimbursement of funds - expenses of the elections campaign:
  - At least 1 mandate for the deputies to the National Assembly or the European Parliament.
  - Or at least 6 per cent of the total number of votes cast in the electoral unit or 2 per cent of the total number of votes cast in the country if no member was elected.
- Within 15 days after the closing date of a special transaction account, the organizer of the elections campaign to the National Assembly, the European Parliament, for the President of the Republic or referendum at the national level is obliged to submit a report on the total amount of funds raised and utilized for the elections campaign.

Question 4, rules concerning private donations

- The total amount of donations per legal or natural person is limited to 10 x average monthly salary of a worker.

- If the amount of a donation exceeds a total of 3 x average monthly salary, the identity of the donator must be reported.
- Donations made by foreign States and organizations, as well as by foreign natural and legal persons are forbidden.
- Donations by public institutions, self-managed public companies, national companies, trade companies or banks where the main shareholder (more than 25 per cent) is the State or administrative-territorial units are forbidden.
- No information has been provided about how a breach of the law will be sanctioned.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- Funding based on election results:
  - eligible parties are entitled to 10 per cent of budgetary funds intended for the financing of political parties, namely in equal shares,
  - the remaining 90 per cent are being allocated in proportion to the number of votes gained in all electoral unit.
- Partial reimbursement of funds - expenses of the elections campaign:
  - Parties with at least 1 mandate for the deputies to the National Assembly or the European Parliament are entitled to the reimbursement of expenses in the amount of 0.33 EUR per vote.
  - If no member was elected but at least 6 per cent of the total number of votes cast in the electoral unit or 2 per cent of the total number of votes cast in the country were achieved, the list of candidates receives a partial reimbursement of expenses in the amount of 0.17 EUR per vote
  - The total amount of reimbursed expenses may not exceed the amount of utilised funds as shown in the audit report.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No work programmes required.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- By 30 April political parties must submit to the National Assembly an annual report on party's financial operations (income and expenditure) for the previous year.
- Prior to the submission of the report to the National Assembly, it needs to be reviewed and assessed by the Court of Auditors of the Republic of Slovenia by 31 March. This is only a review and assessment of the conformity of financial reports with formal requests and not a review and evaluation of its content (auditing is not performed!).

- The party which received funds from the national budget, the budget of local communities or contributions from legal and natural persons, and private entities, must publish a summary annual report in the Official Gazette of the Republic of Slovenia no later than 31 May of the current year.
- The party which does not fulfil its obligations is no longer funded from the national budget until such obligations are met. The suspension of funding is subject to a decision of the National Assembly's working body.

Question 8, the methods of apportioning subsidies between parties and foundations

- Societies are financed on the basis of membership fees, gifts, donations, public funds as well as from their own activities.
- If in carrying out its activities a society generates a surplus, such must be spent for pursuing its purpose or carrying out a non-profit activity.

Annex

1. A brief, general description of the systems of financing parties and political foundations

The Political Parties Act (hereinafter: the Act) contains a chapter on the financing of political parties; Article 21 indicates the following possible sources of financing of political parties, including donations. Parties may be financed from:

1. membership fees,
2. contributions of private undertakings, legal and natural persons,[27]
3. property income,
4. gifts,
5. legacies;
6. budget (financing based on election results and a partial reimbursement of election campaign expenses, for more detail see answer No. 5),
7. profit from the companies owned by candidates. Such companies may only be engaged in cultural and publishing business. The party's annual income under that title may not exceed 20% of the sum of all annual revenues of the party. The same restriction applies to revenues from its own assets. Any surplus of party's revenues under these two titles must be destined for charitable purposes within 30 days after the receipt of the financial report on party's financial operations of the past year, of which the party also needs to inform the National Assembly. This announcement is also published in the National Assembly's gazette.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

In accordance with the Political Parties Act (Article 23), the budgetary fund intended for the financing of political parties may not exceed 0.017 % of the gross domestic product achieved in the year prior to the adoption of the budget.[28]

For detailed information please see also reply No. 5.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:

- Are there a minimum number of members required to obtain a subsidy?

- Must a party attain a certain percentage of the vote in national or regional elections?

- Must a party have a minimum number of members elected to national or regional parliaments?

1) <u>Funding based on election results:</u>

[27] This is for example provided in Article 142 of the Personal Income Tax Act, since a taxable person may request that up to 0.5% of the personal income tax on revenues included in the annual tax base goes to the financing of political parties.

[28] The Budget 2010 provides EUR 2,808.989 for the co-financing of political parties.

Article 23 of the Political Parties Act stipulates that parties which gained at least 1% of the votes cast (at parliamentary elections) have the right to receive funds from the national budget.[29]

2) Partial reimbursement of funds - expenses of the elections campaign[30]
Article 24 of the Elections and Referendum Campaign Act stipulates that elections campaign organizers, whose lists have obtained mandates for deputies to the National Assembly or the European Parliament, are entitled to the reimbursement of expenses for the elections campaign in the amount of EUR 0.33 per vote in their favour, provided that the total amount of reimbursed expenses does not exceed the amount of the utilized funds as shown in the audit report of the Court of Auditors.

Within 15 days after the closing date of a special transaction account, the organizer of the elections campaign for the elections to the National Assembly, the European Parliament, for the President of the Republic or referendum at the national level is obliged to submit to the National Assembly and the Court of Auditors a report on:

- the total amount of funds raised and utilized for the elections campaign,
- data on the total amount of contributions to the elections campaign organizer exceeding on the voting day the triple value of average gross monthly salary of the workers in the Republic of Slovenia according to the data of the Statistical Office of the Republic of Slovenia for the past year, in order to provide transparency of the elections campaign,[31]
- total amount of credits granted to the elections campaign organizer where the amount of the granted credits exceeds the value referred to in the preceding point, including the name of the lender,
- all deferred payments to the elections campaign organizer, where the amount of deferred payment exceeds the value referred to in point 2 of this paragraph, including the indication of the legal or natural entity who approved deferred payment (Article 18).[32]

4. Rules concerning private donations

[you should consider the replies given already in the framework of the recent requests 963, 1212, 1378]

The Act contains the following bans on the financing of political parties:

- paragraph six of Article 21 prohibits the party to obtain financing from contributions of foreign private undertakings, natural and legal persons, from property income of the party abroad, from legacies and gifts from abroad, and any other acquisition of funds or provision of services for the party from abroad.[33]

[29] Election threshold is 4 %. Therefore also non-parliamentary parties are funded under the conditions provided by the law.
[30] Referendum campaign organizers are not entitled to reimbursement of expenses.
[31] These contributions are not included among funds which legal or natural persons intend for the financing of political parties pursuant to the provisions of the Political Parties Act.
[32] The time of deferred payments may not exceed 90 days since the service was provided or goods delivered. Deferred payments mean all payments made more than 30 days after a service was provided or goods delivered.
[33] This prohibition applies to fees and contributions acquired by the party from its members.

- Article 25 provides that state bodies, local self-governing community bodies, legal persons under public law, humanitarian organisations, religious communities, public enterprises as specified by the act regulating transparency of financial relations, companies with over 25 % capital share owned by the state or self-governing local community, and companies where such companies have majority shares as provided by the act regulating companies, may not finance the parties.

Article 22 of the Political Party Act specifies the contributions of legal and natural persons and private undertakings. A contribution for the party is also any free service provided to the party as well as any service or product provided or sold to the party under more favourable terms than those applying to other users of services or buyers of products of legal and natural persons and private undertakings. The Act obliges the legal person or private undertaking providing a service or selling a product to the party to issue the relevant invoice, regardless of who has ordered the service or product and regardless of whether the service was provided or product given free of charge .

According to data of the Statistical Office of the Republic of Slovenia for the past year, the total annual amount of contributions of legal and natural persons and private undertakings must not exceed a total of ten average monthly salaries of a worker of the Republic of Slovenia. If they exceed a total of three average monthly salaries, the report needs to include information on the company and its head office, or the name, surname and address of the natural person or a private undertaking and the name of its company, as well as the amount of the total annual contribution made by private undertaking, legal or natural person.

5. The systems of awarding subsidies and the systems controlling the use of funds

Public finance subsidies - budgetary funds are allocated to political parties in two ways:

1) Funding based on election results:

Article 23 of the Political Parties Act stipulates that parties which gained at least 1% of the votes cast (at parliamentary elections) have the right to receive funds from the national budget.[34] If several parties presented a joint list of candidates, they have the right to receive funds from the national budget, if they gained:

- at least 1.2 % of the votes cast (if joint list was presented by two parties) or,
- at least 1.5 % of the votes cast (if the joint list was presented by three or more parties).

These parties have the right to 10% of budgetary funds intended for the financing of political parties, namely in equal shares; whereas the remaining 90% are being allocated in proportion to the number of votes gained in all electoral unit. Following a mutual agreement, the parties which presented a joint list of candidates share the funds acquired on the basis of proportional division, or in equal shares if such agreement has not been concluded. Appropriations to parties are paid in twelfths.

[34] Election threshold is 4 %. Therefore also non-parliamentary parties are funded under the conditions provided by the law.

As regards the control, please see answers 6 and 7.

2) Partial reimbursement of funds - expenses of the elections campaign[35]

Article 24 of the Elections and Referendum Campaign Act stipulates that elections campaign organizers, whose lists have obtained mandates for deputies to the National Assembly or the European Parliament, are entitled to the reimbursement of expenses for the elections campaign in the amount of EUR 0.33 per vote in their favour, provided that the total amount of reimbursed expenses does not exceed the amount of the utilized funds as shown in the audit report of the Court of Auditors.

Irrespective of the provision of the preceding paragraph the elections campaign organizer, whose list of candidates has obtained at least 6% of the total number of votes cast in the electoral unit or at least 2 % of the total number of votes cast in the country, is also entitled to partial reimbursement of expenses in the amount of EUR 0.17 per vote in favour of his list of candidates in such electoral unit or in the country.

Elections campaign organizers for the delegates of the Italian and Hungarian national communities whose candidate has obtained a mandate or at least 25% of the total number of points calculated for all candidates members of the Italian or Hungarian minority, are entitled to partial reimbursement of elections campaign expenses in the amount of EUR 0.33 for every vote in their favour. In order to calculate the amount of partial reimbursement, the number of votes obtained by an individual candidate are calculated by dividing his number of points with the total number of points received by all candidates and multiplying thus obtained percentage by the number of all valid ballot papers.

The supervision of these funds is governed by the Elections and Referendum Campaign Act.

Within 15 days after the closing date of a special transaction account, the organizer of the elections campaign for the elections to the National Assembly, the European Parliament, for the President of the Republic or referendum at the national level is obliged to submit to the National Assembly and the Court of Auditors a report on:

- the total amount of funds raised and utilized for the elections campaign,
- data on the total amount of contributions to the elections campaign organizer exceeding on the voting day the triple value of average gross monthly salary of the workers in the Republic of Slovenia according to the data of the Statistical Office of the Republic of Slovenia for the past year, in order to provide transparency of the elections campaign,[36]
- total amount of credits granted to the elections campaign organizer where the amount of the granted credits exceeds the value referred to in the preceding point, including the name of the lender,
- all deferred payments to the elections campaign organizer, where the amount of deferred payment exceeds the value referred to in point 2 of this

[35] Referendum campaign organizers are not entitled to reimbursement of expenses.

[36] These contributions are not included among funds which legal or natural persons intend for the financing of political parties pursuant to the provisions of the Political Parties Act.

paragraph, including the indication of the legal or natural entity who approved deferred payment (Article 18).[37]

Within six months after the date set for the closing of the transaction account, the Court of Auditors carries out a financial audit at those organizers of elections campaign who are entitled to partial reimbursement of elections campaign expenses on the basis of this Act. At the request of the Court of Auditors, the elections campaign organizer, the Bank of Slovenia and the commercial banks with whom the elections campaign organizers opened special transaction accounts are obliged to submit the documents required for the performance of audit and to enable access to their books and records of account. In compliance with its competences, the Court of Auditors may also perform other investigations required for the performance of audit (Article 29). The Court of Auditors shall verifies through the audit the following:

- the total amount of funds raised and utilized for the elections campaign,
- whether the elections campaign organizer raised and utilized the funds for elections campaign pursuant to the law,
- whether the information stated by the elections campaign organizer in his reports are correct.

When final, the report of the Court of Auditors is published in the bulletin of the National Assembly (Article 30 of the Elections and Referendum Campaign Act).[38]

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- Within six months after the date set for the closing of the transaction account, the Court of Auditors carries out a financial audit at those organizers of elections campaign who are entitled to partial reimbursement of elections campaign expenses on the basis of this Act. At the request of the Court of

[37] The time of deferred payments may not exceed 90 days since the service was provided or goods delivered. Deferred payments mean all payments made more than 30 days after a service was provided or goods delivered.

[38] The Act also provides the following sanctions:

- when the elections campaign organizer exceeds the funds provided for the election campaign by more than 10%, the partial reimbursement of the cost for organizing and financing the elections campaign, are reduced by half;
- the funds paid from the national budget on the basis of the Act regulating the financing of political parties shall be reduced by half for the period of one year to the political party whose elections campaign organizer exceeds the funds provided for the elections campaign by more than 10%;
- the elections campaign organizer in elections for deputies looses the right to partial reimbursement of the costs for organizing and financing the elections campaign paid to him from the national budget if he exceeds the funds provided for the elections campaign by more than 30%;
- the political party, whose elections campaign organizer in elections for deputies to the National Assembly, exceeds the funds provided for the elections campaign by more than 30%, looses the right to the funds paid to it from the national budget on the basis of the Act regulating the financing of political parties for the period of one year.

As soon as the audit report becomes final, the Court of Auditors adopts a decision on restriction or forfeiture of the right to the funds from the national or municipal budget. Administrative dispute is allowed against the decision under the preceding paragraph. (Article 31 of the Elections and Referendum Campaign Act).

Auditors, the elections campaign organizer, the Bank of Slovenia and the commercial banks with whom the elections campaign organizers opened special transaction accounts are obliged to submit the documents required for the performance of audit and to enable access to their books and records of account. In compliance with its competences, the Court of Auditors may also perform other investigations required for the performance of audit (Article 29).

However, the political parties must submit (only) annual financial reports on their operations for the past year (for more information see answer No.7).

7. Some information on the procedures and financial audit of parties and foundations at national level

The supervision of the implementation of the Political Parties Act in the part referring to the financing of political parties falls under the responsibility of the Ministry of Finance.

The Political Parties Act stipulates (Article 24) that by 30 April of the current year political parties must submit to the National Assembly an annual report on party's financial operations for the previous year. The report contains the following information:

- party's income and expenditure,
- party's source of income in line with accounting regulations,
- detailed information regarding excess funds by means of contributions from legal and natural persons, and private undertakings,
- information on expenses of elections, referendums,
- party's assets, and
- description of change in assets, including the source of funds for the increase in assets, if such increase exceeds a total amount of five gross monthly salaries of a worker in the Republic of Slovenia according to the data of the Statistical Office of the Republic of Slovenia for the year of the report.

Prior to the submission of the report to the National Assembly, it needs to be reviewed and assessed by the Court of Auditors of the Republic of Slovenia;[39] the review note is thus annexed to the report. This is only a review and assessment of the conformity of financial reports with formal requests and not a review and evaluation of its content (auditing is not performed). However, legal persons and private undertakings that are entitled by law to finance political parties are subject to financial audit (Krašovec, 2000:146).

The President of the National Assembly may request that the report be supplemented and thus sets a deadline for its supplementation. The party which received funds from the national budget, the budget of local communities or contributions from legal and natural persons, and private entities, must publish a summary annual report in the Official Gazette of the Republic of Slovenia no later than 31 May of the current year.

[39] Parties need to submit the annual report for review to the Court of Auditors by 31 March of the current year.

The minister responsible for finance then issues a statutory act, defining the content of the annual or the summary annual report in more detail.

The party which does not fulfil its obligations is no longer funded from the national budget until such obligations are met. The suspension of funding is subject to a decision of the National Assembly's working body.

8. The methods of apportioning subsidies between parties and foundations

In the Republic of Slovenia we can not really speak about political or party foundations[40] and there are no specific regulations referring to political foundations. The financing of political parties is regulated by the Political Parties Act and by the Elections and Referendum Campaign Act, but political or party foundations are not specifically mentioned.[41] (see ECPRD Request No. 646 - Political Foundations, reply by the National Assembly of the Republic of Slovenia).[42]

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[40] Such as the *German Konrad Adenauer Stiftung or Friedrich Ebert Stiftung* etc.

[41] Nevertheless, societies may be established in Slovenia, including such that might be considered as related to political parties. Societies are financed on the basis of membership fees, gifts, donations, public funds as well as from their own activities. If in carrying out its activities a society generates a surplus, such must be spent for pursuing its purpose or carrying out a nonprofit activity (more: Reply ECPRD No. 646).

[42] Prepared by Andrej Eror, Research and Documentation Division, Research Section.

Spain

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Spain is comprised of private financing (membership fees, donations, economic activities) and public financing (several forms of state subsidies).
- The information that has been provided about political foundations is unclear (see question 8).

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- No constant maximum rate of subsidies.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy
(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- For each of the state subsidies at least one seat is required in the Congress of Deputies or the Senate respectively.

Question 4, rules concerning private donations

- The amount of private donations is limited to 60,000 EUR annually per natural or legal person.
- Unclear information has been provided as regards anonymous donations: "Contributions -anonymous: with the limit of the 5% of the budgetary subsidy".

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- Subsidies for election activities:
    - 12,000 EUR for each seat obtained in the Congress or the Senate.

  - 0.45 EUR for each vote obtained by each ticket to the Congress, where one of its members, at least, obtained a seat as a Member of the Congress.
  - 0.18 EUR for each vote obtained by each candidate who obtained a seat in the Senate.
- Subsidies for election expenses arising from the direct and personalized mailing to the elections of ballot papers and election enveloped or of election propaganda and advertising:
  - 0.12 EUR per elector for each one of the constituencies where lists of candidates have been nominated for the Congress and the Senate, if enough members are elected to form a parliamentary group.
  - The subsidy can only be allocated one time even if parliamentary groups are formed in both Houses.
- As regards both of the aforementioned subsidies for election activities/expenses: The maximum amount of subsidies is limited to 0.15 EUR x the number of inhabitants in the constituencies where the corresponding party have nominated tickets. The resulting amount may be increased by 20 million pesetas (120,202 EUR) per constituency where they have nominated tickets.
- For parliamentary groups: suitable premises, material means and allocation provided by the Bureau of respective House.
- Annual subsidies for the Budget of the State for political parties with parliamentary representation in the Congress of Deputies, in proportion to the number of seats and votes, to take care of its ordinary expenses, including security expenses.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- No annual work programme.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- The public control on the financing of political parties is performed by the Auditing Court.
- The results are published in the Official Bulletins.

Question 8, the methods of apportioning subsidies between parties and foundations

- The information that has been provided about political foundations is unclear: "The Act 50/2002 on Foundations prevents that this Act can be applied to the Political Parties Foundations (Additional Provision 7th) and its resources can be from public financials of different public administrations".

Annex

1. A brief, general description of the systems of financing parties and political foundations

[please indicate if requests 37, 114 and its update 173 are still reflecting the present state in your country]

- According to the Act regarding this subject –Organic Act 3/1987, 2nd July, 1987, on financing political parties, the financing of the political parties is made up by one hand financial resources from the public sector,

a) the state shall subsidize the expenses incurred in performing election activities in accordance with the following rules:

- 12.000 euros for each seat obtained in the Congress or in the Senate
- 0, 45 euros for vote obtained by each ticket to the Congress, where one of its members, at least, obtained a seat as a Member of the Congress
- 0, 18 euros for vote obtained by each candidate who obtained a seat in the Senate

2= Private resources, as follow:

a) Membership fees.
b) Profits from the activities of the political party or from the political party assets.
c) Contributions –anonymous: with the limit of the 5% of the budgetary subsidy-; or from people -natural person or legal entity– with the limit of 60000 euros for year.
d) Credits or legacies.

- The Act 50/2002 on Foundations prevents that this Act can be applied to the Political Parties Foundations (Additional Provision 7th) and its resources can be from public financials of different public administrations.

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

All that has the limit of the result of multiplying by 0’15 euros the number of inhabitants in the constituencies where the corresponding party have nominated tickets. The resulting amount may be increased by twenty millions pesetas per constituency where they have nominated tickets.
(Section 175 Organic Act 5/1985, the Representations of the Spanish People Organic Act)

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

a) <u>the state shall subsidize the expenses incurred in performing election activities</u> in accordance with the following rules:

- 12.000 euros for each seat obtained in the Congress or in the Senate
- 0, 45 euros for vote obtained by each ticket to the Congress, where one of its members, at least, obtained a seat as a Member of the Congress
- 0, 18 euros for vote obtained by each candidate who obtained a seat in the Senate
- Apart from that subsidies, the state shall subsidize the parties for the election expenses arising from the direct and personalized mailing to the elections of ballot papers and election enveloped or of election propaganda and advertising, in accordance with the following rules:

- 0,12 per elector for each one of the constituencies where lists of candidates have been nominated for the Congress and the Senate, provided that the tickets referred to have obtained a sufficient number of Member of the Congress or of Senators to he able to form a Parliamentary Group in either House. The obtention of a Parliamentary Group in both Houses shall not entitle ticket to receive this subsidy more than once.

4. Rules concerning private donations

[you should consider the replies given already in the framework of the recent requests 963, 1212, 1378]

2= Private resources, as follow:

e) Membership fees.
f) Profits from the activities of the political party or from the political party assets.
g) Contributions –anonymous: with the limit of the 5% of the budgetary subsidy-; or from people -natural person or legal entity– with the limit of 60000 euros for year.
h) Credits or legacies.

5. The systems of awarding subsidies and the systems controlling the use of funds

a) <u>the state shall subsidize the expenses incurred in performing election activities</u> in accordance with the following rules:

- 12.000 euros for each seat obtained in the Congress or in the Senate
- 0, 45 euros for vote obtained by each ticket to the Congress, where one of its members, at least, obtained a seat as a Member of the Congress
- 0, 18 euros for vote obtained by each candidate who obtained a seat in the Senate

All that has the limit of the result of multiplying by 0'15 euros the number of inhabitants in the constituencies where the corresponding party have nominated tickets. The resulting amount may be increased by twenty millions pesetas per constituency where they have nominated tickets.
(Section 175 Organic Act 5/1985, the Representations of the Spanish People Organic Act)

- Apart from that subsidies, the state shall subsidize the parties for the election expenses arising from the direct and personalized mailing to the elections of ballot papers and election enveloped or of election propaganda and advertising, in accordance with the following rules:

- 0,12 per elector for each one of the constituencies where lists of candidates have been nominated for the Congress and the Senate, provided that the tickets referred to have obtained a sufficient number of Member of the Congress or of Senators to he able to form a Parliamentary Group in either House. The obtention of a Parliamentary Group in both Houses shall not entitle ticket to receive this subsidy more than once.

The subsidy granted shall not be included in the limit prevented above (the result of multiplying by 0,15 euros the number of inhabitants in the constituencies where the party has nominated tickets).

b) Each House shall make available to parliamentary groups suitable premises and material means and allocate them out its budget a fixed subsidy which is to be the same for all groups, and an additional subsidy which shall vary according to membership of each group. The amounts shall be determined by the Bureau of the House within the limits of the relevant budgetary appropriation.
(Section 28.1 Congress of Deputies Standing Orders; and Section 34 Senate Standing Orders) See also Standing Orders of the regions parliamentary)

c) Annual subsidies for the Budget of the State for political parties with parliamentary representation in the Congress of Deputies, in proportion to the number of seats and votes, to take care of its ordinary expenses, including security expenses.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would

then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

It depends on the Auditing Court.

7. Some information on the procedures and financial audit of parties and foundations at national level

Public subsidies can not be granted to political parties which their activities committee some behaviours against the article 9 of the Organic Act 6/2002 of Political parties.

- The public control on the financing of political parties is performed by the Auditing Court according to Organic Act 2/1982 of the Auditing Court and the Act 7/1988 on functioning of the Auditing Court.

It is published in the Official Bulletins

8. The methods of apportioning subsidies between parties and foundations

We do not have this information. It could be required to the political parties.

Sweden

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in Sweden is mainly comprised of public financing (several funds) and private financing (with almost no regulation).
- The information that has been provided deals only with the financing of political parties as political foundations are not regulated.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- The support from the State and the Riksdag amounts to about SEK 400 million (41,550,543 EUR) annually.
- No minimum rate of co-financing.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- At least 1 seat in the Riksdag, taking into consideration the election results in the two latest elections to the Riksdag.
- However, parties without seats in the Riksdag also receive party assistance, provided that they have obtained more than 2.5 per cent of the votes in the whole country in either of the two latest elections
- To any application for financial support a party must include an annual report for the most recently concluded financial year, which must have been examined by an authorised or approved accountant.

Question 4, rules concerning private donations

- There are no regulations regarding private donations. Political parties are, for instance, not obliged to report the identity of their contributors and this makes it very difficult to obtain adequate insight into the parties' revenues.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- Party assistance for the Riksdag is currently SEK 999,900 (103,865 EUR) per seat and year.
- Moreover, financial support of several million SEK is also granted for non-Riksdag office assistance, and several Riksdag activities (basic support, political advisers, foreign travels) and, additionally, by local councils.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- Parties are obliged to provide the Riksdag Administration with an annual report of how they have used the support paid out according to the Act on Support for the Work of the Members of the Riksdag and the Riksdag Party Groups.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Sweden is one of the few countries in Europe with no constitutional regulation in this area.
- In 2004, a public inquiry proposed that the parties should provide a public account of their revenues but the proposal was never presented in a bill.
- According to a report by the Council of Europe's Group of States against Corruption (GRECO) the current system needs to be reviewed in order to comply with Council of Europe standards.

Question 8, the methods of apportioning subsidies between parties and foundations

- In Sweden, there is no systematic registration of what is referred to as political foundations.
- Therefore the provided information deals only with the financing of political parties.

Annex

1. A brief, general description of the systems of financing parties and political foundations

There is no systematic registration of what is referred to as political foundations. Moreover, the forms for connection between political parties and these types of organisations vary.

Therefore this memorandum deals only with the financing of political parties.

Public financial support

Since the mid-1960s the main source of income for the political parties in Sweden has been public financial support. The State and the Riksdag as well as municipal and county councils provide financial assistance to the parties that have gained seats in the various elections.

For more detailed information, please note The Swedish Parliament, Fact Sheet no. 10, Financial Support to the Political Parties, http://www.riksdagen.se/upload/Dokument/bestall/engelska/Faktablad_E10.pdf

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

The support from the State and the Riksdag amounts to about SEK 400 million annually.

3. The eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

Party assistance is paid as a contribution per seat in the Riksdag, taking into consideration the election results in the two latest elections to the Riksdag. The contribution is currently SEK 999,900 per seat and year.
Parties without seats in the Riksdag also receive party assistance, provided that they have obtained more than 2.5 per cent of the votes in the whole country in either of the two latest elections

No regulations exist to give the general public openness and transparency in party revenues. However, it may possibly be noted that since 2002 accountants and an annual report are required with regard to central government party support. To any application for such support a party must include an annual report for the most recently concluded financial year, which must have been examined by an authorised or approved accountant (Gov. Bill. 2001/02:53, Report 2001/02:KU8).

4. Rules concerning private donations

There are no regulations regarding private donations, please note the answer to previous request no. 1378.

On a general remark Sweden does not have any constitutional regulation in this area. In contrast to what is common in most countries Swedish law has very limited regulations for party funding (Gidlund 1999).

However, please note the following short description of the rules and practices regarding party funding. The political parties are, for instance, not obliged to report the identity of their contributors and this clearly makes it very difficult to obtain adequate insight into the parties' revenues. In Sweden, parties have traditionally been regarded as voluntary, private and, as far as the state is concerned, independent associations (Gidlund and Möller 1999, p 52). This means that Sweden is one of the few countries in Europe, besides San Marino, Malta and Switzerland, with no constitutional regulation in this area.

5. The systems of awarding subsidies and the systems controlling the use of funds

The State and the Riksdag as well as municipal and county councils provide financial assistance to the parties that have gained seats in the various elections. There are special rules for reduced contributions to parties that lose their seats in the elected assemblies.
The support from the State and the Riksdag amounts to about SEK 400 million annually.

NON-RIKSDAG ACTIVITIES
The national party organisations receive financial support from the State for their general activities. The size of the contribution is based on the results in the elections to the Riksdag. The contribution is calculated schematically and distributed according to set rules. There is no public supervision of how the means are used.
The State financial support consists of party assistance and office assistance.

Party assistance
is paid as a contribution per seat in the Riksdag, taking into consideration the election results in the two latest elections to the Riksdag. The contribution is currently SEK 999,900 per seat and year.
Parties without seats in the Riksdag also receive party assistance, provided that they have obtained more than 2.5 per cent of the votes in the whole country in either of the two latest elections.

Office assistance is paid to all Riksdag parties and consists of a basic contribution and a supplementary contribution. A *basic contribution* is given to each party that has received at least 4 per cent of the votes in the latest election to the Riksdag. It amounts to about SEK 5.8 million per party. The *supplementary contribution* amounts to SEK 16,350 per seat for a Government party and SEK 24,300 for the remaining Riksdag parties.

RIKSDAG ACTIVITIES
The party groups in the Riksdag receive financial support in the form of a basic support, support for political advisers for the members and support for foreign travel.

The **basic support** consists of a basic amount and of a supplementary amount based on the number of members in the party group. The *basic amount* is set at SEK 1.7 million per year. A party group representing the Government is entitled to one basic amount while other party groups are entitled to two times the basic amount. The *supplementary amount* consists of SEK 57,000 per member and year.

The support for **political advisers** is intended to cover costs for administrative and research assistance for the members. The support, which was previously designed to cover the costs for one political adviser for every two members, has successively been increased in recent years and has corresponded to a cost of one political adviser per member since 1 July 2006. The calculation is based on an amount of SEK 50,300 per political adviser and month. Financial support is also provided to cover the costs of members' **foreign travel**. For travel connected with cooperation in the European Union, an annual contribution of SEK 2,500 per member is granted. For participation in international conferences abroad and other foreign travel, the contribution amounts to SEK 5,000 per member for the first 20 seats, and SEK 2,500 for each additional seat. Financial support to the party groups for 2009 amounts to approximately SEK 250 million. The party secretariats in the Riksdag also receive indirect support in the form of free premises and technical equipment in the Riksdag building.

THE LOCAL COUNCILS
Each municipality and county council can give financial support and other types of assistance to parties that are represented on the municipal and county councils. Today all municipalities and county councils provide the parties with financial support.

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

In this connection it may also be of interest to mention the rules regarding the obligation to account for financial assistance from the Riksdag, which entail a departure from the traditional voluntary approach outlined above. As of 2005 the parties are obliged to provide the Riksdag Administration with an annual report of how they have used the support paid out according to the Act on Support for the Work of the Members of the Riksdag and the Riksdag Party Groups (for an evaluation, see 2007/08:URF1 - Swedish only).

7. Some information on the procedures and financial audit of parties and foundations at national level

In Sweden, parties have traditionally been regarded as voluntary, private and, as far as the state is concerned, independent associations (Gidlund and Möller 1999, p 52). This means that Sweden is one of the few countries in Europe, besides San Marino, Malta and Switzerland, with no constitutional regulation in this area.

In 2004, a public inquiry proposed that the parties should provide a public account of their revenues. The proposal, however, did not win the approval of all the parties represented in the inquiry. For its part, the Moderate Party in a statement of opinion rejected, "categorically", the inquiry's proposals for regulation, on both democratic and constitutional grounds (SOU 2004:22, compilation of referral comments - Swedish only). The proposal was never presented in a bill.

Instead of rules there are voluntary agreements between the parties with the aim of increasing the general public's access to and insight into party and candidate revenues. The most recent such voluntary agreement between the Riksdag parties dates from April 2000 and also includes recommendations on openness and transparency in regard to the way individual candidates fund their personal campaigns. However, it should be mentioned that these accounts, the parties' annual reports, were criticized for such things as a lack of uniformity and that no party had really taken any initiatives to develop common accounting methods (Gometz 2004).

In view of this and to ensure the general public's access to and insight into how the parties fund their activities, Gullan Gidlund, conducting a one-person inquiry for the Government, proposed a certain degree of legal regulation. Openness and transparency with respect to the revenues of parties and candidates are, in Gidlund's view, "so fundamental to the legitimacy of the political system that it should not be dependent on the parties' and candidates' attitudes and feelings of obligation on any single occasion" (SOU 2004:22, p. 136).

Moreover, it should be noted that the Council of Europe's, Group of States against Corruption (GRECO) last year published its Third Round Evaluation Report on Sweden. In the report one of the main themes was transparency of party funding, and Sweden does not come out very well in this area:

[T]he Swedish system falls short of the standards provided for in Recommendation Rec(2003)4 of the Committee of Ministers of the

> Council of Europe on common rules against corruption in the funding of political parties and electoral campaigns. Sweden's long standing tradition of self regulation in this area neither provides for a sufficiently broad and comprehensive approach, nor is there an independent monitoring mechanism in place and there are no particular sanctions or other means for the enforcement of the few principles that have been agreed upon by the political parties represented in Riksdagen. Consequently, it is difficult to assess the flow of private donations to political parties. In GRECO's view, the generally low level of transparency in political financing is difficult to understand in respect of a country, which guarantees a high degree of transparency in most areas of public

life. The current system needs to be reviewed in order to comply with Council of Europe standards (Council of Europe 31/03/09).

The Swedish government for its part has no intention to change the current system and, with reference to the fundamental importance of free and secret elections, especially not the rules regarding anonymity for private donations (Minister for Justice, Beatrice Ask 2010-02-17).

8. The methods of apportioning subsidies between parties and foundations

In Sweden there are different types of foundations. Apart from ordinary foundations, there are for example fund-raising foundations, collective agreement foundations and pension security funds.

Law on foundations (SFS 1994:1220) contains rules about management of foundations, accountancy, annual financial report, liquidation and dissolution etc (available in Swedish only).

There is no systematic registration of what is referred to as political foundations. Moreover, the forms for connection between political parties and these types of organisations vary.

Therefore this memorandum deals only with the financing of political parties.

United Kingdom

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Summary

Question 1, a brief, general description of the systems of financing parties and political foundations

- The financing of political parties in the United Kingdom is comprised mainly of private financing (membership fees, donations, other activities). Only a policy development grant scheme of ˇ 2 million (2.29 million EUR) in total is available by the state.
- No information has been provided about political foundations.

Question 2, the maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

- There are no subsidies.

Question 3, the eligibility requirements for obtaining a subsidy

(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

- There are no subsidies, however, at least 2 MPs in the House of Commons are required to be eligible for the policy development grants of up to ˇ 2 million (2.29 million EUR).

Question 4, rules concerning private donations

- There is no limit to the amount an individual or organisation can donate or lend to a party.
- When organisations/individuals receive a donation or a loan above ˇ 500 (573 EUR), they must verify that the donor or lender is permissible, e.g.:
  - an individual registered in a UK electoral register (including bequests)
  - a UK registered company which is incorporated within the European Union and carries on business in the UK
- When an organisation/individual receives a donation, it has 30 days to decide whether the donor/lender is permissible. If it is found that the donor is impermissible, it can return the money to the donor if within 30 days from the day the donation was received. If the donation is accepted but is later found to be from an impermissible source, the money will have to be forfeited and paid into the Consolidated Fund.

Question 5, the systems of awarding subsidies and the systems controlling the use of funds

- There are no subsidies, however, up to ˇ 2 million (2.29 million EUR) each year is available to assist in developing policies for inclusion in manifestos for elections to the following: European Parliament, UK Parliament, Scottish Parliament, National Assembly for Wales, Northern Ireland Assembly, local government.

Question 6, the documents submitted by the parties and foundations as part of the procedure for the subsidy request

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

- There are no subsidies.

Question 7, some information on the procedures and financial audit of parties and foundations at national level

- Parties are required to provide the Electoral Commission with annual statements of accounts.
- The Electoral Commission is responsible for ensuring political parties comply with:
  - the registration and financial regulatory requirements of the Political Parties, Elections and Referendums Act 2000 (PPERA),
  - the statutory reporting requirements of the PPERA and the relevant parts of the Representation of the People Act 1983 (RPA)
- It has powers to investigate breaches of these controls, and can impose civil penalties when political parties do not submit documents to it on time.
- Investigations may result in corrective or enforcement action, or referral of specific cases to other authorities, including the police and prosecuting authorities.

Question 8, the methods of apportioning subsidies between parties and foundations

- No information has been provided about foundations.

Annex

1. A brief, general description of the systems of financing parties and political foundations

The UK Electoral Commission now regulates UK party and election finance, we make sure people understand and follow the rules on party and election finance. Its role as a regulator is to make sure the laws controlling the finances of political parties are followed, and to oversee parties and other organisations and individuals engaged in campaigning. It also publishes public registers containing information sent to us by political parties and others about their finances. In addition, parties are required to submit annual statements of accounts.
Full details are available on the Commission's website http://www.electoralcommission.org.uk/party-finance. The following reproduces its description of the law in this area:

Acts
Three Acts of Parliament govern political finances. The Political Parties, Elections and Referendums Act 2000 (PPERA) sets out the rules for political parties, third parties, permitted participants and regulated donees with regards to registration, donations, statement of accounts, campaign expenditure.

The Electoral Administration Act 2006 (EAA) has amended sections of PPERA and extended the controls to loan.

The Political Parties and Elections Act 2009 (PPEA) , which received Royal Assent in July 2009, made further changes and increased the threshold for permissible and reportable donations. To read more about the changes made by the PPEA and how they affect thise we regulate, please visit our changes to legislation page.

Please follow the links below to view the Acts:

- Political Parties, Elections and Referendums Act 2000 (PPERA)
- Electoral Administration Act 2006 (EAA)
- Political Parties and Elections Act 2009 (PPE Act)

The conduct of candidates is regulated by the Representation of the People Act 1983 (RPA):

- Representation of the People Act 1983 (RPA)

2. The maximum rates of subsidies and, where applicable, the minimum rate of co-financing by the parties and political foundations

The Commission can allocate up to ˇ2 million each year to assist in developing policies for inclusion in manifestos for elections to the following:

- European Parliament
- UK Parliament
- Scottish Parliament
- National Assembly for Wales
- Northern Ireland Assembly

- local government

3. The eligibility requirements for obtaining a subsidy
(at EU level these criteria are defined in Article 3 of Regulation 2004/2003), for example:
- Are there a minimum number of members required to obtain a subsidy?
- Must a party attain a certain percentage of the vote in national or regional elections?
- Must a party have a minimum number of members elected to national or regional parliaments?

Not generally applicable – with the exception of policy development grants and "Short money" paid to opposition parties in Parliament. Both of these require a party to have a minimum of 2 MPs in the House of Commons. Short Money can also be paid to a party with one seat and more than 150,000 votes at the previous General Election.

4. Rules concerning private donations

There is no limit to the amount an individual or organisation can donate or lend to an organisation/individual. However, the money must come from a permissible source if it is above ˇ 500.

When organisations/individuals receive a donation or a loan above ˇ 500, they must verify that the donor or lender is permissible.

Under Section 54 of PPERA, eligible donors or lenders are:

- an individual registered in a UK electoral register (including bequests)
- a UK registered company which is incorporated within the European Union and carries on business in the UK
- a UK registered political party
- a UK registered trade union
- a UK registered building society
- a UK registered limited liability partnership that carries on business in the UK
- a UK registered friendly society
- a UK based unincorporated association that carries on business or other activities in the UK
- certain kinds of UK-based trusts

When an organisation/individual receives a donation, it has 30 days to decide whether the donor/lender is permissible. If it is found that the donor is impermissible, it can return the money to the donor if within 30 days from the day the donation was received. If the donation is accepted but is later found by us to be from an impermissible source, the money will have to be forfeited and paid into the Consolidated Fund.

If the loan or credit facility is from an impermissible source, the transaction is void.

5. The systems of awarding subsidies and the systems controlling the use of funds

While there is no general state funding of political parties in the UK the Electoral Commission administers a policy development grant scheme under section 12 of the Political Parties, Elections and Referendums Act 2000 (PPERA). This allows the Commission to make payments of policy development grants to eligible political parties. The Commission can allocate up to ˇ2 million each year to assist in developing policies for inclusion in manifestos for elections to the following:

- European Parliament
- UK Parliament
- Scottish Parliament
- National Assembly for Wales
- Northern Ireland Assembly
- local government

The allocation of ˇ2 million is divided between the eligible parties according to a formula set out in legislation. Eligible parties are, on the 7 March each year, those that have at least sitting two Members of the House of Commons who have taken the oath of allegiance provided by the Parliamentary Oaths Act 1866.

The Electoral Commission report the allocation of this money between the parties on its website: http://www.electoralcommission.org.uk/party-finance/public_funding

6. The documents submitted by the parties and foundations as part of the procedure for the subsidy request.

In this context, it would be of particular interest to know if the national parties and political foundations must present annual work programmes which would then be checked at the end of the period of financing, to see if they are conforming to the programmes presented

Not applicable – what returns parties make to the Electoral Commission are mainly about finance in the context of its regulation of private donations.

7. Some information on the procedures and financial audit of parties and foundations at national level

The Electoral Commission has a role as a regulator to oversee the laws controlling the finances of political parties and other organisations and individuals engaged in campaigning. It is responsible for ensuring they comply with:

- the registration and financial regulatory requirements of the Political Parties, Elections and Referendums Act 2000 (PPERA)
- the statutory reporting requirements of the PPERA and the relevant parts of the Representation of the People Act 1983 (RPA)

It has powers to investigate breaches of these controls, and can impose civil penalties when political parties do not submit documents to it on time. Investigations may result in corrective or enforcement action, or referral of specific cases to other authorities, including the police and prosecuting authorities.

The Commission's website details it actions in particular cases http://www.electoralcommission.org.uk/party-finance/enforcement

Parties are required to provide the Electoral Commission with annual statements of accounts. In July 2008 the Commission consulted on draft proposals to standardise statements of accounts. Since then it has been working with parties to develop a timetable for introducing changes to the way parties and accounting units prepare and submit their annual accounts.

8. The methods of apportioning subsidies between parties and foundations

Not applicable.