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Group of States against corruption

DIRECTORATE GENERAL I - HUMAN RIGHTS AND RULE OF LAW
INFORMATION SOCIETY AND ACTION AGAINST CRIME DIRECTORATE



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Second Interim Report

Third Evaluation Round

Second *Interim* Compliance Report on the Slovak Republic

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

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"Transparency of Party Funding"

Adopted by GRECO
at its 53rd Plenary Meeting
(Strasbourg, 5-9 December 2011)

I. INTRODUCTION

1. GRECO adopted the Third Round Evaluation Report on the Slovak Republic at its 36th Plenary Meeting (15 February 2008). This report (Greco Eval III Rep (2007) 4E Theme I / Theme II) addressed 16 recommendations to the Slovak Republic and was made public on 14 March 2008.
2. As required by GRECO's Rules of Procedure, the Slovak authorities have submitted a situation report on measures taken to implement the recommendations. GRECO selected Austria and Latvia to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Christian MANQUET, Head of Unit, Directorate for Penal Legislation, Federal Ministry of Justice, Austria, and Mr Alvis VILKS, Deputy Director, Corruption Prevention and Combating Bureau, Latvia. They were assisted by GRECO's Secretariat in drawing up the Compliance Report.
3. In the Compliance Report it adopted at its 46th plenary meeting (Strasbourg, 22-26 March 2010), GRECO concluded that the Slovak Republic had implemented satisfactorily only one of the sixteen recommendations in the Third Round Evaluation Report. GRECO, therefore, concluded that the very low level of compliance with the recommendations was "globally unsatisfactory" in the meaning of Rule 31, paragraph 8.3 of the Rules of Procedure. GRECO, therefore, decided to apply Rule 32 concerning members found not to be in compliance with the recommendations contained in the mutual evaluation report.
4. GRECO adopted a first Interim Report at its 49th Plenary Meeting (Strasbourg, 29 November - 3 December 2010). It concluded that a) with respect to Theme I – Incriminations, recommendations ii, iii and v remained partly implemented; recommendations iv and vi had not been implemented; b) with respect to Theme II – Transparency of Party Funding, recommendations i to x still had not been implemented. GRECO concluded that no tangible progress had been achieved by the Slovak Republic and in accordance with Rule 32, paragraph 2 subparagraph (ii). It decided to apply step 2 of the compliance enhancing procedure¹ and invited the country to provide a report regarding the action taken to implement the pending recommendations by 30 September 2011. This report was submitted on 23 September 2011, followed by additional information and clarification on 18 November.
5. This Second Interim Report assesses the further implementation of the pending recommendations since the adoption of the First Interim Report, and performs an overall appraisal of the level of the Slovak Republic's compliance with these recommendations.

II. ANALYSIS

Theme I: Incriminations

6. It is recalled that GRECO in its **Evaluation Report** addressed 6 recommendations to the Slovak Republic in respect of Theme I. In March 2010, the **Compliance Report** assessed recommendation i as implemented satisfactorily, recommendations ii, iii and v as partly implemented and recommendations iv and vi as not implemented. In the **first Interim Report** of December 2010, the Slovak authorities announced that an inter-ministerial "GRECO" Working Group (chaired by the Head of the Slovak delegation in GRECO and operational as from September 2010) was established with the unique purpose to achieve progress in implementing the outstanding recommendations, and that the Ministry of Justice would draw up, in an

¹ "(ii) the President of GRECO sending a letter, with a copy to the President of the Statutory Committee, to the Head of Delegation concerned, drawing his/her attention to non-compliance with the relevant recommendations".

accelerated procedure and in consultation with the Ministry of the Interior and the General Prosecutor's Office, an amendment to the Criminal Code in order to implement all the outstanding recommendations, for possible adoption in the beginning of 2011. GRECO took note of this but concluded that no tangible progress had been achieved since the Compliance Report.

7. In the information submitted in September and November last, the Slovak authorities state that Act No. 262/2011 *Coll. amending and supplementing Act No. 301/2005 Coll. the Criminal Procedure Code as amended, as well as other legal acts*, was adopted by the National Council on 13 July 2011 and entered into force on 1st September 2011. Article II of Act No. 262/2011 provides for a series of amendments to the Criminal Code.

Recommendation ii.

8. GRECO recommended (i) to review Sections 328 and 332, as well as 329 and 333 of the Criminal Code in order to ensure that bribery in the public sector is criminalised also in situations which do not involve a breach of duty or the "procurement of a thing of general interest", in line with the Criminal Law Convention on Corruption (ETS 173) and (ii) to consider, for the sake of clarity, criminalising bribery in the public and in the private sector in separate provisions, in conformity with the Convention.
9. GRECO recalls that in the Compliance Report of March 2010, this recommendation was considered "partly implemented". The Slovak authorities had provided information showing that the expression "procurement of a thing of general interest", used in Sections 329 and 333 CC, is interpreted broadly in court practice. At the same time, it was indicated that an expert analysis was under way. In the Interim Report of December 2010, no further reference was made to the expert analysis and it was indicated that the "Ministry of Justice will draw up, in an accelerated procedure, an amendment to the Criminal Code (Act No. 300/2005 Coll., as amended), designed to implement all the outstanding recommendations." It was understood that the expert analysis had apparently been concluded and that the legal amendments envisaged would also address the present recommendation.
10. The Slovak authorities now report that the Department of Legislation under the Ministry of Justice has analysed this recommendation, as announced in the Compliance Report, in the framework of the preparatory process that lead to Act No. 262/2011. A working group was established in January 2011 under the auspices of the Ministry of Justice, consisting of members of the competent Slovak authorities (Prosecutor's Offices, Courts, Police Headquarters, Ministry of Interior and Ministry of Justice). The Group, which meets once a month, concluded that the Slovak legislation currently in effect is sufficient, that the existing provisions are clear and provide for the criminalisation of all forms of corruption in the public sector and in the private sector in line with international obligations of the Slovak Republic. In the light of these conclusions, the Slovak authorities consider that there is no need to amend the current legislation along the lines suggested in the first part of the recommendation.
11. In relation to the second part of the recommendation, the authorities indicate that the Slovak legislation distinguishes between corruption in the public and in the private sectors through specific characteristics of the subject matter of the offence, e.g. a specific subject or motive, etc. As emerged from the expert discussions within the working group, the current provisions of the Criminal Code on corruption offences have not been questioned by law enforcement authorities or the judiciary, and their practical implementation so far has remained unproblematic. The Slovak authorities therefore do not consider it necessary to criminalise bribery in the public and in

the private sector in separate provisions, as such amendments could have a negative effect on the Slovak criminal legislation.

12. GRECO takes note of the information provided. It would appear that the Slovak authorities have come to another conclusion as regards the follow-up to be given to recommendation ii, compared to what was announced in the Interim Report. Nonetheless, the working group lead by the Ministry of Justice has carried out a review of the legislation and court practice – as suggested by recommendation ii – and, bearing in mind also the information provided in the Compliance Report by Slovakia, GRECO considers that the country has thus taken the necessary measures to implement this recommendation.
13. GRECO concludes that recommendation ii has been implemented satisfactorily.

Recommendation iii.

14. GRECO recommended to ensure that i) *trading in influence is criminalised in respect of all categories of domestic and foreign public officials upon whom influence is exerted, irrespective of the context of the offence, and ii) cases of alleged influence and non-exerted influence are covered by domestic law.*
15. GRECO recalls that in the Compliance Report, this recommendation was considered “partly implemented” since the Slovak authorities had provided information showing that cases of alleged influence and non-exerted influence are covered according to case-law, but no action had been taken to respond to part i) of this recommendation. In the Interim Report, the Slovak authorities announced that legislation would be adopted to address all outstanding matters.
16. The Slovak authorities indicate at present that Act No. 262/2011, which was adopted on 13 July 2011, has broadened the range of persons who are the target of the influence since in Section 336, para. 2 of the Criminal Code (hereafter: the CC), a reference to Sections 334 and 335 was inserted. Furthermore, in Sections 330 and 334 CC (which criminalise passive and active bribery of foreign public officials, respectively), the expression “in an international business transaction” was deleted; therefore, the context of the criminal offence is of no relevance anymore.
17. GRECO welcomes the amendments made to the Criminal Code. These do address the remaining underlying concern of the recommendation in an appropriate manner.
18. GRECO concludes that recommendation iii has been implemented satisfactorily.

Recommendation iv.

19. GRECO recommended to take measures to ensure that the criminal offence of bribery of foreign public officials under Slovak law is fully in line with the requirements of Art. 5 of the Criminal Law Convention on Corruption (ETS 173).
20. GRECO recalls that in the Compliance Report, this recommendation was considered as “not implemented” since Slovakia had taken no measures to address it. As indicated above, the Slovak authorities announced in the Interim Report that legislation would be adopted to address all outstanding matters.

21. The Slovak authorities report that as indicated above, with the Act No. 262/2011, the scope of Sections 330 and 334 CC (which criminalise passive and active bribery of foreign public officials, respectively) was significantly extended with the suppression of the expression “in an international business transaction”.
22. GRECO is pleased to see that concrete measures have been taken to implement this recommendation. Under these conditions, the second underlying concern² which had lead to recommendation iv, has lost most of its relevance and the main objective of the recommendation has been achieved.
23. GRECO concludes that recommendation iv has been implemented satisfactorily.

Recommendation v.

24. GRECO recommended *i) to criminalise bribery of domestic arbitrators and jurors, ensuring that the nature of their functions is fully captured, in line with the Additional Protocol to the Criminal Law Convention on Corruption (ETS 191); ii) to extend the provisions on bribery of foreign arbitrators and jurors beyond situations involving international business transactions or employment by an international judicial institution.*
25. GRECO recalls that in the Compliance Report, this recommendation was considered as “partly implemented”. Slovakia had provided explanations and information on court practice showing that the concerns which had lead to part i) of the recommendation had lost most of their pertinence, but no measures had been taken to address the second part of the recommendation. As indicated above, the Slovak authorities announced in the Interim Report that legislation would be adopted to address all outstanding matters.
26. The Slovak authorities indicate that as regards the first part of the recommendation, Act No. 262/2011 broadened the definition of foreign public officials provided for under Section 128 paragraph 2 letter a CC so that arbitrators and jurors are now covered by the definition: the words “arbitral authority of a foreign country” were inserted in this Section. With regard to the second part of the recommendation, Sections 330 and 334 CC were amended with the deletion of the expression “in an international business transaction”, as indicated earlier.
27. GRECO takes note of the amendments made in respect of Section 128 paragraph 2, as well as Sections 330 and 334 CC. It would appear that with the additional assurances and explanations provided in the Compliance Report, as well as the above amendments, the main concerns underlying this recommendation have been addressed.
28. GRECO concludes that recommendation v has been dealt with in a satisfactory manner.

² As indicated in paragraph 108 of the Evaluation Report, the GET felt that Section 133 paragraph 2 CC, which provides for a separate definition of foreign officials [the concepts of “public officials” and “foreign public officials” are defined in Section 128 CC], limits the concept to persons who – without being government officials – are in a position to exert “important influence in State or in international relations because of their political, economic or social status”. The GET had misgivings about the fact that this could restrict unnecessarily the scope of the definition but the Slovak authorities underlined that any official is, as such, in a position to exert an important influence in state or in international relations and therefore that Section 133 paragraph 2 covers all situations.

Recommendation vi.

29. GRECO recommended to examine the need to provide more explicitly for a broader concept of members of foreign assemblies in line with Article 6 of the Criminal Law Convention on Corruption (ETS 173), or at least to provide guidance on this matter in an appropriate manner.
30. GRECO recalls that in the Compliance Report, this recommendation was considered “non implemented” since Slovakia had taken no action to address it. As indicated above, the Slovak authorities announced in the Interim Report that legislation would be adopted to address all outstanding matters.
31. The Slovak authorities stress that Act No. 262/2011 broadened the definition of foreign public officials provided for under Section 128 paragraph 2 letter a also with the inclusion of persons holding an office *in a non-legislative assembly* of a foreign country. Furthermore, as indicated earlier, the incrimination of bribery of foreign public officials under Sections 330 and 334 CC is not limited anymore to situations involving an international business transaction.
32. GRECO welcomes the above amendments. It would appear that all the relevant Sections of the Criminal Code (Sections 330, 331, 334 and 335 CC) are now fully applicable to members of public assemblies whatever the type of assembly and context in which the bribery offence occurs.
33. GRECO concludes that recommendation vi has been implemented satisfactorily.

Theme II: Transparency of Party Funding

34. It is recalled that GRECO in its **Evaluation Report** addressed ten recommendations to the Slovak Republic in respect of Theme II. In March 2010, given the absence of any meaningful follow-up, the **Compliance Report** assessed these recommendations as not implemented. In the **first Interim Report** of December 2010, the Slovak authorities reported that the implementation of the ten recommendations was considered from a global perspective and that, in its Policy Statement for the period of 2010-2014, the Government of the Slovak Republic committed itself to draw up an Election Code in order to comply with these recommendations. The Slovak authorities provided information on the initiation of a process aimed at gathering input for the “GRECO” Working Group to commence work in this area. GRECO concluded that there had been no meaningful progress and that certain recommendations could have been implemented without legal changes.
35. In their latest information, the Slovak authorities indicate that the government instructed the Minister of Interior by Resolution No. 883 of 15th December 2010 to prepare a draft Election Code (hereinafter, the EC). Given the political and technical challenge of this codification³, the Minister of the Interior has set up a working group involving the political parties represented in parliament, selected categories of professionals, NGOs and representatives of local government. The draft has been finalised recently and parts of it (4 Sections) have been made available in English by the authorities. The draft will be submitted to the Government in December 2011 and will then be

³ The current legal framework governing elections consists of six acts which have been modified over the years and as a result, this framework is inconsistent. This has led in recent years political actors, professionals but also the general public to discuss the need for consolidation in a single Electoral Code the rules governing the different elections (e.g. as regards the conduct and limitations to campaigns and campaigning activity, ways to avoid the manipulation of election results and to increase transparency of campaign financing) also in connection with the GRECO recommendations issued in 2008

sent to the National Council for adoption. The Slovak authorities point out that the objective is that it enters into force on 1st January 2013.

36. The Slovak authorities also point out that Act No. 85/2005 Coll. "On Political Parties and Political Movement" will be amended as well in order to address several GRECO recommendations. A proposal to that effect is expected to be submitted to the Government in the third quarter of 2012.

Recommendation i.

37. GRECO recommended *to require candidates for elections to the National Council to disclose all donations they have received in relation to their political activities - including their source (at least above a certain threshold), nature and value - and details of the expenditure incurred.*
38. The Slovak authorities report that the requirements of this recommendation are currently addressed in the draft Election Code (hereinafter, the EC) under Section 22 paragraphs 1, 7, 8, 9, 12 and 13. Section 22 EC requires all campaign participants without distinction, whether political parties or independent candidates in the various elections, to disclose all donations they have received in connection with the election campaign, including the source, nature and value of individual donations, as well to disclose information on campaign expenditure.
39. GRECO takes note of the above information which seems to broadly reflect the content of the recommendation; GRECO will obviously need to re-examine the precise content of the proposed legislation once it is more advanced. For the time being, the EC provisions are at an early stage of preparation / adoption.
40. GRECO concludes that recommendation i has been partly implemented.

Recommendation ii.

41. GRECO recommended *to take measures to enhance the transparency of income and expenditure of parties and candidates at local and regional level (in particular in connection with mayoral elections).*
42. The Slovak authorities stress that the requirements of this recommendation are currently reflected in the draft EC under Section 22 paragraphs 1, 4, 5, 6, 8, 9, 12 and 13. The draft EC provides for measures to increase transparency of income and expenditure of campaign participants also in local and regional elections. They will be required to keep a separate bank account (used exclusively for the funding of their campaign), to receive funds only by bank transfer from another account and with the identification of the account holder, to keep specific records, to disclose within a specified time the details of expenditure incurred (either on their website, in print media, on radio, on television etc.). Candidates will be required to indicate both a provisional amount of expenditure and the actual amounts spent.
43. GRECO takes note of the above information. The content of the (draft) EC seems to address to some extent the underlying concerns of recommendation ii. GRECO would obviously need to examine the provisions in the light of an English translation and for the time being, the EC provisions are at an early stage of preparation / adoption. For the time being, it would appear that no action is planned as regards ways to increase also the transparency of party financing at local and regional level (paragraph 87 pointed to the fact that despite the need for political parties to consolidate their accounts so as to include regional and local branches, this requirement seems

to be complied with to a variable degree in practice); addressing this matter might require also measures other than legal amendments to the electoral legislation (e.g. awareness raising measures, clarification of accounting and record-keeping standards and/or issuance of guidance documents, additional supervisory efforts).

44. GRECO concludes that recommendation ii has been partly implemented.

Recommendation iii.

45. GRECO recommended *to introduce proportionate disclosure rules for expenditure incurred by entities outside the party structure, related directly or indirectly to the party, in connection with election campaigns.*
46. The Slovak authorities indicate that the requirements of this recommendation are currently reflected in the draft EC under Section 22 paragraph 1, 4, 5, 6, 8, 9, 12 and 13 and that this is addressed in the context of the obligation to keep a separate campaign account and the identification of donors from whose accounts funds are transferred, and to it also imposes an obligation to disclose the amount of planned and actual sum on the election campaign.
47. GRECO takes note of the information provided and considers that it does not address the purpose of the recommendation, which deals with the issue of third parties. As stressed in paragraph 88 of the Evaluation Report, "it would appear that in the Slovak system, political parties are not required to provide (financial) information as regards entities related directly or indirectly to them or otherwise under their control, if they have a separate legal personality from the party (...)." Slovakia clearly needs to deal with this matter.
48. GRECO concludes that recommendation iii has not been implemented.

Recommendation iv.

49. GRECO recommended (i) *to ensure that the annual reports of political parties are easily accessible to the public and (ii) to establish a standardised format (accompanied by appropriate instructions, if necessary) for the campaign and annual reports to be submitted by political parties.*
50. the Slovak authorities recall that under the current legislation, political parties are obliged to compile annual financial reports, and to submit these within a specified period to the National Council of the Slovak Republic, which publishes those reports on its website to ensure easy public access to their content (from the website, they can be downloaded or copied). Nevertheless, this problem will be addressed through appropriate amendments to the Act No. 85/2005 Coll. on Political Parties and Political Movements, as amended, and the proposal should be submitted to the Government of the Slovak Republic in the third quarter of the 2012, as indicated earlier.
51. GRECO takes note of the above information and recalls that paragraph 89 of the evaluation report pointed to the fact that "the reports published on the website of the National Council are very hard to find due to the fact that they are categorised by a number and not by their name⁴. Furthermore, neither Act No. 85/2005, nor any other (secondary) regulation prescribes the format

⁴ The GET was informed that it was foreseen, in the near future, to categorise the annual reports by their title, instead of by their file number.

in which parties are required to report on their routine and campaign finances.” It is thus clear that the Slovak authorities need to take a series of measures to implement this recommendation.

52. GRECO concludes that recommendation vi has not been implemented.

Recommendation v.

53. GRECO recommended *to provide a single body with a mandate and adequate resources to supervise and investigate party funding (both from private and public sources) and election campaign finances, including those of election candidates, and to ensure that this body is in a position to exercise its functions in an independent and impartial manner.*
54. The Slovak authorities point out that this recommendation is addressed by the current draft EC under Section 16, specifically in paragraph 1 letter d) and letter m). Pursuant to the draft provisions, exclusive competence will be given to the Central Election Commission, as a new permanent independent body, to supervise in the context of the various elections, the expenditure of political parties, political movements and candidates, regardless of whether the income emanates from private or public sources. It is intended that the Commission will not be subordinated to any other authority and this would guarantee the independence and impartiality of supervision in future, as the Slovak authorities underline.
55. GRECO takes note of the above information and recalls that paragraphs 90 to 94 of the Evaluation Report had presented a series of considerations and issues, which led to recommendation v which deals with desirable improvements – including consolidation – concerning the supervision of both “party funding...and election campaign finances” (see also paragraph 62 et seq. below). The Slovak authorities appear to be in the process of addressing the matter of supervision only insofar as the financing of election campaigns is concerned – it would appear that consolidation of supervision is not being considered. Also, additional information would have been needed for GRECO to assess the EC’s intended means, control powers and professional capacity which would enable it to perform financial supervisory tasks. Since many questions remain open and the EC is at an early preparation /adoption stage, GRECO cannot conclude from the information provided that tangible measures have been taken to address this recommendation, even partly.

56. GRECO concludes that recommendation v has not been implemented.

Recommendation vi.

57. GRECO recommended *to review the sanctions available for violations of the rules on political funding, to ensure that these are proportionate and dissuasive.*
58. The Slovak authorities state that the above matter will be addressed through appropriate amendments to Act No. 85/2005 Coll. on Political Parties and Political Movements, as amended (as indicated earlier, these amendments are planned to be submitted to the Government in the third quarter of 2012).
59. GRECO takes note of the above information, which refers without further details to the intention of amending Act No. 85/2005. GRECO also recalls that although the focus of paragraph 95 of the Evaluation Report was on party financing, it stressed the need to improve the system of sanctions applicable both in the context of the financing of political parties and of election campaigns, which

may require amendments to different pieces of legislation. In this context, the draft EC provides for a variety of penalties (1000, 3000, 10,000 and even up to 100,000 Euros, depending on the case) – see also paragraphs 69 et seq. hereinafter – in case of infringements but the excerpts provided in English do not allow to assess whether this applies in respect of the various pertinent requirements of the EC (for instance those concerning the sources of financing). Given these uncertainties, the fact that the EC is at an early preparation / adoption stage and that no follow-up has been given as regards sanctions in respect of the regular financing of political parties, GRECO cannot conclude from the information provided that tangible measures have been taken to address this recommendation, even partly.

60. For the time being, GRECO can only conclude that recommendation vi has not been implemented.

Recommendation vii.

61. GRECO recommended to ensure that the mechanism by which sanctions are imposed for violations of the rules on political funding is independent, impartial and effective in practice.
62. The Slovak authorities state that the above matter is addressed by the current draft EC under Section 22 paragraphs 10 to 16 and that the independence, impartiality and effectiveness of the mechanism for imposing fines for breaking the rules on election campaign financing will be ensured by the independence of Central Election Commission. Under the current legislation, the Ministry of Finance has competence to impose fines on political parties which do not submit the relevant reports within the deadlines (interim or final report, annual report to be submitted to the National Council), if they do not address identified deficiencies within the prescribed period, if they receive donations or support free of charge in contradiction with the law. The Ministry imposes a fine corresponding to twice the value of the donation of illegitimate support received. The Slovak authorities stress, however, that the sanctions will be reviewed in the context of the upcoming amendments to Act No. 85/2005 Coll. on Political Parties and Political Movements.
63. GRECO takes note of the above information. It recalls that paragraphs 90 to 94, and paragraph 96 of the Evaluation Report had stressed the apparent ineffectiveness of the current supervisory arrangements. The information provided by the Slovak authorities does not allow, at this stage, to draw any conclusion as regards the intended improvements (Section 22 of the draft EC does not deal with supervision proper), although entrusting the Central Election Commission may be a step in the right direction. GRECO will obviously need to re-examine the progress made regarding this recommendation in the light of additional information on the future supervisory arrangements applicable for the financing of political parties and election campaigns. As mentioned in paragraph 96 of the evaluation report, “the GET was not made aware of any sanctions ever having been imposed for infringements of party funding rules, other than for non-submission of financial reports (...). During the on-site visit, it was acknowledged that the level of compliance with the old law and Act No. 85/2005, made the effectiveness of the sanctioning mechanism questionable. (...) Although the observed lack of enforcement may be related to ineffective supervision and the lack of investigative capacity on the part of supervisory entities (...), the GET also has doubts whether the Ministry of Finance is sufficiently independent to impose the sanctions at its disposal.”
64. For the time being, GRECO can only conclude that recommendation vii has not been implemented.

Recommendation viii.

65. GRECO recommended to provide advice and training to political parties and election candidates on the applicable political funding regulations.
66. The Slovak authorities point out that this recommendation is addressed by the current draft EC under Section 16, paragraph 2. In order to facilitate the implementation of the EC in practice, the Central Election Commission will be required to provide and ensure methodological support and advice to political parties, political movements, individual candidates and persons entitled to vote in all types of elections. Methodological advice and assistance are currently provided to political parties, their candidates and voters through the media and through special information lines established by the Ministry of Interior.
67. GRECO takes note of the above information and cannot conclude that meaningful measures have been adopted since 2008 to implement this recommendation, which is one of those which actually did not require changes to the existing legal framework.
68. GRECO concludes that recommendation viii has not been implemented.

Recommendation ix.

69. GRECO recommended to establish liability of election candidates for infringements of political funding rules, in line with the rules applying to political parties.
70. The Slovak authorities point out that this recommendation is addressed by the current draft EC under Section 22 paragraph 16 and Section 43. The liability of election candidates for violating the rules on campaign financing is provided for and will be applied by the Central Election Commission. The draft EC foresees a gradated range of sanctions applicable according to the severity of the case and its social danger.
71. GRECO takes note of the above information; the draft provisions, if adopted, would clearly fill an important gap in Slovak legislation. GRECO notes that various transparency-related requirements seem to lead to fines of 1000, 3000, 10,000 and even up to 100,000 Euros, depending on the situation, in case of irregularities in the context of campaign financing. GRECO will need to re-examine the actual improvements and consistency of the EC with the rules applying to political parties, once the draft is more advanced.
72. GRECO concludes that recommendation ix has been partly implemented.

Recommendation x.

73. GRECO recommended to assess whether there is a need to amend the provisions of Act No 46/1999 on the Method of Election of the President with a view to enhancing the transparency of the funding of presidential candidates (to ensure that the amended provisions, if any, are in line with the requirements of Act No. 85/2005 Coll. on Political Parties and Political Movements).
74. The Slovak authorities recall that the main purpose of the draft EC is to consolidate the different laws which regulate each election, including Act No. 46/1999 which concerns the presidential elections. In future, all elections will be subject to the same rules as regards transparency of campaign financing.

75. GRECO takes note of the above information which confirms once again that the draft EC provides for important improvements. For the time being, it is still at an early preparation / adoption stage and GRECO will need to re-examine the actual improvements and content of the EC once it is more advanced.

76. GRECO concludes that recommendation x has been partly implemented.

III. CONCLUSIONS

77. **In view of the above, GRECO concludes that the Slovak Republic has now implemented satisfactorily or dealt with in a satisfactory manner six of the sixteen recommendations contained in the Third Round Evaluation Report.** With respect to Theme I – Incriminations – recommendations i, ii, iii, iv and vi have been implemented satisfactorily and recommendation v has been dealt with in a satisfactory manner. With respect to Theme II – Transparency of Party Funding – recommendations i, ii, ix and x have been partly implemented, and recommendations iii to viii remain non-implemented.
78. GRECO welcomes that Slovakia has adopted a series of legal amendments and taken other measures which enable it to comply with all of the six recommendations addressed in the context of Theme I (incriminations of corruption). As regards Theme II (Transparency of Party Funding), a process has been initiated which should lead to the adoption of an Election Code which is meant to introduce significant improvements as regards transparency of campaign financing in Slovakia. It still needs to be adopted by the Government and the Parliament but its entering into force is expected for 1st January 2013. Slovakia also announces plans to amend the rules on party financing contained in Act No. 85/2005 Coll. “On Political Parties and Political Movement”. No information is available as regards the precise content of the intended amendments to Act 85/2005 but the relevant proposal is reportedly to be submitted to the Government in the third quarter of 2012.
79. In view of the above, GRECO therefore concludes that the current level of compliance with the recommendations is no longer “globally unsatisfactory” in the meaning of Rule 31, paragraph 8.3 of the Rules of Procedure. GRECO therefore decides not to continue applying Rule 32 concerning members found not to be in compliance with the recommendations contained in the evaluation report.
80. Pursuant to paragraph 8.2 of Rule 31 revised of the Rules of Procedure, GRECO requests the Head of the Slovak delegation to provide a report regarding the action taken to implement the pending recommendations (i.e. recommendations i to x regarding Theme II) by 30 September 2012.
81. Finally, GRECO invites the authorities of the Slovak Republic to authorise, as soon as possible, the publication of the present report, to translate it into the national language and to make this translation public.