



Groupe d'Etats contre la corruption  
*Group of States against corruption*

**DIRECTORATE GENERAL OF HUMAN RIGHTS AND LEGAL AFFAIRS**  
**DIRECTORATE OF MONITORING**



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**Theme II**

## **Third Evaluation Round**

### **Evaluation Report on Greece on Transparency of party funding (Theme II)**

Adopted by GRECO  
at its 47<sup>th</sup> Plenary Meeting  
(Strasbourg, 7-11 June 2010)

## I. INTRODUCTION

1. Greece joined GRECO in 1999. GRECO adopted the First Round Evaluation Report (Greco Eval I Rep (2001) 15E) in respect of Greece at its 9<sup>th</sup> Plenary Meeting (13-17 May 2002) and the Second Round Evaluation Report (Greco Eval II Rep (2005) 6E) at its 26<sup>th</sup> Plenary Meeting (5-9 December 2005). The aforementioned Evaluation Reports, as well as their corresponding Compliance Reports, are available on GRECO's homepage (<http://www.coe.int/greco>).
2. GRECO's current Third Evaluation Round (launched on 1 January 2007) deals with the following themes:
  - **Theme I – Incriminations:** Articles 1a and 1b, 2-12, 15-17, 19 paragraph 1 of the Criminal Law Convention on Corruption (ETS 173)<sup>1</sup>, Articles 1-6 of its Additional Protocol<sup>2</sup> (ETS 191) and Guiding Principle 2 (criminalisation of corruption).
  - **Theme II – Transparency of party funding:** Articles 8, 11, 12, 13b, 14 and 16 of Recommendation Rec(2003)4 on Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns, and - more generally - Guiding Principle 15 (financing of political parties and election campaigns).
3. The GRECO Evaluation Team for Theme II (hereafter referred to as the "GET"), which carried out an on-site visit to Greece from 16 to 18 December 2009, was composed of Ms Vesna JEVTIC, Advisor at the Ministry of Finance (Serbia), Mr Lars-Åke STRÖM, Judge of Appeal, Administrative Court of Appeal of Stockholm, (Sweden) and a scientific expert, Mr Karl-Heinz NABMACHER, Professor Emeritus at the Carl von Ossietzky University (Germany). The GET was supported by Ms Sophie MEUDAL LEENDERS and Mr Christophe SPECKBACHER from GRECO's Secretariat. Prior to the visit the GET experts were provided with a comprehensive reply to the Evaluation questionnaire (document Greco Eval III (2009) 9E, Theme II), as well as copies of relevant legislation.
4. The GET met with officials from the following state organisations: Ministry of Justice, Transparency and Human Rights, Ministry of the Interior, Ministry of Economy and Finance, Parliament, Court of Audit and Special Highest Court. The GET also met with representatives from political parties, namely Nea Demokratia (ND), Panhellenic Socialist Movement (PASOK), Greek Communist Party (KKE), Coalition of Radical Left Wing (SYRIZA), People's Orthodox Alert (LAOS). Furthermore, the GET met with Certified Public Accountants, Academics, representatives of Transparency International and of the press.
5. The present report on Theme II of GRECO's Third Evaluation Round on Transparency of party funding was prepared on the basis of the replies to the questionnaire and the information provided during the on-site visit. The main objective of the report is to evaluate the measures adopted by the Greek authorities in order to comply with the requirements deriving from the provisions indicated in paragraph 2. The report contains a description of the situation, followed by a critical analysis. The conclusions include a list of recommendations adopted by GRECO and addressed to Greece in order to improve its level of compliance with the provisions under consideration.

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<sup>1</sup> Greece ratified the Criminal Law Convention on Corruption (ETS 173) on 10 July 2007. The Convention entered into force in respect of Greece on 1 November 2007.

<sup>2</sup> Greece ratified the Additional Protocol to the Criminal Law Convention (ETS 191) also on 10 July 2007. It entered into force in respect of Greece on 1 November 2007.

6. The report on Theme I – Incriminations, is set out in Greco Eval III Rep (2009) 9E-Theme I.

## **II. TRANSPARENCY OF PARTY FUNDING – GENERAL PART**

### Definition of political party

7. Political parties in Greece are not defined by law. Instead, constitutional law doctrine agrees on a definition derived from Aristotle's "The Athenian Politeia", where the original forms of political parties are described. According to this definition, a political party is "a political organisation that is general in character, with a specific political programme regarding the main areas of state activity and with the intention, through peaceful means, to take on the authority so as to realise its programme".

### Founding and registration

8. According to Article 29 of Law No. 3023 of June 2002 on the public funding of political parties, a political party may be founded by at least 200 citizens of the Hellenic Republic, who have the right to vote. Each of the founders of the party has to sign the party's constitutional chart or declaration of establishment.
9. In order to be registered, the party has to file an establishment statement with the Prosecutor of the Supreme Court. This statement, which declares that the party's organisation and activities are to serve the free functions of a democratic state, is to contain the name of the party, its logo or symbol, the address of its headquarters and the constitutional chart or declaration of establishment, signed by at least 200 founding members. The First Section of the Supreme Court is competent to rule on any disputes regarding the name, logo or leadership of political parties.
10. The Prosecutor of the Supreme Court keeps a list of registered parties, which is accessible to the public.
11. Upon its establishment, the political party automatically acquires legal personality for the fulfilment of its mission (Article 29 (6), Law No.3023/25-06-2002).
12. As of November 2009 there were 25 registered political parties in Greece.

### Overview of the political/electoral system

13. Greece is a parliamentary republic, with a multi-party system. Its legislature is the unicameral Parliament (*Vouli ton Ellinon*), composed of 300 members elected for a four-year term. Its executive branch is composed of the President of the Republic, the Prime Minister and the Cabinet of Ministers.
14. The President of the Republic is elected by Parliament for a five-year term, with a maximum of two terms in office. The last presidential elections took place on 7 March 2005 and Mr Karolos Papoulias was elected. The President holds limited powers, such as the power to declare war, conclude international agreements and grant pardon.
15. The Prime Minister, appointed by the President of the Republic, is the leader of the party who won the majority at the latest parliamentary elections. He is the head of government and conducts the country's policy. Further to the recent parliamentary elections that took place on 4 October 2009, the current Prime Minister is Mr George Papandreou, leader of the PASOK.

16. All citizens of the Hellenic Republic who have reached the age of 18 years and have full legal capacity have the right to vote but in order to be elected<sup>3</sup>, they have to have reached the age of 25 years. Traditionally, voting has been, and still is, compulsory but this rule is not enforced anymore and there are no sanctions for failing to vote. However, voting is still considered a civic duty and as a consequence, turnout is fairly high, typically ranging between 70% and 80% for parliamentary elections and slightly lower for local and European elections. Voters, including those living abroad, may choose to vote either at their place of current residence or at their place of origin.
17. Members of Parliament are elected by a system of reinforced proportional representation in 48 multi-seat constituencies, 8 single-seat constituencies and a single nationwide list. 288 out of the 300 seats are determined by constituency voting and voters may select the candidate(s) of their choice by marking their name on the party ballot. The remaining 12 seats are filled from nationwide party lists on a top-down basis, based on the proportion of the total vote received by each party. Candidates may run for elections by depositing a list of 12 signatures at their local prefecture (Article 32 (1) of Presidential Decree 351/2003, as amended by Presidential Decree 96/2007)
18. The threshold for entering parliament is 3 % of the total number of valid votes cast on the entire territory, on the condition that the party or coalition has established lists of candidates in at least 70% of the country's constituencies.
19. Members of the European Parliament are elected every 5 years on the basis of a party-list proportional representation system, in which the whole country forms one constituency. For these elections, lists of candidates are drawn up by political parties and there are no independent candidates.
20. Finally, local elections are held every four years, to elect super-prefects, prefects, mayors and councillors to serve in the super-prefectural, prefectural, municipal and community councils. The political parties do not participate in these elections as such, as they are only open to candidates, running individually or on lists. Candidates may, but need not, be affiliated to a party. According to the current voting system, the leading candidate and his/her list is elected in the first round if he/she obtains more than 42% of the votes. If no candidate reaches this percentage, a second round takes place between the two best placed candidates, except for the elections to community councils where there is only one round. The last local elections took place on 15 October 2006.

### Party representation in Parliament

21. In the last parliamentary elections which were held on 4 October 2009, 23 political parties participated<sup>4</sup>, of which 5 acquired seats (the percentage of the votes they obtained is indicated between brackets):

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<sup>3</sup> With the exception of university professors, public servants are not eligible, unless they irrevocably resign from their office before the promulgation of the elections.

<sup>4</sup> These political parties were: Nea Demokratia, Panhellenic Socialist Movement (PASOK), Greek Communist Party (KKE), Coalition of Radical Left Wing (SYRIZA), People's Orthodox Alert (LAOS), Green Ecologists, Greek Marxist-Leninistic Communist Party, Greek Communist Party (Marxist-Leninistic), Laborers Revolutionary Party (EEK Trotskyist), OAKKE Organisation for the Reconstitution of KKE, Democratic Renaissance, Union of the Centre, People's Alliance – Golden Dawn, Dimosthenis Vergis – Greek Ecologists, Society – Political Formation continuence of Kapodistrias, Democrats, Anticapitalistic Left Wing Cooperation (ANT.AR.SY.A), Light – Truth – Justice, Friends of the Human, Regional Urban Development (PAA), Old Democracy, Smoking Groups for Art and Visual Reformation (KOTES) and Gifting Land, Writing-off Debts, National Agricultural Laborers Movement of Greece (PAEKE).

- Panhellenic Socialist Movement (PASOK)	- 160 seats (43,92%)
- New Democracy (ND)	- 91 seats (33,48%)
- Greek Communist Party (KKE)	- 21 seats (7,54%)
- People's Orthodox Alert (LAOS)	- 15 seats (5,63%)
- Coalition of Radical Left Wing (SYRISA)	- 13 seats (4,60%)

## Overview of the political funding system

### Legal framework

22. The main law regulating the funding of political parties and election campaigns in Greece is Law 3023/2002 of June 2002 on "Public funding of political parties – Income and expenditure, promotion, publications and audit of the finances of political parties and candidates for election", which covers regular funding of political parties, including funding for parliamentary and European elections, supervision and sanctions. Local elections are addressed by Law 3202/2003 on "Electoral expenditure during the prefectural and municipal elections, financial management and administration of local government organisations, foreign nationals and other provisions", which does not foresee public funding, but contains rules on private funding and expenditure, as well as supervision and sanctions.

### Direct public funding

#### *Political parties*

23. Direct public funding, amounting to 0.102 % of the state income for the relevant fiscal year, is provided annually to political parties and coalitions represented in Parliament or in the European Parliament, as well as to parties and coalitions which do not have elected representatives, but reached a certain level of representation at the last elections (Article 1, Law 3023/2002).
24. This direct public funding is meant to cover the parties' or coalitions' operational costs. It is allocated as follows (Articles 2 and 3, Law 3023/2002):
- a. 80% is distributed among the parties and coalitions represented in the Parliament in proportion of the number of votes they obtained, by means of a calculation based on proportionality;
  - b. 10% is given equally to the parties and coalitions represented in the European Parliament<sup>5</sup>;
  - c. 10% is given equally to the parties and coalitions which, at the latest national elections had presented complete lists of candidates in at least 70% of the constituencies and received at least 1.5% of valid votes at national level.
25. The parties and coalitions meeting the criteria of each of the above categories, as well as the amount of regular funding allocated to each of them, are specified in a decision issued during the first quarter of the year by the Ministry of the Interior, Public Administration and Decentralisation and published in the Official Gazette.

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<sup>5</sup> The allocation of this percentage also includes parties and coalitions eligible under point a.

26. In addition to this regular funding of their operational costs, the political parties and coalitions entitled to public funding receive an annual financial support from the State for the establishment and functioning of research and study centres and for the organisation of education programmes for their executives (Article 4, Law 3023/2002). This financial support amounts in total to 0.01% of the state income for the relevant year and it is distributed among the parties entitled to receive it according to Article 3 (1) of Law 3023/2002, namely the parties represented at the Hellenic and European Parliaments.
27. As regards coalitions, the parties forming them have to agree on the internal repartition of funds to be received and inform the Ministry of the Interior, Public Administration and Decentralisation of this agreement at the latest within one month after the elections. If the Ministry does not receive notification from the coalition by that date, public funds allocated to the coalition are divided equally between all its members. In case a party leaves the coalition, the amount of public funding to which it was entitled is divided among the other parties of the coalition according to the agreement they had notified to the Ministry. In the absence of such an agreement, the funds are divided equally among the remaining parties in the coalition (Article 3, Law 3023/2002).
28. The authorities submitted the following information on direct public funding of political parties for the period 2007-2009.

<b>2007 State annual funding of political parties (in Euros)</b>			
<b>Political Parties</b>	<b>Regular funding</b>	<b>Financial support for research and education purposes</b>	<b>Sum of regular funding and financial support</b>
New Democracy (ND)	20,982,849	2,057,142	23,039,991
Panhellenic Socialist Movement (PASOK)	18,952,280	1,858,067	20,810,347
Greek Communist Party (KKE)	4,327,452	424,260	4,751,712
SYNASPISMOS Radical Left Coalition	3,215,971	315,291	3,531,262
People's Orthodox Alert (LAOS)	1,838,958	180,290	2,019,248
Democratic Social Movement (DIKKI)	835,890	81,950	917,840
<b>TOTAL</b>	<b>50,153,400</b>	<b>4,917,000</b>	<b>55,070,400</b>
<b>2008 State annual funding of political parties (in Euros)</b>			
<b>Political Parties</b>	<b>Regular funding</b>	<b>Financial support for research and education purposes</b>	<b>Sum of regular funding and financial support</b>
New Democracy (ND)	21,819,487.58	2,139,165.45	23,958,653.03
Panhellenic Socialist Movement (PASOK)	20,071,669.48	1,967,810.73	22,039,480.21
Greek Communist Party (KKE)	6,076,530.21	595,738.25	6,672,268.46
Coalition of Radical Left Wing (SYRIZA)	4,622,850.90	453,220.68	5,076,071.58

People's Orthodox Alert (LAOS)	4,039,861.83	396,064.89	4,435,926.72
TOTAL	56,630,400.00	5,552,000.00	62,182,400.00
<b>2009 State annual funding of political parties (in Euros)</b>			
<b>Political Parties</b>	<b>Regular funding</b>	<b>Financial support for research and education purposes</b>	<b>Sum of regular funding and financial support</b>
New Democracy (ND)	23,933,839.94	2,346,454.90	26,280,294.83
Panhellenic Socialist Movement (PASOK)	22,016,654.74	2,158,495.56	24,175,150.30
Greek Communist Party (KKE)	6,665,358.25	653,466.50	7,318,824.74
Coalition of Radical Left Wing (SYRIZA)	5,070,814.48	497,138.67	5,567,953.15
People's Orthodox Alert (LAOS)	4,431,332.59	434,444.37	4,865,776.97
TOTAL	62,118,000.00	6,090,000.00	68,208,000.00

### *Election campaigns*

29. Public funds are also allocated for election campaigns, but only for parliamentary and European elections. These are not meant for candidates to the elections, but rather for political parties and coalitions with already elected representatives or meeting the same conditions of representativity as those explained above (see paragraph 24 c.). These funds are allocated prior to each parliamentary elections or elections to the European Parliament. Electoral funding amounts in total to 0.022 % of the state income for the year during which the elections are held. If more than one election is held during a given year, total electoral funding for that year may not amount to more than 0.035% of the state income in total (Articles 1 and 2, Law 3023/2002).
30. Electoral funding is allocated as follows (Article 3, Law 3023/2002):
- a. 60% is distributed among the parties and coalitions represented in the Parliament or in the European Parliament, on the basis of the number of valid votes they obtained during the previous elections, by means of a calculation based on proportionality;
  - b. 40% is distributed among the parties and coalitions which, at the latest national elections had presented complete lists of candidates in at least 70% of the constituencies and received at least 1.5% of valid votes at national level<sup>6</sup>. These funds are allocated on the basis of the valid votes obtained by the parties or coalitions at the previous election concerned.
31. Parties and coalitions eligible and the respective amounts to which they are entitled are determined by a decision of the Ministry of the Interior, Public Administration and Decentralisation, published in the Official Gazette. In the case mentioned in the above paragraph under a., this decision is issued at the latest 10 days after the announcement of the elections. In the case mentioned under b., the decision is issued at the latest 2 months after the elections.

<sup>6</sup> The allocation of this percentage also includes parties and coalitions eligible under point a.

32. The authorities submitted the following information on election funding of political parties for the period 2007-2009.

<b>2007 Election funding (in Euros) (National Elections)</b>		
<b>Political Parties</b>	<b>Amount</b>	
New Democracy (ND)	3,026,968.85	
Panhellenic Socialist Movement (PASOK)	2,705,902.03	
Greek Communist Party (KKE)	393,472.51	
SYNASPISMOS Radical Left Coalition	217,728.70	
People's Orthodox Alert (LAOS)	146,367.91	
TOTAL	6,490,440.00	
<b>2009 Election funding (in Euros)</b>		
<b>A. European Elections of 7 June 2009</b>		
<b>Political Parties</b>	<b>Amount</b>	
	1 <sup>st</sup> instalment	2 <sup>nd</sup> instalment
New Democracy (ND)	3,647,193.37	473,914.54
Panhellenic Socialist Movement (PASOK)	2,885,253.32	537,776.68
Greek Communist Party (KKE)	803,892.19	122,522.08
Coalition of Radical Left Wing (SYRIZA)	352,558.06	68,995.61
People's Orthodox Alert (LAOS)	349,903.06	104,909.45
Ecologists Greens	--	51,221.64
TOTAL	8,038,800.00	1,359,300.00
<b>B. National Elections of 4 October 2009</b>		
<b>Political Parties</b>	<b>Amount</b>	
	1 <sup>st</sup> instalment	2 <sup>nd</sup> instalment
New Democracy (ND)	1,900,758.28	1,031,751.87
Panhellenic Socialist Movement (PASOK)	1,730,862.94	1,353,909.53
Greek Communist Party (KKE)	370,475.93	232,464.26
Coalition of Radical Left Wing (SYRIZA)	229,172.13	141,867.52
People's Orthodox Alert (LAOS)	172,503.12	173,569.91
Ecologists Greens	113,597.60	78,016.91
TOTAL	4,517,370.00	3,011,580.00

#### Indirect public funding

33. The following forms of indirect public funding of election campaigns exist in Greece:
- provision of outdoor sites, such as public parks, free of charge, by municipalities and communities to political parties to hold electoral rallies. These sites are given to all parties for all elections, on a proportional basis (Article 9, Law 3023/2002);

- free broadcasting time on public and private radio and television channels is allocated to political parties in order for them to broadcast their positions and programmes. This free air time is allocated to the parties on a proportional basis, according to a joint ministerial declaration published in the Official Gazette and is not subject to taxation. The parties that are running in elections but are not represented in Parliament are allocated a minimum broadcasting time (Article 10, Law 3023/2002);
- in addition, elected members of the Parliament enjoy free mail and phone services and their travel expenses are covered. Public officials, paid by the state budget, are also seconded to work for parliamentary groups in the Hellenic Parliament and for Greek members of the European Parliament. After the on-site visit, the authorities indicated that, as of February 2010, 857 public officials were working in that capacity.

### Private funding

34. A number of restrictions apply to the sources of private funding of political parties and election candidates. The following sources of funding are not allowed (Article 5 (5) and 7 (1), Law 3023/2002):
- anonymous donations;
  - donations from foreign natural or legal persons;
  - donations from legal entities of public and private law;
  - donations from bodies of local government
  - donations from media owners and editors.
35. Political parties and coalitions may receive private funding (Article 5, Law 3023/2002) in the form of:
- membership fees;
  - contributions from elected representatives;
  - contributions from private persons, in cash and in-kind;
  - contributions from legacies and trusts;
  - income from property and income of a company owned by a party;
  - bank loans.
36. As regards the amount/size/periodicity of private contributions, contributions from any individual donor to a *private party or a coalition* may in a given year not exceed 15,000 Euros (Article 8 (1), Law 3023/2002). This limit does not apply to donations in-kind.
37. All donations to political parties and coalitions exceeding 600 Euros have to be made by bank transfer or in exchange for a numbered receipt, mentioning the donor's identity (Article 17 (1), Law 3023/2002). As for donations below that amount, the parties issue numbered coupons to the donors as receipts. They do not have to disclose the donors' identity either to the public or to the supervising authority, the Parliament's Control Committee. Parties do however keep the identity of coupons purchasers for their own records.
38. *Candidates to elections* may not receive more than 3,000 Euros from any individual donor during a given election campaign for national or European elections (Article 8 (2), Law 3023/2002). The candidate has to consent to receiving the donation and has to deposit it on his/her electoral account (Article 6 (3), Law 3023/2002). Candidates to local councils may not receive more than 500 Euros from any individual donor during an election campaign if they run individually and not more than 2000 Euros if they run on a list (Article 4, Law 3202/2003).

39. Private contributions to candidates to prefectural and municipal elections exceeding 200 Euros have to be made by bank transfer or in exchange for a numbered receipt, indicating the donor's identity. These donations are subject to the review of the Expenditure Audit Committee, which is the entity monitoring compliance with financial and other electoral rules. Donations below 200 Euros are handled by means of coupons and are not subject to any disclosure requirements (Articles 11 and 12, Law 3202/2003).
40. Private contributions to political parties, entities affiliated with political parties, elected representatives and candidates for election are not tax deductible.
41. There are no restrictions or limits on membership fees. Membership fees and private contributions are collected by the regional branches of the parties, which are subject to the same rules on funding as the parties themselves.
42. As indicated above, political parties also receive contributions from their elected representatives, subject to an agreement between each party and its representatives on the percentage of the contribution. As an illustration, among the parties currently represented in Parliament, the parties ND, PASOK and LAOS have agreed on a contribution equal to 10% of their representatives' yearly allowance; the parties KKE and SYRIZA have agreed on a contribution amounting to 20% of their representatives' yearly allowance.
43. Political parties may also receive funding in the form of income from property, bank loans and fundraising activities. There are no limitations or restrictions applicable to these sources of funding. Profits from party business or from the income of companies owned by political parties are also allowed, as long as the income comes exclusively from business and any kind of legal entity of private law, the shares or stock of which belong explicitly in their totality to a political party, or on behalf of the political party to its head or to other natural person(s) authorised by the competent body of the party for this purpose (Article 7 (2), Law No. 3023/2002).
44. As regards disclosure of donors' identity, only donations to political parties above 600 Euros (Article 16 (2), Law 3023/2002) and donations to candidates to elections above 150 Euros (Article 20 (2), Law 3023/2002) have to be disclosed to the Control Committee. There are no legal requirements regarding public disclosure of donors' identity.

### Expenditure

45. Limits and restrictions on the expenditure of *political parties* mostly relate to the context of election campaigns, in so far as the political parties themselves are the election campaign organisers. The following limits exist:
46. 80% of the income and expenses of political parties must be handled through bank accounts in banks legally established in Greece. These accounts must be notified to the Control Committee, the authority in charge of the supervision of the financing of political parties (see below under (ii) Supervision), within a period of five days after their opening. Electoral income and electoral expenditure are likewise handled through separate bank accounts, at the same percentage and with a similar notification obligation (Article 5 (5), Law 3023/2002).
47. Parties may spend money to finance electoral activities before the elections are formally announced, provided that they are supported by relevant documents proving that the expenses are directly related to election needs (Article 5 (2), Law 3023/2002).

48. Electoral expenses incurred by a party or coalition taking part in parliamentary elections or elections to the European Parliament, including donations in kind, should not exceed 20% of the most recent total annual amount of regular public funding received by that party or coalition (Article 13, Law 3023/2002).
49. Some restrictions and limits also apply specifically to *candidates to elections*:
- the maximum allowed for their expenditure, including the value of services in kind, is calculated on the basis of the number of seats in their respective constituency (Article 14 (1), Law 3023/2002) or on the basis of the population in the relevant prefecture or municipality for local elections (Article 9 (2), Law 3202/2003);
  - the maximum amount of electoral expenses allowed to each candidate to the parliamentary elections or the elections to the European Parliament is determined each time on the basis of the amount applicable for the candidates for election in the A' Electoral Region of Athens (Article 14 (4), Law 3023/2002);
  - additionally, there is a cap on the amount of allowed spending by each candidate for publishing advertisement in the press, set at 20% of the highest permitted limit for electoral expenditure (Article 14 (5), Law 3023/2002).

### III. TRANSPARENCY OF PARTY FUNDING – SPECIFIC PART

#### i) Transparency (Articles 11, 12 and 13b of Recommendation Rec(2003)4)

50. Article 29 paragraph 2 of the Constitution sets out the principle of “transparency concerning electoral expenses and financial management in general of political parties, Members of Parliament, parliamentary candidates and candidates for all degrees of local government”.

#### **Article 29 of the Greek Constitution**

*2. Political parties are entitled to receive financial support by the State for their electoral and operating expenses, as specified by law. A law shall specify the guarantees of transparency concerning electoral expenses and financial management in general of political parties, Members of Parliament, parliamentary candidates and candidates for all degrees of local government. A law shall impose the maximum limit of electoral expenses, may prohibit certain types of pre-electoral promotion and shall specify the conditions under which violation of the relevant provisions constitutes grounds for forfeiture of parliamentary office on the initiative of the special organ of the following section. The audit of the electoral expenses of political parties and parliamentary candidates is carried out by a special organ which is established also with the participation of senior judicial functionaries, as specified by law. A law may also extend these regulations to candidates for other offices held through election.*

#### Books and accounts

##### *Political parties' operational activities*

51. Political parties and party coalitions which receive regular or electoral public funding are required to keep in their headquarters a specific book in which they have to record per category (such as membership fees, donations, contributions by members of Parliament etc) and individually all their income and expenditure for each year (Article 16, Law 3023/2002). Although this is not specifically stated in the law, the authorities have indicated that parties which do not receive

public funding also have to keep such a book. The parties follow an analytical system of accounting, with the same level of detail as mid-size companies<sup>7</sup>.

52. Parties also have to establish a yearly balance sheet, following a model established by the Ministry of the Interior (Article 18, Law 3023/2002). With regard to the parties' assets, the balance sheet only shows income from the exploitation of immovable property (rents) and movable property (interest, shares). As for debts, they are not shown as a total, only the amounts paid for interests and loan expenses are shown. There is thus no analytical recording of assets and debts, but only of income and liabilities relating to them.
53. Parties have to record all monetary contributions and expenses in their books and balance sheet. In-kind donations and services provided for free by companies are accounted in the books. During the on-site visit, the authorities explained that a decision of the Ministry of the Interior assesses the price of services that might be provided for free, so that they can be imputed in the parties' records at their market value. Only work and services provided for free by volunteers, as well as written-off loans, do not have to appear in the books or balance sheet.
54. The accounts of parties' local branches are consolidated into parties' regional branches' accounts, which are then consolidated at national level.

#### *Organisations related or affiliated to political parties*

55. Organisations affiliated with political parties (such as foundations and companies owned by the parties) also have to keep financial accounts and publish their balance sheet, but this data is not consolidated into the parties' accounts.

#### *Election campaigns*

56. Political parties which receive regular or electoral public funding have to keep separate books and accounts regarding election campaigns income and expenditure (Article 16, Law 3023/2002). Regular and electoral income and expenditure of the political parties must also be managed through distinct bank accounts. As to candidates for elections, even those that are supported by a party, they have to keep their own books and bank accounts, distinct from the party's accounts, for the purposes of their campaign. All of these bank accounts are notified to the relevant supervisory authority.

#### Reporting obligations

57. A copy of the political parties' and coalitions' yearly balance sheet has to be sent to the Control Committee and to the Minister of the Interior within 15 days of its publication in newspapers (Article 18 (4), Law 3023/2002).
58. In addition, political parties and coalitions which receive electoral public funding have to establish a report of electoral income and expenditure, accompanied by relevant documentation, within two months after the elections (Article 18 (2), Law 3023/2002). This report follows a model established by the Ministry of the Interior. If campaigns for different elections are running in parallel, a single report covering these campaigns is submitted. This report has to be sent to the

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<sup>7</sup> Entities subject to accounting obligations in Greece follow the Hellenic system of accounting, with 3 different categories of detailing according to the size of the entity and the complexity of operations it carries out: Category A books are reserved to the simplest entities and operations; mid-size companies, lawyers, medical doctors, as well as political parties have to keep category B books; category C books are reserved to the biggest companies.

Control Committee and to the Ministry of the Interior within 15 days of its publication in daily newspapers (Article 19 (2), Law 3023/2002).

59. Candidates who are elected as members of the Hellenic or the European Parliament, as well as their substitutes, are required to submit a similar report on their electoral income and expenditure within 40 days after the election (Article 20, Law 3023/2002). By contrast, unsuccessful candidates are not subject to reporting obligations. Elected candidates in prefectural and municipal elections, as well as their first three substitutes, have to submit to the Expenditure Audit Committee within the same deadline a report on electoral income and expenditure (Article 13, Law 3202/2003).
60. Donors are not subject to any reporting obligation.

#### Publication of accounts

61. Political parties and coalitions which receive regular public funding have to publish their yearly balance sheet by the end of February of the next calendar year in at least two daily newspapers, published in Athens (Article 18 (1), Law 3023/2002). Similarly, parties and coalitions that took part in national or European elections, whether they received electoral public funding or not, have to publish in the Government Gazette within a period of two months after the election date, the report on their electoral income and expenditure (Article 18 (2) and 19 (1), Law 3023/2002).
62. The financial reports of candidates for election are not published, but filed with the Control Committee within a period of 40 days after the election date. (Article 20 (2), Law 3023/2002). The public has access to those statements by request to the Control Committee.

#### Retention and accessibility of accounting records

63. There is no time limit specified in Law 3023/2002 nor in any other legal text for the keeping of financial accounts of political parties, affiliated organisations and candidates for elections. In practice, the Special Service assisting the Control Committee has been keeping records of the pre-electoral income and expenditure of political parties and parliamentary candidates since 1996.
64. The tax and prosecution authorities can only have access to the financial accounts of political parties (balance sheets, books of income/expenditure), as well as all evidentiary documents (bills, receipts etc.) for investigation purposes in cases of complaints filed. The procedures to access such records differ: prosecution authorities have access according to the general criminal procedure rules in the context of a penal investigation (police authorities act only after an order rendered by the competent Prosecutor); tax authorities can have access whenever it concerns payments to personnel. As to the Control Committee and the chartered auditors (see paragraph 68), they have unlimited access to all financial data of political parties.

#### **(ii) Supervision (Article 14 of Recommendation Rec(2003)4)**

##### Internal supervision

65. The financial management of political parties belongs to the bodies regulated by the party's statutes (Article 15 (1), Law 3023/2002). For example, the PASOK has regional and national control committees, which are supervised by a financial control committee at headquarters level; the other parties met during the on-site visit – New Democracy, Communist Party and LAOS –

had all concentrated their financial management at national level only. No internal or external audit is required in respect of the political parties' regular annual reporting or their election campaign finances. In the same way, (independent) candidates for election are themselves responsible for the management of their finances. (Article 15 (2), Law 3023/2002).

## External supervision

### a) Supervision exercised by the Control Committee

66. External supervision over the financing of parties, coalitions and candidates for election, is carried out by the Control Committee for the financial accounts of parties and parliament members (hereafter the Control Committee), which is regulated by Law 3023/2002, in accordance with Article 29 (2) of the Constitution. The Committee also reviews the declarations of assets submitted by members of Parliament. The Committee is established after each parliamentary elections by a decision of the President of the Parliament, published in the Official Gazette and its term of office lasts until the next parliamentary elections (Article 21 (3), Law 3023/2002. It is supported by the Special Service of the Control Committee of the Parliament.
67. The Control Committee is an independent authority, with a mixed composition of members of Parliament and judges from the highest courts. It is composed of a) one member of Parliament per each party or party coalition which is represented in the Hellenic Parliament, unless any of them refuses to nominate a representative; b) one member of each of the three highest courts in the country, namely the Council of State, the Supreme Court and the Court of Audit, who are appointed through drawing of lots together with their replacements from the plenary of the relevant courts. The President of the Committee is appointed by the President of the Parliament among its Vice-Presidents. Once appointed, the President of the Control Committee appoints an official serving in the Parliament as the Secretary of the Committee (Article 21 (2), Law 3023/2002). When a party or party coalition which received regular or electoral public funding is not represented in the Hellenic or the European Parliament, a representative of that party takes part in the deliberations of the Committee regarding issues relating to the monitoring of that party.
68. According to Law 3023/2002, the Control Committee is assisted by chartered auditors, to whom it delegates the first stage of the monitoring process. These chartered auditors are elected by the Control Committee amongst the representatives of the auditor companies registered in a specific registry of the Body of Auditors and they are appointed for the duration of a parliamentary period by a decision of the President of the Control Committee (Article 21 (4), Law 3023/2002). To this end, a total of 12 auditors are appointed, from whom at least five should have a minimum experience of ten years. Each political party and coalition represented in the Hellenic and European Parliaments is audited every year as regards its operational activities. The parties and coalitions are also audited as regards their electoral campaigns activities and finally, the declaration of assets of members of Parliament and their substitutes are audited as well. If national elections took place before the regular annual auditing takes place, it is possible that pre-electoral and operational activities of parties are audited at the same time. Each political party is audited by 4 or 5 auditors appointed from among different audit companies. These auditors rotate each year, so that they do not always examine the books of the same parties. The purpose of the audit is to assess the legality of resources and expenditure of the audited entities and to compare the information contained in the entities books with the balance sheet. The auditors also audit the entities affiliated to the political parties if they have received public funding, but only to check that this funding has indeed been lawfully received. The auditors also verify that the acquisition of assets by members of the Hellenic and European Parliaments and their immediate family correspond to their declared income and finally, they investigate

complaints submitted to the Control Committee concerning suspicions of infringements of political financing regulations. After the completion of the monitoring process, the chartered auditors compile a report, which they submit to the Control Committee.

69. The Control Committee then reviews a sample of the reports submitted by the chartered auditors, together with the parties' and coalitions' balance sheets. The Control Committee itself does not go into the detail of the parties' books and accounts. After the completion of the second stage of this monitoring process, an analytical report is compiled which includes as appendices the reports submitted by the chartered auditors. The Committee's report is sent immediately to the President of the Parliament and to the Minister of the Interior and a copy is sent to the parties and coalitions monitored. Each monitored candidate for election receives the part of the report that concerns them. Neither the Control Committee's deliberations nor its reports are public.
70. During the monitoring process, both the chartered auditors and the Control Committee may have access to all necessary data and documents, including confidential information held by banks, tax authorities and stock exchange (Article 21 (4), Law 3023/2002). Whoever obstructs the monitoring in any way and in particular refuses to provide the data required by the Committee or the chartered auditors shall be punished by at least six months imprisonment (Article 21 (5), Law 3023/2002).
71. Parties and candidates subject to supervision may, within a period of 15 days after the notification of the report on their financial situation, submit their objections to the Committee (Article 23 (2), Law 3023/2002). In case the Committee concludes that violations have occurred, it submits its final report to the President of the Special Highest Court (see paragraph 80) for him/her to decide on removal from parliamentary office or to the President of the Parliament, for him/her to impose other sanctions (Article 23 (3), Law 3023/2002).
72. The monitoring of financial accounts of political parties and coalitions is completed within three months from the date the Committee received the information they submitted. As to the monitoring of financial accounts of candidates for election, it is completed within five months from the date the Committee received the information (Article 21 (6), Law 3023/2002).
73. The Control Committee may also carry out investigations *ex officio* or upon receiving complaints by citizens, members of local committees or public officials concerning alleged infringements of political financing regulations regarding a party or a candidate for election. It may also ask the Special Investigative Service under the Ministry of Economy and Finance (YPEE) to carry out further investigations on its behalf, although the GET was informed that, until recently, this possibility had never been used in practice.
74. As mentioned above, the Control Committee is assisted in its tasks by the Special Service of the Control Committee of the Parliament. This Service is composed of civil servants, specialised in economic and financial matters, appointed by the President of the Parliament (Article 21 (7), Law 3023/2002). The Special Service, the budget of which is part of the Parliament's budget, currently has a total staff of 18 persons. It consists of three separate departments, dealing with the monitoring of the declaration of assets of members of the Hellenic and European Parliament, the monitoring of resources and expenditure of political parties and party coalitions and the monitoring of resources and expenditure of candidates for national and European elections. These three departments are assisted by a Secretariat.

#### b) Supervision exercised by the Local Committees

75. Local Committees for Monitoring Electoral Violations, established in each of the 54 prefectures on the occasion of election campaigns, are competent to receive and investigate complaints on compliance by political parties, coalitions and candidates with the provisions of Laws 3023/2002 and 3202/2003. These Committees are established by the Secretary General of each Region, at the latest 3 days after the announcement of elections. They are composed of one representative of each party or coalition represented in the outgoing national or European Parliament, as well as one representative of each party or coalition that were not represented in the outgoing Parliament, but who presented complete lists of candidates in at least 70% of the electoral constituencies. The Committees are presided by the Secretary General of their Region (Articles 21 (9) and 28, Law 3023/2002, Article 15, Law 3202/2003).
76. Local Committees may receive complaints submitted in writing before the completion of the voting process by the representative of any political party, coalition or any candidate for election. They may carry out investigations and hearings. The Local Committees then compile the results of their investigations in a report, which they forward to the Control Committee within 15 days after the elections. The Control Committee may use the content of this report at its discretion (Article 21 (9), Law 3023/2002, Article 15, Law 3202/2003).

#### c) Supervision on local elections

77. Expenditure Audit Committees, established in each of the prefectures on the occasion of prefectural and local elections, are competent to monitor the finances of the elected candidates and their substitutes (Article 14, Law 3202/2003). They are established by the region's Secretary General at least 4 months before the elections. They are chaired by a member of the Legal Council of State<sup>8</sup> of the relevant prefecture or by a public attorney, if the relevant prefecture has no Legal Council of State. Other members of the Committees are appointed among representatives of local government, local tax authorities, local associations of municipalities and prefectural courts of Auditors. Their term of office lasts until the next elections.
78. Expenditure Audit Committees examine the reports and documents submitted by the elected candidates and their substitutes and prepare a report, which is sent to the Secretary General of the region within 5 months of the date the information was received in the case of lists of candidates and within 10 months in the case of individual candidates. There are no publication requirements regarding these reports (Article 14, Law 3202/2003).

#### (iii) **Sanctions (Article 16 of Recommendation R(2003)4)**

79. Laws 3023/2002 and 3202/2003 provide for administrative and penal sanctions for acts or omissions committed in violation of its provisions, by political parties, persons responsible within political parties, candidates for elections and donors.
80. Administrative sanctions may be imposed by a reasoned decision issued by the President of the Parliament, published in the Government Gazette (Article 23 (3), Law 3023/2002). They are subject to appeal in first and last instance before the Council of State (Article 23 (5), Law 3023/2002). Removal from parliamentary office may be imposed by a decision of the Special

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<sup>8</sup> The Legal Council of State is a judicial organ, responsible for the judicial support and representation of the State in judicial disputes (Article 100A, Constitution)

Highest Court defined in Article 100 of the Greek Constitution<sup>9</sup> (Article 26 (1), Law 3023/2002). Such a decision is irrevocable. Administrative sanctions foreseen in Law 3202/2003 on prefectural and municipal elections may be imposed by the Secretary General of each region (Article 16 (2)b, Law 3202/2003). Penal sanctions may imposed by the competent penal Courts in accordance with the provisions of the Greek Code of Penal Procedure. They are subject to appeal in front of higher courts, according to common penal procedure.

a) Administrative sanctions

*Political parties and coalitions*

81. Late or non publication by a party or coalition receiving public funding of the *yearly balance sheet* or the *specific electoral income / expenditure report* is punishable with a fine equal to 5% of the latest regular or electoral public funding given to the party or coalition (Article 24 (2), Law 3023/2002).
82. Incomplete or irregular keeping and updating of books, of the balance sheet, or the specific report of electoral income / expenditure is punishable with a fine up to 10% of the latest regular or electoral funding given to the party or coalition (Article 24 (3), Law 3023/2002).
83. Political parties or coalitions which accept donations or any other service from unauthorised sources (see paragraph 34) are punishable with a fine equal to 50% of the latest regular funding given to them or by a fine up to 150,000 Euros when the party has not received any regular funding (Article 24 (4), Law 3023/2002).
84. Exceeding the amount of permitted electoral expenditure is punishable with a fine equal to double the amount that was exceeded. When the exceeding amount is more than 50% of the maximum permitted amount, the party or coalition is sanctioned with both the above fine and a deprivation of regular public funding for the following year (Article 24 (6), Law 3023/2002).
85. A political party or coalition which receives donations from the same donor in excess of the allowed ceilings of 15,000 Euros is punishable with a fine up to 20% of the latest regular funding given to them or by a fine up to 75,000 Euros when the party or coalition has not received any public funding (Article 24 (7), Law 3023/2002).

*Persons responsible within political parties*

86. The person who is responsible for the financial management of a political party and any other person who knowingly accepted a contribution in excess of the allowed ceilings of 15,000 Euros is punishable with a fine up to 30,000 Euros (Article 7 (3), Law 3023/2002).

*Candidates for national and European elections*

87. Late or non-submission by a candidate for election of a report on electoral income/expenditure or submission of an irregular or incomplete report is punishable with a fine up to 10% of the yearly parliamentary compensation (Article 25 (1), Law 3023/2002).

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<sup>9</sup> "1. A Special Higher Court is established which includes...2. The court of the previous paragraph consists of the Presidents of the Supreme Council, the Supreme Court, and the Council of Auditors, by four councillors of the Supreme Council, and four of the Supreme Court, who are appointed as members upon drawing of lots every two years".

88. A candidate for election who has accepted a contribution or other form of services from unauthorised sources (see paragraph 34) is punishable with a fine up to 50% of the yearly parliamentary compensation (Article 25 (2), Law 3023/2002).
89. A candidate for election who has received a contribution by the same donor exceeding the ceiling of 3,000 Euros is punishable with a fine up to 20% of the yearly parliamentary compensation (Article 25 (3), Law 3023/2002).
90. A candidate for election who knowingly accepted a contribution in excess of the allowed ceilings of 15,000 Euros is punishable with a fine up to 30,000.00 Euros (Article 7 (3), Law 3023/2002).

#### *Candidates for prefectural and municipal elections*

91. Late or non-submission by a candidate for election of a report on electoral income/expenditure or submission of an irregular or incomplete report, is punishable with a fine up to 3.000 Euros (Article 18 (1), Law 3202/2003).
92. A candidate for election who has accepted a contribution or other form of services from unauthorised sources is punishable with a fine up to 5,000 Euros (Article 18 (2), Law 3202/2003).
93. A candidate for election who has received a contribution by the same donor exceeding the ceiling of 500 Euros is punishable with a fine up to 3,000 Euros (Article 18 (3), Law 3202/2003).
94. A candidate for election who knowingly accepted a contribution in excess of the allowed ceilings is punishable with a fine up ten times the excess amount and forfeiture from office after a disciplinary procedure (Articles 18 (5) and 19 (1), Law 3202/2003).
95. A candidate for election who exceeded twice the amount of allowed electoral expenditure is punishable with forfeiture from office after a disciplinary procedure (Article 19 (1), Law 3202/2003).

#### *Lists of candidates for local elections*

96. Inadequate or improper keeping of books and records on electoral income and expenditure of a list of candidates in local elections, as well as exceeding the allowed expenditure for that list, is punishable by a fine between half and double the amount of the permissible electoral expenditure for that list (Article 17 (1), Law 3202/2003).
97. Acceptance of funding from unauthorised sources is punishable by a fine between 30,000 and 100,000 Euros (Article 17 (1), Law 3202/2003).
98. A list of candidates who knowingly accepted a contribution in excess of the allowed ceilings is punishable with a fine between 20,000 and 70,000 Euros (Article 17 (3), Law 3202/2003).
99. Late or non-submission by a coalition of a report on electoral income/expenditure or submission of an irregular or incomplete report, is punishable with a fine up to 6.000 Euros (Article 17 (5), Law 3202/2003).
100. When a fine is imposed upon a list of candidates, the responsibility for its payment belongs to the head of this list (Article 17 (7), Law 3202/2003).

## b) Criminal sanctions

### *Persons responsible within political parties*

101. The person responsible within a political party who knowingly accepted a contribution or any other service from unauthorised sources is punishable with imprisonment up to two years and a fine of at least 30,000 Euros (Article 7 (3.b), Law 3023/2002).

### *Candidates for election*

102. A candidate to a national or European election who knowingly accepted a contribution or any other service from unauthorised sources is punishable with imprisonment up to two years and a fine of at least 30,000 Euros (Article 7 (3.b), Law 3023/2002). Candidates to local elections who accepted a contribution or other service from unauthorised sources are punishable with imprisonment up to one year and a fine of up to 50,000 Euros (Article 3 (2), Law 3202/2003). They are punishable with a fine up to 10,000 Euros for accepting funding in excess of the authorised limitation (Article 4, Law 3202/2003).

### *Donors*

103. Any donor who contributed or rendered any kind of service in violation of the funding prohibitions of Law 3023/2002 is punishable with imprisonment up to two years and a fine of at least 30,000 Euros (Article 7 (3.a), Law 3023/2002). Violation of the funding prohibitions of Law 3202/2003 on local elections is punishable with imprisonment up to one year and a fine of up to 50,000 Euros (Article 3 (2), Law 3202/2003).
104. Any donor who exceeded the allowed amounts contributed to a political party, coalition or candidate for election is punishable with imprisonment up to one year and a fine of at least 15,000 Euros (Article 8 (3), Law 3023/2002) for national and European elections. Donors exceeding the allowed amounts of funding in local elections are punishable with the same imprisonment sanction and a fine between 2,000 and 10,000 Euros (Article 4, Law 3202/2003).

### Immunities, statute of limitations, other aspects

105. The President of the Republic, members and former members of government and members of Parliament enjoy immunities. Exemptions from jurisdiction exist in certain cases. During their term of office members of Parliament cannot be prosecuted, arrested, imprisoned or otherwise confined without Parliament's approval (Article 62 of the Constitution), following an investigation by a Parliamentary Ethics Committee and a vote in plenary session of the Parliament. Furthermore, a member of a dissolved Parliament cannot be prosecuted for political offences during the period between the dissolution and the election of the members of the new Parliament.

Between 2001 and 2010, 137 requests for waiver of parliamentarians' immunity have been made and 15 have been granted<sup>10</sup>. In Greece, most members of Government are also members of Parliament; however they are subject to a specific procedure for the lifting of immunity, according to Law 3126/2003 on the penal liability of members and former members of government. Indictment, questioning and the opening of a judicial or preliminary investigation concerning a minister, state secretary or former member of the Government require the prior consent of Parliament. In addition, only the Parliament can initiate a prosecution for offences committed by them in the performance of their duties (Article 86 of the Constitution). Proceedings may be instituted only upon a motion by at least thirty members of Parliament. Parliament then decides by an absolute majority of its members to set up a special committee to conduct a preliminary inquiry. If this majority is not attained, the motion is rejected as manifestly ill-founded. Parliament may revoke or suspend any ongoing procedure at any time by an absolute majority vote. Between 2001 and 2010, 137 requests for waiver of ministers' immunity have been made and none has been granted<sup>9</sup>. Save in cases of high treason or intentional violation of the Constitution, the President cannot be held liable – no matter what may result – for acts performed in the discharge of his duties (Article 49 of the Constitution). For acts unrelated to his duties, prosecution is suspended until his term of office expires. A request that the President be charged or remanded in custody must normally be signed by one-third of the members of Parliament and requires, for adoption, a two-thirds majority of all members of parliament. If the request is approved, the case is then considered by the special court provided for in Article 86 of the Constitution. The President is suspended from office for the duration of the proceedings.

106. All offences under Law 3023/2002 are qualified as misdemeanours. As explained in the Report on Theme I – Incriminations (Greco Eval III Rep (2009) 9E), the general statute of limitations for such offences is five years from the time of commission of the offence (Article 111 and 112, Penal Code). It is suspended when prosecution cannot commence or continue (Article 113 Penal Code); however, suspension may not last more than three years for misdemeanours.

### Statistics

107. There are no statistical data or cases regarding the imposing or not of sanctions on political parties, entities which are related, directly or indirectly, to a political party or under the control of a political party, elected representatives, candidates for election, third parties or others found liable of breaching political financing regulations.

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Period	Registered	Discussed	Not Discussed	Accepted
18/12/2001-2004	For Ministers : 35 For MPs : 46	For Ministers : 0 For MPs : 35	For Ministers : 35 For MPs : 11	For Ministers : 0 For MPs : 4
2004-2007	For Ministers : 70 For MPs : 58	For Ministers : 2 For MPs : 47	For Ministers : 68 For MPs : 11	For Ministers : 0 For MPs : 11
2007-2009	For Ministers : 26 For MPs : 28	For Ministers : 3 For MPs : 24	For Ministers : 23 For MPs : 4	For Ministers : 0 For MPs : 0
2009-22/03/2010	For Ministers : 6 For MPs : 5	For Ministers : 0 For MPs : 2	For Ministers : 6 For MPs : 3	For Ministers : 0 For MPs : 0
<b>TOTAL</b>	<b>For Ministers : 137 For MPs : 137</b>	For Ministers : 5 For MPs : 108	For Ministers : 132 For MPs : 29	<b>For Ministers : 0 For MPs : 15</b>

#### IV. ANALYSIS

##### *General considerations*

108. The financing of political parties and election campaigns in Greece is regulated by two main laws: Law 3023/2002 of June 2002 on “Public funding of political parties – Income and expenditure, promotion, publications and audit of the finances of political parties and candidates for election” covers regular funding of political parties, including funding for parliamentary and European elections, supervision and sanctions. This law is fairly comprehensive and it reflects to some extent the principles of Recommendation Rec(2003)4 on common rules against corruption in the funding of political parties and election campaigns as far as the operational activities of political parties and coalitions as well as election campaigns for national and European elections are concerned. This does not exclude some gaps, particularly as regards transparency and supervision, which will be detailed below. This law gives a central role to public funding in the financing of the main political parties and of their campaigns for national and European elections. As shown by the parties’ balance sheets provided to the GET, public funding – which is available only to a small number of parties – represents about 90% of the income of the two main parties, the PASOK (Panhellenic Socialist Party) and the ND (New Democracy, liberal) and about 60% of that of the Communist party. This heavy dependence of the main parties on public funding renders the role of other sources of income – such as membership fees and private donations – very residual. The second reference text is Law 3202/2003 on “municipal and local elections” in which the legislator has given the central role, not to political parties, but to candidates, running individually or as a group. This law does not provide for public funding, nor for any involvement of political parties in campaigns for local elections, although the GET was given to understand that the reality is quite different. This law falls short of the standards of Recommendation Rec(2003)4 on a number of aspects.
109. Despite the fairly comprehensive legal framework, there is in Greece a general public mistrust of the system of political financing and supervision. This mistrust was highlighted by many interlocutors met by the GET, including the political parties themselves. In the GET’s view, this mistrust may be attributed to an overall inefficient and opaque system of supervision, in which political parties are both judge and jury. Under the current law, which dates back to 2002, this system has failed to uncover and sanction any, even minor, infringement of the rules on political financing, although controversies related to money and politics have regularly been in the public spotlight.
110. A particular feature of the Greek system is that the electoral law allows citizens to choose whether they are registered as voters at their place of current residence or at their place of birth. It also requires citizens to vote in person. Therefore many citizens, including those living abroad, need to travel in order to vote. The GET was told that parties and candidates assist voters in making the necessary travel arrangements and openly cover transportation costs. This gives rise to a “race” among parties and candidates to transport voters and is a big drain on party resources. The authorities indicated, as an example, that one political party had provided free transport to 100.000 voters during the latest national elections. In addition to the financial burden of this practice on parties’ finances, the GET wonders whether there could be connections between providing transport to voters and exercising improper influence on their voting behaviour. It is therefore pleased that the current government plans to change the electoral system to make such transport and the related costs unnecessary. However, this reform may only be carried out after 2013, as it entails a change to the Constitution, which can only happen once during each legislature. The GET strongly supports this initiative.

## Transparency

111. Although Law 3023/2002 on public funding of political parties and candidates to national and European elections contains some transparency requirements, the GET is of the opinion that these are clearly not sufficient to satisfy the standards of Recommendation Rec(2003)4. Regulations on local and regional elections fall even shorter of the standards of the Recommendation. Several interlocutors told the GET that transparency is low in practice and that the general public perception is that political parties and candidates for election receive and spend much more money than appears in their accounts and records. According to Transparency International's latest global corruption barometer, Greek citizens cited political parties as the entities most prone to corrupt practices<sup>11</sup>.
112. A first issue is that official election campaigns for national and European elections start, at most, 42 days before the elections. For local and regional elections, they start only 30 days before the elections. The specific reports on election campaigns cover only the income and expenses received or spent during that very limited period. However, several interlocutors indicated to the GET that the actual campaigns start well before and it was stressed that the main bulk of spending occurs in that pre-electoral period. It is obvious that a brief campaign and reporting period is a strong incentive to circumvent the specific caps on private donations and expenses during election campaigns by collecting funds and spending those funds ahead of the (official) campaign period. This can only reduce the reliability of financial reports on election campaigns and hide the full picture of campaign financing from the supervision authorities and the public. Consequently, the GET recommends **to extend the financial reference period applicable to election campaigns so that the financial activity during this period is accurately and comprehensively recorded.**
113. A particular feature of the Greek system of political financing is the use of coupons for donations below 600 Euros to political parties and coalitions and below 200 Euros for donations to candidates to regional and local elections. These coupons are numbered and approved by the Control Committee, which is the authority in charge of supervision of the financing of political parties, but the identity of the donors does not have to be disclosed to this body. Coupons thus allow for legal but anonymous flows of money to political parties and candidates and they offer an easy way to circumvent the rules and limitations on private donations. If the identity of the holders of coupons does not have to be disclosed to the Control Committee, there is no way by which the Committee can verify that money did not come from unauthorised sources, such as private companies, or that a single donor made several smaller donations in order to circumvent donation thresholds. Moreover, a major donor could buy a large amount of coupons, claiming that he/she would sell them for the party. Such possibilities were not excluded by the GET's interlocutors. The GET was also informed that one political party in particular systematically refuses to submit its books of coupons to the Control Committee, as required by law. Besides the use of coupons, several interlocutors told the GET that in practice, large sums of money are not circulating through bank accounts but in cash and are not therefore subject to bookkeeping and supervision. The GET was informed that in order to curb these practices, the current government is in favour of abolishing coupons and introducing compulsory bank transactions for all donations to political parties and coalitions. The GET welcomes this idea and agrees that it may be a means of reducing the anonymous and unverifiable flows of money into the parties' chests. It therefore recommends **(i) to abolish the possibility to use anonymous coupons for donations to political parties, coalitions and candidates and (ii) to introduce a requirement**

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<sup>11</sup> [http://www.setimes.com/cocoon/setimes/xhtml/en\\_GB/features/setimes/features/2009/06/04/feature-01](http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2009/06/04/feature-01)

**that all donations above a certain threshold to political parties and coalitions and, if appropriate, to election candidates, be made by bank transfer.**

114. It appears from the information given to the GET that, although loans do appear in the financial books and records both as a source of income and as an expense when they are reimbursed, they need not be included in the financial reports that are subject to supervision when they have been written off by the lender. The GET is concerned that loans that are written off and are therefore not reimbursed do in fact amount to donations. This loophole may therefore allow political parties, coalitions and candidates to circumvent the rules on private donations, both as regards the ceilings of allowed donations and as regards the quality of donors, since donations from legal entities of public and private law are forbidden. Moreover, the lack of mention of such written-off loans in the financial documents published and submitted to the supervisory authority gives an incomplete picture of the financial situation of a party or candidate. The GET therefore recommends **to take appropriate measures to ensure that loans granted to political parties, coalitions and candidates are not used to circumvent political financing regulations, by ascertaining in particular whether loans are reimbursed in conformity with the terms under which they were granted.**
115. Another area where Greek legislation does not provide for sufficient transparency is that of in-kind donations. Law 3023/2002 provides in its Articles 5 (4) and 6 (4) a procedure for determining the cash value of services and products given for free to political parties and candidates for election, in order for these services and products to be included in the estimation of “electoral costs” of parties and candidates. In the GET’s view, this provision raises several issues: it requires a joint decision by the Ministry of Economy and Finance and the Ministry of the Interior, “determining the category of services and products rendered which are included in the estimation of electoral costs”. This wording seems to imply, first, that not all services and products are included in the estimation of these costs, but rather that some may be excluded from the procedure, subject to the appreciation of the relevant ministries; second, that such services and products appear only to be included in the estimation of “electoral costs” of the parties, coalitions and candidates when some money has changed hands; this was confirmed to the GET during the on-site visit. There is therefore no recording of in-kind donations as sources of electoral income of such parties, coalitions and candidates. It also excludes the recording of in-kind donations in the framework of parties’ and coalitions’ operational activities, outside of election campaigns. According to the information gathered by the GET during and after the visit, political parties and members of Parliament seem to make in practice large use of this loophole. Several interlocutors informed the GET that donations in kind had to be accounted for only if they were provided by companies, not by individuals. In other words, if a communication company provided services for free to an election candidate, this would have to be recorded. However, if the owner of that company provided the same service on his/her own account, no record would legally be necessary. While recognising the legitimacy of voluntary work by non-professionals, the GET believes that the current legislation concerning in-kind donations provides far too many opportunities for covert donations to political parties, coalitions and elections candidates. It therefore recommends **to ensure that all goods and services provided in kind to political parties, coalitions, members of the Hellenic and European Parliaments and election candidates (other than voluntary work by non-professionals) are properly identified and comprehensively recorded, at their market value, both as regards parties’ and coalitions’ operational activities and as regards election campaigns.**
116. The GET was also informed by the authorities that as many as 857 public officials are currently seconded to work for members of the Hellenic or the European Parliament, which is a huge number compared to the 300 members of the Hellenic Parliament and 22 Greek members of the

European Parliament. Their secondment is authorised by the Ministry of the Interior and their salaries are paid by the departments from which they were seconded. In the GET's view, even if these public officials work for members of Parliament and not for political parties as such, their work does without doubt also benefit the political parties, for instance in the framework of campaigns for the re-election of outgoing members of Parliament; parties consequently do not have to hire and pay staff to do this work. In the GET's view, this practice is akin to indirect public funding of political parties and, as such, needs to be made apparent to the public. The GET thus recommends **to properly reflect in party accounts the value of the services rendered by public officials seconded to assist members of the Hellenic or the European Parliament and to make sure this information is readily available to the public.**

117. Political parties are allowed to establish research and study centres, which receive public funding, as well as other non-profit entities such as foundations. According to the information received by the GET, the entities which benefit from public funding have to present accounts, which are subject to the supervision of the Control Committee, assisted by chartered auditors. However, the GET is concerned that very little information is publicly available about the above-mentioned entities, especially since it received confirmation that entities related to political parties may also receive donations. It recalls that Article 11 of Recommendation Rec(2003)4 requires party accounts to be consolidated so as to include the accounts of such entities, as these entities may receive donations or make expenditure for the benefit of political parties. As such, they may also play a role in political activities, for instance by performing activities, such as the polling of voters or the training of party staff, on behalf of political parties, raising funds for them or disseminating the parties' programmes and ideas. The GET therefore recommends **to increase the transparency of accounts and activities of entities related, directly or indirectly, to political parties, or otherwise under their control.**
118. Greek legislation contains, as a whole, very few requirements regarding publication of information on the financing of political parties and election campaigns. As regards political parties' operational activities, the only existing obligation is for political parties and coalitions receiving public funding to publish their yearly balance sheet, following a unified format established by law, in two Athens daily newspapers. The GET is also concerned that private donations are currently not subject to any publication requirement either, not even those above a certain amount. Relevant information does have to be reported to the Control Committee, but as this body itself does not have to publish any information to the public about the results of its work (see below, paragraph 125), this does not result in a greater availability of information to the public. Consequently, the GET recommends **to introduce requirements for the timely publication of private donations to political parties, coalitions and candidates above a certain threshold.**
119. A similar opacity exists in the context of election campaigns. The only existing requirement is for the parties and coalitions that take part in national and European elections, to publish a report on their electoral income and expenditure in the Government Gazette, within a period of two months after the election date. There is no publication requirement regarding political financing in local and regional elections, where a legal fiction exists that political parties are not involved in campaigns. In practice however, all the GET's interlocutors agreed that political parties did play a major role, especially in large urban areas like Athens, Thessaloniki and the Pyreus, by contributing to the campaign efforts of their candidates. One of Greece's Supreme Courts has rendered an opinion according to which political parties may account for their involvement in local/regional elections. As to election candidates in elections at all levels, they are not subject to any publication requirements; they only have to report their electoral income and expenditure to the Control Committee, but as seen above, since the Control Committee is not itself subject to

any publication requirement, this does not result in more transparency. Candidates other than those who are elected and their runner-ups are even not subject to any reporting requirements at all. The GET feels strongly that this approach is far from satisfactory, as making sufficient information available for public scrutiny is a key aspect of transparency. Consequently, the GET recommends **to increase considerably the transparency of the financing of election campaigns, in particular by (i) making apparent the financial support by political parties and coalitions to candidates in local and regional elections and (ii) by introducing reporting and publication requirements for all election candidates or lists of candidates at all levels.**

120. Moreover, as the GET found out, even the information on political financing that is published either in daily newspapers or in the Government Gazette is difficult to find in practice, if the public does not know the exact date and issue number in which the parties' financial reports are published. Most interlocutors, including the main political parties, agreed that this general opacity results in a public perception of a lack of social control over political financing and a general mistrust of the very limited information that is available. The GET takes the view that transparency of political financing would be enhanced if public access to relevant information was made easier and it therefore recommends **to facilitate easy public access to published information on the financing of political parties and election campaigns.**

### *Supervision*

121. The accounts of political parties or organisations affiliated to them, are not subject to any mandatory audits. However, accounts of commercial companies owned by political parties have to be audited as applies in respect of any commercial company. The GET is of the opinion that a proper auditing of political financing accounts by independent auditors is an important means of monitoring and could help improve the current supervision of political parties in Greece. Such a procedure would ideally apply to all political parties; however, a flexible approach is necessary in order to avoid unreasonable burden upon, for example, small parties with limited resources. The GET recommends **to ensure independent auditing in respect of political parties obliged to keep books and accounts.**
122. The main body in charge of external supervision over the finances of political parties, coalitions, candidates to national and European elections, as well as over the declaration of assets of members of Parliament, is the Control Committee established within Parliament. The Committee is composed of representatives of the political parties holding seats in Parliament and of judges from the highest courts, selected at random. In the current legislature, there are thus 6 representatives of political parties – 1 member for each of the 5 political parties represented in Parliament plus the President of Parliament, who presides over the work of the Committee and has a casting vote – and 3 judges. Even though measures have been taken not to leave the control function entirely in the parties' hands, the GET is convinced that the strong imbalance in favour of political parties in the composition of the Committee results in a lack of a determined and proactive approach towards supervision. As already stressed, in the current system of political financing in Greece, a small number of parties are the sole beneficiaries of public political funding and it is their representatives who also have the upper hand in the supervision of this financing. This lack of independence is aggravated by the practice followed so far by the Committee of taking all its decisions by unanimous vote. This practice gives in effect to each political party a possibility to veto any recognition of its own violations of the rules by the Committee. During the visit, the GET was informed that the Committee had discussed irregularities committed by the parties, candidates or members of Parliament – the constant refusal of one party to submit its coupons to the scrutiny of the Committee being an example of

such an irregularity – but that no consensus could be reached for recognising these irregularities in the Committee’s report.

123. The GET learned that before the current law of 2002 on political financing was adopted, there had been a public debate about the choice of the body in charge of supervision; some voices had been heard in favour of giving this competence to the Court of Audit, in order to ensure a more impartial control. According to the information provided to the GET, the current government would like to increase the number of judges within the Committee but, as this change would allegedly necessitate an amendment to the Constitution, it would have to wait until 2013 and the next legislature. The GET strongly favours the initiatives aimed at increasing the independence of the Control Committee from the political parties that are the beneficiaries of public funding. It is not convinced however that such a change requires a constitutional amendment, as the current wording of Article 29 of the Greek Constitution only specifies that supervision must be carried out by “a special organ which is established also with the participation of senior judicial functionaries”. Nothing would therefore prevent this organ from being composed of a majority of senior judges. The GET therefore recommends **to strengthen considerably the independence of the Control Committee from the political parties and coalitions.**
124. If the lack of independence of the Control Committee from the political parties is one of the main reasons for the general public mistrust of the system of supervision, the way the supervision itself is designed also contributes to the inefficiency of the system. First, the Control Committee does not itself carry out the actual supervision. Contrary to the situation in most other GRECO members evaluated to date, supervision is delegated to chartered auditors, working for private auditing companies, who perform their tasks on behalf of the public supervisory bodies. Measures have been taken in the selection of auditors to ensure sufficient independence from the parties. However, although the Committee has broad access to evidential documentation, it only reviews a sample of the documents submitted by the political parties and election candidates and relies heavily in practice on the auditors’ reports to reach its own conclusions. This suggests that the current control is mostly of a formal nature, which could contribute to explaining why not one single infringement has been officially established to date. This unblemished record is in stark contrast to the image which prevails in public opinion, where numerous scandals have been reported upon. The GET takes the view that for the sake of credibility, the Control Committee needs to take a more proactive approach and consequently recommends **to ensure a more substantial and ongoing monitoring of the financial documents of political parties, coalitions and candidates.**
125. Another issue concerning the supervision by the Control Committee is that it is markedly opaque. The reports of the chartered auditors, on the basis of which the Control Committee reaches its conclusions, although they appear as appendices to the Control Committee’s final report, are not made public, nor are the minutes of the Control Committee’s meetings. As to the Committee’s final report, it is only sent to the President of Parliament and to the Minister of the Interior. The only possibility for the public to have access to it is by making a request in person at the Parliament. The GET is convinced that the provision of more information to the public on the actual supervision carried out by the Committee and the way it acts upon the findings of the chartered auditors could be an incentive for a more substantial control by the Committee and, at the same time, for compliance by political parties and candidates with the financing rules. Moreover, introducing a possibility for members of the Control Committee to express a dissenting or minority opinion on the content of the report and publishing this opinion along with the Committee’s report, would in the GET’s view also enhance the efficiency of control. It consequently recommends **(i) to ensure the publication of and easy access by the public to the reports of the Control Committee, including the appendices containing the reports of**

**the chartered auditors and (ii) to introduce the possibility for members of the Control Committee to express and publish dissenting or minority opinions on the Committee's report.**

126. Until very recently, the Control Committee used to close a control exercise definitively and immediately after the supervision was performed and did not re-open a case if an infringement was detected or reported with some delay or if a case was reported in the media outside the period of the formal supervision procedure. Nor did it take into account possible sustained violations by a political party over several years. After the on-site visit, a case was however re-opened on the basis of new information. The GET supports this positive evolution but notes that there are currently no time limits specified in Law 3023/2002 nor in any other legal text for the keeping of financial accounts of political parties, affiliated organisations and candidates for elections and that this may hamper investigation of past cases. The GET therefore recommends **to ensure that files may be re-opened when new information comes to light and to modify the rules on the retention of financial documentation by the parties, coalitions, candidates, as well as by the Control Committee itself, accordingly.**
127. The supervision of election campaign financing at sub-national level does not involve the Control Committee, but numerous sub-national ad-hoc bodies, namely 54 for the elections at prefectural level and 67 for elections at local level. These bodies are composed of local non-professional staff. They have a lack of means and are responsible for overseeing compliance with all the rules relating to elections, not only those on funding. Taking into account the *de facto* involvement of parties in election campaigns at sub-national level, the GET takes the view that this model of scattered monitoring, not only entails a lack of transparency and social control, but also reduces the professional expertise of those in charge of double-checking the reports and contains a risk of excessive proximity between the local election monitoring commissions and the candidates/parties. Therefore, the GET recommends **to ensure that political funding at sub-national level is subject to monitoring by an independent and effective control mechanism, ideally under the supervision of the Control Committee.**

### *Sanctions*

128. Law 3023/2002 foresees a range of administrative and criminal sanctions for relevant offences, including incremental fines and imprisonment, which apply to political parties, coalitions, election candidates, persons in charge of the administration of party funds and election campaign finances, as well as donors. The GET finds that on paper, these sanctions broadly fulfil the requirements of Recommendation Rec(2003)4. It does note that the requirements of the law regarding the delivery of numbered coupons for donations below certain thresholds is not coupled with sanctions and recalls that it was informed during the on-site visit that one political party consistently refuses to submit its coupons to the inspection of the chartered auditors and the Control Committee. However, compliance with its previous recommendation regarding the abolition of coupons and the introduction of bank transfers for donations above a certain threshold (see paragraph 113) should solve this problem in the future.
129. Even if the sanctions for violations of the rules on political financing appear adequate on paper, their use is non-existent in practice. The GET was informed during the visit that no sanction had ever been applied under the current law of 2002, even though several scandals had been reported in the press and, in one of the most recent ones, illegal financing of Greek political parties had even been admitted before foreign courts in the context of a case of bribery of foreign

public officials<sup>12</sup>. According to the authorities, these facts – which reportedly took place at the end of the 1990's – are still under investigation in Greece and have not reached the courts. The GET takes the view that the lack of sanctions for violations of the rules on political funding is obviously to be attributed in part to the lack of effective supervision. As already mentioned, not only is supervision more formal than real, but there is no obligation by the chartered auditors or the Control Committee to report possible infringements to law enforcement authorities. If such infringements are detected, they are discussed in Parliament and the President of Parliament may choose what, if any, action should be taken. There again, political parties are judge and jury in the process. Indeed, the Special Investigative Service under the Ministry of Economy and Finance (YPEE), which is in charge of investigating possible infringements under the current law, informed the GET that it had not yet dealt with a single case relating to political financing. The GET therefore recommends **(i) to introduce a requirement for the Control Committee and the auditors to report suspected violations of the rules on political financing to the law enforcement authorities and (ii) to ensure that the mechanism by which sanctions are imposed for violations of the rules on political funding works effectively in practice.**

130. Another factor hampering the application of sanctions are the rules on immunity foreseen by Law 3126/2003 on the penal liability of members and former members of government. As pointed out in the report on Theme I – Incriminations (see Greco Eval III Rep (2009) 9E, Theme I, paragraph 119), several of the interlocutors met on-site pointed to the derogatory regime established under this law as a potential obstacle to the effective prosecution of offences involving members and former members of government. They explained that this law had been adopted for historical reasons because in previous decades it had been very easy for political opponents to misuse the possibility of accusing ministers of offences in order to force them to resign or to neutralise them politically. However, the law applies not only to current members of government, which may be understood in view of its *rationale*, but also to former members of government. The GET cannot see any justification for extending such a privileged regime to politicians who are no longer members of government. Moreover, according to the GET's interlocutors, the law has become counterproductive and detrimental to the trust of citizens in the fairness and impartiality of government as it establishes a very cumbersome procedure for lifting the immunity of members and former members of government, which is applicable even before a preliminary investigation can start and results in no application having been granted between 2001 and 2010 and an overwhelming majority of applications not even being considered (see footnote 9). The GET recalls that this issue had already been examined in the framework of the First Evaluation Round on Greece and that in its First Round Compliance Report on Greece, GRECO had underlined that this procedure, which hampers the effective prosecution of members and former members of government remained difficult to apply. GRECO refrains from issuing a recommendation because this issue is outside the scope of the current evaluation, but it wishes to stress that the Greek authorities might want to exclude former members of government from the scope of the rules on immunity and to review the procedure for the waiving of the immunity of members of government, in order to make it easier to apply.

## V. CONCLUSIONS

131. The financing of political parties and election campaigns in Greece is regulated by two laws, Law 3023/2002 of June 2002 which covers regular funding of political parties, including funding for parliamentary and European elections and Law 3202/2003 on municipal and local elections. The former is fairly comprehensive and reflects to some extent the principles of Recommendation Rec(2003)4 on common rules against corruption in the funding of political parties and election

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<sup>12</sup> [http://www.ekathimerini.com/4dcgi/\\_w\\_articles\\_columns\\_0\\_17/08/2009\\_109866](http://www.ekathimerini.com/4dcgi/_w_articles_columns_0_17/08/2009_109866)

campaigns, while the latter falls short of the standards of the Recommendation on a number of aspects. Additional measures must be taken in order to further enhance transparency of political finances, in particular by ensuring a more accurate recording of the financial movements during election campaigns – the official duration of which should be extended – and of donations in kind to political parties and election candidates. The possibility to use anonymous coupons for some donations must also be abolished and replaced by a requirement that all donations above a certain threshold be made by means of bank transfer. Furthermore, it is important for transparency to increase considerably the publication requirements on the financing of political parties and election campaigns, including regarding private donations. Moreover, in contrast to the fairly comprehensive legal framework, there is in Greece a general public mistrust of the system of political financing and supervision, which may be attributed to an overall inefficient and opaque system of supervision, in which political parties are both judge and jury. This system has failed, under the current law, to uncover and sanction any – even minor – infringement of the rules on political financing. This system of supervision needs to be reviewed as a matter of priority, by strengthening its independence from political parties, changing its operation to ensure a more substantial and transparent control, publishing the results of its control, as well as by reinforcing control over political financing in local and regional elections. The mechanisms by which suspected violations of the rules on political financing are reported to the law enforcement authorities, investigated, prosecuted and ultimately sanctioned must also be modified so that infringements are systematically reported and sanctions can be applied effectively.

132. In the light of the above, GRECO addresses the following recommendations to Greece:
- i. **to extend the financial reference period applicable to election campaigns so that the financial activity during this period is accurately and comprehensively recorded** (paragraph 112);
  - ii. **(i) to abolish the possibility to use anonymous coupons for donations to political parties, coalitions and candidates and (ii) to introduce a requirement that all donations above a certain threshold to political parties and coalitions and, if appropriate, to election candidates, be made by bank transfer** (paragraph 113);
  - iii. **to take appropriate measures to ensure that loans granted to political parties, coalitions and candidates are not used to circumvent political financing regulations, by ascertaining in particular whether loans are reimbursed in conformity with the terms under which they were granted** (paragraph 114);
  - iv. **to ensure that all goods and services provided in kind to political parties, coalitions, members of the Hellenic and European Parliaments and election candidates (other than voluntary work by non-professionals) are properly identified and comprehensively recorded, at their market value, both as regards parties' and coalitions' operational activities and as regards election campaigns** (paragraph 115);
  - v. **to properly reflect in party accounts the value of the services rendered by public officials seconded to assist members of the Hellenic or the European Parliament and to make sure this information is readily available to the public** (paragraph 116);
  - vi. **to increase the transparency of accounts and activities of entities related, directly or indirectly, to political parties, or otherwise under their control** (paragraph 117);

- vii. **to introduce requirements for the timely publication of private donations to political parties, coalitions and candidates above a certain threshold (paragraph 118)**
  - viii. **to increase considerably the transparency of the financing of election campaigns, in particular by (i) making apparent the financial support by political parties and coalitions to candidates in local and regional elections and (ii) by introducing reporting and publication requirements for all election candidates or lists of candidates at all levels (paragraph 119);**
  - ix. **to facilitate easy public access to published information on the financing of political parties and election campaigns (paragraph 120);**
  - x. **to ensure independent auditing in respect of political parties obliged to keep books and accounts (paragraph 121);**
  - xi. **to strengthen considerably the independence of the Control Committee from the political parties and coalitions (paragraph 123);**
  - xii. **to ensure a more substantial and ongoing monitoring of the financial documents of political parties, coalitions and candidates (paragraph 124);**
  - xiii. **(i) to ensure the publication of and easy access by the public to the reports of the Control Committee, including the appendices containing the reports of the chartered auditors and (ii) to introduce the possibility for members of the Control Committee to express and publish dissenting or minority opinions on the Committee's report (paragraph 125);**
  - xiv. **to ensure that files may be re-opened when new information comes to light and to modify the rules on the retention of financial documentation by the parties, coalitions, candidates, as well as by the Control Committee itself, accordingly (paragraph 126);**
  - xv. **to ensure that political funding at sub-national level is subject to monitoring by an independent and effective control mechanism, ideally under the supervision of the Control Committee (paragraph 127);**
  - xvi. **(i) to introduce a requirement for the Control Committee and the auditors to report suspected violations of the rules on political financing to the law enforcement authorities and (ii) to ensure that the mechanism by which sanctions are imposed for violations of the rules on political funding works effectively in practice (paragraph 129).**
133. Pursuant to Rule 30.2 of the Rules of Procedure, GRECO invites the Greek authorities to submit a report on implementation of the above recommendations by 31 December 2011.
134. Finally, GRECO invites the Greek authorities to authorise, at the earliest opportunity, publication of this report, to translate the report into the national language and to make this translation public.