



COUNCIL OF EUROPE CONSEIL DE L'EUROPE

Crime Problems Department
Directorate General I – Legal Affairs

(January 2006)

IMPLEMENTATION OF ANTI-CORRUPTION PLANS IN SOUTH-EASTERN EUROPE (PACO IMPACT)

Guidelines for Drafting Anti-corruption Law and Draft of the Law on Anti-corruption in Serbia

By:

Mr Drago Kos, Slovenia



PC-TC (2006) 5

PACO Impact is funded by the Swedish
International Development
Cooperation Agency (Sida)

Table of Contents

1	INTRODUCTION -----	4
2	GUIDELINES FOR THE LAW -----	5
2.1	OPTION I: LAW ON A PARTICULAR ANTI-CORRUPTION BODY -----	5
2.1.1	Status within the Structure of other State institutions-----	5
2.1.2	Establishment and Appointments-----	5
2.1.3	Field of Work-----	6
2.1.4	Authority -----	7
2.2	OPTION II: LAW ON COMPREHENSIVE PREVENTION OF CORRUPTION -----	7
3	CONCLUSIONS -----	7
4	DRAFT LAW ON PREVENTION OF CORRUPTION (10/12/05 VERSION) -----	9
4.1	CHAPTER 1: GENERAL PROVISIONS -----	9
4.1.1	Purpose of the Act-----	9
4.1.2	Definitions-----	9
4.1.3	Invalidity of Legal Acts and Damage of Compensation-----	9
4.2	CHAPTER 2: ANTI-CORRUPTION AGENCY OF REPUBLIC OF SERBIA -----	10
4.2.1	Structure of the Agency and Appointments -----	10
4.2.2	Dismissal of the Director and Deputy Director -----	11
4.2.3	Director of the Agency -----	11
4.2.4	Rules of Procedure and Other General Acts -----	11
4.2.5	Supervisory Board -----	12
4.2.6	Powers of the Agency and Protection of Certain Categories of Persons-----	13
4.2.7	Tasks of the Anti-corruption Agency -----	13
4.3	CHAPTER 3: RESTRICTIONS REGARDING THE CONFLICT OF INTERESTS AND ACCEPTANCE OF	
GIFTS	15	
4.3.1	Incompatibility -----	15
4.3.2	Prohibition and Restrictions on Accepting Gifts -----	16
4.3.3	Conflict of Interests-----	17
4.4	CHAPTER 4: ASSET SUPERVISION OF FUNCTIONARIES -----	18
4.5	CHAPTER 5: INTEGRITY PLAN AND ASSESSMENT OF INTEGRITY -----	20
4.6	CHAPTER 6: FINANCING OF POLITICAL PARTIES AND ELECTORAL CAMPAIGNS -----	22
4.6.1	Financing of Political Parties-----	22
4.6.2	Financing of Electoral Campaigns-----	24
4.6.3	Accounting, Mandatory Accounting Records and Financial Control -----	26
4.7	CHAPTER 7: DATA PROTECTION AND RECORD KEEPING: CONFIDENTIALITY OF INFORMATION	
28		
4.7.1	Use of Data-----	28
4.7.2	Filing of Data and Documentation-----	28
4.8	CHAPTER 8: SANCTIONS -----	29
4.9	CHAPTER 9: TRANSITIONAL AND FINAL PROVISIONS -----	30
4.9.1	The Commencement of Functioning of the Agency -----	31
4.9.2	Secondary Legislation and Other Acts-----	31

For any additional information please contact:

PACO Impact – Project Management Unit
Crime Problems Department / Directorate General I – Legal Affairs / Council of Europe
67075 Strasbourg CEDEX, France

Tel +33-3-8841-2354/2878 Fax +33-3-8841-3955 ✉: ardita.abdiu@coe.int <http://www.coe.int/paco-impact>

1 INTRODUCTION

International public, both experts and general public, increasingly accepts the idea that the fight against corruption should not be only a matter of repression, i.e. measures traditionally implemented by police, prosecution and courts. The issues like curbing of causes of corruption, removing of conditions for corruption to occur and develop, are more and more important. The only way to achieve these aims is through prevention. Like in other areas of life and work, the prevention is a better planned and usually a cheaper way to stop the development of a phenomenon unacceptable for society. Of course, it does not mean that a repression, as a tool to combat an intolerable phenomenon, is not important any more. To the contrary: the efficient system of criminal prosecution of those involved in a corruption related offences, even in the most developed countries, presents an important mechanism, together with prevention, and means of eliminating the consequences of already committed offences.

On the other side, when it comes to prevention, there is, to a certain degree, a common understanding concerning a list of preventive measures, contributing the most in curbing of conditions and causes of corruption:

- Adoption and implementation of national anti-corruption strategy (Article 6 of UN Convention Against Corruption obliges the states to establish a special public entity in charge for implementation of national anti-corruption strategy),
- Insight into political parties' and electoral campaign's financing,
- Monitoring assets of certain levels of public officials,
- Prevention of conflict between public and private interest of public official,
- Regulation of lobbying,
- Improvement of moral, ethics and integrity in the work of all state bodies,
- Introducing of the code of ethics, as a supplement to the rights and duties of public officials defined by law,
- Public officials and citizens need to have advisory body in the domain of corruption, and
- Mandatory participation of non-governmental organizations in the overall system of prevention within a country.

When determining of guidelines for the law regulating the prevention of corruption in the Republic of Serbia, the following facts must be considered:

- The Republic of Serbia will soon adopt its national strategy for fight against corruption,
- Within the Government of Serbia, there is an advisory body named the Anti-corruption Council,
- There is the Republican Board, the body in charge of monitoring the implementation of the Law on the Prevention of Conflicts of Interest in Discharge of Public Function. The law is incomplete and needs to be amended to a large extent,
- There is no body in Serbia in charge of monitoring the implementation of the Law on Financing of Political Parties. The law has serious shortcomings
- Codes of ethics in the public sector of the Republic of Serbia are still rare,

- Non-governmental sector in the area of the fight against corruption and related areas in the Republic of Serbia is relatively well developed.

2 GUIDELINES FOR THE LAW

Because in the Republic of Serbia some legal and institutional mechanisms in the area of prevention of corruption are already in place, the subject of this law could be defined in two ways:

Firstly, determining the status and competences of the new anti-corruption body. The new body would take the competences from current institutions and also have some new competences.

Secondly, to regulate through a special law the whole field of prevention of corruption. Each options is analyzed separately. There is also a possibility of combining the two.

2.1 Option I: Law on a Particular Anti-corruption Body

Within this option, the law would regulate only the status and competences of a new anti-corruption body, thus introducing necessary changes in other existing regulations.

When a state institution has to be established, and particularly if such institution is in the field of fight against corruption, the most important issues to solve are: a place of the institution within the scheme of state institutions, establishment, and appointment of executives, scope of work and the competences.

With this option, only minimal changes of the current Law on the Prevention of Conflict of Interest in Discharge of Public Function, the Law on Financing of Political Parties and other laws are necessary, which could be done through transitional provisions of this law.

2.1.1 Status within the Structure of other State institutions

Since the body will definitely be in charge of preventing corruption on all levels of authority, and especially the monitoring of implementation of national anti-corruption strategy¹, which pertains to all three areas of authority, the body could only have an autonomous and independent status. Any other status would inevitably raise the issue of its competencies based on the constitution and damage its efficiency beforehand. It is particularly important to have the body budget independency guaranteed by law.

2.1.2 Establishment and Appointments

The body should have the strongest possible position, i.e. it has to be established by law. The control of the body should be politically independent, at least directly. The easiest way to achieve that would be if a political institution, namely the national assembly, does not appoint members of management, but members of its supervisory board², using the following formula:

¹ In view of obligations under the UN Convention against Corruption.

² The Supervisory Body will control the work of the anti-corruption body.

- 1 member proposed by the government,
- 1 member proposed by all opposition parties represented at the parliament,
- 1 member proposed by the High Judicial Council,
- 1 member proposed by non-governmental organizations,
- 1 member proposed by the Chamber of Commerce,
- 1 member proposed by media associations.

The director of the anti-corruption body should be a member of the supervisory board, but without the right to vote.

All decisions reached by the supervisory board should be based on at least 4 votes in favour.

Members of the supervisory board, who would carry out their duties as non-professionals would elect a president and a vice-president among themselves. Members of the supervisory board would be obliged to submit annual reports on their work and on the work of the anti-corruption body, to the Assembly.

The supervisory board would carry out a procedure for selection and appointment of anti-corruption body's director and a deputy director, after prescribing strict conditions (university degree, long-term experience, trust within professional community and public), and a public advertisement.

The director would carry out necessary procedures for recruitment of required qualified staff for the body.

The supervisory board would also have the following authorities regarding the body:

- Approval of proposed budget,
- Approval of employment plans,
- Approval of general regulations / acts,
- Approval of annual reports and their presentation at the assembly,
- All authorizations regarding the staff of the body, which the body would have regarding all other staff (e.g. monitoring of assets, conflict of interest, etc.)

The director of the body (and his/her deputy) would be held responsible for legality, professionalism, efficiency and correctness of body's performance. He/she would prepare annual reports, budget plans, employment plans and other general regulations / acts and be in charge of the body.

2.1.3 Field of Work

The anti-corruption body would be in charge of the following:

- Coordinating the implementation of the national anti-corruption strategy,
- All competences established by the Law on the Prevention of Conflict of Interest in Discharge of Public Function (which would abolish the Republic Board),
- Monitoring the implementation of the Law on Financing of Political Parties,
- Introducing integrity plans in public sector,

- Preparing draft laws (e.g. law on lobbying, etc.) and draft amendments,
- Adopting a general code of ethics for public officials and synchronizing it with other codes of ethics,
- Giving opinions about draft laws before they are given to the government for debate,
- Coordinating activities of all anti-corruption bodies in the Republic of Serbia,
- Advising other bodies, institutions, organizations and citizens of the Republic of Serbia.

2.1.4 Authority

By all means, the body should not have the police or investigative authorities. Within its competences, the body must have the following authorities:

- Right to access any information and document in a possession of the Republic of Serbia state authorities (with a special treatment for accessing any information and document protected on different levels of confidentiality),
- Right to summon any citizen of the Republic of Serbia for questioning,
- Right to recommend penalty for any uncooperative body, organization or individual,
- Right to punishment of public officials for violating their duties, as prescribed by the Law on the Prevention of Conflict of Interest in Discharge of Public Function,
- Obligation to keep all personal and other protected data,
- Obligation to comply with the Law on the Prevention of Conflict of Interest in Discharge of Public Function,
- Obligation to forward cases to relevant bodies.

2.2 Option II: Law on Comprehensive Prevention of Corruption

Within this option, the status of the body in the scheme of state institutions, its establishment and appointments, field of work and authorities, would be regulated in a similar manner as in the Option 1, but the law would need to deal with the following issues:

- Improved Law on the Prevention of Conflict of Interest in Discharge of Public Function,
- Improved Law on Financing of Political Parties,
- Status and competences of the Government Anti-corruption Council and its relations with the new body (to be determined by law).

3 CONCLUSIONS³

Nonetheless, representatives of the profile institutions and relevant bodies in the Republic of Serbia will be the ones to decide which of the two options (or a combination of the two) to consider for the new law. Bearing in mind that the changes to the Law on the Prevention of Conflict of Interest in Discharge of Public Function and the Law on Financing of Political Parties are needed anyhow, and the fact that the new body

³ These guidelines and recommendations are the summary of several technical round table discussions that took place during August and September 2005, prior to the initial drafting sessions which took place from September to December 2005.

would be in charge of monitoring implementation of the two laws, the second option might be more useful to follow. That way, Serbia would get a law which would comprehensively regulate all issues that are usually considered when talking about prevention of corruption.

It would not be wise⁴ in any way to create a large number of bodies with competences in the field of anti-corruption. Therefore, Serbia would not need any other body besides the Council (which, as an expert body within the government, may positively influence government's decision-making process, relevant to the prevention of corruption as well as working relations with the new body). That will also result in substantial budget savings⁵. But, in order to ensure continuity and make use of existing experienced resources, the new law should offer maximum possibilities to the staff in existing bodies, particularly to the professionals working with the Republican Board, in joining the new body.

One should operate swiftly in the area of the prevention of corruption. Whichever the decision regarding the option to be used, it should be reached promptly, so that the process of drafting of the law may begin.

⁴ This is neither because of the budgetary, nor fundamental reasons.

⁵ It would not be necessary to have a separate body in charge of the implementation of national strategy, nor for the control of the conflict of interest, or for the control of political party and electoral campaign financing.

4 DRAFT LAW ON PREVENTION OF CORRUPTION (10/12/05 VERSION)

4.1 CHAPTER 1: General Provisions

4.1.1 Purpose of the Act

Article 1

This Act defines measures for implementation of the national anti-corruption strategy as regards identification and elimination of grounds for corruption, rules on the prevention of conflict of interests for persons in charge of public office (hereinafter: official persons), restrictions regarding the acceptance of gifts in connection to their execution of office, supervision of assets of public functionaries, introduction of integrity plans and financing of political parties and electoral campaigns.

4.1.2 Definitions

Article 2

For the purposes of this Act, individual expressions in the text are defined as follows:

- “Corruption” shall mean a relation based on the misuse of power in the public or in the private sector with the aim of achieving personal benefit.
- A “functionary” shall mean a person elected, appointed or nominated to the organs of the Republic of Serbia, autonomous province, municipality, town and the City of Belgrade, including constitutional judges, judges and prosecutors, a person elected, appointed or nominated to organs of public institutions or public enterprises founded by the Republic of Serbia, autonomous province, municipality, town and the City of Belgrade.

OR

- A “functionary” shall mean a member of the National Assembly, a member of the Assembly of the Autonomous Province and a member of a (regional and of) a local assembly, the President of the Republic, the Prime Minister, a minister, a minister’s deputy, a judge of the Constitutional Court, a judge, a public prosecutor, a member of the State Revision Institution, the Governor of the Central Bank, the Ombudsman, director and deputy director of the Anti-Corruption Agency.

A functionary shall also mean a member of an individual or a collective management (and of supervisory?) bodies in public institutes, public undertakings, public funds, public agencies and companies owned by the Republic of Serbia, regional or local communities.

- An “official person” shall mean a person defined as such in the Criminal Code of the Republic of Serbia.
- An official person “family member” shall mean their legal or common-law spouse, children, parents, brothers and sisters, or other persons sharing the household with the official person.
- A “conflict of interests” shall mean a situation when carrying out certain official or other duty touches or seems to touch upon the personal interests of the official person.
- A “personal interest” is a benefit of any kind for an official person, his/her family members, other relatives and friends, and natural or legal persons, with whom s/he has or has had business or political relations, and any material or immaterial obligation of the official person.

4.1.3 Invalidity of Legal Acts and Damage of Compensation

Article 3

(1) Legal acts resulting from corruption are invalid. Every person may demand their revoking, by submitting as evidence a final court verdict, which establishes that there has been an act of corruption.

(2) A person suffering damage caused by a corruption act may request damage compensation (actual damage and lost profit) on the basis of a final court verdict, according to the principles of solidarity responsibility from the offender, as well as from other legal person exercising public authority or a public entity in which the official person carried out his/her duty at the time of committing the act.

4.2 CHAPTER 2: Anti-corruption Agency of Republic of Serbia

Article 4

(1) For the purpose of discharging the responsibilities defined by this Act, and independent state body known as the Anti-corruption Agency of the Republic of Serbia (hereinafter: the Agency) shall be created.

(2) The funds for the functioning of the Agency shall be provided from the budget of the Republic of Serbia following the Agency proposal. The Agency shall decide independently on the methods of utilising the funds.

4.2.1 Structure of the Agency and Appointments

Article 5

(1) The Agency shall comprise a director and a deputy director, appointed by the Agency Supervisory Board.

(2) The director and the deputy director shall be over 30 (40?) years of age, shall have a university degree and shall be considered personally suitable to perform functions at the Agency.

(3) The director and the deputy director shall have a term of office of five years and may be reappointed once.

(4) The function of the director and the deputy director shall not be compatible with any position in the Government, Assembly, autonomous province, local authorities, political parties or trade unions, or with performing any work in a public domestic, international or supranational organisation or autonomous or local authority.

(5) The Agency shall engage necessary number of other staff.

Article 6

(1) The agency may outsource experts and professionals.

(2) The outsourced experts and professionals shall have a degree and adequate experience and they shall follow the same rules and perform under the same conditions as the staff of the Agency.

(3) The outsourced experts and professionals may also be foreign citizens, internationally recognised as experts in the field of activity of the Agency.

(4) The Agency is responsible for the performance and results of the outsourced experts and professionals.

Article 7

- (1) The Agency Supervisory Board must initiate the procedure for selection of a new director and a deputy director six months prior to the expiration of their mandate.
- (2) The Agency Supervisory Board shall initiate the above-mentioned procedures through a public invitation for proposals to fill in the position of the Agency director and the deputy director. The proposals shall be submitted within thirty days of the invitation and they have to contain candidate's written consent.
- (3) The Agency Supervisory Board shall select the candidates from the submitted proposals and appoint co-directors within thirty days past the deadline from the previous Article.
- (4) If the procedure, selection or nomination of candidates is unsuccessful, the procedure shall be repeated until the director and the deputy director are nominated.

4.2.2 Dismissal of the Director and Deputy Director

Article 8

- (1) The director and the deputy director may be prematurely dismissed by the Agency's Supervisory Board:
 - if they so request,
 - if they are finally convicted of a criminal offence prosecuted *ex officio*,
 - if they fail to stop performing work or functions that are not compatible with the position of director or deputy director, as a result of permanent or partial loss of the ability to perform their jobs,
 - if they breach the law in the course of their duties.
- (2) If the director or the deputy director is prematurely dismissed, the Agency Supervisory Board has to initiate the procedure for selection of new candidates within thirty days of the dismissal.

4.2.3 Director of the Agency

Article 9

- (1) The director of the Agency shall represent, lead and organise the work of the Agency and in accordance with law carry all other powers and responsibilities of the heads of a state body.
- (2) The deputy director shall be responsible to represent, lead and organise the work of the Agency in the fields authorised by the director and to act as the director in case of his absence.

4.2.4 Rules of Procedure and Other General Acts

Article 10

Following prior approval of the Agency Supervisory Board, the Agency shall adopt the rules of procedure, which shall define the Agency and its method of approach in greater detail. The rules of procedure and other general acts of the Agency shall be published in the Official Gazette of the Republic of Serbia.

4.2.5 Supervisory Board

Article 11

(1) For conducting supervision of the Agency performance of tasks, the Assembly of the Republic of Serbia (hereinafter: the Assembly) shall set up the Agency Supervisory Board (hereinafter: the Board).

(2) The Board shall comprise members based on the proposal for appointment made to the Assembly by:

- The Government of the Republic of Serbia – one member,
- Political parties' representatives at the Assembly which do not form the Government – one member,
- Supreme Judiciary Council – one member,
- Non-governmental organisations in the Republic of Serbia – one member,
- The Chamber of Commerce of the Republic of Serbia – one member,
- The Media Association of the Republic of Serbia – one member.

(3) Member of the Board shall be over 30 (40?) years of age, shall have a university degree and shall be considered personally suitable to perform the function in the Board.

(4) Director of the Agency shall be a member of the Board without the right to vote.

Article 12

A decision of the Board shall be reached with at least four votes in favour.

Article 13

(1) Members of the Board shall perform their functions as non-professionals. They are entitled to remuneration of expenses arising from their work in the Board.

(2) Members of the Board shall have a term of office of four years and may not be reappointed.

(3) Board must invite the proposing institutions (Para 2, Article 11) to submit new proposals to the Assembly six months prior to the expiration of mandate of the Board member/s concerned.

(4) Following changes within the Government structure, members of the Board proposed by the Government and by political parties which do not form the Government of the Republic of Serbia (Indents 1 and 2, Para 2, Article 11), may be replaced within 6 months from the election of a new Government and following the procedure described in Article 11.

Article 14

(1) The Board shall have a chairman and a deputy chairman elected by the members of the Board from its own members, for a period of two years, and the rules of procedure which shall regulate the details regarding the Board work.

(2) The function of the Director of the Agency shall not be compatible with the function of the chairman or the deputy chairman of the Board.

Article 15

(1) The Board shall be given the right of the prior approval of the rules of procedure of the Agency, a draft budget of the Agency and the programme for new employments at the Agency.

(2) The Board shall be given the right to appoint the Agency Director and the Deputy Director and the right to approve the annual report of the Agency, which has to be submitted to the Board until 31 March for the previous year.

- (3) The Board shall report to the Assembly on its work and the work of the Agency until 30 April for the previous year.
- (4) The Board shall supervise the assets of the Director and the Deputy Director of the Agency.
- (5) The Board shall be given the right to request any information from the Agency and to receive it within 30 days.
- (6) The Agency shall provide professional and technical support to the Board.

4.2.6 Powers of the Agency and Protection of Certain Categories of Persons

Article 16

- (1) Public bodies, local authorities and other official persons shall be required to provide the Agency, for free, with all the information it requires to perform its tasks, and to enable the Agency to inspect any relevant documentation.
- (2) At a request of the Agency the person responsible for keeping a military or official secret could be released from such obligation in order to perform the tasks for the Agency.
- (3) At a request of the Agency an official person must take part at the Agency hearing in order to give information needed by the Agency to perform its tasks.

Article 17

- (1) The official persons may – and if deemed necessary, under the protection of their identity - report cases of corruption, which come to their knowledge, to the Agency. The Agency has to submit the cases to the authorised law enforcement agencies.
- (2) Criminal pursuit cannot be undertaken against a person or any other liability imposed on a person who has discovered, in a good faith, any information to the relevant institutions that indicated the existence of a case of corruption.
- (3) A person that has reported a case of corruption, given a statement or acted as a witness in a process on a corruption act is provided with the same protection as protected persons in the Witness Protection Act. The person is entitled to damage compensation that s/he or a member of his/her family may suffer due to the given report, statement or testimony.
- (4) The compensation from paragraph 2 of this Article is paid from the Budget of the Republic of Serbia.
- (5) The Agency shall organise the use of necessary protective measures for whistleblowers, witnesses and other persons that have given statements on the corruption cases.

Article 18

Persons employed at the Agency enjoy full protection and independence for the purpose of efficient execution of their authorities and obligations, and no pressure shall be imposed upon them in the course of their work or when undertaking certain concrete actions.

4.2.7 Tasks of the Anti-corruption Agency

Article 19

The Agency:

- shall prepare the anti-corruption strategy and the anti-corruption legislation for adoption by the Assembly, and shall be in charge of their amendments and implementation;
- shall give its approval to sectorial and institutional action plans for the implementation of the anti-corruption strategy,
- shall give its opinion of the draft laws of the Republic of Serbia to the Government of the Republic of Serbia, before sending them to the Assembly;
- shall monitor and analyse statistical data relating to the state of corruption in the Republic of Serbia,
- shall participate together with the competent public administration bodies in drafting and harmonising regulations on the prevention of corruption;
- shall monitor the realisation of these regulations and provide initiatives for their amendment and supplementation;
- shall introduce integrity plans in the public sector and offer them to the private sector;
- shall coordinate activities of all anti-corruption institutions in the Republic of Serbia at a general level;
- shall co-operate, as the main body in the field of fight against corruption, with similar organisations from other countries and with international organizations involved in the fight against corruption;
- shall warn the competent authorities in the Republic of Serbia about the realisation of obligations arising from international acts, and provide recommendation on how to fulfil these obligations;
- shall co-operate with scientific, professional, media and non-governmental organisations and associations with regard to the prevention of corruption;
- shall draft the code of ethics in the public sector and give its approval to the sectorial or institutional codes of conduct;
- shall provide opinions and clarification on the incompatibility, conflict of interests, gifts and other issues related to the contents of this Act;
- shall participate and give advice on elimination of the causes of corruption in the public and private sectors by organising consultations, seminars, workshops and other forms of training;
- shall issue an annual report on the most serious and most common violations of laws, regulations and ethical principles;
- shall perform other activities determined by this and other acts.

4.3 CHAPTER 3: Conflict of Interests and Acceptance of Gifts

Article 20

(1) The official person is obligated to subordinate his/her duties to the principles of legality, efficiency, trust, independence, autonomy, honesty and professionalism.

(2) The official person is obligated to carry out his/her function or duty conscientiously, expertly, without discrimination or privileges for anyone, with due respect for human freedoms and rights and human dignity and without any personal interest.

4.3.1 Incompatibility

Article 21

(1) A functionary who performs his/her job professionally (hereinafter: a professional functionary) shall not perform professional or other activities intended to generate income.

(2) By way of derogation from the previous paragraph a functionary can perform profit-making activity in the area of pedagogic, publicities, science, research, art, culture and sport on the basis of a prior approval of the superior. If the functionary has no superior, the approval has to be given by the Agency.

(3) The approval of the superior or the Agency can be given if activities from the previous paragraph do not represent any danger of conflict between the personal interests of the functionary and general interests of his/her position.

Article 22

(1) A professional functionary shall not perform administrative, supervisory or representative functions in commercial companies, firms, institution, cooperatives, funds or agencies.

(2) By way of derogation from the previous paragraph, a professional functionary may, as a representative of the body, be a board member of a public institution or public agency, or a supervisory board member of a public company, public fund or commercial company in which the state or a local authority is a holder of shares or other rights on the basis of which it participated in the management or capital.

Article 23

A non-professional functionary shall not hold an administrative or representative function in a public institution, company, fund or agency over which his/her position gives him/her a supervisory role.

Article 24

A functionary who previously held a post which, according to this Act, is incompatible with their public function shall be required to relinquish their post within 60 days after election or nomination, or the confirmation of the mandate.

Article 25

(1) If after election, nomination or confirmation of the mandate, a functionary continues to perform an activity or function which this Act determines to be incompatible with the new function, the Agency shall issue a warning to the functionary and determine a deadline by which s/he shall be required to stop performing the activity or relinquish the position. The deadline determined by the Agency shall not be shorter than fifteen days or longer than three months.

(2) In the event that the functionary referred to in the preceding paragraph continues to perform incompatible activities or functions despite the Agency's warning, his/her mandate or function is terminated by this Act. Agency shall issue an informative act on this fact and send it to the functionary and to the body in which the functionary is executing his office.

4.3.2 Prohibition and Restrictions on Accepting Gifts

Article 26

(1) An official person shall not accept gifts or other benefits (hereafter: gifts) in connection to their execution of office, except for formal gifts and occasional gifts of small value,

(2) Formal gifts shall be considered gifts presented by representatives of foreign countries and international organisations during visits and other opportunities, as well as other gifts presented under similar circumstances.

(3) Occasional gifts of small value shall be considered gifts presented at various working and personal jubilees, holidays and similar occasions, and shall not exceed ____ in value, or their total value shall not exceed ____ in a single year if they are presented by the same person.

(4) The prohibitions and restrictions arising from this Article are applicable to the official person family members as well.

(5) Judges of the Constitutional Court, judges and public prosecutors are under no circumstances allowed to accept any gifts in connection to their execution of office.

Article 27

(1) All received gifts and their corresponding value, except symbolic gifts which do not exceed __ in value, shall be recorded by the official person in the list of gifts kept by the body at which the official person performs his function.

(2) Should the value of the gift be determined to exceed the value described in the preceding Article, the gift shall become the property of the public authority, under the safekeeping of the body at which the official person performs his function.

(3) Formal gifts, regardless of their value, shall become the property of the public authority, under the safekeeping of the body at which the official person performs his function.

Article 28

- (1) Public bodies that are obliged by law to keep a list of gifts shall forward copies of the list for the previous year to the Agency by the last day of March of the following year.
- (2) The Agency shall report any deviation from legal restrictions to the public body that provided the list.
- (3) The Agency shall publicise the catalogue of gifts received by the official persons in the previous year and rules on the implementation of this Act concerning gifts in connection to the office.

Article 29

Should the Agency determine that in a specific case the official person was on breach of the provisions of Articles 26 and 27 of this Act, it shall inform the body at which the official person holds his/her position or any other authorised body.

4.3.3 Conflict of Interests

Article 30

- (1) During performance of public functions an official person must not follow his personal interests.
- (2) Official person shall do everything to avoid conflict of interests during his/her performance of public functions.

Article 31

- (1) Official person shall immediately inform his superior on the factual or potential conflict of interests, occurred during the performance of public functions.
- (2) If the official person from the previous paragraph does not have a superior, s/he shall inform the Agency.
- (3) A superior or the Agency shall do everything to find out if there is a real conflict of interests in the reported situation.

Article 32

- (1) If the superior or the Agency find out that there is a real conflict of interests in the reported situation, they shall issue a decision on the exclusion of the official person from the concrete official procedure and send the decision to the official person and to the body at which the official person holds his/her position
- (2) Any official act conducted by the excluded official person after the receipt of the decision from the previous paragraph is null and void.

Article 33

- (1) Anybody may request the Agency to check if there was a conflict of interests in the past official action of the official person. The request has to include following elements: description of the situation, description of the grounds for the suspicion of the conflict of interests and if possible, the evidence confirming the existence of the conflict of interests.

(2) If the Agency has not already issued the opinion on the situation and if it decides that there was a conflict of interests in the reported situation, official acts of the official person in question are declared null and void.

(3) If the Agency concludes that the official person knew or should have known about the conflict of interests in the reported situation, it shall inform the authorised body with the proposal to start a procedure determined by a law.

(4) The request from paragraph 1 of this Article may be submitted to the Agency within five years from the day when official action involving conflict of interests has been committed.

Article 34

Articles 31 – 33 shall not be used for activities of official persons in the procedures, where restrictions on the conflict of interests are determined by law in a different way.

4.4 CHAPTER 4: Asset Supervision of Functionaries

Article 35

(1) The Agency shall supervise the assets of functionaries.

(2) Should the Agency, in the course of its supervision as provided for by this Act, find that there is apparent non-conformity between the submitted information on the assets of the functionary or his family members and the actual status of the assets, the Agency shall identify reasons for that and notify the body at which the functionary holds his/her office and, if necessary, other competent bodies as well.

(3) The bodies referred to in the preceding paragraph shall inform the Agency of their measures and decisions within three months from the day of information.

Article 36

The body in which the functionary holds office shall notify the Agency when the functionary begins or stops executing office within seven days.

Article 37

The Agency shall supervise the assets of the functionary on the basis of information submitted by the functionary on a special form, which shall be determined by the Agency.

Article 38

(1) Within one month of assuming office, the functionary shall provide the Agency with the following information:

- the function being performed professionally or non-professionally,
- other functions or activities being performed by the functionary,

- functions performed by the functionary one year prior to assuming office,
- the status of his/her assets and the assets of his/her family members.

(2) Information from the previous paragraph is of a public nature and shall be published on the web-site of the Agency.

Article 39

(1) Information regarding the status of the assets of the functionary shall comprise information about all his/her assets and income, as follows:

- real estate,
- movable property of greater value,
- their holding of shares in commercial companies,
- securities,
- cash held in banks, savings banks and other savings and loans institutions,
- debts, undertaken sureties and other obligations,
- given loans,
- cash of greater value held outside of banks, saving banks and other savings and loans institutions,
- annual income (serving as a tax base).

(2) Movable property and cash of greater value as referred to in indents 2 and 8 of the preceding paragraph shall be considered to be movable property, animals and cash whose value exceeds _____.

(3) The Agency may demand appropriate proof from the functionary for the information referred to in paragraph one of this Article.

(4) If there are reasonable grounds to believe that the functionary is hiding his/her assets using his/her family members, the Agency shall require that the functionary submits the information from Paragraph 1 for his/her family members within one month.

Article 40

(1) Annual income and any changes to the assets status referred to in indents 1 to 8 of paragraph one of the preceding Article exceeding _____ shall be reported by the functionary to the Agency annually, until the last day of March.

(2) The Agency may at any time request that the functionary submits the information referred to in indents 1 to 8 of paragraph one of the preceding Article. The functionary shall comply with the Agency's requests within thirty days of receiving the request.

Article 41

(1) Articles 38 – 40 shall also be used for the former functionary, entitled to receive the substitution of a wage after the expiry of his/her function.

(2) The former functionary shall submit last information on his/her assets within 6 months from the expiry of his function or within 6 months from the expiry of his/her right to receive the substitution of a wage.

Article 42

(1) Should the functionary fail to submit the information referred to in Articles 38 - 40 of this Act within the deadlines determined by this Act, the Agency shall issue a warning and determine a new deadline, which shall be no less than fifteen days from the day the warning was delivered and no more than 30 days from the day the warning was delivered.

(2) Should the functionary fail to submit the required information within the deadline determined in the preceding paragraph, the Agency shall inform the body in which the functionary is executing his office or the body responsible for determining the payment of wages or wage compensation.

(3) In the case described in the preceding paragraph, the wage or wage compensation shall be reduced by _____ every month following the expiration of the deadline referred to in paragraph one of this Article, and until the Agency notification that the functionary submitted the required information.

(4) Should the functionary fail to submit the required information within three months of the expiration of the deadline referred to in paragraph 1 of this Article, his/her mandate or function is terminated by this Act. Agency shall issue an informative act on this fact and send it to the functionary and to the body in which the senior official person is executing his office.

(5) Should the former functionary fail to submit the required information within three months of the expiration of the deadline referred to in paragraph 1 of this Article, his/her right to substitution of a wage shall expire.

4.5 CHAPTER 5: Integrity Plan and Assessment of Integrity

Article 43

(1) Public institutions, territorial autonomy and local community bodies shall adopt an integrity plan. The integrity plan shall consist of the measures of legal and practical nature, which eliminate and prevent possibilities for the occurrence and development of corruption in a body.

(2) In particular, the integrity plan shall consist of:

- the assessment of corruption exposure of the institution,
- data on the person responsible for integrity plan,
- the description of work process and method of decision making including the description of exposed tasks,
- preventive measures for reducing the possibility and risk of corruption and
- other parts of the plan defined in the guidelines from Article 46 of this Act.

(3) The bodies referred to in paragraph 1 of this Article must formulate the integrity plan within the deadlines stipulated by the guidelines from Article 46 of this Act, and inform the Agency thereof.

(4) The Agency shall provide training for persons referred to in the second indent of the paragraph 2 of this Article.

Article 44

The Agency shall regularly, or as necessary, examine whether the bodies referred to in the preceding Article have adopted the integrity plan and how it has been implemented.

Article 45

(1) At a proposal of the public institutions other than those determined in paragraph 1 of Article 43 of this Act and a proposal of a legal entity from the private sector, the Agency may form an integrity assessment by applying mutatis mutandis the provisions of Articles 43 and 44 of this Act, and at the same time provide proposals for its improvement.

(2) The Agency shall conduct the procedures referred to in the preceding paragraph for legal entities of the private sector at their costs.

Article 46

The Agency shall draft and publish the guidelines for the formulation of integrity plans and for the examination of operation of integrity plans or integrity assessment.

4.6 CHAPTER 6: Financing of Political Parties and Electoral Campaigns

4.6.1 Financing of Political Parties

Article 47

(1) Political parties, elected representatives, nominators of registered election lists, nominators of candidates for the president of the Republic of Serbia, municipality presidents and town mayors may obtain funds in accordance with this Act from public and private sources for financing costs related to:

- 1) work of the political party,
- 2) electoral campaigns for election of the president of the Republic, deputies, mayors, municipal president and councillors,
- 3) political activities of elected representatives.

(2) Public sources in terms of this Act are funds from the Republic Budget, territorial autonomy unit budget and local self-government unit budget, appropriated for financing of functioning of a political party, election campaigns and political activities of the elected representatives.

(3) Private sources in terms of this Act are: membership dues, donations from legal entities and natural persons, income from the profit-making activities of a political party, income from property of a political party and legacies.

Article 48

(1) Public source funds appropriated for regular work of a political party whose candidates have been elected deputies and/or councillors and for a regular work of a political party whose candidates have not been elected but they have obtained more than 2 % of the votes taking cast are set at the level of :

- 1) (0,15, 0,017 RS, 0,08 RM) % of the Republic of Serbia budget (reduced for the transfers to other levels of government and social security and medical insurance funds),
- 2) (0,15, 0,1, 0,017, 0.08) % of the territorial autonomy unit budget (reduced for the transfers from other levels of government),
- 3) (0,15, 0,1, 0,017, 0.08) % of the local self-government unit budget (reduced for the transfers from other levels of government).

(2) Funds specified in paragraph 1 of this Article in the amount of 20 % shall be allocated in equal amounts to political parties from the same paragraph, whilst the remaining funds shall be allocated in proportion to the number of votes won in all election units.

(3) If two or more political parties submit one list of candidates they are entitled to receive only one remuneration in the manner specified above.

(4) The Ministry responsible for finance and/or the relevant administrative body of a territorial autonomy unit, and/or the local self government unit body, shall transfer every month the proportionate part of the funds specified in paragraph 1 of this Article to political parties before the 10th day of the month for the preceding month.

Article 49

Membership dues specified in Article 47, paragraph 3 hereof imply the amount paid by party members, in accordance with the provisions set out in the Statute of a political party with the limitation that a membership

due of an individual member of a political party may not exceed 6000 (?) dinars in one month. Payment exceeding this amount is deemed a donation.

Article 50

(1) Legal entities and natural persons may give donations to a political party. In terms of this Act, a donation to the political party means any deliberate act to bestow advantage, economic or otherwise, on the political party or an entity, which is related, directly or indirectly, to the political party or otherwise under the control of the political party.

(2) Donations from paragraph 1 of this Article are especially money and all gifts, free services or providing services to a political party or other legal entity from paragraph 1 of this Article under conditions deviating from market conditions.

(3) The authorised person of a political party or of a receiving legal entity is required to issue a receipt for the received donation.

(4) A legal entity shall register every donation to a political party in its books and accounts and inform its shareholders and any individual member of the legal entity on the donation.

(5) A legal entity or natural person providing services or selling a product to a political party or to a receiving legal entity shall make out an invoice to the political party or to the receiving legal entity, regardless of who shall be liable for payment for the services or product, and/or regardless of whether the services were provided or the product given free of charge.

(6) The total amount of donation specified in paragraph 1 of this Article, if the donation is given by a natural person, may not exceed in a single calendar year ten average monthly salaries in the Republic of Serbia in the year preceding the year when the donation is given, according to official data of a statistic authority, and/or one hundred average salaries if the donation is given by a legal entity.

Article 51

(1) A political party may collect necessary resources for its work with engagement in any legal promotional and cultural profit-making activity. Annual income of the political party from a such profit-making activity by such party may not exceed 20 (30) % of the amount of the overall income of the political party.

(2) A political party shall, within thirty days after submitting the annual statement of accounts in accordance with Article 64 thereof, transfer to the budget account of the Republic of Serbia any amount of income exceeding the above mentioned 20 (30) %.

Article 52

(1) A political party may acquire property in the territory of the Republic of Serbia. Annual income of the political party from property owned by such party may not exceed 20 (30) % of the amount of the overall income of the political party.

(2) A political party shall, within thirty days after submitting of the annual statement of accounts in accordance with Article 64 thereof, transfer to the budget account of the Republic of Serbia any amount of income exceeding the above mentioned 20 (30) %.

Article 53

(1) It is prohibited to accept donations from foreign states, international and foreign organisations and natural persons, anonymous givers, public institutions and public enterprises, institutions and companies with government capital share regardless of size of share, enterprises and other organisations exercising public authority, trade unions, humanitarian organisations and religious communities.

(2) It is prohibited to accept donations from private legal entities performing public services pursuant to contract with government bodies and public offices without a prior approval of the Agency.

(3) It is prohibited to accept donations from private legal entities which provide goods or services for any public administration without a prior approval of the Agency.

(4) It is prohibited to accept donations from legal entities with due but unsettled payments to public revenue.

Article 54

A political party or an entity which is related, directly or indirectly, to a political party or otherwise under the control of the political party, shall transfer the money or pecuniary value of other property acquired in a manner contrary to this Act and other regulations, in favour of the Republic of Serbia budget account within ten days from the request posed by the Agency.

Article 55

(1) It is prohibited to exert pressure of any kind on legal entities and natural persons in order to obtain donations for a political party or for an entity, which is related, directly or indirectly, to the political party or otherwise under the control of the political party.

(2) It is prohibited to offer, promise or give any privilege or personal gain or a prospect thereof to a potential donor of a political party or of an entity which is related, directly or indirectly, to the political party or otherwise under the control of the political party.

4.6.2 Financing of Electoral Campaigns

Article 56

(1) For the purpose of this Act election campaign costs shall relate to costs of activities during and for the purpose of an election campaign from calling of elections until election day, especially costs for posters, advertisements, radio and television and other media shows, election's gatherings, publications and similar activities.

(2) Articles 47 – 55 of this Act regarding funding of political parties' notwithstanding the Articles 56 - 62 are also to be applied to the financing of election campaign costs.

Article 57

(1) Budget appropriations to cover election campaign costs specified in Article 56 of this Act are provided in the year of regular elections in the amount of:

- 1) 0,1 % of the Republic of Serbia budget (reduced for the transfers to other levels of

- government and social security and medical insurance funds),
- 2) 0,05 % of a territorial autonomy unit budget (reduced for the transfers from other levels of government) and/or
 - 3) 0,05 % of a local self-government unit budget (reduced for the transfers from other levels of government)
- for the year for which the budget is passed.

(2) In the event of early elections the competent bodies are required to provide funds stipulated under paragraph 1 of this Article for election campaign costs.

Article 58

(1) Funds specified under Article 57 of this Act in the amount of 20 % thereof shall be allocated in equal portions to nominators of registered election lists and/or nominators of candidates within seven days of election list registration and/or confirmation of list of nominators, whilst the residual amount of the funds shall be allocated to nominators of electoral lists that have won seats and/or to nominators of a candidate who has won a seat, both in proportion to number of votes won within ten days of the adoption of the final reports of the State Revision Commission.

(2) The amount paid to the nominators on the basis of paragraph 1 may not exceed the overall amount of their election costs as established by the final report of the State Revision Institution.

(3) The ministry responsible for finance and/or the competent body of regional government and local self-government unit shall allocate funds in the manner specified in paragraph 1 of this Article pursuant to information received from the Republic Election Commission, the election commission of a territorial autonomy and local self-government unit and/or the State Revision Institution.

Article 59

(1) The nominator of a registered election list and/or the nominator of a candidate may raise funds also from private sources to finance costs of election campaign, in accordance with this Act.

(2) The amount of funds collected from private sources by a nominator of a registered electoral list and/or the nominator of a candidate to finance election campaign costs may not exceed 20 % of the funds set out under Article 57 hereof.

(3) A donation by a single natural person towards election campaign costs may not exceed 0.5% of the amount set out in paragraph 2 of this Article, and the donation by a single legal entity may not exceed 2% of that amount.

Article 60

(1) For the purpose of raising election campaign funds, the nominator of a registered electoral list and/or the nominator of a candidate shall, on the day of election list registration and/or confirmation of list of nominators at the latest, open one single special bank account that may not be used for other purposes and report it to the State Revision Institution and to the Agency.

(2) All funds specified for the costs of electoral campaign shall be paid to the account specified in paragraph 1 of this Article and all payments of election campaign costs shall be made from this account.

(3) The funds received in cash shall be deposited to the account specified in paragraph 1 of this Article within three days of the receipt.

(4) Should the funds obtained from private sources exceed the amounts specified in Article 59, paragraphs 2 and 3 hereof, the surplus of funds shall be transferred to the budget account of the Republic of Serbia within ten days of the receipt of the exceeding payment.

Article 61

(1) The nominator of a registered electoral list and/or the nominator of a candidate shall appoint two persons who will be responsible for lawful spending of funds and reporting.

(2) The signatures of the persons specified in paragraph 1 of this Article shall be deposited with the bank where the account specified in Article 60, paragraph 1 hereof, is opened.

Article 62

(1) The nominator of a registered electoral list and/or the nominator of a candidate shall, within ten days of the Election Day, submit to the State Revision Institution and to the Agency a detailed report on the origin, amount and structure of the funds raised and spent on electoral campaign.

(2) The form of the report referred to in paragraph 1 of this Article shall be specified by the Anti-Corruption Agency of the Republic of Serbia.

(3) The State Revision Institution shall check the data contained in the report referred to in paragraph 1 of this Article within three months of receipt of the report.

(4) The report is published in the "Official Gazette of the Republic of Serbia" at the expense of a political party or a nominator.

4.6.3 Accounting, Mandatory Accounting Records and Financial Control

Article 63

(1) A political party or an entity which is related, directly or indirectly, to the political party or otherwise under the control of the political party, shall have a consolidated account to which funds are remitted in accordance with this Act.

(2) The Statute of a political party shall set out relations between organisational entities of the political party in respect of remittance of funds.

Article 64

(1) A political party or an entity which is related, directly or indirectly, to the political party or otherwise under the control of the political party, shall keep accounting records of all income and expenditure. The accounting records shall be kept according to the origin, amount and structure of income and expenditure in compliance with the accounting regulations.

(2) The accounting records of a political party or an entity which is related, directly or indirectly, to the political party or otherwise under the control of the political party, are subject to annual audit in accordance with the accounting regulations by the State Revision Institution.

(3) A political party and an entity which is related, directly or indirectly, to the political party or otherwise under the control of the political party, is required to keep special records of donations, of its profit-making activities and of its property. The Agency shall specify the content of these records, including the nature and the value of each donation and the identification of its donor.

(4) A political party and an entity which is related, directly or indirectly, to the political party or otherwise under the control of the political party, is required to submit to the State Revision Institution until the 31 March for the previous year a statement and a certificate of an independent certified auditor, as well as a special report of all donations exceeding 6000 dinars and a report on a profit-making activity and property. The Agency shall specify the content of these records.

(5) The State Revision Commission passes to the Agency all final decisions concerning detected irregularities in the financing of political parties.

(6) The Agency is at any time authorised to ask for any financial statements and reports of a political party and of an entity which is related, directly or indirectly, to the political party or otherwise under the control of the political party, and they have to be delivered within 30 days of the request.

(7) The final annual statement and reports referred to in paragraph 4 of this Article are published at the cost of a political party in the »Official Gazette of the Republic of Serbia«.

Article 65

(1) The Statute of a political party shall regulate the internal audit of financial operations and the right of party members to be informed of income and expenditures of the party.

(2) A political party and an entity which is related, directly or indirectly, to the political party or otherwise under the control of the political party, shall keep their statements and reports for a minimum of six years after submission.

Article 66

(1) The State Revision Institution shall make all reports available to the public and shall take appropriate steps to ensure access of all citizens to information contained in the reports. Every citizen of the Republic of Serbia is entitled to inspect the reports filed with the State Revision Institution and to receive a copy of such reports or parts thereof, at his/her expense.

(2) The State Revision Institution and the Agency shall publish their final decisions concerning financing of political parties and electoral campaigns in the »Official Gazette of the Republic of Serbia«.

Article 67

(1) In the event of determining irregularities related to collection, use or recording of funds in terms of this Act, the Agency shall file charges with competent authorities.

(2) If a political party, an entity which is related, directly or indirectly, to the political party or otherwise under the control of the political party, a nominator of a registered electoral list and/or a nominator of a candidate is finally penalized for an offence stipulated under this Act, it shall forfeit the right to public funds for the following calendar year.

(3) The Agency passes the decision specified in paragraph 2 of this Article. The decision shall be published in the "Official Gazette of the Republic of Serbia".

4.7 CHAPTER 7: Data Protection and Record Keeping: Confidentiality of Information

Article 68

(1) Members of the Board and any persons employed by the Agency shall be required to guard as an official secret any information acquired by the Agency in the execution of its duties.

(2) All persons who come into contact with official secrets during their co-operation with the Agency shall be informed about the obligation to protect official secrets and the consequences of their release. Individuals shall confirm by signature that they have been acquainted with the warning.

4.7.1 Use of Data

Article 69

Data acquired in accordance with this Act shall only be used for the purposes defined by this Act.

4.7.2 Filing of Data and Documentation

Article 70

(1) The Agency shall be obliged to keep any data, information and documentation acquired on the basis of this Act for a period of __ years after the conclusion of the matter, prior to archiving them.

(2) The Agency shall keep the following records:

- records on functionaries and their family members (name, date of birth, permanent and/or temporary residence, PIN),
- records on the lists of gifts referred to in paragraph one of Article 28 of this Act, and records on reports referred to in paragraph two of Article 28 and Article 29 of this Act,
- records on decisions concerning conflicts of interest (paragraph 2 of Article 32, paragraphs 2 and 3 of Article 33),
- records of information from Articles 38 and 39 of this Act for the persons mentioned in the preceding indent,
- records on persons responsible for the integrity plans referred to in the second indent of paragraph two of Article 43 of this Act,
- records on political parties and their income and property, namely type, size and origin,
- records on the reported misdemeanours.

(3) The data and information in the records kept by the Agency pursuant to this Act must be stored for a period of __ years and then archived.

4.8 CHAPTER 8: Sanctions

Article 71

(1) Contracting entities participating in public tenders shall be fined for a misdemeanour from _____ to _____ if they are found to have issued a public tender to commercial undertaking contrary to provisions of Articles 30 - 33 of this Act.

(2) The responsible persons of the contracting entities participating in public tenders shall be fined for a misdemeanour from _____ to _____ if they are found to have committed a breach referred to in the preceding paragraph.

(3) An official person who fails to record the acceptance of gift (paragraph 1, Article 27) shall be fined from _____ to _____ dinars.

(4) If the decision of the authorised body on the fine from the previous paragraph is final, the gift shall become the property of the public authority, under the safekeeping of the body in which the official person performs his function. If the gift does not exist anymore the official person is obliged to pay its value as established by the Agency to the budget account of the Republic of Serbia within 10 days of the decision of the Agency.

(5) The official person who does not exclude him/herself from the concrete official procedure after the receipt of the decision on his/her exclusion (paragraph 1, Article 32) shall be fined from _____ to _____ dinars.

(6) The official person who knew or should have known that s/he was deciding in a conflict of interest situation (paragraph 3, Article 33) shall be fined for a misdemeanour from _____ to _____ dinars.

(7) Responsible persons of public institutions, territorial autonomy and local community bodies which do not formulate an integrity plan or do not report this fact to the Agency within the deadlines stipulated by the guidelines from Article 46 hereof (paragraph 3, Article 43) shall be fined for a misdemeanour from _____ to _____ dinars.

Article 72

(1) A political party, an entity which is related, directly or indirectly, to the political party or otherwise under the control of the political party, a nominator of a registered electoral list and/or a nominator of a candidate shall be fined for a misdemeanour from _____ to _____ dinars if:

- 1) it raises funds contrary to the provisions of Articles 49, 50, 51, 52, 53 and 55;
- 2) it fails to transfer, within thirty days after submitting the annual statement of accounts in accordance with Article 64 thereof, to the budget account of the Republic of Serbia, an amount of income exceeding the percentage of income mentioned in paragraph 1 of Article 51 and paragraph 1 of Article 52 (paragraph 2 of Article 51 and paragraph 2 of Article 52)
- 3) it fails to transfer the money or pecuniary value of other property acquired in manner contrary to this Act and other regulations, in favour of the Republic of Serbia budget account, within ten days from the request posed by the Agency (Article 54);

- 4) it includes in an electoral campaign the expenses which do not relate to activities during and for the purpose of the election campaign, from calling elections until the election day (paragraph 1 of Article 56);
- 5) it accepts a donation by a single natural person towards the election campaign costs which exceeds 0.5% of the amount set out in paragraph 2 of Article 59, and the donation by a single legal entity towards the electoral campaign costs which exceeds 2% of that amount (paragraph 3 of Article 59);
- 6) it fails to open an account or to report it, in accordance with provision of paragraph 1 of Article 60 hereof;
- 7) all funds specified for the costs of an electoral campaign are not paid to the account specified in paragraph 1 of Article 60 and all payments of the electoral campaign costs are (not?) made from this account (paragraph 2 of Article 60);
- 8) the funds received in cash are not deposited to the account specified in paragraph 1 of Article 60, within three days of receipt (paragraph 3 of Article 60);
- 9) a surplus of funds obtained from private sources, exceeding the amounts specified in Article 59, paragraphs 2 and 3 hereof, is not transferred to the budget account of the Republic of Serbia within ten days of receipt of the exceeding payment (paragraph 4 of Article 60);
- 10) a detailed report on the origin, amount and structure of the funds raised and spent on an electoral campaign is not submitted to the State Revision Institution and to the Agency within ten days of the election day (paragraph 1 of Article 62);
- 11) it keeps accounting records contrary to the provisions of paragraphs 1 and 3 of Article 64 hereof;
- 12) it does not submit complete statements and reports to authorised institutions within the set time-limits (paragraphs 4 and 6 of Article 64);

(2) For violations specified in paragraph 1 of this Article, a responsible person shall be fined for a misdemeanour from _____ to _____ dinars.

4.9 CHAPTER 9: Transitional and Final Provisions

Article 73

The bodies referred to in Article 36 of this Act shall be required to submit a list of functionaries to the Agency within three months after the Agency becomes functional.

Article 74

(1) Functionaries shall be required to submit to the Agency the information referred to in Articles 38 and 39 of this Act within six months after the Agency becomes functional.

(2) Functionaries shall be required to terminate the activities determined by this Act to be incompatible with the execution of office, or to acquire an approval of a superior or the Agency referred to in Article 21 of this Act within six months after the Agency becomes functional.

Article 75

Political parties shall harmonise their statutes with the provision of this Act within six months of entering into force of this Act.

Article 76

(1) Political parties are required, within six months of entering into force of this Law, to submit to the Commission a report on their last annual income and property, expressed by type, size and origin.

(2) The report shall be published in the "Official Gazette of the Republic of Serbia" at the expense of the political party.

Article 77

The Agency shall specify contents of the reports referred to in Article 62, paragraph 2 and Article 64, paragraphs 3 and 4, within six months of entering into force of this Act.

4.9.1 The Commencement of Functioning of the Agency

Article 78

(1) The Assembly of the Republic of Serbia shall initiate the procedure for the selection of first members of the Agency's Supervision Board within one month following the adoption of this Act, in the form of invitation to all proposing institutions (Para 2, Article 11).

(2) The Board must initiate the procedure for the selection of a director and a deputy director of the Agency within one month following the appointment of the Board.

4.9.2 Secondary Legislation and Other Acts

Article 79

(1) Within twelve months after becomes functional, the Agency shall confirm the applicable anti-corruption strategy or submit for adoption to the Assembly appropriate and relevant amendments and supplements to the already adopted strategies or a new strategy.

(2) The proposal for the rules of procedure referred to in Article 10 of this Act shall be submitted by the Agency to the Board for approval, within three month following the appointment of the Agency director.

(3) The Board shall issue an opinion on the proposed rules of procedure within thirty days of its submission. Within fifteen days of receiving the opinion for the rules of procedure, the Agency shall issue acts regarding internal organisation and systemisation.

Article 80

On the day this Act enters into force, the Law on Prevention of Conflict of Interests in Discharge of Public Office (Official Gazette of the Republic of Serbia, No. 43/04), the Law on Financing of Political Parties (Official Gazette of the Republic of Serbia, No. 72/03?) and the Decree on the Establishment of the Council for Fight Against Corruption (Official Gazette of the Republic of Serbia, No. 59/01) shall cease to be valid.

Article 81

This Act shall take effect eight days after being published in the Official Gazette of the Republic of Serbia.

* * *