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EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW
(VENICE COMMISSION)

DRAFT LAW
ON AMENDMENT AND COMPLETION OF LEGISLATIVE ACTS*
OF MOLDOVA

*Election Code, Law on Political Parties, Penal Code, Penal Procedure Code, Administrative Offences Code, Audiovisual Code, Fiscal Code, Law on Court of Accounts

**Draft Law
on amendment and completion of legislative acts**

The Parliament adopts this organic law.

Article I. The Election Code No. 1381-XIII of 21 November 1997 (Official Gazette of the Republic of Moldova, 1997, No. 81, Article 667), with later amendments, is amended and completed as follows:

1. Article 1:

The notion "Central Election Commission" will have the following content:

„*Central Election Commission* – the independent administrative body established to implement the election policy for the purpose of a good conduct of elections and as an independent body in charge of the supervision of and control over the compliance with the legal provisions on the financing of political parties and of election campaigns;”

The notions "financing of election campaigns" and "financial reports" are introduced after the notions "electoral education" and respectively "persons authorized to assist in election operations" with the following content:

“*Financing of election campaigns* – direct and indirect financing, material support in other forms of electoral contestants by natural persons and/or legal persons;

Financial reports – reports of the electoral contestant on cash flow, including accumulated financial means, the sources of their origin and the expenditures incurred in the election campaign.”

2. Article 16 paragraph (1) is completed in the end with the text "supervision of and control over the compliance with the legal provision on financing of political parties and election campaigns."

3. Article 19 is completed with paragraph (3) with the following content:

“(3) Prior to their appointment, the candidates for the position of a member of the Central Election Commission are subject to a verification, under the Law No. 271-XVI of 18 December 2008 on Verification of Holders of and Candidates for Public Functions, the information on the results of verification being published by the bodies (public authorities) that appoint the members of the Commission.”

4. Article 20 paragraph (3) is completed in the end with the following phrase: "The referrals concerning the failure to comply with the conditions or committing of incompatible acts may be submitted to the bodies (public authorities) that appointed the respective persons or to the Parliament, by any natural or legal person."

5. Article 22:

Paragraph (1) will have the following content:

“(1) As a body specialized in the electoral area, the Central Election Commission”;

The article is completed with the paragraph (2) having the following content:

“(2) As an independent supervision and control body in the area of financing of political parties and election campaigns, the Central Election Commission:

a) develops and issues normative acts necessary to apply and enforce the legislative regulations concerning the financing of political parties and of election campaigns;

b) develops documents of guiding nature (forms, guidelines, methodological norms) necessary to assist the financial activity and to train the political parties and the electoral

contestants with regards to their rights, duties and responsibilities in the process of financial management;

c) collects and systematizes the annual financial reports and the audit reports of political parties and the financial reports submitted by the electoral contestants;

d) ensures the publication on its website of information and annual financial reports of political parties, as well as of reports on financing of election campaigns;

e) examines the referrals concerning the violation of legislation in the area of financing of political parties and the complaints concerning the violation of legislation in the area of financing of election campaigns;

f) applies sanctions provided in this Code and the Law No. 294-XVI of 21 December 2007 on Political Parties for violation of provisions of financing of election campaigns/political parties, intimates the competent bodies about the violations that are subject to administrative, penal liability or for a fiscal violations;

g) cooperates and provides information assistance in the development of independent monitoring studies of the financing of political parties/election campaigns;

h) studies and monitors the enforcement of legislation in the area of financing of political parties/election campaigns, submits to the Parliament and the Government proposals on amendments to the legislative framework in the area of financing of political parties/election campaigns;

i) has the right to access the information kept by the public authorities of all levels and in state registries, including the information consisting of personal data, complying with the Law No. 133 of 08 July 2011 on Personal Data Protection;

j) exercises other supervision and control attributions in the area of financing of election campaigns and of political parties, in accordance with the provisions of this Code and of the Law on Political Parties.”

6. Article 24 will have the following content:

“**Article 24.** Financing of the activity of the Central Election Commission

(1) The Central Election Commission estimates the expenditures related to its operation, for the organization and conduct of regular elections, including for the activities expected to be conducted during the following budgetary year and plans its own annual budget.

(2) The Central Election Commission has its own budget. The budget of the Central Election Commission for the following year is approved by the Parliament by the 1 July of the current year.

(3) The Parliament submits to the Government the approved budget of the Central Election Commission to be included in the Draft Law on State Budget for the following budgetary year.”

7. Article 26 paragraph (1) item p) will have the following content:

“p) applies the sanction provided in this Code for the violation of electoral legislation and the legislation in the area of financing of election campaigns.”

8. In Article 26¹, the wording “a subdivision of the Central Election Commission” is substituted by the wording “a public institution established by the Central Election Commission.”

9. Article 28:

Item h) is completed in the end with the text “publishes financial reports of independent candidates;”

Item l), after the text “acts of precinct electoral bureaus”, is completed with the text “actions/inactions of electoral contestants, as well as those concerning the financing of independent candidates in local elections.”

10. The title of Chapter 4 is completed with the text “AND FINANCING OF ELECTION CAMPAIGNS.”

11. Article 36 will have the following content:

“Article 36. Prohibition of foreign subsidies

(1) Direct and indirect financing, material support in any form of election campaigns of candidates in elections and of election contenders by other states, by foreign, international and joint companies, institutions and organizations, as well as by natural persons that are not citizens of the Republic of Moldova are forbidden. The amounts received this way are seized by decision of the court of justice and are made income to the state budget, in accordance with the provisions of the penal and administrative legislation in the area.

(2) The provisions of paragraph (1) may not be interpreted and applied as limiting the finances allocated in an open and transparent manner, for the purpose of supporting the efforts to promote democratic values and international standards for free, democratic and fair elections.”

12. Article 37, after paragraph (3), is completed with paragraph (3¹) having the following content:

“(3¹) The electoral contestant that withdrew her candidacy has the duty to refund the credit allocated from state budget to conduct the election campaign within 2 months from the withdrawal of candidacy.”

13. Article 38 will have the following content:

“Article 38. Conditions and manner of financial support of election campaigns

(1) The direct and indirect financing and material support in other forms of election campaigns of electoral contestants by natural and legal persons is done in compliance with the following conditions:

a) the electoral contestant opens a bank account with the indication “Election Fund”, wiring there its own financial means, as well as other amounts of money, received in accordance with the legislation from natural persons citizens of the Republic of Moldova, from domestic legal persons and confirms to the Central Election Commission the person in charge of finances (the treasurer). The candidates in elections may not be appointed treasurers.

b) the electoral contestant that does not open a bank account with the indication “Election Fund”, informs accordingly the Central Election Commission and conducts election campaigning activities that do not involve financial expenses;

c) the general ceiling of financial means that may be wired into the election fund of the electoral contestant is set by the Central Election Commission, taking as calculation basis a coefficient multiplied by the number of voters in the precinct where elections take place;

d) the ceilings of donations made by natural and legal persons in the election fund for an election campaign consist of 20 and respectively 40 average monthly salaries in the national economy set for the respective year;

e) the legal persons may wire sums of money into the “Election Fund” account only by transfer, accompanied by an informative note confirming the inexistence of a state, foreign or joint share in its statutory capital, as well as by submitting a statement on its own liability concerning the lack of restrictions provided in paragraph (2) item d);

f) the donations offered in cash by natural persons are accompanied by a filled-in form that is attached to other accounting documents of the supported electoral contestant. The sample form for such donations is approved by the Central Election Commission;

g) the resources from the election fund may be used only after their declaration at the Central Election Commission or at the District Electoral Council, in case of independent candidates in local elections. The financial means wired into the “Election Fund” account may not be used for personal purposes.

2. The financing and material support in any form, directly and indirectly, of election campaigns/electoral contestants by the following subjects is forbidden:

a) legal persons from abroad, including with joint capital, other states and international organizations, including international political organizations;

b) the citizens of the Republic of Moldova under 18 years of age, citizens limited in their legal capacity or declared incapable by final decision of the court of justice;

c) public authorities, organizations, companies, public institutions, other legal persons funded from the public budget or that have state-owned capital, with exception of cases when the provision of services and material support is directly provided in the legislation;

d) legal persons (commercial societies) that one year before the beginning of the election period conducted activities funded/paid from public resources (funds), as well as legal persons with foreign or joint capital (the legal persons with state-owned capital are already listed in item c);

e) anonymous persons or on behalf of third parties;

f) natural persons that are not citizens of the Republic of Moldova;

g) non-residents of the Republic of Moldova;

h) benefit (charity) organizations, trade unions and religious organizations.

(3) All expenses related to the election campaign are made from the Election Fund. The natural and legal persons are not entitled to order advertising election materials for and in favor of electoral contestants and to pay the expenses related to their production.

(4) The electoral contestants are forbidden to propose money to the voters, to distribute material goods free of charge, including from humanitarian aid and from other benefit actions. Derogation from the restriction to distribute material goods is allowed only in case of symbolic gifts, representing electoral/political advertising, manufactured from the means declared in the Election Fund, which bear the symbolic of the electoral contestant and the market value of which does not exceed the amount of 20 conventional units.

(5) The bank, where the accounts with the indication "Election Fund" are opened, informs on daily basis and upon request the Central Election Commission about the money sums wired into the account of electoral contestant.

(6) Within 5 days from the beginning of the election period, the broadcasters have the duty to make public and inform the Central Election Commission and the Audiovisual Coordinating Council about the conditions of offering advertising space (including price/minute) and other connected services. The Central Election Commission publishes this information on its webpage.

(7) The public authorities/institutions have the duty to support the Central Election Commission and the district electoral councils in the activity of supervising and controlling the financing of election campaigns."

14. The Code is completed with Article 38¹ having the following content:

"Article 38¹. Reports on financing of election campaigns

(1) The political parties and the electoral blocks, as well as the independent candidates in case of parliamentary elections submit within 3 calendar days from the launch in the election campaign and later bi-weekly to the Central Election Commission a report, both in electronic format and in hard copy, under signature of persons in charge, on the accumulated monetary means and their expenses during the election campaign. The sample report is approved by the Central Election Commission and mandatorily includes the following information:

a) identification information of the natural or legal person that donated the financial means;

b) list of all received donations, including the nature and value of each donation in money, goods, objects, works or services;

c) total value of donations and number of donors;

d) reimbursed donations;

e) identification information of the natural or legal person that was paid financial means from the Election Fund and the purpose of these expenses;

f) the sums of debts, the number of financial bookkeeping documents and other concluding information;

g) accounting information for the respective period of legal persons funded or controlled in another manner by the respective political party.

(2) The reports on financing of election campaigns received under the conditions of paragraph (1) are preliminary verified by the Central Election Commission from the perspective of integrality of information and of the compliance with the financial reporting requirements related to the financing of the election campaign and are placed on the webpage of the Central Election Commission within 48 hours from their receipt.

(3) The independent candidates in local elections will submit to the respective district electoral council (that registered them) within 3 days from the registration and further bi-weekly financial reports on accumulated incomes and incurred expenses, according to the sample report approved by the Central Election Commission. Within 2 days from receipt, the district electoral councils will ensure the access of interested persons to these financial reports, will send them for publication on the webpages of the respective local public administration authorities and will send them to mass-media.

(4) The financial reports for the entire election period will be submitted to the Central Election Commission by the electoral contestants registered by it no later than two days prior to Election Day, the reports being published on the webpage of the Central Election Commission within no more than two weeks from their receipt.

(5) The Central Election Commission develops mandatory forms for reporting of income and expenses during the election campaign. In the expense section, the form will mandatorily include at least the following:

- a) costs of election meetings and events, including related costs (rent, stage, sound, stands, posters, protocol related expenses, security, event coverage in mass-media, etc.);
- b) advertising expenses, including on TV, radio, other electronic mass-media, printed press, billboards, other street and mobile advertising platforms;
- c) expenses for promotional materials, including the electoral program of the party, posters, flags, t-shirts, other promotional items offered free of charge in accordance with Article 38 paragraph (4);
- d) transportation costs (persons and goods);
- e) costs of public opinion survey services;
- f) additional maintenance costs: for rent of additional office space for electoral purposes, salaries of temporary personnel hired for electoral purposes;
- g) costs related to delegation/secondment of persons;
- h) fees for electoral and political consultancy.

(6) When the information submitted by a political party/electoral block according to paragraph (5) is incomplete, the Central Election Commission is entitled to request from the respective electoral contestant additional data about the size of each encashment in its account and about the origin of these means.”

15. Article 38¹ becomes Article 38².

16. Article 65 is completed with paragraph (6) having the following content:

“(6) The complaints concerning the financing of election campaigns are filed with the Central Election Commission, with regards to parties and electoral blocks or district electoral councils, in case of independent candidates in local elections. The examination of complaints concerning the financing of election campaigns of election parties is not subject to limitation period provided in Articles 66-68.”

17. Article 69:

Paragraph (4):

In item a), the text “in all cases in considerable amount (over 5 percent from the maximum amount” is excluded.

In item b), the word “deliberately” is excluded.

The article is completed with the paragraphs (5) and (6) having the following content:

“(5) In the cases provided in paragraph (4), the Central Election Commission/district electoral council, submits by adopting a decision in this regard a request to cancel the registration of the electoral contestant to the Court of Appeal Chisinau, in case of parliamentary elections, or to the court of justice in the area of which is located the respective electoral council, in case of general local elections or new local elections. The court of justice will examine the request and will pronounce a decision in this regard within 5 days, but no later than one day prior to elections.

(6) In case of repeated application of sanctions in form of warning during the same electoral period, the Central Election Commission applies in the address of political parties registered as electoral contestants the complementary sanction concerning deprivation of allocations from the state budget for a period from 6 months to 1 year.”

18. Articles 70 and 71 will have the following content:

Article 70. Penal liability

(1) The acts provided in Articles 181-182 of the Penal Code of the Republic of Moldova are considered crimes and are subject to penal liability.

(2) The heads of electoral bodies and other high-level persons have the duty to inform immediately the public prosecution bodies or the Center for Combating of Economic Crimes and Corruption about acts that, in their opinion, contain the constitutive elements of crimes related to the organization and conduct of elections that they learned about.

Article 71. Administrative liability

(1) The acts provided in Articles 47-53 of the Administrative Offences Code of the Republic of Moldova are considered administrative offences and are subject to administrative liability.

(2) The administrative offences are found and examined in accordance with the Administrative Offences Code. The heads of electoral bodies, other persons that own convincing information about the committing of administrative offences have the duty to inform immediately the finding bodies about facts they learned about and that, in their opinion, contain constitutive elements of administrative offences related to the conduct of elections.”

Article II. The Law No. 294-XVI of 21 December 2007 on Political Parties (Official Gazette of the Republic of Moldova, 2008, No. 42-44, Article 119), with later amendments, is amended and completed as follows:

1. The title of Chapter VI will have the following content: “Chapter VI. ASSETS AND SUPERVISION OF FINANCING OF POLITICAL PARTIES.”

2. In Article 24 paragraph (3), the text “as well as other economic activities directly resulting from the purpose provided in the statute” is substituted by the text “as well as other activities that generate income for the needs of party activity, if such activities are not forbidden by law and are directly provided in the party statute.”

3. Article 25:

Paragraph (1) item b) is completed in the end with the text “under the conditions that they are accounted in the established manner;”

Paragraph (3) is completed in the end with the text “and together with the total amount of membership fees accumulated yearly by a political party are published on its webpage and on the webpage of the Central Election Commission.”

Paragraph (4) is completed in the end with the text “by issuing justifying documents.”

4. Articles 26-31 will have the following content:

Article 26. Donations

(1) Donations for political parties or independent candidates may be of the following types:

a) monetary donations, other than membership fees;
b) donations in form of estate, goods, and services free of charge or on conditions that are more favorable than the commercial (market) value, payment of some goods and services used by the party. These donations are reflected in the bookkeeping of the party at their market value and are included in the donation limits provided in paragraphs (4) and (5).

(2) The monetary donations for a political party are made through operation of the banking system (bank card, direct transfer) and the identity of the donor is indicated in the banking document. In the case when the donor does not own a bank account, and the donation is made in cash, the money is deposited on the bank account of the party. In the case when the money are deposited in cash at the party, the natural person confirms the donation deposit by signing a statement on its own liability that will be kept at the party and attached to accounting documents. The form of the statement concerning a donation is approved by the Central Election Commission.

(3) The annual sources of a political party originated from membership fees and donations may not exceed the equivalent of 0.25% of the incomes provided in the state budget for the respective year.

(4) A natural person may make donations to one or several political parties. The donations made by a natural person to one or several political parties may not exceed in a budget year the amount of 20 average monthly salaries in the national economy set for the respective year. If the natural person is a member of the party, the mentioned maximum amount includes also the amount of party membership fees paid by him/her in a year, the membership fee and the donation being reflected distinctly in the bookkeeping of the party and its financial reports.

(5) The donations made by a legal person to one or several parties in a budget year may not exceed the amount of 40 average monthly salaries in the national economy set for the respective year. The legal person that makes a donation to a political party shall present the official decision of its competent bodies concerning the making of the donations, register the donation and reflect it in its accounting reports, as well as inform the shareholders/members about the operations conducted in such way.

(6) The financing, the provision of free services and the direct or indirect material support in any form of political parties by the following subjects is forbidden:

a) the citizens of the Republic of Moldova under 18 years of age, citizens limited in their legal capacity or declared incapable by final decision of the court of justice;
b) anonymous persons or on behalf of third parties;
c) public authorities, organizations, companies, public institutions, other legal persons funded from the public budget or that have state-owned capital, with exception of cases when the provision of services and material support is directly provided in the legislation;
d) legal persons that on the date of donation have outstanding debts older than 60 days to the state budget, social insurance budget or the health insurance bodies;
e) natural persons that are not citizens of the Republic of Moldova, legal persons with foreign or joint capital;
f) foreign citizens or legal persons from abroad, other state and international organizations, including international political organizations;
g) benefit (charity) organizations, trade union and religious organization.

(7) The activities provided to the political party on voluntary basis in according with the legislation regulating such activities are not considered donations.

(8) Each political party shall open a special bank account where it will transfer all monetary contributions offered to the party, including donations and membership fees. The special bank account details are published on the webpage of the party, are indicated in the financial reports of the party and are communicated to the Central Election Commission.

Article 27. State budget financing of political parties

(1) The annual state budget allocations for the financing of political parties represents 0.2% of the incomes provided in the state budget for the respective year and are granted according to the following ratios and criteria:

a) 20% are distributed in proportion to the accumulated votes among the political parties that obtained at least 2% of valid votes in parliamentary elections, under the condition that the amount granted to one party will not exceed 50 per cent of expenses declared by the political party in the respective parliamentary elections;

b) 30% are distributed in proportion to the accumulated votes, among the political parties that obtained at least 3% of valid votes in parliamentary elections, but not more than 50 percent for a party out of the total allocated amount, according to the parliamentary election results;

c) 10% are distributed to political parties that promoted women on their candidate lists in parliamentary elections, proportionally to the number of seats obtained by female candidates;

d) 30% are distributed to political parties in proportion to the number of obtained seats in 2nd level local councils (rayons and Chisinau municipality) in general local elections, but not more than 50 percent for a party out of the total allocated amount, according to the local election results;

e) 10% are distributed to political parties that promoted women for the positions of local councilors of 2nd level (rayons and Chisinau municipality) and mayors, proportionally to the number of seats obtained in local general elections by female candidates.

(2) In case of electoral blocks, the allocation will be shared according to the previous agreement between the members of the electoral block or, in absence of such agreement, by the number of seat obtained by each component.

(3) The state budget amounts that may not be allocated to some political parties due to failure to comply with the criteria or exceed ceiling are equally redistributed among the other political parties. After the elections, the allocations granted to the political parties in accordance with paragraph (1) item c) and e), are reevaluated depending on the number of obtained or lost seats by female candidates.

(4) The state budget allocations are transferred monthly to the accounts of political parties, in the conditions and amounts provided in paragraph (1), by money order issued by the Central Election Commission. In case of loss or suspension under this law of the right to state budget financing, the transfer of the respective amounts ceases from the month immediately following the month when the right to financing was lost or suspended.

(5) The annual state budget allocations for the financing of political parties that were not used by the political parties in the current fiscal year, may be transferred and used in the following fiscal year, in an amount not exceeding 50% of the allocated amount for the current fiscal year.

(6) The political parties lose their right to state budget allocation when:

a) their activity was restricted – for the entire activity restriction period;

b) they lose legal personality;

c) they are in process of liquidation;

d) the sanction of deprivation of the right to allocation was applied.

(7) The political party that lost its right to state budget financing is instated into this right by decision of the Central Election Commission upon the cease of the causes that determined the loss of the right to financing or after the execution of the sanction by which it was deprived of this right.

(8) In case of reorganization of political parties that are entitled to state budget financing, the mentioned rights is transmitted to the legal successors, i.e. the reorganized political parties. If the activity of the political parties benefiting of state budget allocation ceased, the respective amounts are redistributed to the other beneficiary political parties, in according with this Article.

Article 28. Use of state budget allocations

(1) The state budget allocations will be used at the decision of the management bodies of the political parties for the following destinations:

a) costs for maintenance of premises;

b) personnel costs;

- c) costs for press and promotional material;
 - d) costs for trips in and out of the country;
 - e) costs for telecommunication;
 - f) costs for receiving delegations from abroad;
 - g) payment of membership fees to international organizations that the respective party is part of;
 - h) investments in movables and immovable necessary for the activity of the respective party;
 - i) costs for office materials;
 - j) costs for (external/mandatory) auditing;
 - k) seminars and trainings for party members, conducted on the territory of the country.
- (2) It is forbidden to use the state budget allocations for destinations other than provided in paragraph (1).
- (3) The state budget allocations used for destinations other than provide in paragraph (1) are refunded to the state budget based on the final decision of the Court of Accounts, in the amount used contrary to the destination.
- (4) Receipt and use of state budget allocations is reflected distinctly in the bookkeeping of political parties.
- (5) The control over the use of state budget allocations is performed by the Court of Accounts in accordance with the law.

Article 29. Annual financial reports

- (1) The political parties will submit yearly, by 31 March financial reports to the Central Election Commission, in accordance with Article 31 of this law. The political parties benefiting of state budget allocations will submit the respective reports also to the Court of Accounts.
- (2) The reports mentioned in paragraph (1) are verified and analyzed in detail by the Central Election Commission. For the purpose of verification, the Central Election Commission requests from the political parties and other public or private institutions the information necessary to conduct the control. On request, the parties and other concerned public or private institutions have the duty to provide the requested information within two weeks. The deadline may be extended by the Central Election Commission, depending on the nature of requested information.
- (3) The information about income and expenses, including the identity of donors from the annual financial reports of the political parties and the concluding information (conclusions) of the independent audit reports (opinions) are published on the official webpage of the Central Election Commission within two weeks from their receipt and acceptance, as well as on the official webpages of political parties, if such exist.
- (4) The Central Election Commission develops mandatory forms for annual financial reports that need to contained (but are not necessarily limited to) the following:
- a) information about the assets and incomes of the party, including the grouping of these incomes by their type;
 - b) information about all donations offered to the party, including the donated amount, the identity of the donor (full first/last name, name of the company and organization form), domicile/headquarters and occupation/job or type of activity;
 - c) information about the liabilities and the expenses of the party (other than for election campaign), grouped in operation and asset management expenditures.

Article 30. Supervision of and control over the financing of political party

- (1) The independent body that ensures the supervision of and the control over the legal financing of political parties is the Central Election Commission, established and empowered with competences in this area in according with the Election Code and the provisions of this law.
- (2) With regards to the use of allocations received by the political parties from the state budget, the control is simultaneously exercised also by the Court of Accounts in accordance with the provisions regulating its activity.

(3) The supervision and control entities listed in this article issue instructions and detailed guidelines concerning the wiring, receipt and bookkeeping of donations and of non-financial contributions for the benefit of political parties and their use according to the destinations set by the law, as well as other aspects that concern the financing of political parties and of election campaigns.

(4) The Central Election Commission submits yearly to the Parliament by 1 August a report on the financing of political parties and election campaigns.”

Article 31. Auditing and verification of financial reports of political parties

(1) The political parties the annual incomes or expenses of which exceed one million Lei yearly have the duty to commission the auditing of financial reports at least once in 3 years. The auditing report, together with the yearly financial report, will be sent to the Central Election Commission and the Court of Accounts, in the event the party receives state budget allocations.

(2) The auditor is selected by the political party and shall not be a member or a candidate in the election campaign of any party during the last 5 years.

(3) For the needs of verification and control of party financing, the Central Election Commission provides the auditors with a special form to audit the accounts of the political parties and a guideline on how to fill it in, which will include the information necessary to check the compliance with the legal requirements concerning the financing of political parties and election campaigns, including:

a) the requirement that the auditor indicates that he/she is familiar with the relevant legal acts;

b) setting the precise objective of the audit;

c) structure of the auditing report form;

d) risk factors related to donation and expenses;

e) specific verification aspects.”

5. The Law is complemented with Chapter VII¹ (Articles 31¹-31³) having the following content:

“Chapter VII¹. Liability for violations concerning financing of political parties

Article 31¹. Violations of the legislation concerning donations

(1) When a political party receives donations by violating the provisions of Article 26 of this law, including in cases of receiving donations that exceed the set ceilings, within 10 days from the receipt of the donation, the political party has the duty to pay to the state budget the amounts received by violating the law or to refund the amounts received beyond the ceiling.

(2) In case of failure to comply with the requirements of paragraph (1), the Central Election Commission issues a written summons addressed to the political party, requesting the removal of the violation and the information about taken measures, within 3 working days from the issuance of the summons.

(3) The failure to execute the summons of the Central Election Commission is an administrative offence and is sanctioned in accordance with the provisions of the Administrative Offences Code.

(4) If the violations provided in paragraph (3) and administrative sanctions applied for these violations are repeated during one calendar year, the Central Election Commission adopts a decision on the deprivation of the respective party of the right to state budget allocations for a period from 6 months to one calendar year from the moment of adoption of the Commission decision.

Article 31². Violations concerning financial management

(1) Financial management violations are:

a) violation of legal provisions concerning rules of bookkeeping and use of assets of political parties, including the failure to present identification data of donors;

b) failure of political parties to submit the annual financial report in the set terms and format, according to the law, to the Central Election Commission, including presentation of incomplete data in the annual financial report;

c) uses contrary to destination of state budget allocations for political parties.

(2) The acts described in paragraph (1) are considered administrative offences and are subject to administrative liability according to the Administrative Offences Code of the Republic of Moldova.

(3) The chairperson of the Central Election Commission or the deputy chairperson of the Commission, when substituting the former, is entitled to detect administrative offences and to conclude protocols. The protocols concerning administrative offences are referred for examination on merits to the competent court of justice.

Article 31³. Intimations concerning the financing of political parties

(1) The intimations concerning violation of legal provisions in the area of financing of political parties may be made by an person entitled to vote or by a legal person from the Republic of Moldova, including public authorities/institutions, within 30 calendar days from the moment they learned about the committing of violations or identification of inaction.

(2) The intimation will include the description of invoked facts as presumed violations, evidence, legal ground, signature and identification data of the person making it.”

Article III. The Penal Code of the Republic of Moldova No. 985-XV of 18 April 2002 (republished in the Official Gazette of the Republic of Moldova, 2009, No. 72-74, Article 195), with later amendments, is completed with Article 181² having the following content:

Article 181². Illegal financing of political parties and of election campaigns

(1) Forging of financial reports of political parties and/or of reports on the financing of election campaigns, for the purpose of substituting or hiding the identity of donors or hiding the amount of accumulated amounts or the destination/size of used sources

is punished with a fine in the amount of 200 to 500 conventional units or with imprisonment for a period of up to 3 years, in both cases accompanied by the deprivation of the right to occupy certain positions or to exercise a certain activity for a period of up to 5 years.

(2) Obtaining by extortion of financial donations for political parties and/or election funds

is punished with a fine in the amount of 200 to 500 conventional units or with 100 to 200 hours of unpaid community work or with imprisonment for a period of up to 4 years and with the deprivation of the right to occupy certain positions or to exercise a certain activity for a period of 1 to 5 years.

(3) The blackmailing of donors of political parties and of electoral contestants

is punished with a fine in the amount of 300 to 500 conventional units or with 180 to 240 hours of unpaid community work or with imprisonment for a period of up to 5 years, in all cases accompanied by the deprivation of the right to occupy certain positions or to exercise a certain activity for a period of 2 to 5 years.

(4) Deliberate acceptance of the financing of the political party or electoral contestant from an organized criminal group or a criminal organization (association)

is punished with a fine in the amount of 500 to 1000 conventional units or with imprisonment for a period of 1 to 6 years, in all cases accompanied by the deprivation of the right to occupy certain positions or to exercise a certain activity for a period of 2 to 5 years.

(5) Unlawful use of administrative resources (public goods), including favoring or consenting to illegal use of administrative resources (public goods) in election campaigns, when it caused damages in high proportions

is punished with a fine in the amount of 3000 to 5000 conventional units or with imprisonment for a period of up to 3 years, in both cases accompanied by a deprivation of the right to occupy certain positions or to exercise a certain activity for a period of 2 to 5 years.

(6) The use contrary to destination of state budget allocations for political parties or of means from the election fund, when it caused damages in high proportions

is punished with a fine in the amount of 3000 to 5000 conventional units or with imprisonment for a period of 1 to 5 years, in both cases accompanied by the deprivation of the right to occupy certain positions or to conduct a certain activity for a period of 2 to 5 years.”

Article IV. Article 269 paragraph (1) of the Penal Procedure Code of the Republic of Moldova No. 122-XV of 14 March 2003 (Official Gazette of the Republic of Moldova, 2003, No. 104-110, Article 447), with later amendments, before the wording “236-258” is completed with the wording “181²”.

Article V. The Administrative Offences Code No. 218-XVI of 24 October 2008 (Official Gazette of the Republic of Moldova, 2009, No. 3-6, Article 15), with later amendments, is amended and completed as follows:

1. Article 48 is amended and will have the following content:

“Article 48. Use of undeclared, noncompliant and foreign funds for the financing of political parties and election campaigns

(1) The use in elections or referenda of funds originating from abroad or of publicly undeclared funds

is sanctioned with a fine in the amount of 50 to 150 conventional units applied to a natural person, with a fine in the amount of 300 to 500 conventional units applied to high level persons.

(2) The failure to execute the request (summons) of the Central Election Commission to pay to the state budget the amounts received by political parties/electoral contestant by violating the law or exceeding the set ceiling

is sanctioned with a fine in the amount of 300 to 500 conventional units applied to the high level persons and with the deprivation of the right to occupy certain positions for a period of 3 months to one year.

The Code is completed with Article 48¹ having the following content:

“Article 48¹. Violation of legislation concerning financing of political parties and election campaigns

(1) The failure of independent candidates to submit the reports on financing of election campaigns in the established terms and format

is sanctioned with a fine in the amount of 100 to 150 conventional units or with 20 to 60 hours of unpaid community work.

(2) Violation of legal provisions concerning the rules of bookkeeping and use of assets of the political party and of means from the election fund, including the failure to submit the identification data of donors

is sanctioned with a fine in the amount of 100 to 300 conventional units applied to the high level persons and with the deprivation to conduct a certain activity for a period of 3 to 6 months.

(3) The failure of political party to submit the annual financial report in the terms and conditions established according to the law by the Central Election Commission, including presentation of incomplete data in the annual financial report

is sanctioned with a fine in the amount of 300 to 500 conventional units applied to the high level person and with deprivation of the right to conduct a certain activity for a period of 3 to 6 months.

(4) The use contrary to destination of state budget allocations for political parties or of means from the election fund

is punished with a fine in the amount of 200 to 500 conventional units applied to the high level person and with deprivation of the right to occupy certain positions or to conduct a certain activity for a period of at least 1 year.

(5) Unlawful use of administrative resources (public goods), including favoring or consenting to illegal use of administrative resources (public goods) in election campaigns

is punished with a fine in the amount of 150 to 400 conventional units applied to the high level person and with a deprivation of the right to occupy certain positions or to exercise a certain activity for a period of up to 1 year.

2. Article 395 paragraph (1) point 1) item b) is completed with the wording “48¹” after the wording “provided in Article.”

3. In Article 400 paragraph 1, the wording “Article 47-54” is substituted by the wording “Articles 47-48, 48¹ paragraph (5), and 49-54.”

4. The Code is completed with Article 423⁵ having the following content:

“**Article 423⁵**. Central Election Commission

(1) The administrative offences provided in Article 48¹ paragraphs (1)-(4) are detected by the Central Election Commission, ex officio or upon intimation of competent bodies.

(2) The chairperson of the Central Election Commission or the deputy chairperson of the Commission, when substituting the former, is entitled to detect administrative offences and to conclude protocols.

(3) The protocols concerning administrative offences are referred for examination on merits to the competent court of justice.”

Article VI. Article 38 paragraph (2) of the Audiovisual Code of the Republic of Moldova No. 260-XVI of 27 July 2006 (Official Gazette of the Republic of Moldova, 2006, No. 131-133, Article 679) is completed with item l) having the following content:

“l) requesting or receiving by broadcasters of payments for election advertising that exceed the commercial tariffs applied before the election period or for another person for an equivalent time and schedule.”

Article VII. Fiscal Code No. 1163-XIII of 24 April 1997 (republished in the Official Gazette of the Republic of Moldova, special edition of 8 February 2007), with later amendments, is completed as follows:

1. Article 36:

In paragraph (1), the wording “including political” is introduced after the word “sponsoring”.

In paragraph (2), the wording “including of political parties” is added to the wording “Article 52 paragraph (1)”

2. In Article 42, the paragraph (3) is completed with the wording “with exceptions set in case of monetary donations to political parties.”

Article VIII. Article 28 of the Law on Court of Accounts No. 261-XVI of 5 December 2008 (Official Gazette of the Republic of Moldova, 2008, No. 237-240, Article 864) is amended and completed as follows:

In paragraph (1) item a), the fourth line is completed with the wording “including the state budget allocations for the financing of political parties;”

In paragraph (3), item b) is completed with the wording “political parties that benefit of state budget allocations.”

Article IX. Final and transitory provisions

(1) This law enters into force upon expiration of 6 months from the date of publication, with exception of:

a) amendments to Articles 28, 29, 31 and 31¹ paragraph (4) of the Law on Political Parties concerning the state budget financing, Article 69 paragraph (6) from the amendments proposed to the Election Code and Article VIII of this Law, which will be enforced from 1 January of the

year following first parliamentary elections and beginning with 1 July 2015 with regards to local general elections;

b) amendments to Article 30 of the Law on Political Parties, which will be enforced from 1 January 2013;

c) amendments to Articles 19 paragraph (3), 24 and 65 paragraph (6) of the Election Code, which will be enforced from 1 January 2013;

d) amendments from Article VII of this Law (Fiscal Code), which will become effective from 1 January 2013.

(2) Within 6 months from publication of this Law, the Government:

a) will submit to the Parliament proposals on aligning the effective legislation in accordance with this law;

b) will align its normative acts in accordance with this law.

SPEAKER OF THE PARLIAMENT