

LAW NO. 04/L-212

**ON AMENDING AND SUPPLEMENTING THE LAW NO. 03/L-174 ON THE FINANCING OF
POLITICAL PARTIES, AMENDED AND SUPPLEMENTED BY LAW NO. 04/L-058**

Assembly of Republic of Kosovo,

Based on Article 65 (1) of the Constitution of the Republic of Kosovo,

Approves

**LAW ON AMENDING AND SUPPLEMENTING THE LAW NO. 03/L-174 ON THE FINANCING OF
POLITICAL PARTIES, AMENDED AND SUPPLEMENTED BY LAW NO. 04/L-058**

Article 1

1. The purpose of this law is the amendment and supplement of the Law no. 03/L-174 on Financing Political Parties, as amended and supplemented by Law no. 04/L-058.
2. The term "**basic law**" used in provisions of this Law refers to the Law No. 03/L-174 on the Financing of Political Parties, as amended and supplemented by Law No. 04/L-058.

Article 2

1. Article 2 of the Basic Law, paragraph 1.5 shall be reworded with the following text:

1.5. **Contributions** - gifts (donations) or any kind of assistance that implies a conscious act of donating economic or similar economic goods to political entity, whether in cash, services, sale of items below the market price, delivery of services below market price or other material goods.

2. Article 2 of the Basic Law paragraph 1.10 shall be reworded as follows:

1.10 **Political entity** - political entity, coalition, citizens initiative, independent candidate. For the purposes of this law, for the entities such as the Youth Organisation, Foundations, Institutes or other similar bodies which are created by political parties or those having ties with political or perform functional activities for political parties the same provisions of the law shall apply in terms of their financial reporting.

3. Article 2 of the Basic Law paragraph 1.12 shall be reworded as follows:

1.12. **Campaign expenses** - all made expenses and payments for goods and services in accordance with Law no.03/L-073 on General Elections in the Republic of Kosovo, as amended and supplemented by Law no. 03/L-256, and Law no. 03/L-072 on Local Elections in the Republic of Kosovo.

Article 3

1. Article 4 of the basic law, after paragraph 1., new paragraphs 2., 3. 4. And 5. are added with the following text:

2. All financial and material revenues of political entities should be recorded in the political entities registers. Revenue generated in the form of services should be recorded in monetary equivalent of the service.

3. All political entities should have one single bank account in one of the commercial banks registered in the Republic of Kosovo, through which bank account they will carry out all transactions.

4. All financial revenues allowed pursuant to the provisions of this law, apart from the quota of membership and the incomes generated from the sale of material goods set forth under Article 6, paragraph 1. of the basic law, shall be carried out through the bank transaction. The revenues from the membership quota and the revenues foreseen pursuant to Article 6, paragraph 1. of the basic law, which can be carried out in cash should be deposited in the single bank account of the political entity no later than five (5) days upon the day of their receiving.

5. If a political entity has received funds contrary to the provisions of this law, such political entity shall, within two (2) weeks from the date of receipt of these funds return them through a bank account in the source of receipt, and within the same time frame inform the CEC.

Article 4

1. Article 9 of the basic law, after paragraph 2., two new paragraphs 3. and 4. are added, with the following text:

3. In the case of the merger of two or more political entities represented in the Assembly of the Republic of Kosovo in a new entity, the successor entity receives resources allocated from the Fund, in accordance with its representation in the Assembly of the Republic of Kosovo.

4. Ten percent (10%) of the allocated amount by the Fund of the Assembly of the Republic of Kosovo, to be delivered for support of the work of each deputy.

2. Article 9 of the basic law, paragraph 3. is renamed as paragraph with serial number 4.

Article 5

2. Article 10, paragraph 1. of the basic law is reworded as follows:

1. For financing of the central and local election campaigns, for the regular and extraordinary elections, with the proposal of the Government of the Republic of Kosovo, the Assembly of the Republic of Kosovo can allocate funds from the Budget of the Republic of Kosovo for the Fund, but not more than 0.05% of the Budget of the Republic of Kosovo.

Article 6

1. Article 11 of the basic law, paragraph 1. after subparagraph 1.5. new subparagraphs 1.6, 1.7, 1.8 and 1.9. are added, with the following text:

1.6. Private enterprises while they are in a contractual relationship for the provision of goods and provision of services with the institutions of the Republic of Kosovo and three (3) years after the end of the contractual relationship;

1.7. Non-governmental organizations, charitable organizations, religious organizations and trade union organizations;

1.8. Natural and legal persons who are debtors to the institutions of the Republic of Kosovo, against whom enforcement proceedings is initiated;

1.9. Youth Organisations, Foundations, Institutes or other similar bodies which are created by political parties or those having ties with political parties or perform functional activities of political entities;

2. Article 11 of the basic law, paragraph 3., the phrase "**in the bank account**" shall be replaced with the phrase "**through the single bank account**", the rest remains unchanged.

3. Article 11 of the basic law, after paragraph 3., a new paragraph 4. is added with the following text:

4. Candidates and political parties cannot accept any donation out of the rules set out by the law on the financing of political entities. No donation can be made directly to the candidate, but must pass through a political entity, while respecting the provisions of this law.

Article 7

1. Article 13, paragraph 2. of the basic law, is deleted from the text of the law.

Article 8

1. Article 15 of the basic law, paragraph 3 subparagraph 3.2 the phrase "**exceeding the amount of one hundred (100) Euros**" is deleted from the text of the law.

2. Article 15 of the basic law, paragraph 3. subparagraph 3.5. is deleted from the text of the law.

3. Article 15 of the basic law, paragraph 4. is deleted from the text of the law.

4. Article 15 of the basic law, paragraph 5 is renumbered with the serial number 4.

5. Article 15 of the basic law, after paragraph 4., a new paragraph with number 5. is added with the following text:

5. Political entities should publish and hold public at least one (1) year on their official websites, the Annual Financial Report of the previous year and Campaign Contribution Disclosure Reports of the previous elections and publish their own short version in one of the daily national newspapers. CEC shall determine the short version format on publication through a bylaw.

5.1. Annual Financial Report of political entity shall be published in the media foreseen in paragraph 5. of this Article till July 30 of the following year.

5.2. Campaign Contribution Disclosure Reports of the political entity shall be published in the media foreseen in paragraph 5. of this Article, no later than six (6) months after the date of the elections.

Article 9

Article 17 of the basic law, paragraph 1. shall be reworded as follows:

1. Political entities are forced to define the possibility of discharge of their internal financial control in their statute and, in order to fight corruption practices, and increase and strengthen the financial and transparency management, political entities should develop mechanisms of internal financial control.

Article 10

1. Article 18 of basic law shall be reworded with the following text:

Article 18
Overdue obligations

1. In cases when a political entity does not pay its obligations, such as fines imposed by the CEC, tax duties, or obligations arising from the enforcement of court's rulings, the relevant amount then is deducted from the budget that is allocated from the by Fund.

2. If the amount of duty of the political entity is larger than the budget which the Fund realizes, political entity cannot participate in elections without paying its debt.

Article 11

1. Article 19 of basic law shall be reworded with the following text:

Article 19
Financial control

1. Annual Financial Reports and Financial Declaration Reports of Campaign which are submitted by political entities to CEC, shall be audited in accordance with accounting standards applicable in Kosovo by auditors to be elected by the Assembly of the Republic of Kosovo through the Committee for the Oversight of Public Finances through an open public invitation for application.

2. For the implementation of obligation deriving from paragraph 1 of this article, the Assembly of the Republic of Kosovo through the Committee for the Oversight of Public Finances selects, in January of every year, at least ten (10) licensed auditors through a public announcement who will audit the Annual Financial Reports and Financial Declaration Reports of the Campaign of political parties. To be selected, the auditors must meet *inter alia*, the following criteria:

2.1. are licensed auditors according to the criteria of the legislation in force in the Republic of Kosovo;

2.2. have at least two (2) years working experience in the field of audit;

2.3. the natural or legal persons selected should not have had any contractual relations with some of the political entities during the last three (3) years;

2.4. have not been donors to any of the political entities or have benefited in any way from political entities during the last three (3) years;

2.5. are not under investigations or convicted of any criminal offense;

2.6. present a list of all audits that have conducted during the last three (3) years;

3. In case the legal persons apply to be selected for auditors under paragraph 1. of this Article, such legal and natural person who are an integral part of the legal person have to meet all the criteria according to paragraph 2. of this Article. Such legal person must also submit a list of all employees.

4. Following the selection of the list of auditors who will carry out the audit under paragraph 1. of this Article, from this list, the Committee for the Oversight of Public Finances of the Assembly of the Republic of Kosovo will define by draw the auditors who will be responsible for the audit of the

reports of the political entities. An auditor cannot audit the financial reports twice consecutively to a political entity.

5. The registered political entity will cooperate closely with auditors selected by the Assembly of the Republic of Kosovo and will provide them complete and unhindered access to financial data of the party, including here all the data without limitation.

6. CEC presents the previous results of the control of annual financial report conducted by auditors to the highest executive body of the political entity, including the list of errors or omissions done within a period of sixty (60) days upon the commencement of control.

7. The registered political entity may, within the period of five (5) business days upon receiving of the previous control results, submit the revised financial report and the explanation with regard to any evident error or omission identified by auditors.

8. After receiving the revised financial report of the political entity and the explanations on the errors and omissions identified, Auditors selected by the Assembly of the Republic of Kosovo will, through the Committee for the Oversight of Public Finances, within a period of ten (10) days, submit to CEC, the Final Audit Report identifying every error or omission in the financial report, taking into account every explanation or revision submitted by the political party.

9. The audit process of Annual Financial Reports of political entities should end no later than 15 June of the following year.

10. CEC should publish and keep published all annual financial reports of political parties together with the final audit report of political parties in its official website no later than 30 June of the following year. In addition, until this date, CEC is obliged to submit the final audit report to the political party.

11. CEC is obliged to submit by 30 June of the following year, annual financial reports of political parties together with annual audit report of political parties and no later than six (6) months after the day of elections, the financial campaign report of political entities together with the final report of the audit of political entities to the Anti-Corruption Agency, which in accordance with its mandate may examine these reports can

12. CEC prepares the annual report for the Assembly of Republic of Kosovo for distribution and expenditures from the Fund.

Article 12

1. The Article 21 of the Basic Law, shall be reworded with the following text:

Article 21 Punitive Provisions

1. Political entity shall be fined with ten percent (10%) of the basic amount realized by the Fund in the previous year if they don't present the Annual Financial Report and Campaign Contribution Disclosure Reports by the deadline prescribed by law, and with a daily fine of 0.01% of the amount of the basic fine, till the presentation of the report. Political entity not receiving funding from the Fund is penalised with a basic penalty of one thousand (1000) Euros with a daily penalty of 0.01 % of the amount of the basic penalty, until the presentation of the report. Political entity which does not present the Annual Financial Report and Campaign Contribution Disclosure Reports within the time specified by law loses eligibility to benefit funds from the Fund for the next year.

2. Political entity will be penalized for failing to meet the criteria of the financial report set forth by law as follows:

2.1. political entity, for inaccurate and incomplete data on the balance sheet, profit and loss statement on the value of payment five thousand (5000) Euros made to other persons, shall be fined with basic fine of five thousand (5000) Euros and daily fine of 0.01% of the base amount until the correction of these data.

2.2. the political entity will be penalised with a basic penalty of two thousand (2000) Euros for the lack of documentation copies of the financial report foreseen in paragraph 3. of Article 15 of the basic law.

3. Political entities will be penalised with a basic penalty of five thousand (5000) Euros for failing to publish the Financial Reports foreseen under Article 15, paragraph 5. of the basic law and with a daily penalty in the value of 0.01% of the value of basic penalty until their publication.

4. Political entity shall be fined twice of the value received, while the candidate for a mayor, candidate for the member of the parliament, municipal councilor and independent candidate is fined with the same amount received if;

4.1. accepts and executes donation by a natural person in contradiction with Article 5, paragraph 1., subparagraph 1.1. of the basic law.

4.2. accepts and executes donation by a legal person in contradiction with Article 5, paragraph 1, subparagraph 1.2. of the basic law.

4.3. accepts and executes donation in contradiction with Article 11 of the basic law;

4.4. accepts and executes donation to twenty thousand (20,000) Euros, whose origin cannot be proved;

5. Political entity which cannot prove the origin of the received and executed incomes over twenty thousand (20,000) Euros shall be fined three times that amount.

6. Natural or legal persons who are providing contributions in contradiction of Article 5 and Article 11 of the basic law, will be penalised with twenty percent (20%) of the provided value.

7. All income realized from the political entity out of the prescribed sources by Article 4 of the basic law shall be paid into the Budget of the Republic of Kosovo and the political entities will be fined ten percent (10%) of the amount realized.

8. Political entities shall be fined double of the funds spent in contradiction with Article 8 and Article 10 of the basic Law.

9. Political entity shall be fined with basic fine of five thousand (5000) Euros for keeping active, two or more bank accounts, and daily fine of 0.01% of the amount of the basic fine to the closure of these accounts.

10. Political entity shall be fined in the amount of one thousand (1.000) Euros for not informing the CEC within the time provided in Article 3, paragraph 5. of this law, for the funds received in contradiction with this law.

11. If funds are misused by a candidate or the political entity and there can be verified that the winning of mandate/s is as the result of misuse of funds in contradiction to the provisions of this Law and applicable legislation, the mandate of the candidate or political entity may be taken.

12. Political entities shall have rights to appeal against the penal provisions. Appeals shall be addressed to the Election Panel on Complaints and Appeals according to the legislation in force.
13. Revenue from fines paid under this Law shall be deposited to the budget of the Republic of Kosovo.

Article 13

This law enters into force on the day of its publication in the Official Gazette of the Republic of Kosovo.

Law No. 04/L-212
31 July 2013

Promulgated by Decree No.DL-046-2013, dated 19.08.2013, President of the Republic of Kosovo
Atifete Jahjaga