



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



COUNCIL OF EUROPE    CONSEIL DE L'EUROPE

**DIRECTORATE GENERAL I – LEGAL AFFAIRS**  
**DEPARTMENT OF CRIME PROBLEMS**

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## **Third Evaluation Round**

# **Questionnaire on Transparency of Party Funding**

Adopted by GRECO at its 29<sup>th</sup> Plenary Meeting  
(Strasbourg, 19-23 June 2006)

States are requested to answer the questions with regard to central, regional and local levels to the extent possible. Federal States may, in respect of their sovereign entities, answer the questions in a summarised way.

Whenever questions/answers refer to legislation or other regulations, please provide the relevant text (or summary thereof) in English or French.

## **I. General part**

1. Please describe the legal framework in your country, in particular, with regard to the following elements:
  - a) the legal definition of political parties,
  - b) if there is no legal definition, please provide other definition(s),
  - c) do political parties hold legal personality,
  - d) the requirements for recognising and/or registration of a political party.
2. Please provide, where applicable,
  - a) the number of recognised and/or registered political parties in your country,
  - b) a list of political parties who participated in the most recent national assembly/ies election,
  - c) information on which parties are represented in the national assembly/ies and their number of seats.
3. Please describe the rules for participating in elections and if there are threshold rules to enter the national parliament / assembly/ies (a minimum number of votes, per cent of the votes cast, etc).
4. Please provide an overview of the rules/principles (and submit/indicate the relevant parts of the constitution/law/by-law, etc) on the financing at national level of
  - a) political parties,
  - b) entities related, directly or indirectly, to political parties or otherwise under the control of a political party (including organisations/groups participating in an election campaign, e.g. issue based campaigning),
  - c) organisations affiliated to political parties,
  - d) electoral campaigns of political parties(including organisations/groups participating in an election campaign, e.g. issue based campaigning), regular and ad-hoc elections, referenda,
  - e) candidates for election.
5. Please indicate to what extent and in which context there are restrictions (exhaustive list if possible) and/or limits on the provision/acceptance of various sources for funding of the entities/persons/issues as listed in Question 4 with regard to
  - a) party membership subscriptions (flat or differentiated),
  - b) public funding (e.g. monetary, subsidies, tax exemption, free or discounted use of services),
  - c) contributions from entities related to a party,
  - d) contributions from/to elected representatives,
  - e) cash and non-cash donations,
  - f) income from property,
  - g) loans,
  - h) income from party business or activities,
  - i) fundraising activities,

- j) private business,
  - k) individuals,
  - l) other sources, please specify.
6. If your country provides direct or indirect public funding, please explain
- a) who can receive the public funding,
  - b) for what purpose,
  - c) the conditions which must be met in order to receive public funding,
  - d) basis and method for allocation,
  - e) different forms of indirect funding<sup>1</sup> including limits on such funding.
7. If your country allows for private funding, please describe to what extent, if at all, such funding may consist of
- a) contributions from anonymous contributors,
  - b) contributions which do not require disclosure of the contributor,
  - c) contributions from corporate entities and publicly held companies,
  - d) contributions from entities which provide or seek to provide goods or services to public administration,
  - e) contributions from foreign persons/entities,
  - f) contributions from non-profit organisations, such as employee or employers' organisations, religious institutions, political organisations etc,
  - g) other sources (e.g. legacies, trusts).
8. Are there limits with regard to the amount/size/periodicity of contributions a private contributor can make - or may be received - by political parties or by other entities or persons as listed in Question 4?
9. Are contributions to political parties, entities affiliated with political parties, elected representatives, candidates for election and election campaigns tax deductible? If yes, please explain.
10. Please specify with regard to their expenditure, any quantitative or qualitative restrictions or limits in your country concerning
- a) political parties,
  - b) entities related, directly or indirectly, to political parties or otherwise under the control of a political party (including organisations/groups participating in an election campaign, e.g. issue based campaigning),
  - c) organisations affiliated with political parties,
  - d) electoral campaigns of political parties, regular and ad-hoc elections, referenda,
  - e) candidates for election.
11. If the rules as requested above differ at the sub-national level, please summarise.

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<sup>1</sup> "Indirect funding" could be for example various forms of state subsidizes, such as free time on state television, use of premises etc.

## II. Specific part

### i) Transparency (Articles 11, 12 and 13b of Recommendation Rec(2003)4<sup>2</sup>)

#### **Article 11 Accounts**

States should require political parties and the entities connected with political parties mentioned in Article 6 to keep proper books and accounts. The accounts of political parties should be consolidated to include, as appropriate, the accounts of the entities mentioned in Article 6.

*(Entities mentioned in Article 6: "all entities which are related, directly or indirectly, to a political party or are otherwise under the control of a political party".)*

#### **Article 12 Records of donations**

a. States should require the accounts of a political party to specify all donations received by the party, including the nature and value of each donation.

b. In case of donations over a certain value, donors should be identified in the records.

#### **Article 13 Obligation to present and make public accounts**

b. States should require political parties regularly, and at least annually, to make public the accounts referred to in Article 11 or as a minimum a summary of those accounts, including the information required in Article 10, as appropriate, and in Article 12.

#### Books and accounts

12. Please describe the rules and practices for keeping books, records, financial accounts and supportive documents of income and expenditure of
- a) political parties,
  - b) entities related, directly or indirectly, to political parties or otherwise under the control of a political party (including organisations/groups participating in an election campaign, e.g. issue based campaigning),
  - c) organisations affiliated to political parties,
  - d) electoral campaigns of political parties, regular and ad-hoc elections, referenda,
  - e) candidates for election.

N.B. When answering question 12, please make sure that all issues in the following checklist are covered:

- to what extent debts and assets are required to be included in the records,
- which contributions are required to be included (financial donations and in-kind contributions, such as services provided for free or with a discount,
- to what extent the nature and value of contributions are to be detailed,
- how contributions are required to be reported: individually or in aggregate form,
- the details of the information required with regard to the identity of donors, lenders and other contributors (names, addresses or social security numbers etc.),
- if only contributions above a certain amount are required to be identified, have any measures been taken to ensure that donations from a single source

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<sup>2</sup> See appendix.

- are not being split into several smaller donations by either the contributor or the recipient,*
- *if permitted, how foreign contributions are registered/recorded,*
  - *how loans are registered/recorded,*
  - *how written off (forgiven) loans are registered/recorded (as donations?)*
  - *whether the cash value of contributed products and services is required to be included,*
  - *which expenditure is required to be included in the accounts and the level of detail,*
  - *with respect to expenditure, whether information on the purpose, amount and vendor or provider of a service is required to be included,*
  - *whether expenditure made by organisations related to a party is required to be included,*
  - *to what extent accounting records of political parties are required to make a distinction between regular income/expenditure on the one hand, and income/expenditure in election campaigns on the other,*
  - *how income/expenditure of different election campaigns running in parallel, is distinguished from each other in the accounts,*
  - *whether certified accountants/audits are required.*
13. Please explain the requirements – if any - placed upon contributors, natural or legal persons (including foreign contributors), with regard to the recording/reporting of contributions made to
- a) political parties,
  - b) entities related, directly or indirectly, to political parties or otherwise under the control of a political party (including organisations/groups participating in an election campaign, e.g. issue based campaigning),
  - c) organisations affiliated to political parties,
  - d) electoral campaigns of political parties, regular and ad-hoc elections, referenda,
  - e) candidates for election.
14. Please describe to what extent the entities and persons referred to in Question 13 are required to report various forms of income (including donations) and expenditure, as well as their origin, to competent authorities:
15. Are the entities and persons, referred to in Question 13, required to make their financial records public?
- a) How often in general and where?
  - b) When in relation to an election?
  - c) What is the format and content of the financial records to be made public? Please list which information, if any, may be excluded from being published, using the *checklist* contained in Question 12.
  - d) How can the public access the information?
  - e) Are there other ways for the general public and the media to have access to the information contained in the financial records? For example, are the accounts accessible under the general regulations on access to public documents? If so, please provide further details.
16. To what extent have competent authorities (e.g. law enforcement, prosecution, tax authorities etc) access to the accounting records of the entities referred to in Question 13? What are the procedures to access such records?
17. Please indicate for how long records must be held by entities and persons referred to in Question 13 and by a mechanism/authority referred to in Question 19.

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

**Article 14 Independent monitoring**

*a. States should provide for independent monitoring in respect of the funding of political parties and electoral campaigns.*

*b. The independent monitoring should include supervision over the accounts of political parties and the expenses involved in election campaigns as well as their presentation and publication.*

18. Please describe to what extent the accounts of the below listed entities and persons are subject to internal audits. If so, please describe the selection of auditors in respect of:
- a) political parties,
  - b) entities related, directly or indirectly, to political parties or otherwise under the control of a political party (including organisations/groups participating in an election campaign, e.g. issue based campaigning),
  - c) organisations affiliated to political parties,
  - d) electoral campaigns of political parties, regular and ad-hoc elections, referenda,
  - e) candidates for election.
19. Please describe the mechanism/s or authority/ies (if any) in your country entrusted with monitoring adherence of the entities and persons referred to in Question 18 to political financing laws and regulations in general and with checking the relevant accounting records and supporting documentation of these entities and persons.
20. Please describe the legal and institutional framework with regard to this (these) mechanism(s) / authority(ies) referred to in Question 19, in particular as regards
- independence and accountability,
  - structure,
  - organisation,
  - funding,
  - composition, appointments, staff qualifications and term of office,
  - remit (accounts of political parties, electoral campaigns etc.),
  - powers: (regular checking of accounting records, interpreting relevant laws, investigative powers in respect of suspected violations of political financing regulations, applying sanctions, regulatory function etc.),
  - type of body (electoral commission, parliamentary commission, anti-corruption body, audit institution or other),
  - resources available,
  - measures to prevent undue influence,
  - co-operation with other competent authorities, such as law enforcement.
21. Please describe the procedure that follows if suspected infringements of political financing regulations are encountered. Are there any reporting obligations? Where to? What is the trigger for investigations of suspected infringements (complaints from citizens, *ex officio*)?
22. If possible, please provide information concerning the number of investigations, prosecutions and convictions as well as the types of cases dealt with within the framework of political funding supervision and/or by the law enforcement since 1996.

23. Please describe the reporting requirements and requirements for making the reports public (where applicable) upon the monitoring body/mechanism, referred to in Question 19. Are there any exceptions?

**iii) Sanctions (Article 16 of Recommendation Rec(2003)4)**

**Article 16 Sanctions**

*States should require the infringement of rules concerning the funding of political parties and electoral campaigns to be subject to effective, proportionate and dissuasive sanctions.*

24. What sanctions and measures (taking into account administrative, civil and criminal liability) are foreseen for what violations in case an entity or person listed below is held liable for violation of different political financing laws and regulations? Please specify.
- a) political parties,
  - b) entities related, directly or indirectly, to political parties or otherwise under the control of a political party (including organisations/groups participating in an election campaign, e.g. issue based campaigning),
  - c) organisations affiliated to political parties,
  - d) electoral campaigns of political parties, regular and ad-hoc elections, referenda,
  - e) candidates for election.
25. Who can impose these sanctions and/or measures? What, if any, are the appeal possibilities?
26. On whom can these sanctions be imposed (parties, individuals etc.)? Is it specified who is to be held accountable for which infringement of the laws and regulations? Would sanctions imposed on a party exclude that individuals be sanctioned and *vice-versa*?
27. Are there any persons (elected representatives or candidates for election) or entities (political parties or related entities) who benefit from immunities allowing them to avoid proceedings or sanctions for violating political funding laws and regulations? If so, please specify. Under which criteria and by whom can these immunities be lifted?
28. Please explain the rules on statutes of limitation in respect of procedure and sanctions for violation of laws and regulations on political financing.
29. Please provide information (statistics or examples) on sanctions imposed on political parties, entities which are related, directly or indirectly, to a political party or under the control of a political party, elected representatives, candidates for election, third parties or others found liable of breaching political financing regulations since 1996, if possible.

## **APPENDIX**

# **COUNCIL OF EUROPE**

## **COMMITTEE OF MINISTERS**



### **Recommendation Rec(2003)4 of the Committee of Ministers to member states on common rules against corruption in the funding of political parties and electoral campaigns**

*(Adopted by the Committee of Ministers on 8 April 2003  
at the 835th meeting of the Ministers' Deputies)*

The Committee of Ministers, under the terms of Article 15.b of the Statute of the Council of Europe,

Considering that the aim of the Council of Europe is to achieve a greater unity between its members,

Considering that political parties are a fundamental element of the democratic systems of states and are an essential tool of expression of the political will of citizens,

Considering that political parties and electoral campaigns funding in all states should be subject to standards in order to prevent and fight against the phenomenon of corruption,

Convinced that corruption represents a serious threat to the rule of law, democracy, human rights, equity and social justice, that it hinders economic development, endangers the stability of democratic institutions and undermines the moral foundations of society,

Having regard to the recommendations adopted at the 19th and 21st Conferences of European Ministers of Justice (Valetta, 1994 and Prague, 1997 respectively),

Having regard to the Programme of Action against Corruption adopted by the Committee of Ministers in 1996,

In accordance with the Final Declaration and the Plan of Action adopted by the Heads of State and Government of the Council of Europe at their Second Summit, held in Strasbourg on 10 and 11 October 1997,

Having regard to Resolution (97) 24 on the twenty guiding principles for the fight against corruption, adopted by the Committee of Ministers on 6 November 1997 and in particular Principle 15, which promotes rules for the financing of political parties and election campaigns which deter corruption,

Having regard to Recommendation 1516 (2001) on the financing of political parties, adopted on 22 May 2001 by the Council of Europe's Parliamentary Assembly,



In the light of the conclusions of the 3rd European Conference of Specialised Services in the Fight against Corruption on the subject of Trading in Influence and Illegal Financing of Political Parties held in Madrid from 28 to 30 October 1998,

Recalling in this respect the importance of the participation of non-member states in the Council of Europe's activities against corruption and welcoming their valuable contribution to the implementation of the Programme of Action against Corruption,

Having regard to Resolution (98) 7 authorising the Partial and Enlarged Agreement establishing the Group of States against Corruption (GRECO) and Resolution (99) 5 establishing the Group of States against Corruption (GRECO), which aims at improving the capacity of its members to fight corruption by following up compliance with their undertakings in this field,

Convinced that raising public awareness on the issues of prevention and fight against corruption in the field of funding of political parties is essential to the good functioning of democratic institutions,

Recommends that the governments of member states adopt, in their national legal systems, rules against corruption in the funding of political parties and electoral campaigns which are inspired by the common rules reproduced in the appendix to this recommendation, – in so far as states do not already have particular laws, procedures or systems that provide effective and well-functioning alternatives, and instructs the "Group of States against Corruption – GRECO" to monitor the implementation of this recommendation.

#### *Appendix*

### **Common rules against corruption in the funding of political parties and electoral campaigns**

#### **I. External sources of funding of political parties**

##### **Article 1 Public and private support to political parties**

The state and its citizens are both entitled to support political parties.

The state should provide support to political parties. State support should be limited to reasonable contributions. State support may be financial.

Objective, fair and reasonable criteria should be applied regarding the distribution of state support.

States should ensure that any support from the state and/or citizens does not interfere with the independence of political parties.

##### **Article 2 Definition of donation to a political party**

Donation means any deliberate act to bestow advantage, economic or otherwise, on a political party.

### **Article 3 General principles on donations**

a. Measures taken by states governing donations to political parties should provide specific rules to:

- avoid conflicts of interests,
- ensure transparency of donations and avoid secret donations,
- avoid prejudice to the activities of political parties,
- ensure the independence of political parties.

b. States should:

- i. provide that donations to political parties are made public, in particular, donations exceeding a fixed ceiling,
- ii. consider the possibility of introducing rules limiting the value of donations to political parties,
- iii. adopt measures to prevent established ceilings from being circumvented.

### **Article 4 Tax deductibility of donations**

Fiscal legislation may allow tax deductibility of donations to political parties. Such tax deductibility should be limited.

### **Article 5 Donations by legal entities**

a. In addition to the general principles on donations, states should provide:

- i. that donations from legal entities to political parties are registered in the books and accounts of the legal entities, and
- ii. that shareholders or any other individual member of the legal entity be informed of donations.

b. States should take measures aimed at limiting, prohibiting or otherwise strictly regulating donations from legal entities which provide goods or services for any public administration.

c. States should prohibit legal entities under the control of the state or of other public authorities from making donations to political parties.

### **Article 6 Donations to entities connected with a political party**

Rules concerning donations to political parties, with the exception of those concerning tax deductibility referred to in Article 4, should also apply, as appropriate, to all entities which are related, directly or indirectly, to a political party or are otherwise under the control of a political party.

### **Article 7 Donations from foreign donors**

States should specifically limit, prohibit or otherwise regulate donations from foreign donors.

## **II. Sources of funding of candidates for elections and elected officials**

### **Article 8 Application of funding rules to candidates for elections and elected representatives**

The rules regarding funding of political parties should apply *mutatis mutandis* to:

- the funding of electoral campaigns of candidates for elections,
- the funding of political activities of elected representatives.

## **III. Electoral campaign expenditure**

### **Article 9 Limits on expenditure**

States should consider adopting measures to prevent excessive funding needs of political parties, such as, establishing limits on expenditure on electoral campaigns.

### **Article 10 Records of expenditure**

States should require particular records to be kept of all expenditure, direct and indirect, on electoral campaigns in respect of each political party, each list of candidates and each candidate.

## **IV. Transparency**

### **Article 11 Accounts**

States should require political parties and the entities connected with political parties mentioned in Article 6 to keep proper books and accounts. The accounts of political parties should be consolidated to include, as appropriate, the accounts of the entities mentioned in Article 6.

### **Article 12 Records of donations**

*a.* States should require the accounts of a political party to specify all donations received by the party, including the nature and value of each donation.

*b.* In case of donations over a certain value, donors should be identified in the records.

### **Article 13 Obligation to present and make public accounts**

*a.* States should require political parties to present the accounts referred to in Article 11 regularly, and at least annually, to the independent authority referred to in Article 14.

*b.* States should require political parties regularly, and at least annually, to make public the accounts referred to in Article 11 or as a minimum a summary of those accounts, including the information required in Article 10, as appropriate, and in Article 12.

## **V. Supervision**

### **Article 14 Independent monitoring**

*a.* States should provide for independent monitoring in respect of the funding of political parties and electoral campaigns.

*b.* The independent monitoring should include supervision over the accounts of political parties and the expenses involved in election campaigns as well as their presentation and publication.

### **Article 15 Specialised personnel**

States should promote the specialisation of the judiciary, police or other personnel in the fight against illegal funding of political parties and electoral campaigns.

## **VI. Sanctions**

### **Article 16 Sanctions**

States should require the infringement of rules concerning the funding of political parties and electoral campaigns to be subject to effective, proportionate and dissuasive sanctions.