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Third Evaluation Round

Second Compliance Report on Switzerland

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

"Transparency of Party Funding"

Adopted by GRECO at its 87th Plenary Meeting (Strasbourg, 22-25 March 2021)

I. INTRODUCTION

- 1. The <u>Third Round Evaluation Report</u> on Switzerland was adopted by GRECO at its 52nd plenary meeting (21 October 2011) and made public on 2 December 2011, following authorisation by Switzerland (Greco Eval III Rep (2011) 4E, Theme I and Theme II).
- 2. As required by GRECO's Rules of Procedure, the Swiss authorities submitted a Situation Report on measures taken to implement the recommendations.
- 3. In the <u>Compliance Report</u> adopted at its 61st plenary meeting (14-18 October 2013), GRECO concluded that Switzerland had implemented satisfactorily three out of the eleven recommendations contained in the Third Round Evaluation Report. In view of this outcome, GRECO categorised the very low level of compliance with the recommendations as "globally unsatisfactory" within the meaning of Rule 31, paragraph 8.3, of its Rules of Procedure. GRECO therefore decided to apply Rule 32 concerning members found not to be in compliance with the recommendations contained in the mutual evaluation report, and asked the head of the Swiss delegation to provide a report on progress made in implementing the outstanding recommendations (namely, recommendations i and iii regarding Theme I, and recommendations i to vi regarding Theme II) pursuant to paragraph 2(i) of that rule.
- 4. In the <u>Interim Compliance Report</u> and the <u>Second Interim Compliance Report</u> adopted at its 64th and 68th plenary meetings respectively (16-20 June 2014 and 15-19 June 2015), GRECO again categorised Switzerland's level of compliance with the recommendations as "globally unsatisfactory" since the total number of recommendations outstanding remained unchanged.
- 5. In the Third Interim Compliance Report, adopted at its 72nd plenary meeting (1 July 2016), GRECO held that the two outstanding recommendations concerning Theme I had now been implemented satisfactorily. GRECO therefore decided to terminate the compliance procedure on this theme, all the recommendations having been implemented. Given the lack of positive developments with regard to Theme II, however, GRECO concluded that Switzerland's overall level of compliance with the recommendations remained "globally unsatisfactory".
- 6. In the <u>Fourth Interim Compliance Report</u>, adopted at its 76th plenary meeting (23 June 2017), GRECO held that the outstanding recommendations regarding Theme II remained unimplemented. Consequently, in accordance with Rule 32, paragraph 2 (iii), GRECO asked the Swiss authorities to receive <u>a high-level mission</u> with a view to examining, on the spot, with all the stakeholders, means of speeding up the legislative and policy changes called for in the report.
- 7. In the <u>Fifth Interim Compliance Report</u>, adopted at its 80th plenary meeting (22 June 2018), GRECO held that the very low level of compliance with the recommendations remained "globally unsatisfactory" within the meaning of Rule 31, paragraph 8.3, of the Rules of Procedure. It decided to remain in close contact with the Swiss authorities regarding the organisation, in due course, of the high-level mission.
- 8. In the <u>Sixth Interim Compliance Report</u>, adopted at its 83rd Plenary Meeting (21 June 2019), GRECO welcomed the draft amendment to the Federal Act on Political Rights drawn up by the Political Institutions Committee of the Council of States and held that both this draft and the draft constitutional article put forward by the federal popular initiative broadly corresponded to most of the recommendations made in the 2011 report even if some elements still required further improvement. GRECO concluded that the level of compliance with the recommendations was no longer "globally unsatisfactory" within the meaning of Rule 31, paragraph 8.3, of its Rules of Procedure. Switzerland was therefore no longer subject to the non-

compliance procedure and would now be evaluated via the regular compliance procedure. GRECO asked the head of the Swiss delegation to provide a report on the progress made in implementing the outstanding recommendations by 30 September 2020 at the latest. The report, which was submitted by that date, together with supplementary information submitted on 23 December 2020 and 15 March 2021, served as a basis for the Second Compliance Report.

9. GRECO selected France to appoint a rapporteur for the compliance procedure. France appointed Mr Vincent FILHOL, who was assisted by GRECO's Secretariat in drawing up the Compliance Report.

II. ANALYSIS

Theme II: Transparency of Party Funding

- 10. It will be noted that, in its Evaluation Report, GRECO addressed six recommendations to Switzerland concerning Theme II. In the Sixth Interim Compliance Report, GRECO held that recommendations i, ii, v and vi had been partly implemented and recommendations iii and iv had still not been implemented.
- 11. <u>The Swiss authorities</u> describe fresh developments at federal and cantonal levels since the last compliance report, namely:
- 12. <u>At federal level</u>, the authorities outline the steps which have been taken since the last report in dealing with the indirect counter-proposal to the popular initiative on transparency¹.
- 13. On 24 October 2019, the Political Institutions Committee of the Council of States (PIC-S), one of the two chambers of Parliament, took note of the results of the consultation on its draft amendment to the Federal Act on Political Rights, which took place from 7 May to 28 August 2019². A total of 46 opinions were submitted from the 26 cantons, eight parties represented in the Federal Assembly and 12 other participants. Two cantons (ZH and SH) declined to comment on the merits of the consultation. 26 participants were in favour of the draft amendment, namely 14 cantons (AG, BL, BS, FR, GE, GR, JU, NE, NW, OW, SO, TG, VD and VS), five political parties (PBD, PEV, the Greens, PVL and PS) and seven other participants in the consultation. In contrast, 18 participants rejected the draft, namely 10 cantons (AI, AR, BE, GL, LU, SG, SH, TI, UR and ZG), three political parties (PDC, PLR and UDC) and five other participants. The committee which launched the transparency initiative also supported the draft but deemed further action to be necessary.
- 14. Noting that opinions differed widely, the PIC-S held that it was unable to decide on the changes to be made to the draft. However, based on the responses to the consultation, it decided to drop the disclosure requirement for members of the Council of States. It adopted the amended versions of the draft and the explanatory report to the Council of States by eight votes to two with two abstentions and also forwarded the draft to the Federal Council for its opinion.
- 15. On 27 November 2019, the Federal Council (Government) gave its opinion on the PIC-S report of 24 October 2019³. It noted that the committee's clear decision to support the indirect counter-proposal and the outcome of the consultation, which was largely in favour of greater transparency, showed that there was a heightened need for transparency. The Federal Council would therefore no longer oppose national legislation on transparency if that was what the majority

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¹ https://www.bj.admin.ch/bj/fr/home/staat/gesetzgebung/transparenz.html

² https://www.parlament.ch/centers/documents/fr/19-400-zusammenfassung-ergebnisse-vernehmlassung-f.pdf

³ https://www.admin.ch/opc/fr/federal-gazette/2019/7765.pdf

of political parties wished. It even formally proposed that Parliament debate the draft legislation⁴. The Federal Council considered that the indirect counter-proposal was more balanced and sought to find concrete solutions to various issues left unresolved by the transparency initiative. Generally speaking, the disclosure requirements provided for in the draft legislation were less strict than those in the initiative, particularly with regard to thresholds. In addition, the draft legislation more clearly defined the natural persons and legal entities subject to funding disclosure requirements. Lastly, the Federal Council preferred any regulation to be enshrined in formal legislation rather than the Constitution.

- 16. However, the Federal Council also recognised that significant problems remained. The reservations that the Federal Council had expressed in its prior statement on the popular initiative were therefore still relevant. Among other things, the Federal Council pointed to difficulties in implementing the law. The counter-proposal would entail an additional administrative and financial burden both for the state and for the parties and persons concerned, particularly in the run-up to a referendum or an election. In the case of elections, in particular, it would also only be possible to establish after the ballot whether campaign spending had exceeded the threshold of 250 000 francs, meaning that funding disclosure requirements should be met by those involved. It also remained unclear what could be done to effectively prevent any circumventions of donation reporting requirements such as splitting donations or using a third party.
- 17. On 16 December 2019, the Council of States approved the PIC-S's draft by 29 votes to 13 with two abstentions and several amendments⁵. The main amendments to the draft were as follows:
 - no disclosure requirement when collecting signatures for a popular initiative or referendum;
 - ban on all foreign donations, irrespective of the amount;
 - intentional acts of concealment would be punishable by a fine of up to 40 000 francs, but no fine would be imposed for those resulting from negligence.
- 18. The Political Institutions Committee of the National Council (PIC-N), the other chamber of Parliament, then examined the draft on 28 May 2020. It proposed to its plenum to discuss the proposal with certain modifications.
- 19. On 4 March 2020, the National Council first decided to extend by one year the time limit for dealing with the popular initiative on transparency and the PIC-S's indirect counter-proposal⁶. Parliament may be allowed an additional year in which to deal with a popular initiative when examining a counter-proposal to this initiative. On account of the health crisis and the lockdown in Switzerland from mid-March to May 2020, the time limit for dealing with all popular initiatives was extended by a further three months. The final deadline for examining the counter-proposal is now 21 June 2021; after that, the popular initiative must be put to a popular vote.
- 20. On 17 September 2020, the National Council examined the PIC-S's indirect counter-proposal. Having agreed to consider the draft legislation, discussed it at length and held votes on various amendments, the National Council finally rejected it in the concluding vote on the entire text by 168 votes to 18 with nine abstentions. This clear outcome is due to the fact that both those supporting stricter regulation and those opposing any regulation voted against the draft.

⁴ https://www.admin.ch/opc/fr/federal-gazette/2019/7765.pdf (chapter 3; p. 7769)

⁵ https://www.parlament.ch/fr/ratsbetrieb/amtliches-bulletin/amtliches-bulletin-die-verhandlungen?SubjectId=48052

⁶ https://www.parlament.ch/fr/ratsbetrieb/amtliches-bulletin/amtliches-bulletin-die-verhandlungen?SubjectId=48509

⁷ https://www.parlament.ch/fr/ratsbetrieb/amtliches-bulletin/amtliches-bulletin-die-verhandlungen?SubjectId=50040#votum2

⁸ https://www.parlament.ch/fr/services/news/Pages/2020/20200917123239842194158159041 bsf075.aspx

- 21. The parliamentary process did not end with the National Council's decision. The draft was sent back to the Council of States for consideration. Prior to this hearing, at its meeting on 22 October 2020, the PIC-S unanimously decided to maintain its draft legislation⁹.
- 22. On 17 December 2020, the Council of States considered the draft for the second time. It confirmed its support for the draft, with one modification, namely to lower the expenditure threshold beyond which persons campaigning for a National Council election or for a referendum are required to disclose their funding¹⁰.
- 23. Having confirmed its support for the draft, the Council of States sent it back to the National Council for a new decision. In order to prepare the plenum's deliberations, on 21 January 2021, the PIC-N therefore turned its attention once again to the indirect counter-proposal as adopted by the Council of States in December 2020. It proposed to its Council to enter into the matter, by bringing three additions to the Council of States' draft¹¹:
 - > by 14 votes to 10, it proposes that parties should also be required to declare the contributions they receive from elected party members (including parliamentarians, members of government and judges), regardless of the amount;
 - by 16 votes to 7, it wants the members of the Council of States, once elected, to be subject to obligations of transparency regarding their campaign budgets;
 - ▶ by 14 votes to 10, it advocates sample checks to verify the accuracy of the information provided by the persons subject to the transparency obligation.
- 24. On 3 March 2021, the National Council did indeed take up the matter by 115 votes to 70. During the deliberations, it made some changes to the draft and then adopted it by 113 votes to 78 (whereas the vote had been negative the previous time, see paragraph 20)12. In particular, the Plenum accepted the three proposals of its committee (see paragraph 23 above). In addition, it lowered the threshold above which donations to parties must be declared. There are therefore four remaining differences between the National Council's draft and that of the Council of States. A process of eliminating the differences will now take place and the file will be returned to the Council of States for this purpose. A final vote on the entire project will take place during the summer session of Parliament (31 May to 18 June 2021). Even if the indirect counter-proposal should fail at this stage, the popular initiative on transparency will have to be put to a popular vote. The Swiss people and the cantons will thus in any case have the final say on a regulation on the financing of political parties and election campaigns. And even if the federal parliament were to pass the law in a final vote, the popular initiative could still be subject to a vote by the people and the cantons if the committee that launched the initiative considered that the legislation enacted by Parliament was inadequate and thus did not withdraw the initiative.
- 25. At cantonal level, the Vaud Council of State (cantonal government) published a draft for a complete revision of its law on political rights (LEDP) for consultation on 28 June 2019¹³. In particular, the revision introduces the principle of transparency in the funding of political parties and organisations by requiring the publication of political party and campaign accounts and the disclosure of donations of 5 000 francs or more from natural persons or legal entities. The LEDP preliminary draft was opened to wide public consultation until 30 September 2019, in a procedure including the communes, political parties, certain cantonal authorities such as the Data Protection and Right to

⁹ https://www.parlament.ch/press-releases/Pages/mm-spk-s-2020-10-23.aspx?lang=1036

https://www.parlament.ch/fr/ratsbetrieb/amtliches-bulletin/amtliches-bulletin-die-verhandlungen?SubjectId=51441

¹¹ https://www.parlament.ch/press-releases/Pages/mm-spk-n-2021-01-22.aspx

¹² https://www.parlament.ch/fr/ratsbetrieb/amtliches-bulletin/amtliches-bulletin-die-verhandlungen?SubjectId=51839#

¹³ https://www.vd.ch/toutes-les-actualites/news/11822i-mise-en-consultation-de-la-revision-totale-de-la-loi-sur-lexercice-des-droits-politiques/

Information Authority, and various umbrella associations (of communes, municipal secretaries, secretaries of town councils, residents' registration offices). On 24 February 2021, the Vaud Council of State published the draft law which had been revised as a result of the consultation process and its explanatory memorandum for the attention of the Grand Council (cantonal parliament) for deliberation¹⁴.

- 26. In the canton of Jura, a popular initiative on transparency in political party funding has passed the first hurdle. On 2 July 2020, the 2 000 signatures required were presented at the cantonal Chancellery. On 31 August 2020, the Jura cantonal government formally confirmed the validity of the popular initiative entitled "Political parties: time for transparency!" 15. The text requires parties. political groups and any other organisations taking part in votes or elections in the canton to publish their accounts and disclose their funding sources. The Jura cantonal parliament must, in principle. give its decision on material validity within six months of the initiative's submission. The Jura cantonal government forwarded on 19 November 2020 its statement related thereto 16. If the initiative were approved, the Jura cantonal parliament would have two years in which to enact the necessary legislation. It may also reject the initiative or submit a counter-proposal. In both cases, a popular vote must be held.
- 27. In the canton of Schaffhausen, a popular initiative entitled *Transparenz in der Politikfinanzierung* (Transparency in political funding) was approved in a popular vote on 9 February 2020 with 52.8% of the votes¹⁷. The initiative requires the parties to publish their campaign budgets for elections and referendums and the names of individuals and companies making donations of more than 3 000 francs a year. Candidates are also subject to these disclosure requirements.
- 28. In the canton of Valais, the Grand Council (cantonal parliament) passed a motion in June 2019 calling for legislation to be introduced to ensure transparency in the funding of political parties and campaigns held prior to elections and referendums. A draft amendment to the Valais law on political rights was open for consultation until the end of December 2020¹⁸. Among other things, it provides for the publication of political party and campaign accounts and the disclosure of donations of 5 000 francs or more from legal entities or natural persons. It also requires parties and campaign committees to make their accounts and lists of donors available to the public. Upon written request. this information must be made available to any interested party within ten days. According to the preliminary draft, transparency requirements apply to cantonal political parties, cantonal elections and candidates in cantonal elections. It was not considered appropriate to include parties, elections and referendums at municipal level, mainly because it would be too time-consuming.
- 29. This means that a new canton (Schaffhausen) has joined the ranks of those (Ticino, Geneva, Neuchâtel, Fribourg and Schwyz) with legislation on political party and election campaign funding. Of the 26 Swiss cantons, six now have legislation and three (Jura, Valais and Vaud) have draft laws at an advanced stage. It should be noted that the latest cantons to have passed legislation (Fribourg, Schwyz and Schaffhausen) did so following popular initiatives.

¹⁴ https://www.vd.ch/toutes-les-actualites/news/13369i-revision-totale-de-la-loi-sur-lexercice-des-droits-politiques-ledp/

https://www.jura.ch/CHA/SIC/Centre-medias/Communiques-2020/Informations-breves-issues-des-decisions-prisesrecemment-par-le-Gouvernement-7.html

¹⁶ https://www.jura.ch/CHA/SIC/Centre-medias/Communiques-2020/Le-Parlement-appele-a-se-prononcer-sur-la-validitematerielle-de-l-initiative-populaire-Partis-politiques-place-a-la-transpare.html

¹⁷ https://sh.ch/CMS/get/file/cf26879c-9e33-4d09-8d7e-30bb2a7ef151

¹⁸https://www.vs.ch/fr/web/communication/detail?groupId=529400&articleId=8921513&redirect=https%3A%2F%2Fwww.vs.c h%2Fde%2Fhome%3Fp p id%3Dcom liferay asset publisher web portlet AssetPublisherPortlet INSTANCE BJTNLOO Exi2c%26p p lifecycle%3D0%26p p state%3Dnormal%26p p mode%3Dview

Recommendation i.

- 30. GRECO had recommended (i) introducing accounting rules for political parties and election campaigns that provide for full and appropriate accounts to be kept; (ii) ensuring that income, expenditure and the various elements of assets and liabilities are accounted for in detail and in full and presented in a coherent format; (iii) exploring ways of consolidating accounts to include parties' cantonal and local branches and bodies directly or indirectly linked to them or otherwise under their control; (iv) ensuring that adequate financial information is readily available to the public in good time; (v) where appropriate, inviting the cantons to adapt their own regulations in line with this recommendation.
- 31. <u>GRECO</u> recalls that this recommendation had been assessed as partly implemented in the previous report, as the draft constitutional article and the counter-proposal both broadly corresponded to the recommendation. GRECO had regretted, however, that the counter-proposal did not foresee expenditure reporting requirements. The threshold of CHF 250,000 for triggering disclosure in the counter-project also seemed too high.
- 32. The Swiss authorities point out that both the draft new constitutional article and the counter-proposal contain reporting and publication obligations. Compared to the version taken into account by GRECO in its last report, the counter-proposal now provides that the threshold for declaring campaigns be lowered to 50,000 francs, which is less than the federal popular initiative (which provided for 100,000 francs) and the previous version of the counter-proposal (which provided for 250,000 francs) ¹⁹. As for the application or not of the law to elections to the Council of States, it is still the subject of a divergence between the Council of States, which rejects it, and the National Council, which supports it.
- 33. <u>GRECO</u> takes note of the state of play regarding the counter draft law. It welcomes the lowering of the threshold for triggering transparency obligations to 50,000 francs, which it considers appropriate. With regard to the scope of the counter-proposal, GRECO recalls that Recommendation R(2003)4 on common rules against corruption in the funding of political parties and election campaigns calls for transparency obligations covering both party and campaign funding. It is therefore important that the counter-proposal should also apply to campaigns for elections to the Council of States.
- 34. GRECO concludes that recommendation i remains partly implemented.

Recommendation ii.

- 35. GRECO had recommended (i) introducing a general obligation for political parties and candidates to elections to provide information on all donations received, including donations in kind, above a certain size together with the identity of the donors; (ii) introducing a general ban on donations from persons or bodies that fail to reveal their identity to the political party or candidate concerned; (iii) inviting cantons that do not yet have such measures to adopt them.
- 36. <u>GRECO</u> recalls that this recommendation had been assessed as partly implemented in the last report, as both proposals contained transparency requirements regarding donations, as well as a prohibition of anonymous donations. It found the threshold for triggering these requirements high, however, especially the 25,000 francs threshold foreseen in the draft law.
- 37. <u>The Swiss authorities</u> point out that both the draft new constitutional article and the legislative counter-proposal contain transparency rules regarding donations (articles 76b, 76c, 76d

¹⁹ Concordant decisions of the Council of States on 17 December 2020 and the National Council on 3 March 2021.

paragraphs 3 and 4, 76f and 76h). Compared to the version taken into account by GRECO in its last report, the National Council lowered the threshold for triggering these rules to 15,000 francs, thus diverging from the version of the Council of States, which set the threshold at 25,000 francs (the initiative proposes 10,000 francs). In addition, the National Council agreed with the position of the Council of States, which was keen to make it clear, on 17 December 2020, that both monetary and non-monetary liberalities were covered by the law. Furthermore, the National Council adopted an amendment requiring parties to declare the contributions they receive from elected members of their party, members of the government and judges, irrespective of their amount (see above, paragraphs 23 and 24).

38. <u>GRECO</u> takes note of the work progress regarding the legislative counter-proposal and <u>concludes</u> that recommendation ii remains partly implemented.

Recommendation iii.

- 39. GRECO recommended (i) seeking ways of increasing the transparency of the financing of political parties and election campaigns by third parties; (ii) inviting also the cantonal authorities to consider these matters.
- 40. <u>GRECO</u> recalls that this recommendation had been assessed as not implemented in the previous reports.
- 41. The Swiss authorities do not communicate any specific information regarding this recommendation.
- 42. <u>GRECO</u> recalls that this recommendation aims at ensuring transparency of the accounts of entities connected to political parties and <u>concludes that recommendation iii remains not implemented</u>.

Recommendation iv.

- 43. GRECO recommended (i) ensuring that, as far as possible, independent audits are carried out on political parties subject to the obligation to maintain accounts and on election campaigns accounts; and (ii) inviting cantons to do the same.
- 44. <u>GRECO</u> recalls that this recommendation had been assessed as not implemented in the previous reports.
- 45. The Swiss authorities do not communicate any specific information regarding this recommendation.
- 46. <u>GRECO</u> recalls that this recommendation calls for an audit of political financing accounts by an independent chartered accountant and <u>concludes that recommendation iv remains not implemented.</u>

Recommendation v.

- 47. GRECO recommended (i) ensuring the effective and independent supervision of the financing of political parties, and election campaigns, in accordance with Article 14 of Council of Europe Recommendation Rec(2003)4 on common rules against corruption in the funding of political parties and election campaigns; and (ii) inviting cantons to do the same.
- 48. <u>GRECO</u> recalls that it had assessed this recommendation as partly implemented in the last report, as the draft law provides for the creation of an authority to oversee compliance with the rules on

transparency of political financing. However, the composition, role and powers of this authority have yet to be defined.

- 49. The Swiss authorities recall that article 76e of the draft law provides for the inspection of documents by an authority appointed by the Federal Council (article 76g). In the event of failure to do so, this authority must refer the matter to prosecuting authorities (article 76e paragraph 3). Compared to the version taken into account by GRECO in its last report, the National Council introduced sample checks to verify the accuracy of the information provided by persons subject to a transparency obligation. The control would therefore go beyond a verification that the information and documents are complete and free of obvious defects (version supported by the Council of States).
- 50. <u>GRECO</u> takes note of the information provided and welcomes the National Council's position that sample checks be carried out to verify the accuracy of the information provided by the future declarants.
- 51. GRECO concludes that recommendation v remains partly implemented.

Recommendation vi.

- 52. GRECO recommended that the future rules on the financing of political parties and election campaigns be accompanied by effective, proportionate and dissuasive sanctions.
- 53. <u>GRECO</u> recalls that it had assessed this recommendation as partly implemented in the previous report, as both the federal popular initiative (article 39 paragraph 6) and the counter proposal (article 76j) provide for a sanctions regime.
- 54. The Swiss authorities communicate that, compared with the version taken into account by GRECO in its last report, only one change was made in the parliamentary process. The Council of States decided on 16 December 2019 to remove the possibility of imposing a criminal penalty for negligent violations. The criminal penalty of a maximum of CHF 40,000 for intentional violation of the provisions of the law remains in place. The National Council followed the Council of States on this point on 3 March 2021.
- 55. <u>GRECO</u> takes note of the information provided. The choice of the type of sanction for violations of the rules on political financing criminal, administrative, financial or electoral rests with the member states, but it is important that they are effective, proportionate and dissuasive, as required by the recommendation, and that all violations of the rules are subject to sanctions.
- 56. GRECO concludes that recommendation vi remains partly implemented.

III. <u>CONCLUSIONS</u>

- 57. In view of the above, GRECO concludes that there is no change as regards the overall implementation by Switzerland of the recommendations that were deemed not to have been implemented in the Third Round Sixth *Interim* Compliance Report. The total number of recommendations implemented or addressed satisfactorily five out of eleven remains unchanged as compared with the Sixth *Interim* Compliance Report. As regards the other recommendations, four remain partly implemented and two remain not implemented.
- 58. With regard to Theme I <u>Incriminations</u>, GRECO notes that all the recommendations (i to v) had been implemented satisfactorily at the time of the Third Interim Compliance Report. As regards

- Theme II Transparency of party funding, recommendations i, ii, v and vi remain partly implemented and recommendations iii and iv remain not implemented.
- 59. With regard to Theme II <u>Transparency of party financing</u>, GRECO welcomes the Federal Council's new decision to support national legislation to ensure transparency in political funding, as well as the approval by the National Council of an indirect counter-proposal in this field. GRECO hopes that the continuation of the legislative process will result in a regulation that meets the Council of Europe's standards in that area. It also welcomes the positive developments in the cantons of Vaud, Jura and Valais and the adoption in the canton of Schaffhausen of a popular initiative on transparency in political funding. This now brings the number of cantons with legislation in this area to six out of 26, and it should be noted that three other cantons are also well advanced in the process of preparing draft legislation.
- 60. As all recommendations on the transparency of party funding remain not completely implemented, GRECO, pursuant to paragraph 9 of Article 31 revised of its Rules of Procedure, asks the Head of the Swiss delegation to provide a report on progress in implementing the outstanding recommendations (i.e. recommendations i to vi of Theme II) by 31 March 2022.
- 61. Lastly, GRECO invites the Swiss authorities to authorise publication of this report as soon as possible and to translate it into the other official languages and make these translations public.