

Adoption: 25 March 2022 Publication: 1 September 2022

<u>Public</u> GrecoRC3(2022)1

Third Evaluation Round

Second Addendum to the Second Compliance Report on Bosnia and Herzegovina

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

"Transparency of Party Funding"

Adopted by GRECO at its 90th Plenary Meeting (Strasbourg, 21-25 March 2022)

I. INTRODUCTION

- 1. The Second Addendum to the Second Compliance Report assesses the further measures taken by the authorities of Bosnia and Herzegovina since the adoption of the Addendum to the Compliance Report, in respect of the recommendations issued by GRECO in its Third Round Evaluation Report on Bosnia and Herzegovina. It is recalled that the Third Evaluation Round covers two distinct themes, namely:
 - **Theme I Incriminations:** Articles 1a and 1b, 2-12, 15-17, 19 paragraph 1 of the Criminal Law Convention on Corruption (ETS 173), Articles 1-6 of its Additional Protocol (ETS 191) and Guiding Principle 2 (criminalisation of corruption).
 - **Theme II Transparency of party funding:** Articles 8, 11, 12, 13b, 14 and 16 of Recommendation Rec(2003)4 on Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns, and more generally Guiding Principle 15 (financing of political parties and election campaigns).
- The Third Round Evaluation Report on Bosnia and Herzegovina was adopted at GRECO's 51st Plenary Meeting (27 May 2011) and made public on 17 August 2011 (Greco Eval III Rep (2010) 5E, <u>Theme I</u> and <u>Theme II</u>).
- 3. The <u>Compliance Report</u> was adopted by GRECO at its 61st Plenary Meeting (18 October 2013) and made public on 7 January 2014. GRECO concluded that Bosnia and Herzegovina had implemented satisfactorily or dealt with in a satisfactory manner only four of the twenty-two recommendations contained in the Third Round Evaluation Report. GRECO considered the very low level of compliance with the recommendations to be "globally unsatisfactory" and decided to apply its "non-compliance procedure".
- 4. In the first <u>Interim Compliance Report</u>, adopted by GRECO at its 64th Plenary Meeting (20 June 2014) and made public on 1 October 2014, the level of compliance remained "globally unsatisfactory" due to little tangible progress.
- 5. In the <u>Second Interim Compliance Report</u>, adopted by GRECO at its 68th Plenary Meeting (19 June 2015) and made public on 6 August 2015, the rating of the country's performance as "globally unsatisfactory" was maintained This position was maintained in the <u>Third Interim Compliance Report</u>, adopted by GRECO at its 72nd Plenary Meeting (1 July 2016) and made public on 22 September 2016.
- 6. The <u>Fourth Interim Compliance Report</u>, adopted by GRECO at its 76th Plenary Meeting (23 June 2017) and made public on 2 August 2017, concluded that Bosnia and Herzegovina had made progress by fully implementing three recommendations since the previous interim report, bringing the total of fully implemented recommendations to ten out of twenty-two. Seven recommendations remained partly implemented and five recommendations remained not implemented. Bosnia and Herzegovina's level of compliance was therefore no longer "globally unsatisfactory" and GRECO discontinued applying its "non-compliance procedure".
- 7. The <u>Second Compliance Report</u> was adopted by GRECO at its 81st Plenary Meeting (7 December 2018) and made public on 22 February 2019. It concluded that Bosnia and Herzegovina had made very little progress by partly implementing only one further recommendation. In total ten

recommendations had been fully implemented, eight recommendations had been partly implemented and four had not been implemented.

- 8. In the <u>Addendum to the Second Compliance Report</u>, adopted by GRECO at its 85th Plenary Meeting (25 September 2020) and made public on 16 December 2020, GRECO concluded that the country had not made any progress since the Second Compliance Report, and invited the Head of the Delegation of Bosnia and Herzegovina to submit additional information by 30 September 2021. This information, submitted on 30 September 2021, forms the basis of the current Second Addendum to the Second Compliance Report.
- 9. <u>This Second Addendum to the Second Compliance Report</u> evaluates the progress made in implementing the outstanding recommendations (recommendations v, vi, ix and xii in respect of Theme I Incriminations and recommendations i, ii, iii, iv, vi, vii, viii and ix in respect of Theme II Transparency of party funding) since the previous, Addendum to the Second Compliance Report and provides an overall appraisal of the level of compliance with these recommendations.
- GRECO selected Malta and Slovenia to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Kevin VALLETTA on behalf of Malta and Ms Vita HABJAN BARBORIČ on behalf of Slovenia. They were assisted by GRECO's Secretariat in drawing up this report.

II. <u>ANALYSIS</u>

Theme I: Incriminations

- 11. It is recalled that GRECO, in its Evaluation Report, addressed 13 recommendations to Bosnia and Herzegovina in respect of Theme I. At the preceding stages of the compliance procedure, recommendations i, ii, iii, iv, vii, viii, x, xi and xiii had been implemented satisfactorily. Recommendations v, vi and xii had been partly implemented and recommendation ix had not been implemented. Compliance with the four outstanding recommendations is examined below.
- 12. It is further recalled that Bosnia and Herzegovina (BiH) as a State comprises two Entities, each with a high degree of autonomy (the Republika Srpska (RS) and the Federation of Bosnia and Herzegovina (FBiH)), as well as the Brčko District (BD). Criminal legislation and criminal procedure legislation have been adopted at BiH, Entity (RS and FBiH) and BD levels. Entity and BD laws apply exclusively before Entity or BD Courts. State level legislation is applied before the State Court.

Recommendation v

- 13. GRECO recommended to ensure that the bribery offences are construed in such a way as to cover, unambiguously, instances of bribery committed through intermediaries, as well as instances where the advantage is not intended for the official himself/herself but for a third party.
- 14. <u>It is recalled that</u> this recommendation was <u>partly implemented</u> in the previous compliance reports. The commission of passive bribery through intermediaries was provided for in amendments to the Criminal Codes of BiH, FBiH and BD, but remained missing from the RS Criminal Code¹. As for the concept of third party beneficiaries, it was covered by amendments made to the active bribery provisions of the BiH and BD Criminal Codes and to the passive bribery provisions of the BD

¹ Active bribery committed through intermediaries was explicitly provided for in all Criminal Codes, as noted in paras. 21 and 90 of the Evaluation Report.

Criminal Code. However, it was still omitted from the active bribery provisions of the FBiH and of the RS Criminal Codes and from the passive bribery provisions of the RS Criminal Code².

- 15. <u>The authorities</u> now report that the RS passed amendments to the Criminal Code, which entered into force on 11 March 2021³, according to which the phrase "intended for that person or other person" was inserted in paragraphs 1 and 2 of Article 320 (on "Offering a bribe"). Additionally, Article 319 (on "Accepting a bribe") of the same Code was amended to include the element of third party beneficiaries.
- 16. <u>GRECO</u> notes that the concept of third party beneficiaries was included in the *active and passive bribery* provisions of the RS Criminal Code. Such a concept however is still omitted from the *active bribery* provisions of the FBiH Criminal Code. Moreover, no steps have been taken to ensure that cases of bribery committed through intermediaries are covered by the *passive bribery* provisions of the RS Criminal Code.
- 17. <u>GRECO concludes that recommendation v remains partly implemented</u>.

Recommendation vi

- 18. GRECO recommended to (i) clarify beyond doubt that bribery in the private sector is criminalised; and (ii) consider, for the sake of clarity, criminalising bribery in the public and the private sector in separate provisions.
- 19. <u>It is recalled that</u> this recommendation was partly implemented in the Second Compliance Report. The RS and BD Criminal Codes had been amended to criminalise bribery in the private sector as a separate offence. However, active bribery in the private sector, as provided for by both Criminal Codes, did not cover the concept of third party beneficiaries. Moreover, the FBiH Criminal Code did not clearly and broadly criminalise private sector bribery.
- 20. <u>The authorities</u> do not report any new information regarding this recommendation.
- 21. In view of the lack of any progress, <u>GRECO concludes that recommendation vi remains partly</u> <u>implemented</u>.

Recommendations ix

- 22. GRECO recommended to fully harmonise the existing sanctions for bribery and trading in influence offences.
- 23. <u>It is recalled</u> that this recommendation had not been implemented in the Addendum to the Second Compliance Report. Despite some legislative changes as regards the sanctions for passive bribery and trading in influence, full harmonisation of the sanctions at the different levels of Government had not been achieved. For example, the sanctions provided by the passive bribery provisions of Article 319 of the then new RS Criminal Code were still different from those provided by the passive bribery provisions of the three other Criminal Codes (i.e. Articles 217 BiH CC, 380 FBiH CC, 374 BD CC). The situation was similar with regard to the passive trading in influence offences.

² Third party beneficiaries were specifically covered in the provisions on passive bribery of the BiH and the FBiH Criminal Codes, as stated in para. 91 of the Evaluation Report.

³ http://www.ohr.int/ohr-dept/legal/laws-of-bih/pdf/New2021/RS_CC_15-21.pdf

- 24. <u>The authorities</u> now report that, in light of amendments to the RS Criminal Code (cf. paragraph 15 above), paragraph 3 of Article 319 has been amended to replace the phrase "shall be punished by imprisonment for a term of up to three years" with the phrase "shall be punished by imprisonment for a term between six months and five years". The authorities also provide a comparative table containing up to date information on the applicable sanctions in respect of active and passive bribery and trading in influence offences throughout the national territory.
- 25. <u>GRECO</u> notes the revision of the sanction included in Article 319 (3) (on "Accepting a Bribe")⁴ of the RS Criminal Code and that this is the only reform carried out by the authorities. GRECO previously noted the harmonisation of sanctions in respect of the basic *passive bribery* provisions as included in the Criminal Codes of BiH, FBiH and BD, which now provide for a penalty of imprisonment between six months and five years. Yet, the sanction included in the similar provision of the RS Criminal Code varies, in that it foresees a penalty of imprisonment from two to ten years. Moreover, judging by the table provided by the authorities, various disparities in penalties foreseen for the passive and active trading in influence offences and for private sector bribery remain. For these reasons, GRECO cannot as yet conclude that the applicable sanctions for bribery and trading in influence offences have been fully harmonised, as required by the recommendation.
- 26. <u>GRECO concludes that recommendation ix remains not implemented.</u>

Recommendations xii

- 27. GRECO recommended to abolish the possibility provided by the special defence of effective regret to return the bribe to the bribe-giver who has reported the offence before it is uncovered.
- 28. <u>It is recalled that this recommendation was partly implemented in the Addendum to the Second</u> Compliance Report. Amendments made to the Criminal Codes of BiH and BD had abolished the possibility provided by the special defence of effective regret to return the bribe to the bribe-giver who had reported the offence before it was uncovered. These however were not followed by amendments to the Criminal Codes of the FBiH and the RS.
- 29. <u>The authorities</u> now report that Article 320 of the RS Criminal Code, as amended, (cf. paragraph 15 above), no longer includes a provision on effective regret.
- 30. <u>GRECO</u> welcomes the abolition of the provision on effective regret in the RS' Criminal Code. However, the effective regret possibility in Article 381 of the FBiH Criminal Code is still maintained, which is not in line with this recommendation.
- 31. <u>GRECO concludes that recommendation xii remains partly implemented.</u>

Theme II: Transparency of Party Funding

32. It is recalled that GRECO, in its Evaluation Report, addressed nine recommendations to Bosnia and Herzegovina in respect of Theme II. At the preceding stages of the compliance procedure, only recommendation v had been implemented satisfactorily. Recommendations ii, iv, vi, viii and ix had been partly implemented and recommendations i, iii, and vii had not been implemented. Compliance with the eight outstanding recommendations is examined below.

⁴ Paragraph 3 of Article 319 sanctions solicitation and acceptance of gifts or any other benefit after the performance or failure to perform an official duty.

Recommendations i to iv and vi.

- 33. GRECO recommended:
 - to review the provisions applicable to political parties, in particular as regards party and election campaign funding, which are currently dispersed in different legislative texts, with a view to ensuring that they are consistent, comprehensive and workable for practitioners and political parties, in particular by considering their consolidation within a single piece of legislation (recommendation i);
 - (i) to promote the use of the banking system for the receipt of donations and other sources of income, as well as for the payment of expenditure, by political parties and election candidates, in order to make them traceable, and (ii) to introduce the principle of a single campaign account for the financing of election campaigns (recommendation ii);
 - (i) to take measures to prevent the rules on ceilings on expenses during election campaigns from being circumvented by effecting these expenses outside the campaign reporting period and (ii) to give the Central Electoral Commission a mandate to supervise the expenditure of political parties also outside election campaigns (recommendation iii);
 - to increase the transparency of the accounts and activities of entities related, directly or indirectly, to political parties or otherwise under their control and to include, as appropriate, the accounts of such entities in the accounts of political parties (recommendation iv);
 - (i) to strengthen the mechanisms for internal financial control of political parties, in close cooperation with the parties' local and regional branches; (ii) to establish clear, consistent and specific rules on the audit requirements applicable to political parties and (iii) to ensure the necessary independence of the professionals who are to audit their accounts (recommendation vi).
- 34. It is recalled that in the Addendum to the Second Compliance Report no progress was noted in the implementation of any of the outstanding recommendations. Recommendations ii, iv and vi remained partly implemented and recommendations i and iii remained not implemented. At the preceding stages of the compliance procedure GRECO took note of amendments to the Law on the Financing of Political Parties (LFPP) which obliged political parties: to keep records of membership fees and voluntary contributions and to issue receipts therefor (recommendation ii), to include benefits received from related entities in the financial accounts (recommendation iv) and to establish mechanisms of internal financial control (recommendation vi). The outstanding issues regarding these recommendations included: promotion of the use of the banking system for income and expenditure of political parties and election candidates, introduction of the principle of the single campaign account and increased transparency over the accounts and activities of entities linked to political parties. In the Addendum to the Second Compliance Report, the authorities indicated that the Central Election Commission (CEC) continued to work within the interdepartmental working group for amending electoral legislation as well as the LFPP to implement the GRECO recommendations. Moreover, activities were underway to draft amendments to the Rulebook on Internal Organisation of the Secretariat of the CEC, which was expected to strengthen the personnel responsible for audits of political parties' regular finances.

- 35. <u>The authorities</u> now indicate, with respect to part (i) of recommendation ii, that on 13 January 2022 the CEC adopted a series of regulations. These aim to heighten transparency of the financing of political parties and to promote the use of the banking system for receiving donations. As for part (ii) of recommendation ii, reference is made to the CEC's proposals to amend the LPPF and the Election Law so as to introduce: a) a mandatory special (single) election account for a political party/coalition of parties and a natural person for the purpose of financing an election campaign; and b) a compulsory reporting to the CEC on donations received and expenses made from such an account.
- 36. <u>GRECO</u> takes note of some actions and intentions demonstrated by the authorities in order to fulfil the requirements of recommendation ii. In the absence of texts of the new rules introduced by the CEC or details about their substance, it remains unclear to GRECO how specifically these advance the goals of the first part of recommendation ii. Regarding the proposals to amend the LPPF and the Election Law, as required by the second part of recommendation ii, these are steps in the right direction which are yet to materialise. In view of the lack of any concrete progress, <u>GRECO concludes that recommendations ii, iv and vi remain partly implemented and recommendations i and iii remain not implemented</u>.

Recommendations vii

- 37. GRECO recommended to increase the financial and personnel resources allocated to the Audit Department of the Central Electoral Commission so that it is better equipped to perform effectively its monitoring and enforcement tasks concerning political financing, including by ensuring a more swift and substantial supervision of the political party and election campaigns financial reports.
- 38. <u>It is recalled</u> that this recommendation was not implemented in the previous compliance reports due to insufficient measures taken.
- 39. <u>The authorities</u> now report that the CEC has established the Service for Auditing the Financing of Political Parties, which reviews, controls and audits the financing of political parties, and ensures transparency of their sources of financing. This Service is made up of seven staff members: two certified auditors, two certified accountants, two assistant auditors and one administrative assistant. A vacant position is yet to be filled. The Service reviews annual financial statements submitted by political parties and ensures that the turnover and balance is reported correctly in respect of the parties as well as their units. If the Service considers that a more detailed review is necessary, it is to carry out an audit directly in the premises of the party concerned. The authorities indicate that the Service does not have any specific budgetary resources allocated to it. Between June and October 2020, the Service released 125 reports after having controlled and audited the annual financial statements it had received from political parties in respect of 2018. Between December 2020 and March 2021, it released a further 71 reports after having controlled and audited the annual financial statements received from 125 political parties in respect of 2019. All these reports are published on the CEC's website⁵.
- 40. <u>GRECO</u> notes the establishment of the new Service for Auditing the Financing of Political Parties under the CEC charged exclusively with the carrying out of controls and audits of the *financing of political parties*. This new Service appears to be composed of the same number of staff as its predecessor, the Audit Department (cf. paragraph 57 of the Evaluation Report). Information regarding financial and other resources as well as the CEC's activities pertaining to the monitoring of election financing is not provided. Although some details regarding the audit of annual financial

⁵ <u>http://www.izbori.ba/Default.aspx?CategoryID=1054&Lang=3</u>

statements of political parties are available, the overall considerations and conclusions are missing. Moreover, the reasons for delayed publication of audit reports should be clarified. For these reasons, GRECO cannot consider this recommendation complied with, even partly.

41. <u>GRECO concludes that recommendation vii remains not implemented.</u>

Recommendations viii

- 42. GRECO recommended (i) to introduce a requirement for the Central Electoral Commission to report suspicions of criminal offences to the law enforcement authorities and (ii) to strengthen the cooperation and coordination of efforts on an operational and executive level between the Central Electoral Commission and the tax and law enforcement authorities.
- 43. <u>It is recalled that</u> this recommendation was partly implemented in the previous compliance reports. Amendments to the LFPP obliged the CEC to report suspicions of criminal offences to law enforcement authorities, which partly met the requirements of the first part of the recommendation. No relevant information had been furnished with respect to the second part of the recommendation.
- 44. The authorities now report that breaches of the LFPP identified by the CEC in the course of audits performed in 2018⁶ had been the basis for reporting to the competent entity tax administrations well-founded suspicions that 11 political parties breached tax and financial regulations in 2018. The CEC also informed the State Investigation and Protection Agency (SIPA) about suspicions of misuse of public funds by eight political parties in 2018. Those cases were forwarded by the SIPA to the respective prosecutor's offices at the State and entity level for further action. In 2019, following the outcome of audits carried out by the Audit Department, the CEC identified six political parties as having violated the tax regulations and one political party as having breached the financial regulations. Breaches of the LFPP consisted of failure to pay income tax and other contributions in accordance with the tax regulations, the payment of large sums to party officials as humanitarian aid without proof of poor financial situation, and the payment of a loan to a party official for the acquisition of a flat, the repayment of which had never occurred. The CEC referred such instances of well-founded suspicions of misuse of public funds and tax evasion to both SIPA and the competent tax authorities, which are to carry out the statutory procedures and actions in accordance with the national law. Since the Evaluation Report, the CEC has reported a total of 67 cases to the tax administrations, 25 cases to the SIPA, 23 cases to the competent prosecutor's offices, and 8 cases to the audit offices of other responsible BiH institutions.
- 45. <u>GRECO</u> notes, regarding part (i) of the recommendation that a requirement for the CEC to report suspicions of criminal offences to law enforcement agencies is still not included in the Election Law. This part of the recommendation therefore remains partly implemented. Regarding part (ii) of the recommendation, the reporting by the CEC of suspicions of criminal offences identified in the course of audits of the financing of political parties to tax and law enforcement authorities is noted and is a step in the right direction in complying with the second part of the recommendation. Still, the outcome of such reporting remains unclear and does not seem to extend beyond 2019.
- 46. <u>GRECO concludes that recommendation viii remains partly implemented.</u>

⁶ Such as payment of large amounts of money to party officials without proof of expenditure, failure to pay income tax or other contributions in accordance with tax regulations, payment of large amounts of money in cash in the absence of any supporting documents.

Recommendations ix

- 47. GRECO recommended to clearly define infringements of political finance rules and to introduce effective, proportionate and dissuasive sanctions for these infringements, in particular, by extending the range of penalties available and by enlarging the scope of the sanctioning provisions to cover all persons/entities (including donors) upon which the Law on Financing of Political Parties and the Election Law impose obligations.
- 48. <u>It is recalled</u> that this recommendation was partly implemented in the previous compliance reports. Amendments to the LFPP had more clearly defined offences in the area of party financing, increased maximum fines and extended sanctions to also cover natural persons. However, the dissuasive nature of the fines had not been ensured as they remained the same as described in the Evaluation Report (ranging from KM 500/approx. €255 to KM 10 000/approx. €5 100). Moreover, sanctions applying to donors had not been developed and the Election Law had not been reformed to comply with this recommendation.
- 49. <u>The authorities</u> now report that proposals for amending the Election Law will soon be presented to the parliament of BiH. These would provide for the first time a definition of the misuse of public resources, ban the use of public resources for the purpose of election campaigns of elected officials and contain related sanctions. More stringent controls of election financing and greater accountability for election participants are foreseen as well. The authorities further inform that, between 2019 and 2021, the CEC imposed administrative sanctions on certain political parties for failure to submit financial reports in 2018, 2019 and 2020 and for not allowing the CEC to access their premises for the purpose of auditing. The administrative sanctions in question consisted in denying the parties concerned the right to run in the next elections. Between 2009 and 2020, the CEC requested that courts in BiH deregister 202 political parties owing to suspicion that they had not performed any political activities or complied with the statutory obligations, such as participation in elections. In response, the national courts deregistered a total of 179 political parties.
- 50. <u>GRECO</u> takes note of the intention to amend the Election Law in pursuit of the present recommendation. Given that the legislative process is at an early stage and the draft amendments are yet to be approved by the Ministry of Justice and made public, this recommendation remains only partly complied with.
- 51. <u>GRECO concludes that recommendation xii remains partly implemented.</u>

III. <u>CONCLUSIONS</u>

- 52. In view of the above, GRECO notes that Bosnia and Herzegovina has made no tangible progress since the Addendum to the Second Compliance Report. In total, only ten out of 22 recommendations have been implemented satisfactorily. Eight recommendations remain partly implemented and four not implemented.
- 53. More specifically, it is recalled that with respect to Theme I Incriminations, recommendations i, ii, iii, iv, vii, viii, x, xi and xiii have been implemented satisfactorily. Recommendations v, vi and xii remain partly implemented and recommendation ix remains not implemented. With respect to Theme II Transparency of Party Funding, recommendation v has been implemented satisfactorily. Recommendations ii, iv, vi, viii and ix remain partly implemented and recommendations i, iii and vii remain not implemented.

- 54. Concerning incriminations (Theme I), Bosnia and Herzegovina has complied with the majority of the recommendations included in the Evaluation Report. GRECO recalls that the country's criminal legislation comprises four criminal codes at the different levels of Government: State level, Federation of Bosnia and Herzegovina, Republika Srpska and Brčko District. On a positive note, amendments to the Criminal Code of the Republika Srpska have abolished a provision on effective regret, introduced the concept of third party beneficiaries in the provisions covering active bribery and harmonised sanctions in respect of some passive bribery provisions with those included in the Criminal Codes of Federation of Bosnia and Herzegovina and the Brčko District. Moreover, the Criminal Codes of the Republika Srpska and of the Brčko District incriminate private sector bribery in specific provisions, distinct from those on public sector bribery. This is, however, not the case for the Criminal Code of the Federation of Bosnia and Herzegovina. Moreover, some other deficiencies remain, notably as regards the harmonisation of sanctions throughout the national territory. The authorities are urged to continue the reform process so as to provide a fully harmonised and consistent legal framework for the criminalisation of corruption offences throughout the national territory, in keeping with the Criminal Law Convention on Corruption (ETS 173).
- 55. Concerning transparency of party funding (Theme II), overall, only one recommendation has been implemented satisfactorily regarding the publication of information on the finances of political parties and of political entities participating in elections. Apart from this, only partial solutions have been sought in response to the shortcomings identified in the Evaluation Report. For example, political parties have been obliged to keep records of membership fees and of voluntary contributions and to issue receipts therefor, to include benefits received from related entities in the financial accounts and to establish mechanisms of internal financial control. By contrast, the use of the banking system for contributions to political parties needs to be further promoted, the principle of the single campaign account introduced, the increased transparency over the accounts and activities of entities linked to political parties achieved, infringements of election financing rules defined and effective, proportionate and dissuasive sanctions in the area of political financing introduced for all related infringements and in respect of all persons concerned. Although the new Service for Auditing the Financing of Political Parties has been established under the Central Election Commission (CEC), there is no evidence of the increase in the financial and personnel resources allocated to the CEC for the purpose of carrying out its supervisory functions pertaining to both party and election financing nor have the co-operation and coordination between the CEC and the tax and law enforcement bodies been strengthened on an operational and executive level. The reform process needs to be vigorously pursued in order to further boost the transparency of political financing and to foster the role of political parties as a fundamental element of the democratic system. GRECO once again urges Bosnia and Herzegovina to fully implement the eight (out of nine) recommendations on Theme II that remain outstanding.
- 56. The adoption of this second Addendum to the Second Compliance Report terminates the Third Round compliance procedure in respect of Bosnia and Herzegovina.
- 57. GRECO invites the authorities of Bosnia and Herzegovina to authorise as soon as possible, the publication of the present report, to translate it into the national language and to make the translation public.