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Second Compliance Report

Third Evaluation Round

Second Compliance Report on Romania

"Incriminations (ETS 173 and 191, GPC 2)"

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"Transparency of Party Funding"

Adopted by GRECO
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I. INTRODUCTION

1. The Second Compliance Report assesses further measures taken by the authorities of Romania since the adoption of the Compliance Report in respect of the recommendations issued by GRECO in its Third Round Evaluation Report on Romania. It is recalled that the Third Evaluation Round covers two distinct themes, namely:

   - **Theme I – Incriminations:** Articles 1a and 1b, 2-12, 15-17, 19 paragraph 1 of the Criminal Law Convention on Corruption (ETS 173), Articles 1-6 of its Additional Protocol (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).

2. The Third Round Evaluation Report was adopted at GRECO's 49th Plenary Meeting (3 December 2010) and made public on 15 March 2011, following the authorisation by Romania (Greco Eval III Rep (2010) 1E, Theme I and Theme II). The subsequent Compliance Report was adopted at GRECO's 58th Plenary Meeting (7 December 2012) and was made public on 11 February 2013, following authorisation by Romania (Greco RC-III (2012) 18E).

3. As required by GRECO's Rules of Procedure, the Romanian authorities submitted their Second Situation Report with additional information regarding the actions taken to implement those recommendations that were partly implemented or not implemented according to the Compliance Report. This report was received on 8 July 2014 and served as a basis for the Second Compliance Report.

4. GRECO selected Turkey and the Russian Federation to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed for the Second Compliance Report were Mrs Ayben IYISOY on behalf of Turkey, and Mr Vladimir LAFITSKIY on behalf of the Russian Federation. They were assisted by GRECO's Secretariat in drawing up the Second Compliance Report.

II. ANALYSIS

Theme I: Incriminations

5. It is recalled that GRECO addressed 7 recommendations to Romania in respect of Theme I in its Evaluation Report. In the subsequent Compliance Report, GRECO concluded that recommendations ii, v and vi have been partly implemented and recommendations i, iii, iv and vii have not been implemented. Compliance with recommendations i to vii is dealt with below.

6. GRECO also recalls that as explained in the Evaluation Report, the Criminal Code (CC) in place at the time of the on-site visit was basically the version inherited from the communist regime. For instance, changes concerning corruption-related provisions which were dictated by the new context and European instruments (e.g. addressing both public and private sector corruption as well as transnational corruption) were included in separate legislation especially Law no. 78/2000 on preventing, discovering and sanctioning of corruption acts (link to former version; link to current version). Romania then carried out a general review of its criminal legislation and adopted in 2009 a new Criminal Code (NCC), and subsequently a new Criminal Procedure Code (NCPC).

After initial plans to have the NCC becoming effective in 2011 or 2012, the date finally set for the entry into force was 1 February 2014 as mentioned in the First Compliance Report. The NCC was a final piece of legislation which Romania found preferable not to amend further. Romania thus "programmed" amendments to the NCC and to Law no. 78/2000 in the Law no. 187/2012 on the implementation of the new Criminal Code (LNCC) so that the day the NCC enters into force, it would include changes contained in the LNCC.

7. The Romanian authorities now confirm that both the NCC and the NCPC entered into force as planned on 1 February this year. They also refer to the "incident" which had raised concerns in the end of 2013 when parliament passed further amendments in December 2013, which would have excluded deputies and senators from the criminal law definition of "public official" (in art. 147 CC and art. 175 NCC) and thus from the scope of provisions on bribery, trading in influence, conflicts of interest and so on. In January 2014, these amendments were declared unconstitutional by the Romanian Constitutional Court as – in a nutshell – they contradicted the country's international commitments according to the Court.

Recommendation i.

8. *GRECO recommended criminalising active and passive bribery in the public sector and trading in influence so as to cover all acts/omissions in the exercise of the functions of a public official, whether or not within the scope of the official's competence.*

9. GRECO recalls that this recommendation was considered not implemented in the First Compliance Report. The Romanian authorities had indicated that acts which fall outside the official competence of the public official committed by him/her (irrespective of the fact that s/he received an advantage for it), are prosecutable as *usurpation of a position* under article 300 NCC. GRECO found the information irrelevant for the purposes of the present recommendation and that, on the contrary, it might contribute to complicate the issues at stake even more.

10. The authorities of Romania reiterate their previous comments, i.e. the fact that *usurpation of a position* under article 300 NCC (applicable since 1 February 2014) but also article 13^2 of Law no. 78/2000 on preventing, discovering and sanctioning of corruption acts, as republished (see paragraph 6 above). Other provisions can apply as well depending on the circumstances, for instance *forgery of official documents* (article 320 NCC), *theft or destruction of documents* (article 259 NCC), *misappropriation or destruction of evidence or documents* (article 275 NCC), *abuse of position* (article 297 NCC) etc. The authorities stress that the condition for the public official (who commits passive bribery) to be competent to carry out the act in question is an essential requirement of the current legislation and it has been consecrated in legal theory.

11. They also point out that the new definition of passive bribery provided in article 289 NCC is somewhat different from the former incrimination of article 254 CC. Article 289 NCC now refers to "carrying out, not carrying out, expediting or delaying the carrying out of an "*act which falls within his/her job responsibilities"* or "*is related to an act contrary to such responsibilities"*, whereas article 254 CC previously stipulated that the act of bribery must be committed in order for the public official to carry out, refrain from carrying out or delay the carrying out of "*an act related to his/her job responsibilities*". The authorities explain that the legal requirement of the „relation to an act" ensures that the text includes the receiving of undue advantages, formerly incriminated under article 256 CC.

12. GRECO observes that the Romanian authorities have not changed their adverse stance since the First Compliance Report and they still refer to the application of other provisions (e.g. fraud) in case an official was involved in bribery for an action/inaction which falls outside his/her official competence. GRECO understands the concerns of the legislator and legal doctrine to avoid confusions between "genuine" bribe-takers and fraudsters (who would make a criminal profit out of false claims). It goes without saying that provisions on passive and active bribery of public officials are not aimed at dealing with cases which are more akin to fraud where an official is making claims that s/he cannot fulfil from the outset. Above all, GRECO recalls the concerns expressed in the Evaluation Report (theme I – incriminations, paragraph 101), i.e. that the need for prosecutorial authorities to demonstrate that the undue advantage was requested/given in exchange for an act falling within the official duty attributions adds an – excessively restrictive – additional element to the criminalisation of bribery and trading in influence, as it was confirmed during the on-site discussions. It is also clearly at variance with the wording and the spirit of the Criminal Law Convention. Romania needs to pursue more actively consideration of the present matter, as regards both bribery and trading in influence.

13. In the absence of any follow-up measure, GRECO concludes that recommendation i has still not been implemented.

Recommendation ii.

14. *GRECO recommended to take the appropriate measures to ensure that all offences of bribery and trading in influence unambiguously cover instances where the advantage is not intended for the official him/herself but for a third party who may not be involved in the offence.*

15. GRECO recalls that this recommendation was categorised as partly implemented. The committee in charge of drafting the LNCC had discussed the issue and decided to provide in the LNCC for an amended version of article 292 (active trading in influence) of the NCC, which included the words "for himself or herself or for anyone else". The authorities provided six examples of criminal cases to demonstrate that court practice already recognises the principle of third party beneficiaries in connection with corruption-related offences, but GRECO found these not convincing enough.

16. The authorities of Romania now state that the NCC which entered into force as planned on 1 February 2014, explicitly provides for the element of undue advantage destined to a third party in the definitions of passive bribery and passive trading in influence (bribe-taking, article 289 NCC and buying of influence, art. 292 NCC). All these provisions now use the expression "for himself / herself or for another", as the offence of trading in influence did it under the former incriminations. In the case of active bribery (bribe-giving, art. 290 NCC), the reference is implicit through a cross reference to the circumstances of the act and definition of passive bribery.

17. GRECO welcomes the clear-cut measures taken by Romania to make it clear for everyone that for the purposes of the various bribery and trading in influence offences, it is irrelevant whether the undue advantage is for the bribe-taker or influence-peddler, or for another person who is not involved in the commission of the offence. GRECO also recalls that the Evaluation Report refers to the fact that there is broad understanding in Romania that the third party beneficiary can be a legal entity (an association, a political party etc.) just as well as a natural person, in line with ETS 173.

18. GRECO concludes that recommendation ii has been implemented satisfactorily.

Recommendation iii.

19. *GRECO recommended to repeal article 8² of Law 78/2000 as it is envisaged in the draft law on the implementation of the New Criminal Code, or to otherwise harmonise the incrimination of bribery involving officials and assembly members of foreign countries, international organisations and international courts.*

20. GRECO recalls that this recommendation was considered as not implemented. Romania had indicated that article 79 of the LNCC was foreseeing the deletion of articles 8, 8¹, 8² and 9 of the Law 78/2000 on Preventing, Discovering and Sanctioning of Corruption Acts. Since this was the situation which existed at the time of the on-site visit and of the subsequent adoption of the Evaluation Report, the entering into force of the NCC was needed to give full effect to the changes

21. The Romanian authorities now confirm that with the entering into force of the NCC and the LNCC on 1 February 2014, article 8² of Law 78/2000 was repealed explicitly, together with articles 8, 8² and 9 (article 79 paragraph 5 of Law no. 187/2012 – LNCC).

22. GRECO concludes that recommendation iii has been implemented satisfactorily.

Recommendation iv.

23. *GRECO recommended to ensure that the incrimination of bribery in the private sector – including in the New Criminal Code – covers as bribe-taker the full range of persons who work, in any capacity, for private sector entities whether legal persons or not.*

24. GRECO recalls that this recommendation had been categorised as not implemented. The authorities had referred to the future applicability of article 308 NCC, the insufficiencies of which had already been singled out in the Evaluation Report, and pointed to the difficulty inherent to the identification of entities without legal personality, given in particular risks of confusions with temporary associations of persons. The authorities had also referred to new amendments to the LNCC presented as an extension of the scope of persons subject to criminal liability for corruption offences under Law N° 78/2000[1]. In GRECO's view the intended amendments in the LNCC in respect of Law 78/2000 actually had no implications for the incrimination of private sector bribery, which is the concern of recommendation iv. These intended amendments basically extended the scope of Law 78/2000 concerning the powers of investigation in respect of offences falling under article 308 NCC.

25. The Romanian authorities indicate that as of 1 February 2014, bribery acts committed in the private sector are prosecutable and subject to sanctions under article 308 NCC, as it was announced in the Evaluation Report:

[1] The above mentioned amendment provides that: "*1. Art. 5 of Law 78/2000 on preventing, discovering and sanctioning corruption deeds shall have the following content: Art. 5 – (1) In the meaning of the present law, the offences provided under art. 289-292 of the Criminal code, including when these were committed by the person provided under art. 308 of the Criminal code, are corruption offences." "2. Art. 6 of Law 78/2000 on preventing, discovering and sanctioning corruption deeds shall have the following content: Art. 6 – The offences of taking bribe, provided by art. 289, of giving bribe, provided by art. 290, of trading in influence, provided by art. 291 and of buying of influence provided by art. 292 shall be punished according to those texts. The provisions of art. 308 of the Criminal Law shall apply accordingly*".

Art. 308. Corruption and service-related crimes committed by other persons The provisions of art. 289 – 292, 295, 297 – 301 and 304 regarding public officials shall apply correspondingly to the deeds committed by or in relation to the persons who carry out, on a permanent or temporary basis, with or without remuneration, any kind of task in the service of a natural person mentioned in art. 175 par. 2 or within any legal person. In this case, the special limits of the punishment shall be reduced by one third.
Romanian language: *ART. 308* *Infracţiuni de corupţie şi de serviciu comise de alte persoane* *(1) Dispoziţiile art. 289 - 292, 295, 297 - 301 şi 304 privitoare la funcţionarii publici se aplică în mod corespunzător şi faptelor săvârşite de către sau în legătură cu persoanele care exercită, permanent ori temporar, cu sau fără o remuneraţie, o însărcinare de orice natură în serviciul unei persoane fizice dintre cele prevăzute la art. 175 alin. (2) ori în cadrul oricărei persoane juridice.* *(2) În acest caz, limitele speciale ale pedepsei se reduc cu o treime.]*

26. According to the above article, articles 289 to 292 NCC (among others) regarding public officials are applied correspondingly to the acts committed by or in relation to the persons who carry out, on a permanent or temporary basis, with or without remuneration, any kind of task in the service of a legal person mentioned in art. 175 par. 2 or within any other legal person[2]. The authorities also reiterate that at the same time, the LNCC (Law no. 187/2012) modified articles 5 and 6 of Law no. 78/2000, to the effect that the offences set forth in article 289 to 292 NCC are considered corruption offences also when they are perpetrated by the persons referred to in art. 308 NCC, which GRECO had not considered pertinent.

27. The authorities explain that there is no distinction anymore between a "public official" and an "official": the latter was abolished and the NCC only refers at present (article 175) to "public officials" defined broadly as including also the latter i.e. persons vested with similar functions (article 175 paragraph 2) such as public notaries, lawyers, mediators, medical doctors, pharmacists, etc. When certain incriminations are not compatible with the status of such persons or it was not intended for them to fall under such regulations, the special part of the NCC explicitly mentions the exceptions, as in the case of art. 289 paragraph 2 NCC. By using the expression "any kind of task", art. 308 par. 1 of the NCC allows for sanctioning corruption offences committed by persons who are not employed under a work contract, such as commercial agents and consultants, who do services for legal persons in the absence of a work contract. The authorities consider that this ensures conformity with ETS 173.

28. The authorities point out that as for the requirement that the notion of "private sector entity" used by ETS 173 not be limited to legal persons but also includes natural persons, the NCC provides for the possibility to apply the relevant provisions also to the latter, provided they are assimilated to public officials, according to art. 175 paragraph 2 NCC. As a result, a person who performs any kind of task in the service of a natural person can be the author of the offence of bribe-taking or

[2] **Art. 175 NCC - Public official [*functionar public*]**
(1) Any person who, permanently or temporarily, with or without remuneration:
a) has attributions or responsibilities, according to the law, within the legislative, executive or judicial branch,
b) performs a public dignity or a public office of any kind,
c) performs, alone or with others within an autonomous administration, within another business operator or a legal person fully or majority state owned or a legal person declared as public utility, tasks linked to the object of its activity.
is considered to be a public official [*functionar public*], for the purpose of the criminal law.
(2) The person who was vested with the exercise of a public service by the public authorities or is subject to their control or supervision for the performance of the public service is also considered a public official [*functionar public*] for the purposes of criminal law.

active bribery, buying or selling of influence, provided the natural person performs a service of public interest, is the subject to the control or supervision of a public authority in relation to the service concerned, in accordance with article 289 paragraph 2 NCC. The authorities also point out that the NCC concept of "any legal person" must also be read in conjunction with article 188 of the New Civil Code of 2009 which defines legal persons as "the entities provided by the law and any other legally formed organisation which, although not declared by law as legal persons, meet all the conditions set by art. 187", meaning that they enjoy autonomous organisation, they own their own patrimony and have a moral and licit purpose.

29. GRECO takes note of the above. It recalls that the incrimination of private sector bribery provided for under article 308 NCC extends the applicability of articles 289 to 292, 295, 297 to 301 and 304 NCC (thus including bribery, trading in influence and other corruption and service-related offences) to two types of situations: a) situations where the bribe-giver or bribe-taker is a natural person working for a person vested with public interest attributions, for instance a freelance interpreter; b) situations involving a bribe-giver or bribe-taker "within any other legal person". GRECO had already commented the (then intended) new provisions of article 308 NCC and expressed concerns that it would not reflect adequately the requirements of the Convention on incriminations of private sector bribery. The most pertinent provision is the one dealing with situations mentioned at b) above but the expression "within any other legal person" is vague and apparently limited to employees or the management of legal entities, which is at variance with ETS 173. The new explanations provided by the Romanian authorities even confirm at times GRECO's findings and the gaps in the legislation, especially the need to look for a public affiliation as under a) and the situations contemplated in this connection are limited to the protection of direct public interests given the limitations inherent to article 175 paragraph 2. In conclusion, GRECO regrets that no measures have been taken since the adoption of the Evaluation Report to provide clearly for a consistent incrimination of bribery in the private sector which would address the present recommendation. Romania needs to pursue actively the implementation of the present recommendation.

30. GRECO concludes that recommendation iv has still not been implemented.

Recommendation v.

31. *GRECO recommended providing for clear incriminations of bribery of domestic and foreign arbitrators and foreign jurors, in line with the provisions of articles 2 to 6 of the Protocol to the Criminal Law Convention on Corruption (ETS 191).*

32. GRECO recalls that this recommendation was categorised as partly implemented pending the entering into force of the NCC with amended versions of its articles 293 and 294, in accordance with the LNCC. Romania had made provision for the applicability of the future incriminations of active and passive bribery also to acts involving jurors from foreign courts and to make it clear that the future provisions are applicable both to Romanian and foreign arbitrators[3].

[3] Articles 245 item 28 and articles 243 LNCC provided that "*In art. 294, after letter f), a new letter, g), shall be introduced, with the following content "jurors from foreign courts.*" and *that "The provisions of art. 293 of the Criminal code apply irrespective of whether the arbitrators are Romanian or foreign.*"
Article 293 NCC reads as follows: Art. 293 – "*Acts committed by members of arbitration courts or connected to them*
The provisions of art. 289 [taking a bribe] *and art. 290* [giving a bribe] *shall be applied accordingly to persons who, on the basis of an arbitration agreement, are called upon to take a decision on a dispute* [involving] (…) *the parties to this agreement, whether the arbitration proceedings are conducted under Romanian law or the law of another country.*"

33. The Romanian authorities confirm that with the entering into force of the NCC and the LNCC on 1 February 2014, the above intended amendments have become effective.

34. GRECO takes note of the above and concludes that recommendation v has now been implemented satisfactorily.

Recommendation vi.

35. *GRECO recommended i) to analyse and accordingly revise the automatic – and mandatorily total – exemption from punishment granted to perpetrators of active bribery and trading in influence in cases of effective regret; ii) to clarify the conditions under which the defence of effective regret can be invoked; iii) to abolish the restitution of the bribe to the bribe-giver in such cases.*

36. GRECO recalls that this recommendation had been categorised as partly implemented. The Romanian authorities had conducted an analysis of cases in which effective regret had been applied. But no measure had been taken along the lines of the three elements of the recommendation, and this despite certain findings of the analysis confirming GRECO's concerns[4].

37. The authorities of Romania now take the view that with the entry into force of the NCC, the conditions under which the impunity of the bribe giver and influence buyer operated have changed in a way that significantly limits the possibility for the restitution of the bribe, which was GRECO's concern. Under the new provisions of article 290 paragraph 4 NCC (active bribery of public officials) and of 292 paragraph 3 NCC (active trading in influence), the undue advantage is subject to restitution only if paid after reporting the crime. This implies in practice that the bribe-giver will proceed with the payment under the direct supervision of the criminal investigation body, thus allowing to catch offenders whilst committing the act and giving its legitimacy to the logic of restitution of the undue advantage. At the time of discussion of the present report, the authorities also explained that any bribes handed over before the reporting are now consistently subject to confiscation both in case of bribery and in case of trading in influence, in accordance with the new provisions of article 290 paragraph 5 and 292 paragraph 4.

[4] GRECO's conclusion was the following: '*[it] welcomes the comprehensive results of the study carried out in respect of cases handled by the DNA and, to a lesser extent, by other prosecution services of Romania. GRECO recalls that it has always recognised the usefulness of effective regret mechanisms, provided these are subject to adequate limits and safeguards (paragraph 112 of the Evaluation Report). At present, there are no such safeguards whatsoever in the legislation and GRECO considers, unlike the Romanian authorities, that the results of the afore-mentioned analysis do clearly confirm the need to amend the provisions. For instance, it has been shown that exemption of liability is granted indistinctively whether or not it is the bribe-giver/person buying influence who has initiated the criminal conduct. An element of constraint or victimisation of the person who has denounced the act seems also to be missing in most of the cases and the fact that the act is often reported several months or sometimes years after its commission also raises serious questions as to why judicial immunity should be granted to a person who has him/herself contributed to the perpetuation of a criminal culture. The same applies to the issue of the undue advantage, which is restituted systematically in practice. This arrangement just increases the risks of misuse of the effective regret provisions.*"

Former provisions	New provisions
Art. 255 CC – Giving a bribe	***Art. 290 NCC - Giving a bribe***
(1) Promising, offering or giving money or other advantages, in the ways and purposes set out in art. 254, are punished with imprisonment from 6 months to 5 years.	*(1) The promise, offering or giving money or other advantages, under the conditions set out in art. 289, shall be punished with imprisonment from 2 to 7 years.*
(2) The above mentioned deed is not considered an offence when the person giving the bribe was constrained by any means by the person taking the bribe.	*(2) The deed referred to in para. (1) shall not be considered an offence when the person giving the bribe was constrained by any means by the person taking the bribe.*
(3) The person giving the bribe is not punished if he/she informs the authorities about it before criminal investigation bodies are notified of the offence.	*(3) The person giving the bribe shall not be punished if he/she informs the authorities about it before the criminal investigation bodies are notified of the offence.*
(4) The provisions of art. 254 para. (3) are applied accordingly, even though the offer was not followed by an acceptance.	*(4) The money, valuables or any other goods shall be returned to the person who gave them, if they were given in case of para. (2) or after denunciation provided for in para. (3).*
(5) The money, valuables or any other goods are returned to the person who gave them in the cases mentioned in para. (2) and (3).	*(5) The money, valuables or any other goods offered or given are subject to confiscation, and if they cannot be found, the confiscation through equivalent shall be ordered.*
Art. 6[1] of Law 78/2000	***Art. 292 NCC – Buying of influence***
(1) Promising, offering or giving money, gifts or other advantages, directly or indirectly, to a person who has influence or lets the other think (s)he has influence over an official to make him/her accomplish or fail to accomplish an act that is part of the latter's duty attributions, is punished by 2 to 10 years imprisonment.	*(1) Promising, offering or giving money or other advantages, for himself/ herself or for another person, directly or indirectly, to a person who has influence or lets the other believe she/he has influence over a public official, in order to determine the latter to accomplish, not to accomplish, to expedite or delay the accomplishment of an act falling within the duties of his office or to perform an act contrary to these duties, shall be punished with imprisonment from 2 to 7 years and prohibiting the exercise of rights.*
(2) The perpetrator is not punished if (s)he denounces the act before the criminal investigation body is notified about that act.	*(2) The perpetrator shall not be punished if he/she denounced the act before the criminal prosecution body has been notified about it.*
(3) The money, valuables or any other goods which represented the object of the offence provided in para. (1) are confiscated and if they are not found the convicted person is compelled to pay for their equivalent in money.	*(3) The money, valuables or any other goods shall be returned to the person who gave them, if they were given after denunciation provided for in para. (2).*
(4) The money, valuables or any other goods are given back to the person who gave them in the case provided in paragraph (2).	*(4) The money, valuables or any other goods offered or given are subject to confiscation, and if they cannot be found, the confiscation through equivalent shall be ordered.*

38. The Romanian authorities point out that according to statistical data of the DNA, after 1 February 2014 (the date of the entry into force of the NCC, and implicitly of the regulations limiting the restitution of the bribe), there were only 7 seven cases in which the effective regret was applied according to art. 290 paragraph 4 and article 292 paragraph 3 NCC. They underline that this is a very small figure, given the 530 files concerning acts of active and passive bribery of public officials and trading in influence registered also as of 1 February 2014.

39. The Romanian authorities also reiterate that the stability of the anticorruption legislative framework is one of the obligations of Romania under the Cooperation and Verification Mechanism (CVM) implemented at the EU level. The effectiveness of the anti-corruption regulations is reflected in the track-record of the National Anticorruption Directorate and of the other prosecutor's offices, as well as by the validation of indictments by the courts.

40. GRECO takes note of the above and considers that the wording of the provisions on effective regret contained in articles 290 and 292 NCC, effective as of 1 February 2014, has only changed the situation in respect of the outcome of the undue advantage in a way which responds to the

third part of the recommendation. For the rest and against the background of GRECO's earlier comments (see above paragraph 36 and the corresponding footnote), Romania has not amended the automatic – and mandatorily total – exemption from punishment nor taken any measures to clarify the conditions under which the defence of effective regret can be invoked. It is still possible for a bribe-giver or influence buyer to take the initiative of a criminal act by offering or promising an undue advantage, or by participating actively and continuously in acts of bribery and trading in influence, and to still possibly enjoy the benefit of effective regret.

41. GRECO disagrees with the arguments put forward by Romania to justify the absence of action. and recalls once again that the purpose of the present recommendation is not to abolish the mechanism of effective regret but to provide for adequate safeguards against possible misuses. It urges Romania to provide for adequate safeguards against the possible misuse of the effective regret mechanisms.

42. GRECO concludes that recommendation vi remains partly implemented.

Recommendation vii.

43. *GRECO recommended to ensure that jurisdiction for bribery and trading in influence offences is established in accordance with article 17 of the Criminal Law Convention on corruption (ETS173) without the condition of dual criminality, as is already foreseen in the – yet to be enacted – new Criminal Code.*

44. GRECO recalls that this recommendation was categorised as not implemented pending the entering into force of the new provisions which were contained in the New Criminal Code (NCC) at the time of the on-site visit.

45. The authorities of Romania now indicate that the new provisions on Romania's jurisdiction for criminal offences, announced earlier, have become effective with the entering to force of the NCC on 1 February 2014. In accordance with article 11(1), paragraph a of the NCC, Romania assumes at present universal jurisdiction for any crime that it has undertaken to combat by virtue of a valid international treaty – which is the case of ETS 173 and its Protocol which have both been ratified by Romania. The above provision clearly states that Romania's jurisdiction is not affected (anymore) by the double incrimination condition; the voluntary presence of the offender on the Romanian territory suffices. Article 11 NCC reads as follows:

> **Art. 11 – Universality of the criminal law**
>
> (1) The Romanian criminal law shall be applied to crimes other than those provide in art. 10, committed outside the Romanian territory by a foreign citizen or a stateless person, who is voluntarily in Romania, in the following cases:
> (a) an offence was committed, for which the Romanian State has committed to repress on the basis of an international treaty, regardless of whether or not it is provided by the criminal law of the State on whose territory it was committed;
> (b) the extradition or the delivery of the defendant was requested and it was refused.
> (2) The provisions of para. (1) let. (b) shall not be applied when, according to the law of the state where the offence was committed, there is a reason that impedes the initiation of the criminal action or the continuation of the criminal trial or the execution of the punishment or when the punishment was executed or is considered as executed.
> (3) When the punishment was not executed or it was executed only in part, the legal provisions on the recognition of foreign court decisions shall be applied.

46. GRECO concludes that recommendation vii has now been implemented satisfactorily.

Theme II: Transparency of Party Funding

47. It is recalled that GRECO in its Evaluation Report addressed 13 recommendations to Romania in respect of Theme II. The Compliance Report concluded that recommendations vi and x had been categorised as implemented satisfactorily and that recommendation ii had been considered as dealt with in a satisfactory manner. All the other recommendations (i, iii to v, vii to ix, xi to xiii) had been categorised as partly implemented. Compliance with the latter is dealt with below.

48. As a general introduction, GRECO also recalls that at the time of the first Compliance Report, the Permanent Electoral Authority (PEA) had finalised a Draft Law amending *Law no. 334/2006 on financing the activity of political parties and electoral campaigns*, which was then submitted to public consultation and sent to the Ministry of Justice on 14 June 2012 for a legal opinion. Once the Ministry had submitted its opinion, further bodies such as the Court of Accounts, the Ministry of Administration and Interior (MAI) and the Ministry of Public Finance (MFP) were consulted. Although the draft had not yet been sent to Parliament, the latter expressed support for the adoption of revised legislation regarding the financing of political parties and electoral campaigns in its Declaration no. 2/2012 of 12 June 2012 for the implementation of the new National Anticorruption Strategy 2012 – 2015.

49. In the new submission of the Romanian authorities, it appears that the above draft legislation has not gone further. Therefore, on 8 September 2013 the PEA drew the attention of both chambers of Parliament about the need for the Parliament to either proceed with the discussion and adoption of the PEA's draft, or to elaborate its own legislation on such a basis. The second option was finally followed by a group of MPs who took into account parts of the PEA's proposal. Their Draft Law was however rejected on 25 February 2014 by the Senate. At this moment, the Draft is debated in the specialised commissions of the Chamber of Deputies. After preparation and adoption of the report by the Juridical Commission, the project will be enlisted for debate on the agenda of the Chamber of Deputies which, in this case, has the final say in second reading. Moreover, the Government sent to Parliament on 14th April 2014 an Opinion regarding the Draft, with a series of observations and proposals based on the PEA's initial legislative proposal and GRECO recommendations. The PEA considers that the Government's point of view will be decisive for the final content of the Draft Law, and it is anticipated that it will reflect the GRECO recommendations more broadly than it currently does.

Recommendation i.

50. *GRECO recommended i) to clarify how the financial activity of the various types of structures related to political parties is to be accounted for in the accounts of political parties; ii) to examine ways to increase the transparency of contributions by "third parties" (e.g. separate entities, interest groups) to political parties and candidates.*

51. GRECO recalls that his recommendation had been categorised as partly implemented. Romania had provided assurances that all territorial structures must in principle be taken into account for the consolidation of the parties' financial statements. To make this clear, amendments were contemplated by the draft law *amending Law no. 334/2006 on financing of political parties and electoral campaigns* to ensure the overall consolidation of accounts with the inclusion of all entities related directly or indirectly to political parties, and additional clarification and criteria as to the determination of entities concerned (first part of the recommendation). The PEA's draft also

addressed the second part of the recommendation in a way which seemed to meet the underlying concerns of the recommendation on third parties in the context of election campaigns.

52. The Romanian authorities now indicate that the Draft Law maintains the obligation of political parties to annually submit detailed reports on the income and expenditure incurred in the previous year, including details on the income and expenditure of their internal structures, the persons directly or indirectly connected to the political parties, as well as all forms of associations laid down in art. 13 of Law no. 334/2006. Article 38[1] of the Draft Law currently reads as follows:

> **Current Draft Law – "Art. 38[1] –**
>
> (1) Annually, until the 30th of April, political parties shall submit to PEA a detailed report on the income and expenditure incurred in the previous year.
>
> (2) Reports referred by para (1) shall also include details on the income and expenditure of internal structures of political parties set out by art. 4 para (4) of Law no. 14/2003, on the income and expenditure of the persons directly or indirectly connected to the political parties, as well as of all forms of association laid down in art. 13 of the present law.
>
> (3) Permanent Electoral Authority will publish on its website the reports referred at para (1) and the annual financial statements of each political party within 5 days of their submission.
>
> (4) The accounting of political parties is organized and managed at national and county level, according to the Accounting Law no. 82/1991, republished, with subsequent amendments."

53. As for the second part of the recommendation, compared to the initial proposal initiated by the PEA which was reviewed by GRECO, the section on electoral campaign conducted by third parties was completely eliminated from the Draft Law. This section contained provisions relating to: a) the definition of third parties; b) the definition of persons directly or indirectly connected with political parties (distinguishing between natural and legal persons); c) rules on donations to political parties and candidates made by third parties; d) rules about the expenditure that third parties may make in election campaigns for different types of elections; e) a mechanism for the registration of third parties. The Romanian authorities point out that in its Opinion of April 2014 (see paragraph 49), the Government is in favour of maintaining these provisions which were contained in the initial proposals of the PEA reviewed by GRECO (articles 34[5] to 34[7] of the initial proposal)[5].

54. GRECO takes note of the above information. From a general point of view, it regrets that there has been so little progress on the reform of political financing rules despite apparent support from the main actors in the field, including the PEA, the Government and Parliament which has reportedly taken public commitments in this area more than two years ago, in June 2012. As for the first part of the recommendation, no tangible progress is reported although draft legislation amending *Law no. 334/2006 on financing the activity of political parties and electoral campaigns* is now formally undergoing a parliamentary procedure. As for the second part of the

[5] The PEA had proposed that a third party be defined as the person campaigning for or against a political party or candidate without being related to a political party, political alliance, electoral alliance or organisation of citizens belonging to national minorities participating in the election or a candidate. Third parties were to be recorded in a register operated by the PEA and accessible on its website, no later than at the date of commencement of the campaign. Activities of third parties would have been limited in terms of expenses made, depending on the type of election. The electoral bureaus competent to supervise the fairness of the electoral campaign, according to the election law, should have informed PEA about the cases where third parties performed electoral propaganda without being registered, for the application of the penalties provided by law.

recommendation, it is disappointing that the current draft does not anymore comprise provisions aimed at increasing the transparency of third parties. GRECO urges Romania to pursue more actively the discussion of the draft legislation and to take into account the various elements of the present recommendation. For the time being, GRECO accepts to retain a categorisation as partly implemented on the basis of the draft provisions addressing only the first part of the recommendation.

55. GRECO concludes that recommendation i remains partly implemented.

Recommendation iii.

56. *GRECO recommended to require political parties to present their consolidated accounts to the Permanent Electoral Authority and to make an adequate summary available to the public.*

57. GRECO recalls that this recommendation had been categorised as partly implemented since the initial draft legislative proposal prepared by the PEA was foreseeing an explicit duty for political parties to submit their financial statements to the PEA annually, within 15 days from their submission to the tax authorities (this obligation concerned all legal persons without any distinction based on turnover or activity). The PEA would publish these financial statements on its website within 5 days following receipt.

58. The Romanian authorities indicate that the current version of the Draft Law has changed compared to the previous draft reviewed by GRECO. According to the latest comments received, the requirement for submitting annually comprehensive financial statements within a given deadline is not contained anymore in the draft; only the submission of a detailed report on income and expenditure is foreseen. The latter is meant to give a simplified overview, understandable by the public, concerning income and expenditure without such elements as assets, debts and liabilities and so on. The Romanian authorities point out that the submission of the annual financial statements may however be seen as an implicit requirement stemming from the PEA's duty to publish those on its website. They also indicate that this matter will need to be addressed in future implementing administrative provisions.

Current Draft Law in Parliament	**Earlier Draft prepared by the PEA**
"Art. 38^1. – (1) Annually, by the 30th of April, political parties shall submit to the PEA a detailed report on income and expenditure incurred in the previous year. (…) (3) The Permanent Electoral Authority will publish on its website the reports referred at para (1) and the annual financial statements of each political party within 5 days of their submission."	"Art. 38^1. – (1) Annually, by the 30th of April, political parties shall submit to the PEA a detailed report on income and expenditure incurred in the previous year. (…) (3) Political parties shall be obliged to submit to the Permanent Electoral Authority annual financial statements within 15 days from their submission to the tax authority. (4) The Permanent Electoral Authority will publish on its website the reports referred at para (1) and the annual financial statements of each political party within 5 days of their submission."

59. The authorities also point out that in the consultation of the Government, the latter expressed support for the earlier legislative proposal of the PEA already reviewed by GRECO.

60. GRECO regrets that the Draft Law does not provide explicitly anymore for the submission of financial statements to the PEA. It understands that this is the only kind of financial report providing a global accurate overview of the parties' actual financial situation (contrary to the report on income and expenditure) which would allow for adequate financial supervision to be carried out. Moreover, the submission of such information is a core requirement which cannot be left to implicit rules. GRECO also underlines the need to ensure the existence of a specific time-

frame set by law which would ensure the effectiveness and enforceability of the submission requirement concerning these financial statements. Especially since the system of sanctions contained in the law is meant to draw legal consequences from the absence of submission or delays in the submission. In the light of the experience of other GRECO member States, it would certainly be preferable to have clear rules and deadlines in place from the outset. Given such insufficient draft legal provisions, GRECO cannot continue to consider that this recommendation was implemented even partly.

61. GRECO concludes that recommendation iii has not been implemented.

Recommendation iv.

62. *GRECO recommended to take appropriate measures i) to ensure that in-kind donations to parties and election campaign participants (other than voluntary work by non-professionals) are properly identified and accounted for at their market value, as donations; ii) to clarify the legal situation of loans.*

63. GRECO recalls that this recommendation had been categorised as partly implemented. As for the first part of the recommendation, the Government Ordinance no. 24 which had entered into force in 2011 sets a series of rules on the valuation of assets including in-kind donations. The valuation of assets shall be carried out by any person who is an authorised valuator pursuant to this ordinance. Reference was also made to the fact that the International Accounting Standards Board (IASB) published IFRS 13 on *Fair Value Measurement* in May 2012. This new standard replaces the *fair value measurement guidance* contained in individual IFRSs. IFRS 13 now refers to the usual market value at the moment of the estimate. The version of the Draft Law reviewed by GRECO also included new provisions[6] which require the valuation of movable and immovable (real estate) assets donated to political parties, as well as the valuation of free of charge services carried out by authorised valuators in accordance with the above Ordinance. GRECO noted that there was a need to keep the matter under review due to apparent contradictions between rules[7] but it was overall pleased by the improvements made by the Ordinance as of 2011 and the additional improvements planned. As for the second part of the recommendation, a new PEA instruction no. 1/2012 had made it clear that political parties may not use loans (which was one of the possible interpretations of the Law no. 334/2006 currently applicable). The issue still needed clarification as regards loans in the context of campaign financing and GRECO noted that the intended amendments aimed at clarifying this matter as well.

64. The Romanian authorities indicate in respect of the first part of the recommendation, that the current wording of the Draft Law differs from the provisions contained in the earlier draft examined in the First Compliance Report.

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[6] The proposed article of the Draft Law reads as follows: *„(8[1]) Assets and free of charge services stipulated under para. (8) shall be valuated according to Government Ordinance no. 24/2011 regarding measures in the field of asset valuation. (2) Donations of goods and free of charge services will be registered in the accounting books at their market value. At the registration in the accounting books, the valuation shall be made by valuators authorized according to Government Ordinance no. 24/2011 regarding measures in the field of asset valuation."*

[7] GRECO recalls that the current version of Law 334/2006 contains two sets of provisions on in-kind support: a) article 6 requires that discounts above 20% of the value of goods and services offered to parties and candidates shall be considered as donations and recorded "according to regulations issued by the Ministry of Public Finance"; b) article 8 paragraph 2 requires that all donations in the form of goods or services free of charge need to be registered at their actual value "settled according to law".
This could be problematic in case certain services or goods are provided at a symbolic price; it would appear that the above lack of consistency will persist.

Current Draft Law in Parliament	Earlier Draft prepared by the PEA
(8[1]) Assets and free of charge services stipulated under para. (8) shall be evaluated by an internal committee of the political party whose way of setting up and running is established by Government Decision. Art. 8. – (…) (2) Donations of goods and free of charge services will be registered in the accounting books at their market value.	(8[1]) Assets and free of charge services stipulated under para. (8) shall be evaluated according to Government Ordinance no. 24/2011 regarding measures in the field of asset evaluation." Art. 8. – (…) (2) Donations of goods and free of charge services will be registered in the accounting books at their market value. At the registration in the accounting books, the valuation shall be made by valuators authorized according to Government Ordinance no. 24/2011 regarding measures in the field of asset evaluation."

65. According to the current wording, the valuation of benefits in kind ("assets and free of charge services") is the responsibility of special internal committees to be established within the political parties in accordance with a Government Decision that would need to be adopted. In the version presented to GRECO, the valuation was the task of licensed appraisers operating in accordance with Government Ordinance no. 24/2011 regarding measures in the field of asset evaluation.

66. As for loans (second part of the recommendation), according to article 1 of PEA's Instruction no. 1/2012, "It is forbidden to finance the activity of political parties by means of loans, under the sanction regulated by article 41 paragraph 1 of Law no. 334/2006 on financing the activity of political parties and electoral campaigns, republished". In 2013, the PEA sanctioned the Romanian Ecologist Party and the Green Party for breaching the above mentioned instruction, as well as art. 3 paragraphs 2 and 3 of Law no. 334/2006[8]. The current wording of the Draft Law changes the approach as it now allows political parties to take loans (article 3 paragraph (11), but without mentioning that they may not lend money, and without referring to the candidates:

Current Draft Law in Parliament	Earlier Draft prepared by the PEA
(11) Political parties can take loans only by authentic notarial acts, under the sanction of absolute nullity. (12) Loans with a value greater than 400 minimum gross salaries at national level, are subject to publication conditions stipulated in article 9."	Art. 3 – (2) Political parties may not borrow or lend money. (3) Candidates may not borrow or lend money for the purpose of financing political parties or electoral campaigns (4) Political parties may not have nor use other financing sources that those mentioned in par. 1.

67. The Romanian authorities point out that in this respect, the Government's expressed support in its Opinion of April 2014 (see paragraph 49) for the legislative proposal of the PEA which had been reviewed by GRECO.

68. GRECO takes note of the above. As for the first part of the recommendation, there is uncertainty as to the system for the valuation of in-kind support which is likely to come out of this legislative process and whether it will answer the underlying concerns of the first part of the recommendation. Although the principle of registration of in-kind support at market value has been retained, the earlier reference to the involvement of external authorised valuators (as provided in an ordinance of 2011) has disappeared from the current version of the draft and reference is now made to valuation by internal committees along the lines of rules to be determined in a future government decision. The same goes to a large extent for the second part of the recommendation. The current Draft Law takes a completely different approach from the path followed so far by the PEA with its instruction no. 1/2012 (which has prohibited loans) and the already enforced sanctions in this area. It is not for GRECO to support either solution and the

[8] The Romanian Ecologist Party was fined 20,000 RON (approx. 4,500 EUR) and the loan of 260,887.33 RON (approx. 60,000 EUR) was confiscated; the Green Party was fined 10,000 RON (approx. 2,300 EUR) and the loan of 124,515.82 RON (approx. 28,500 EUR) was confiscated.

wording of the recommendation refers to the need for adequate clarification. However, there is a risk that the political financing system loses its credibility if at this stage the approach was completely changed, with a possible impact for the validity/enforceability of sanctions imposed a year ago. Overall, Romania needs to ensure that for the two components of the recommendation, the future amendments deal consistently with both party financing and election campaign financing. For the time being, GRECO accepts to maintain the categorisation as partly implemented.

69. GRECO concludes that recommendation iv remains partly implemented.

Recommendation v.

70. *GRECO recommended i) to require that all donations be, as a rule, recorded and included in the accounts of political parties and campaign participants; ii) to introduce a requirement that all donations above a certain threshold be made through the banking system.*

71. GRECO recalls that the present recommendation had been categorised as partly implemented. As for the first part of the recommendation, the authorities of Romania had acknowledged the problematic distinction between donations and "hand gifts" identified in the Evaluation Report, which leads to the duty to register only donations above the equivalent of 420 Euro (at the time of the visit). They had indicated that in order to clarify the interpretation of the provisions, the last sentence of art. 6 para. (1) of GD no. 749/2007 will be repealed when the GD no. 749/2007 is amended and once the Draft Law on political financing is adopted. GRECO appraised positively that a new draft provision (article 8 paragraph 1) provided that: "*All donations, **regardless of their value**, shall be registered and highlighted in a proper way in the accounting documents, mentioning the date when the donations were made, as well as other information allowing the **identification of** the financing sources and **the donators**".* GRECO also welcomed that in response to the second part of the recommendation, the Draft Law obliges all financial contributions exceeding 1 minimum gross salary at national level (approx. 140 Euro) to be made only through the banking system. This concerns the general rules applicable to the financing of political parties as well as the specific rules on the financing of election campaigns.

72. The Romanian authorities indicate that in respect of the first component of the recommendation, the new draft provision mentioned earlier had been retained in the current version of the Draft Law. As for the second part of the recommendation, the current wording of the Draft Law does not anymore contain the requirement that all financial contributions made outside the electoral campaign, exceeding 1 national minimum gross salary, only be made through the banking system. On the other hand, it keeps the obligation of running all the financial transactions related to the electoral campaign, through the banking system.

Current Draft Law in Parliament	**Earlier Draft prepared by the PEA**
Art. 31. -*(2) At presidential elections, elections for the European Parliament and at general elections for public administration authorities, political parties open campaign accounts at central and county level separate from those through which they operate normally, through perform financial operations related to the electoral campaign.* *(3) At parliamentary elections, political parties open campaign accounts at the central level and for each candidate.* *(3¹) Financial operations related to the electoral campaign carried out by political parties runs only through accounts provided in para. (2) and (3).* *(3²) Independent candidates can conduct financial operations on the campaign only through special accounts opened for this purpose*."	*Art. 5¹. – Money donations whose value exceeds 1 minimum gross salary at national level* [approx. 140 Euro] *shall be made only through bank accounts. Art. 23¹. – After the beginning of the electoral period, money donations received from natural or legal persons, which exceed 1 minimum gross salary at national level, shall be made only through bank accounts.*

73. The authorities of Romania underline that the Government expressed support in its Opinion of April 2014 (see paragraph 49) for the legislative proposal of the PEA which had been reviewed by GRECO.

74. GRECO takes note of the fact that the intended amendments announced earlier in respect of the first part of the recommendation are part of the wording of the Draft Law currently in Parliament. As to the second part of the recommendation, GRECO regrets that its main concern is not addressed anymore, even though the intended system of centralised bank accounts also aims at limiting to a certain extent the use of cash and to centralise financial flows of campaign funds so as to increase transparency. GRECO encourages Romania to take into account the various requirements of the present recommendation.

75. GRECO concludes that recommendation v remains partly implemented.

Recommendation vii.

76. *GRECO recommended to amend the rules on the presentation of financial statements concerning election campaigns to the Permanent Electoral Authority (PEA) so that all legitimate claims and debts are adequately followed-up by the PEA.*

77. GRECO recalls that this recommendation had been categorised as partly implemented. Draft provisions had been included in the initial Draft Law prepared by the PEA[9], which required that a) political parties and independent candidates spend all donations and legacies received for the campaign by the time of submission of the report on electoral income and expenses, and for paying the costs incurred during the election; b) financial representatives submit detailed reports to the PEA on revenue and expenditure of the political parties, political alliances and electoral alliances, the organisations of Romanian citizens belonging to national minorities and of independent candidates within 15 days from the date of elections; c) political parties and independent candidates submit a list of their creditors in relation to the financing of their campaign, and the amount of those debts; d) political parties and individual candidates report quarterly to the PEA the status of their debts until they are paid in full. GRECO considered that these intended changes, if adopted, would allow to categorise recommendation vii as implemented in a satisfactory manner.

78. The Romanian authorities, in their latest submission, underline that the current version of the draft law in parliament retains partly the duty mentioned under a) in the above paragraph insofar as draft article 34^3 keeps such a duty to spend the income and liquidate debts incurred in connection with the campaign by the time they present their statements. Unspent income will thus

[9] The proposed amendments read as follows: "*Art. 34^3 - (1) Political parties and independent candidates shall use donations and inheritances received for the electoral campaign, to pay the costs incurred during the elections by the deadline for submitting the report of electoral income and expenses. (2) All amounts not spent referred by para. (1) shall be made revenue at the state budget." Art. 38 - (1) Within 15 days from the date of elections, financial representatives shall submit detailed reports to the Permanent Electoral Authority on revenue and expenditure of the political parties, political alliances and electoral alliances, the organisations of Romanian citizens belonging to national minorities and of independent candidates, as well as lists of persons to whom debt is owed as a result of the election campaign, and the amount of the debts. (4) Reports referred to by para (1) and (2), lists of persons to whom debt is owed as a result of the election campaign, and the amount of the debts shall be published in the Official Gazette of Romania, Part I, by Permanent Electoral Authority, in a term of 60 days since the publication of the election results. (5) If at the time of submission of the detailed report on electoral income and expense, candidates or political parties will record debts, they shall report to the PEA, quarterly on debt payment, until the debts are fully paid."*

be transferred to the State budget. At the same time, the other draft provisions mentioned under c) and d) are not anymore included in the current wording of the Draft Law in Parliament.

79. The Romanian authorities explain that there will still be a possibility in future to address these matters and thus to implement the present recommendation by means of a Government Decision to be taken on the basis of the text currently proposed at art. 35[1] of the draft in Parliament. This article foresees that the PEA will be able to claim more information or documents from political parties, individuals or connected legal persons.

80. GRECO takes note of the current status of the drafting process as regards the implementation of the present recommendation. It regrets that most of the announced earlier draft provisions have not been retained in the current wording of the draft law in Parliament. GRECO also appreciates the assurances given that there will still be a possibility to fill the gaps through other subsequent provisions to be adopted by parliament. But it would certainly be preferable that all such important requirements be provided clearly and consistently in the main piece of legislation. In any event, GRECO cannot rely on hypothetical future developments and it regrets that at the moment, progress appears so limited that the earlier conclusion cannot be maintained.

81. GRECO concludes that recommendation vii has not been implemented.

Recommendation viii.

82. *GRECO recommended to require that the annual accounts of political parties – to be presented to the Permanent Electoral Authority, as recommended earlier – are subject to independent auditing prior to their submission.*

83. GRECO recalls that this recommendation had been categorised as partly implemented. Audit requirements were introduced by amendments of 2011 to the Law no. 82/1991 on accountancy, concerning political parties which benefit from state funding (5 political parties at the time of the first Compliance Report). Since this rule was not specific to political parties (it concerns "all legal persons without a patrimonial interest which receive public subsidies") a draft provision was inserted in the Draft Law prepared by the Permanent Electoral Authority (PEA)[10], which did also foresee that the audit reports are to be communicated by the political parties to the PEA. First measures to increase the independence, objectivity and integrity of auditors were included in a recent Government Decision no. 433/2011, especially an article 59 on the prevention of conflicts of interest in the relationship with the client but it seemed to apply only where the client is a business. It was announced that additional amendments would be made to Law 334/2006 on financing the activity of political parties and electoral campaigns, to avoid that the audit can be done by a party member or by the same business for more than 4 years in a row.

84. The Romanian authorities recall that following the 2011 amendments to the accountancy legislation, financial audit requirements for political parties are already in place for those which – like any other type of entity concerned – receive a subsidy from the State budget. However, the current wording of the Draft Law does not retain the earlier provisions proposed by the PEA and examined by GRECO which aimed at a) ensuring the uniform application of audit requirements by the political parties which receive public subsidies, b) the submission of audit reports to the Permanent Electoral Authority (PEA) together with annual financial statements – these audit reports and annual financial statements are available to the tax authorities systematically and the

[10] The proposed amendment reads as follows: "Political parties which receive public subsidies shall have an annual external audit of their financial statements. The audit reports shall be submitted to the PEA".

PEA would however retain the possibility to request these just like any other document and c) the existence of additional requirements on the independence of auditors from the political parties to which they provide services (based on non-membership considerations and a 4-year rotation). The authorities underline that the Government expressed support in its Opinion of April 2014 (see paragraph 49) for the legislative proposal of the PEA which had been reviewed by GRECO.

85. GRECO recalls that despite the fact that the number of parties subjected to the auditing requirements introduced in 2011 seems rather low in comparison to the overall number of those registered (47 at the time of the visit, of which 15 were considered as active), it would appear that the major parties are captured by the criteria of public subsidisation. This achievement was assessed positively in the first Compliance Report. GRECO now takes note of the apparent concerns that the audit requirement could be applied inconsistently if the existing financial audit requirement is not included also – or at least recalled – in the political financing legislation (Law 334/2006). Moreover, the communication of audit reports to the PEA in its financial supervisory role would certainly be a step in the right direction. GRECO can only regret that these two issues are not addressed anymore in the current version of the Draft Law. Above all, GRECO is concerned that there are no more plans to introduce appropriate guarantees for the auditors' independence from the political parties. It is therefore clear that Romania needs to pursue in a more determined manner its efforts in the implementation of the present recommendation.

86. GRECO concludes that recommendation viii remains partly implemented.

Recommendation ix.

87. *GRECO recommended i) to give the Permanent Electoral Authority (PEA), the full responsibility of monitoring compliance with the Law no. 334/2006 on the financing of activities of the political parties and election campaigns; ii) to strengthen the effectiveness of the PEA's supervision over party and election campaign financing, including endowing the PEA with additional control powers regarding party expenditure and entities other than political parties, and sufficient human and other resources to perform this task.*

88. GRECO recalls that his recommendation was considered partly implemented. Some measures had been taken in order a) to clarify the distribution of tasks between the Permanent Electoral Authority (PEA) and the Court of Accounts (CoA): signature of a protocol detailing how simultaneous controls on State subsidies are to be carried out, indication in the National Anticorruption Strategy (NAS) approved in 2012 that it is the PEA which is the sole authority responsible for implementing the objective *Increasing transparency of political party and electoral campaigns financing;* b) to supplement as from 2013 the human resources of the PEA's political financing control department (with an increase of 11 positions in the organisational chart and additional financial resources); c) to amend article 35 paragraph (1) of the Draft Law and to propose more explicitly that the "PEA shall be empowered to monitor compliance with legal provisions concerning revenues and expenditures of political parties, political alliances or election of independent candidates, as well as the legality of campaign financing."; d) and likewise to provide in article Art. 35^1 of the Draft Law for additional powers, such that *"(1) In order to check the legality of income and expenditure of political parties, the PEA may request documents and information from natural and legal persons who provide services, remunerated or non-remunerated, to political parties, as well as from third parties. (2) Natural and legal persons referred to at para (1) are under the obligation to submit to PEA representatives requested documents and information. (3) Political parties are under the obligation to allow control bodies of PEA with access to their premises. (4) Political parties shall provide PEA all documents and*

information required within 15 days of the request." GRECO recalled the findings of the Evaluation Report and encouraged Romania to adopt the intended amendments and to clarify the actual increase in the PEA's resources allocated to financial supervision. It expected that convincing elements would be provided in due course demonstrating the PEA's ability to address major recurring problems including overspending during election campaigns and undeclared sources of funding, which were mentioned in the Evaluation Report. Information provided by the authorities in respect of sanctions applied at the time of the first Compliance Report suggested that the PEA was progressively confirming its position and authority, but also – regrettably – that the infringements detected still concerned formal requirements, mostly.

89. The authorities of Romania now refer to the fact that on the first part of the recommendation, the current wording of the Draft Law aims to repeal completely the provision stating that the control over public subsidies is to be conducted simultaneously by the Court of Auditors (in addition to the Permanent Electoral Authority – PEA). Regarding the second part of the recommendation, the current wording of the Draft Law retains all the provisions analysed so far by GRECO on the draft articles 35 and 35^1. The former provides for more explicit language as regards the scope of supervision and the latter gives broader powers in connection with party financing, including in either electoral or non-electoral years.

90. The PEA's supervisory department responsible for the financing of political parties and electoral campaigns, has at present 25 employees; this is 8 more staff than at the time of the on-site visit and it confirms the plans announced in the first Compliance Report 2 years ago. Moreover, on the occasion of the organisation of the parliamentary elections in May 2014 and their financing in accordance with Government Decision no. 103/2014, funds were attributed for the PEA to create 34 county offices (under the coordination of the 8 existing PEA regional branches) with one person in each office having responsibility for party and campaign financing supervision.

91. GRECO takes note of the fact that the intended improvements announced earlier have been retained in the current wording of the draft amendments concerning Law no. 334/2006. It is foreseen in particular that the PEA's supervision extends to the political parties' expenditure and that its control powers are extended and provided clearly in the Law as opposed to a Government decision as it is currently the case according to the Evaluation Report. Romania still needs to ensure that provisions similar to the intended article 35^1 of the Draft Law apply also to the supervision of election campaign financing – related to political parties or not. GRECO takes note of the proposal to exclude completely the Court of Accounts (CoA) from the supervision of the use of public subsidies. GRECO reiterates once again that it is not opposed to a reasonable level of overlapping provided this does not affect the effectiveness of, and leadership for the political financing supervision of the PEA. GRECO is looking forward to the final adoption of the intended improvements and the communication of information by Romania showing the ability of the PEA to deal with the broadest range of infringements. For the time being, the data available (see the information on sanctions actually applied in paragraph 101) confirms that the PEA is able to perform its control function in practice but it does not demonstrate its ability to deal with infringements other than formal. It is recalled that at the time of the on-site visit, there was for instance a strong perception of frequent hidden over-spending by political parties during election campaigns which was not at all addressed by the PEA.

92. GRECO concludes that recommendation ix remains partly implemented.

Recommendation xi.

93. *GRECO recommended to provide in Law no. 334/2006 on the financing of activities of the political parties and election campaigns that the Permanent Electoral Authority report suspicions of criminal offences to the competent criminal law bodies.*

94. GRECO recalls that this recommendation had been categorised as partly implemented since the Draft Law at that time included a provision[11] which explicitly compelled the PEA to notify the criminal investigation bodies of suspicions of crime.

95. The Romanian authorities confirm that the same draft provision is included in the Draft Law currently in Parliament.

96. GRECO takes note of the information. Looking at the actual wording of the intended provision, it would appear that it is in fact limited to the reporting of crimes provided for in the *Law no. 334/2006 on financing the activity of political parties and electoral campaigns* legislation. GRECO recalls that the Evaluation Report had pointed to a broader issue, namely that Romanian legislation other than the Law 334/2006 (for instance the Criminal Code), provide for various offences which are equally important to ensure transparency and supervision of political financing[12]. There was some uncertainty as to whether the PEA was subject to the general reporting duty applicable to all State authorities and could thus report suspicions of any relevant criminal offence. GRECO therefore urges the Romanian authorities to proceed with the implementation of the present recommendation whilst bearing in mind the various concerns expressed by GRECO in the Evaluation Report.

97. GRECO concludes that recommendation xi remains partly implemented.

Recommendation xii.

98. *GRECO recommended to increase the penalties applicable in accordance with Law no. 334/2006 on the financing of activities of the political parties and election campaigns and thus to ensure that all infringements are punishable by effective, proportionate and dissuasive sanctions.*

99. GRECO recalls that this recommendation had been categorised as partly implemented since the draft amendments to Law 334/2006 included under the proposed revised provisions of article 41 a consistent set of sanctions organised in two categories of administrative contraventions dealing with the requirements of the Law. The draft filled certain gaps by addressing explicitly certain infringements not explicitly provided for at the moment such as the failure to use the banking system for the more important donations, or failure to comply with the ceiling on spending for a

[11] The Draft proposal reads as follows: "If suspicions related to the commission of a crime arise during a control carried out by PEA on the compliance to the legal provisions regarding political party and electoral campaign financing, PEA notifies the organs of penal pursuit."

[12] The Evaluation Report (paragraph 124) pointed out that "*Law no. 334/2006 lists a series of infringements and sanctions which apply in relation to most of the requirements of the Law. But there are some exceptions; for instance in case of misuse of public facilities and resources (article 10 paragraph 1 of Law no. 334/2006). The GET was advised by the Ministry of Justice that such acts are nevertheless prosecutable in accordance with the general criminal law provisions (for instance abuse of office, "embezzlement" of public resources etc.), since Law no. 334/2006 does not exclude the applicability of offences contained in the Criminal Code (CC); the same goes for special legislation, such as the anti-corruption law of 2000 presented in the other report on Theme I – Incriminations – which contains offences of particular relevance in the context of political financing (for instance certain forms of misuse of his/her influence by an elected official to obtain an advantage for his/her political party or political activities)*."

given campaign. At the same time, the draft proposed to increase significantly the level of the applicable fines (two-fold and fourfold increase for the lesser and serious infringements, respectively). At the same time, the new wording contemplated for article 42 ensured that the forced transfer to the State budget of any illegal funding would be applicable in respect of both categories of offences and GRECO considered that this was an important measure given the still limited fines[13] in case of major illegal donations or overspending.

100. The Romanian authorities now provide detailed information showing that the earlier logic of the new system of sanctions provided for in the initial draft was retained by the current wording of the Draft Law in Parliament. Overall, the new system is covering about 20 additional requirements (including new intended ones). However, compared to the first draft, the current wording does not anymore provide for an increase of fines for the first category of contraventions[14] and only a moderate increase in the case of the second category of contraventions[15]: the former attract a fine of 1 100 -5 600 EUR (which is the current range of penalties for all requirements of Law 334/2006) instead of 2 200 -11 200 EUR as proposed initially, and the latter attract a fine in the range of 1 650 to 7 700 EUR as opposed to the initially proposed 11.200-22.500 EUR. For the sake of clarity, the Secretariat and the rapporteurs have included the current provisions, those of the amendments proposed initially and those currently discussed in parliament in the following table:

Current provisions on sanctions:	Provisions of the initial Draft commented in the first Compliance Report	Provisions of the current wording of the Draft Law in Parliament
ART. 41 (1) Breaching the provisions of art. 3 para (2) and (3), art. 4 para (3) and (4), art. 5, 6, 7, 8, 9, art. 10 para (2) and (3), art. 11 para (1) and (3), art. 12 para (1) and (3), art. 13 para (1) and (2), art. 20 para (2), art. 23, art. 24 para (1), art. 25 para (1) and (2), art. 26 para. (1), (2), (3), (7) and (9), art. 29 para (2) - (4) and (6), art. 30 para (2) and (3), art. 31, 38 and art. 39 para (2) shall be deemed contraventions and punished with a fine from 5.000 lei to 25.000 lei. **[1.100-5.600**	„Art. 41. – (1) Breaching the provisions of art. 4 para. (3)-(5), art. 5, art. 5^1 , art. 6, art. 7, art. 8, art. 9, art. 10 para. (2) and (3), art. 11 para. (1) and (3), art. 12 para. (1) and (3), art. 13 para. (1), (2) and (4), art. 24 para. (1), art. 25 para. (1) and (2), art. 26 para. (1)-(4) and para. (11)-(13), art. 29 para. (2) - (4), (6), and (7), art. 32 para (1) and art. 49 para. (2) shall be deemed contraventions and punished with a fine from 10.000 lei to 50.000 lei. **[2 200 - 11 200 EUR]** (2) Breaching the provisions of art. 3 para. (2)-(6), art. 20 alin. (2), art. 23, art. 23^1, art. 23^2, art. 25^1, art. 30 para. (2)-(4), art. 31, art. 33 para. (1), art. [34^1 to 34^6], art. 35^1 para. (2) -(4), art. 36^1, 38 para. (1), (2) and (5), art. 38^1	Art. 41. – (1) Breaching the provisions of art. 4 para. (3) and (4), art. 5, art. 5^1 para. (1) and (2) , art. 6, art. 7, art. 8, art. 9, art. 10 para. (2) and (3), art. 11 para. (1) and (3), art. 12 para. (1) and (3), art. 13 para. (1), (2) and (4), art. 24 para. (1), art. 25 para. (1) and (2), art. 26 para. (1)-(4) and para. (11)-(13), art. 29 para. (2) - (4), (6), art. 32 para (1) and art. 49 para. (2) shall be deemed contraventions and punished with a fine from 5.000 lei to 25.000 lei. **[1 100 -5 600 EUR]** (2) Breaching the provisions of art. 3 para. (2)-(5), art. 20 alin. (2), art. 23, art. 23^1, art. 30 para. (2)-(4), art. 31, art. 33 para. (1), art. [34^1 to 34^6], art. 35^1 para. (2) -(4), 38 para. (1), (2) and (5), art. 38^1 para. (1)-(3) and (5),

[13] The Romanian authorities indicated this is the maximum level of fines applicable in cases of misdemeanours, in accordance with Government Ordinance no. 2/2001, as amended.

[14] a) Failure to observe legal provisions regarding the limits of membership fees and their publication;
b) Failure to respect the legal provisions regarding the source, registration and amount of donations;
c) Carrying out other financial activities than the ones prescribed by the law;
d) Failure to observe legal provisions regarding the publicity of income generated from other sources or of the financial contributions of non-political entities to the associations with political parties;
e) Financing of electoral campaigns by persons who are not Romanian citizens or who are registered in other stats;
f) Financing of electoral campaigns by entities which are not entitled by law;
g) Failure to observe legal obligations related to the organization of financial records during electoral campaigns;
h) Failure to respect legal obligations pertaining to the form and reporting of the propaganda materials.

[15] a) The use of other sources of income than the ones allowed by the law;
b) The use of public subsidies for other destinations than the ones allowed by the law;
c) Failure to declare donations and legacies within the legal term;
d) Failure to comply with the maximum electoral campaign expenditure limits;
e) Failure to submit within the legal term the detailed report on electoral income and expenditure;
f) Failure to present to PEA within the legal timeframe the requested documents and information.

EUR] (2) The sanctions shall be applied, as the case may be, to the political party, the independent candidate, the financial manager and/or the donor who has breached the provisions of para (1).	para. (1)-(3) and (5), art. 39 para. (2) and art. 40 para. (2) shall be deemed contraventions and punished with a fine from 50.000 lei to 100.000 lei. **[11.200-22.500 EUR]** (3) The sanctions shall be applied, as the case may be, to the political party, the independent candidate, the persons stipulated at art. 38^1 para. (5), the financial manager, the third party, and/or the donor who has breached the provisions of para (1) and (2). (4) Propaganda materials that do not comply with the provisions of art. 29 are confiscated or removed, as appropriate, of persons empowered by mayors. (5) The application of the sanctions set out in para (1) and (2) shall expire after 3 years from the date of the commission of the act."	art. 39 para. (2) shall be deemed contraventions and punished with a fine from 7.500 lei to 35.000 lei. **[1 650 to 7 700 EUR]** (3) The sanctions shall be applied, as the case may be, to the political party, the independent candidate, the persons stipulated at art. 381 para. (5), the financial manager, the third party, and/or the donor who has breached the provisions of para (1) and (2). (4) The application of the sanctions set out in para (1) and (2) shall expire after 2 years from the date of the commission of the act. (5) In continuous contraventions case the period stipulated in para (4) runs from the moment the deed is found."

101. In practice, in 2012 and 2013, the amount of administrative sanctions imposed by the PEA has increased exponentially compared to previous years. For example, as a result of controls related to the campaign for the local elections in 2012, 596 independent candidates / financial agents were sanctioned by a fine of 5.000 lei (which represents 2.98 million lei in total) and four with a fine of 10.000 lei each. Therefore the total amount of these fines amounted to approximately 690.000 EUR. In relation to the 2012 parliamentary elections, the total amount of fines were 30.000 lei (approx. 6 600 EUR) and the confiscation of 69.877 lei (approx. 15 000 EUR) was ordered. Concerning controls of political parties in 2013 (which was not an election year), fines were imposed for a total amount of 85.000 lei (approx. 20.000 euros) and confiscation was applied to sums totalling 791.163 lei (approx. 180.000 euros). The authorities take the view that the sanctions are effective in practice, supported by the dissuasive effect of confiscation.

No. crt.	Political party controlled	Organisation	Fine / warning	Confiscation
1	Partidul Conservator	Bacău	warning	-
2	Partidul Ecologist Român	Bacău	warning	-
3	Partidul Naţional Liberal	Neamţ	warning	-
4	Partidul Poporului Dan Diaconescu	Braşov	warning	1.200
5	Partidul Democrat Liberal	Cluj	5.000	-
6	Partidul Conservator	Vâlcea	warning	-
7	Partidul Social Democrat	Cluj	5.000	-
8	Partidul Democrat Liberal	Sector 6	warning	6.205
9	Partidul Ecologist Român	Centru	20.000	260.887
10	Partidul Poporului Dan Diaconescu	Centru	10.000	167.201
11	Partidul Social Democrat	Sector 5	warning	-
12	Uniunea Ucrainenilor	Centru	2 warnings	280
13	Partidul Verde	Centru	25.000	154.214
14	Partidul Social Democrat	Centru	10.000	-
15	Partidul Democrat Liberal	Galaţi	warning	2.500

16	Partidul Ecologist Român	Galaţi	warning	840
17	Partidul Poporului Dan Diaconescu	Galaţi	warning	4.000
18	Partidul România Mare	Galaţi	3 warnings	30
19	Partidul Democrat Liberal	Caraş-Severin	10.000	193.806
20	Partidul România Mare	Argeş	warning	-
TOTAL			**85.000 lei**	**791.163 lei**

102. GRECO takes not of the above. It would appear that the current wording of the draft still provides for sanctions for breaches to most requirements of Law 334/2006. This being said and contrary to the situation in the first version of the draft examined two years ago, the upper limit of the fines currently contemplated does not answer the expectations of this recommendation. The increase foreseen concerns only some of the offences and it remains moderate (from 1 100 – 5 600 EUR to 1 650 to 7 700 EUR). Romania needs to pursue more actively consideration of this matter.

103. GRECO concludes that recommendation xii remains partly implemented.

Recommendation xiii.

104. *GRECO recommended to extend the statute of limitation applicable to violations of Law no. 334/2006 on the financing of activities of the political parties and election campaigns.*

105. GRECO recalls that this recommendation has been categorised as partly implemented since the draft amendments (article 41 paragraph 5 of the Draft Law) examined in the first compliance report proposed to increase the statute of limitation for the application of sanctions provided by Law no. 334/2006 from 6 months to 3 years.

106. The authorities of Romania now state that article 41 of the Draft Law in its current wording still foresees an increase of the limitation period, but it is now two years instead of three as in the first draft:

> "Art. 41. - (4) The application of the sanctions set out in para (1) and (2) shall expire after 2 years from the date of the commission of the act.
> (5) In continuous contraventions case the period stipulated in para (4) runs from the moment the deed is found."

107. GRECO takes note, with mixed feelings, of the information provided above. The Draft law still foresees an extension of the limitation period applicable to violations of Law no. 334/2006 on the financing of activities of the political parties and election campaigns above. But it is now two years instead of three years as it was proposed earlier. A two years term would normally constitute an improvement. It would allow in particular to deal with infringements related to party funding which have been committed in the beginning of the annual reference period (for which annual financial statements and detailed reports on the income and expenditure incurred in reference year are to be submitted in the following year). This is currently impossible with the existing 6 months deadline. GRECO also notes with interest that a new Article 41 paragraph 5 is contemplated, which allows to start the calculation of the statute from the moment the deed is detected, in the case of continuous infringements. On the other side, the benefits for the purposes of an effective control of a two year period depend a lot of whether or not financial statements are submitted by

political parties within reasonable deadlines. The current Draft Law foresees 30 April of the year following the reference year as regards annual submissions of a detailed report on income and expenditure incurred in the previous year by the political parties (new provision), and concerning campaign financing data, the existing term is 15 days from the date of elections for the submission to the PEA of detailed reports on campaign financing by the political parties and other campaign participants (to be done by their financial managers). It would thus appear that a 2-year deadline constitutes an improvement but GRECO will need to reassess the situation once the overall amendment process has been completed and the picture is clarified on the timely submission of the annual financial statements to the PEA, as discussed in paragraph 60.

108. GRECO concludes that recommendation xiii remains partly implemented.

III. CONCLUSIONS

109. **In view of the above, GRECO concludes that Romania has now implemented satisfactorily or dealt with in a satisfactory manner only seven of the twenty recommendations contained in the Third Round Evaluation Report.** Nine recommendations remain or have been partly implemented and four recommendations have still not been implemented.

110. More specifically, with respect to Theme I – Incriminations, recommendations ii, iii, v and vii have now been implemented satisfactorily, recommendation vi remains partly implemented and recommendations i and iv have still not been implemented. With respect to Theme II – Transparency of Party Funding, recommendations ii, vi and x – as already noted in the first Compliance Report – have been implemented or dealt with in a satisfactory manner. Recommendations i, iv, v, viii and ix remain partly implemented and recommendations iii and vii have still not been implemented.

111. Concerning incriminations, GRECO is pleased to see that with the entry into force of the new Criminal Code on 1 February 2014, together with additional amendments approved at an earlier stage, the incriminations of bribery and trading in influence of Romania comply to a larger extent with the Criminal Law Convention on Corruption. Some improvements still appear desirable to criminalise bribery of public officials without it being necessary that the act of the official actually falls within his/her actual functions or duties. The authorities prefer to maintain the current legal situation in order to facilitate the distinction with situations where officials claim fraudulently that they can perform certain tasks in exchange for a bribe. This is probably a consequence of the importance and particular features of corruption in the country. Romania also needs to incriminate private sector bribery in a broader range of circumstances and to review the mechanism of effective regret so as to provide i.a. for additional safeguards against its possible misuse in practice.

112. Insofar as the transparency of political funding is concerned, Romania has not used the additional two years' time since the first Compliance Report, to accomplish any progress. A draft law on amendments to the Law no. 334/2006 on the financing of activities of the political parties and election campaigns is currently in parliament. If adopted, it would bring a series of improvements. At the same time, Romania still needs to refine some of these amendments to take fully into account the underlying concerns of the recommendations issued by GRECO, for instance in respect of the transparency of support provided by third parties, guarantees of independence for the financial audit of political parties, as well as concerning the need for effective, proportionate and dissuasive sanctions for infringements of the Law no. 334/2006. GRECO wishes to underline that clear, consistent and effective rules on the supervision of political financing are of utmost

importance. In this connection, GRECO is particularly concerned by some of the features of the intended piece of legislation, such as the absence of adequate proposals concerning deadlines for the submission and publication of the annual financial statements concerning political parties. In principle, the submission of these statements will be the starting point for the implementation of financial controls by the Permanent Electoral Authority and any delays caused by unclear rules will impact negatively on the PEA's work. Especially if the statute of limitation is too short and Romania needs rapidly to improve the situation since the current statute of 6 months is clearly inadequate. GRECO also hopes that Romania will do its utmost to improve the supervision by the PEA in respect of both the financing of political parties and the financing of election campaigns. GRECO recalls that the supervision in Romania was perceived at the time of the on-site evaluation as a particularly weak area and that in parallel political financing has been subject to a number of controversies.

113. To sum up, Romania's overall performance remains modest at this stage of the Compliance procedure and it has not made any substantial and tangible progress in Theme II – Transparency of Party Funding, as compared to the situation assessed in the first Compliance Report two years ago (and four years after adoption of the Evaluation Report). The vast majority of recommendations issued under Theme II have still not been implemented. Under these circumstances, GRECO has no choice but to consider the situation as "globally unsatisfactory" in the meaning of Rule 31, paragraph 8.3 of its Rules of Procedure. GRECO therefore decides to apply Rule 32 concerning members found not to be in compliance with the recommendations contained in the mutual evaluation report. It asks the Head of delegation of Romania to provide a report on the progress made in implementing recommendations i, iv and vi on Theme I – Incriminations, and recommendations i, iii, iv, v, vii, viii, ix, xi, xii, and xiii on Theme II – Transparency of Party Funding), as soon as possible and – at the latest – by 30 June 2015, pursuant to paragraph 2(i) of that Rule.

114. GRECO invites the authorities of Romania to authorise, as soon as possible, the publication of the report, to translate it into the national language and to make this translation public.