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ARMENIA

**DRAFT CONSTITUTIONAL LAW
ON MAKING AMENDMENT AND SUPPLEMENTS TO THE LAW OF
THE REPUBLIC OF ARMENIA “ON POLITICAL PARTIES”**

**CONSTITUTIONAL LAW OF THE REPUBLIC OF ARMENIA
ON MAKING AMENDMENTS AND SUPPLEMENTS TO THE LAW OF THE REPUBLIC
OF ARMENIA "ON POLITICAL PARTIES"**

Article 1. In Article 3 of Constitutional Law of the Republic of Armenia HO-224-N of 16 December 2016 "On political parties" (hereinafter referred to as "the Law"), the words "other laws," shall be added after the words "this Law,".

Article 2. In Article 8 of the Law:

- (1) in parts 1 and 3, the words "and supervisory" shall be deleted;
- (2) the word "unanimous" shall be deleted from part 2.

Article 3. In Article 9 of the Law:

- (1) part 2 shall be amended as follows:
"2. At the moment of state registration, the political party must have not less than 800 members."
- (2) point (2) of part 4 shall be re-stated as follows:
“(2) at least two copies of the programme reflecting the approaches of the political party to the concept on the organisation of the public life. The programme must also contain relevant provisions regarding involvement of women, youth, representatives of national minorities and other under-represented groups in the activities of the political party;”;
- (3) point (4) of part 4 shall be re-stated as follows:
"(4) the minutes of the founding congress, as well as the decisions on the establishment of the political party, on the election of the council, the head (or acting head) of the permanently functioning governing body, on the approval of the charter and adoption of programme documents, on the authorised person(s) for state registration, on the formation of governing bodies;”;
- (4) the word "signatures" shall be deleted from point (6) of part 4;
- (5) point (10) of part 4 shall be repealed.

Article 4. In Article 11 of the Law:

- (1) the words "or supervisory" shall be deleted from point (2) of part 1;
- (2) part 3 shall be re-stated as follows:
"3. In case state registration of a political party is not rejected by the authorised state body within the time limit prescribed by this Law, the political party shall be deemed to be registered from the day following expiry of the time limit referred to in part 6 of Article 9 of this Law.
Rejection of state registration of a political party may be appealed as prescribed by law."

Article 5. In part 2 of Article 12 of the Law, the words "with active legal capacity" shall be deleted.

Article 6. In Article 16 of the Law:

- (1) the words "and supervisory" shall be deleted from point (4) of part 2;
- (2) points (6), (7) and (10) of part 2 shall be repealed;
- (3) in part 3, the words "Yerevan, Gyumri, Vanadzor" shall be replaced with the words "communities".

Article 7. Article 17 of the Law shall be re-stated as follows:

"Article 17. Governing bodies of a political party

1. The governing bodies of a political party shall be the congress, council, permanently functioning governing body of the political party. Other governing bodies may be provided for by the charter.
2. The highest governing body of a political party shall be the congress of the political party (congress, meeting, conference, assembly, etc.) that shall be convened by the council or permanently functioning governing body of a political party as or within the time limit provided for by the charter of the political party, but no later than once in three years. The congress of the political party shall elect the bodies prescribed by the charter of the political party, which shall be accountable to the congress.
3. The congress of the political party shall be entitled to discuss any issue prescribed by its decision, the right to render a decision whereon shall not be reserved to another body by the Law or the charter.
4. The exclusive powers of the congress of the political party shall be the following:
 - (1) approval of the charter and adoption of the programme of the political party, making amendments and supplements thereto;
 - (2) formation of the council of the political party;
 - (3) re-organisation of the political party.
5. The council (board, presidency, etc.) shall be the body determining the strategy for the current activities of the political party.

Members of the council shall be elected by the congress as and for a term prescribed by the charter of the political party. The number of members of the council must not be less than five. The number of representatives of each gender in the composition of the council must not exceed sixty percent. The council shall adopt decisions at sessions which must be convened and held at least once in the course of one year.
6. The council shall:
 - (1) determine the main directions for current activities of the political party;
 - (2) approve the drafts of the agendas for the regular and extraordinary congresses;
 - (3) conduct oversight over the permanently functioning governing body of the political party as prescribed by the charter;
 - (4) approve the annual budget of the political party unless that power is reserved to the congress of the political party by the charter of the political party;
 - (5) form the permanently functioning governing body of the political party, render a decision on early termination of the powers of the permanently functioning governing body, where those powers are not reserved to the congress by the charter;
 - (6) render a decision on liquidation of the political party, where the congress has not

- been competent;
- (7) exercise other rights reserved to it by law and the charter.
7. The permanently functioning governing body of the political party shall act on behalf of the political party in the relations with other bodies and persons, whereas in case of a collegial governing body – the head of the collegial body or the person authorised by the head of the collegial body.
8. Permanently functioning governing body of the political party shall:
- (1) submit the draft of the annual budget of the political party to the council or congress for approval unless the power to submit the draft of the budget to the congress for approval is reserved to the council of the political party by the charter of the political party;
 - (2) approve the estimate of expenditures of the political party based on the approved annual budget;
 - (3) represent the political party, sign civil-law transactions on behalf of the political party;
 - (4) exercise other rights reserved to it by law and the charter.
9. The procedure for formation of the permanently functioning governing body of the political party shall be established by the charter of the political party.
10. The governing bodies of the political party shall be elected through a closed, secret ballot, as prescribed by law and the charter of the political party".

Article 8. In part 4 of Article 18 of the Law, the words "council and" shall be added before the words "the permanently functioning governing body".

Article 9. Part 1 of Article 19 of the Law shall be re-stated as follows:

- "1. Political parties may have territorial subdivisions as prescribed by their respective charters".

Article 10. Part 3 of Article 21 of the Law shall be re-stated as follows:

- "3. A political party shall not have the right to be involved in entrepreneurial activity, give property belonging thereto by the right of ownership for lease, as well as be the founder or participator of a commercial legal person.".

Article 11. In Article 23 of the Law:

- (1) point (4) of part 2 shall be repealed;
- (2) part 6 shall be added which reads as follows:

"6. A political party may have bank accounts only in banks operating in the territory of the Republic of Armenia and licensed by the Central Bank of the Republic of Armenia.";
- (3) part 7 shall be added which reads as follows:

"7. A political party shall make the monetary payments exceeding ten-fold of the minimum salary prescribed by law through non-cash settlements".

Article 12. In Article 24 of the Law:

- (1) in part 1, the words "and legal" shall be repealed;
- (2) part 2 shall be re-stated as follows:

"2. The total amount of the donation made to the political party, of the work and services performed for the political party (hereinafter referred to as "donation"), as well as of the membership fees and entrance fees, expressed in monetary terms, paid in the course of one year may not exceed one million-fold of the minimum salary prescribed by law, including two hundred fifty-fold of the minimum salary prescribed by law, when received from a natural person.

The maximum limit of donations referred to in the first paragraph of this part shall include the donations made in the period of the election campaign.

A natural person may make a donation to one or more political parties within the maximum limit of donations referred to in the first paragraph of this part.";
- (3) parts 4-8 shall be re-stated as follows:

"4. Donations shall not be allowed from:

 - (1) any type of legal persons, including foreign legal persons and international organisations;
 - (2) state and community budgets and/or extra-budgetary funds, except for financing made pursuant to Article 26 of this Law;
 - (3) persons having no citizenship of the Republic of Armenia, except for making a donation in the stage of election campaign by persons having no citizenship of the Republic of Armenia who are candidates in the elections of local self-government bodies;
 - (4) anonymous persons.
5. In case of receiving donations exceeding the amount prescribed by part 2 of this Article, the political party shall be obliged to return to the donor — within two weeks following the receipt — the part exceeding the prescribed amount of donation or the donation in whole, and in case it is impossible, to transfer it to the State Budget.
6. In case of receiving donations not permitted by part 4 of this Article, a political party shall be obliged to transfer them to the State Budget within two weeks following the receipt.
- (5) Article 24 shall be supplemented with part 10 which reads as follows:

"10. Within the meaning of this Law, work performed by volunteers, including through the use of personal property by them (except for transport means and immovable property), as well as the appropriate expenditures compensated to the political party and the members thereof for participation in training, re-training, conferences, seminars and other similar events shall not be deemed to be donations.".
7. Persons making a donation shall be obliged to specify their name, surname, data in identification document and workplace.
8. Allocations to political parties prescribed by law shall be made only through non-cash transfers.

Article 13. Article 25 of the Law shall be supplemented with point 1¹ which reads as follows:

- "1¹. State bodies of the Republic of Armenia shall, for the purpose of organising visits of

citizens to the political parties having factions in the National Assembly as prescribed by the Government of the Republic of Armenia, provide an office in the centre of each marz of the Republic of Armenia , on a permanent basis, within the term of powers of the relevant convocation of the National Assembly."

Article 14. In Article 26 of the Law:

- (1) part 2 shall be repealed;
- (2) in part 3, the word "three" shall be replaced with the word "two".
- (3) part 3 shall be supplemented with new paragraphs which read as follows:
"Funds from the State Budget shall be distributed to each political party having crossed the threshold provided for by part 3 of this Article in the following amounts:
 1. in case of receiving 2 to 5 percent of votes — in the amount of the minimum salary, for each vote;
 2. in case of receiving 5 to 15 percent of votes — in the amount of the minimum salary for each vote cast within the limits of 5 percent, and in the amount of half of the minimum salary for each vote cast within the limits of 5 to 15 percent;
 3. in case of receiving 15 to 25 percent of votes — in the amount of the minimum salary for each vote cast within the limits of 5 percent, and in the amount of half of the minimum salary for each vote cast within the limits of 5 to 15 percent, and in the amount of a quarter of the minimum salary for each vote cast within the limits of 15 to 25 percent;
 4. in case of receiving 25 and more percent of votes — in the amount of the minimum salary for each vote cast within the limits of 5 percent, and in the amount of half of the minimum salary for each vote cast within the limits of 5 to 15 percent, and in the amount of a quarter of the minimum salary for each vote cast within the limits of 15 to 25 percent, and in the amount of one eighth of the minimum salary for each vote cast within the limits exceeding 25 percent".
- (4) part 4 shall be re-stated as follows:
"4. Funds from the State Budget shall be distributed quarterly, in case of presentation of information provided for by this Law for the previous period".
- (5) in part 6, the words "of adoption of a decision on re-organisation, liquidation of a political party" shall be replaced with the words "of state registration of re-organisation, liquidation of a political party, as well as from".
- (6) parts 7 and 8 shall be added which read as follows:
"7. Political parties shall be obliged to gear at least fifteen percent of state funding towards the conduct, publication and dissemination of the studies of the political party on ideology, programme goals and public policy, as well as the actions that contribute to the involvement of women, national minorities and youth in the activities of the political party. The results of the studies conducted through state funds must be available for the public.
8. In case of violation of proportion of the number of representatives of different genders in the composition of the council of the political party referred to in the second paragraph of part 5 of Article 17 of this Law, state funding for the political party shall be suspended until elimination of the violations serving as a ground for suspension".

Article 15. In Article 27 of the Law:

- (1) part 2 shall be re-stated as follows:
- "2. Every quarter, no later than the 25th of the month following the reporting quarter, the political party shall be obliged to post on the official website for public notifications of the Republic of Armenia information on the financial resources obtained by the political party during the reporting quarter and the sources of such financial resources (hereinafter referred to as "information"). No fee shall be levied for services in exchange of the function of publication of information provided for by this part.
Every year, no later than March 25 following the reporting year, the political party shall be obliged to post on the official website of public notifications of the Republic of Armenia information on the sources of funds and on the expenditures, as well as on the property of the political party during the reporting year (hereinafter referred to as "the report") and, in cases provided for by law, an audit opinion thereon."
"The report shall include the declaration of material and non-material assistance (including capacity-building courses, compensation for road expense, etc.) obtained by political parties and members thereof during international co-operation.";
- (2) in part 3, the words "through mass media" shall be repealed.
- (3) in part 3, the words "Oversight and Audit Service of the Central Electoral Commission (hereinafter referred to as "the Oversight and Audit Service")" shall be replaced with the words "Commission for the Prevention of Corruption.";
- (4) part 6¹ shall be added which reads as follows:
- "6¹. Members of the council and the permanently functioning governing body of the political party shall, pursuant to the Law "On public service", be obliged to submit to the Commission for the Prevention of Corruption annual declarations of assets and incomes, the form of which, as well as the procedure and time limits for submission shall be established by the Government of the Republic of Armenia".
- (5) part 7 shall be re-stated as follows:
- "7. The procedure for the publication and submission of information and the statement, including the forms of the information and statement shall be established by the Government of the Republic of Armenia."

Article 16. In Article 28 of the Law:

- (1) in part 2, the words "to the Oversight and Audit Service" shall be replaced with the words "to the Commission for the Prevention of Corruption";
- (2) part 4 shall be added which reads as follows:
- "4. The audit provided for by part 3 of this Article shall be financed from funds of the State Budget and shall be carried out by an auditing organisation that meets the standards defined by an authorised state body, by randomly selecting an auditing organisation for each political party from among auditing organisations."

Article 17. In Article 30 of the Law:

- (1) part 1 shall be re-stated as follows:
- "1. The Commission for the Prevention of Corruption shall exercise supervision over

financial activities of political parties, as prescribed by law";

(2) part 2 shall be re-stated as follows:

"2. In case of violation of the requirements of this Law regarding the financial statements of political parties, the Commission for the Prevention of Corruption shall be entitled to:

- (1) assign the governing body of the political party to correct the relevant inaccuracies within a 10-day period;
- (2) issue a warning to the political party;
- (3) in cases provided for by this Law, submit a motion to the authorised body of the Republic of Armenia for suspension of state support provided to the political party;
- (4) apply a liability measure provided for by the Administrative Offences Code of the Republic of Armenia;
- (5) submit to the criminal prosecution bodies a motion to initiate criminal prosecution against the governing body of a political party.

Article 18. In Article 32 of the Law:

(1) point (1) of part 1 shall be re-stated as follows:

"(1) has committed a gross violation of law during its activities";

(2) point (2) shall be repealed.

(3) point (1) of part 2 shall be re-stated as follows:

"(1) violation, in bad faith, by a political party of the requirement or procedure prescribed by law for the restriction on entrepreneurial activities or receipt and disposal of donations or for publication of the annual statements of the political party or for provision of documents prescribed by law and failure to eliminate the violation within a forty-day period after being subjected to liability as provided for by the legislation of the Republic of Armenia and after submitting a written requirement for elimination of the violation by the Commission for the Prevention of Corruption, or";

(4) parts 4 and 5 shall be repealed;

(6) part 9 shall be re-stated as follows:

"9. In the period of suspension, the political party may not carry out any activity, including receiving any donation provided for by Article 24 of this Law, except for activities relating to collection of membership fees and fulfilling contractual, including work obligations, as well as the activities related to paying taxes, duties and other compulsory payments."

The activities of the political party may not be suspended during the elections of the National Assembly of the Republic of Armenia or local self-government bodies through the proportional electoral system, where the political party has submitted an application to participate in the relevant elections, as prescribed by law.

The activities of political parties represented in the National Assembly of the Republic of Armenia may not be suspended until the day of termination of the powers of the given convocation of the National Assembly prescribed by law.

Article 19. In Article 35 of the Law:

(1) in part 4, the words "the permanently functioning governing body" shall be replaced

with the words "the council";

- (2) in part 5, the words "by the Oversight and Audit Service" shall be replaced with the words "by the Commission for the Prevention of Corruption".

Article 20. This Law shall enter into force from 1 January 2021.

Article 21. Political parties shall be obliged to bring their respective charters into compliance with the requirements of this Law and submit them to the authorised state body for state registration prior to 1 December 2021. State duty shall not be levied for the function of state registration provided for by this Article.

Article 22. Article 10 of this Law shall enter into force from 1 December 2021.

Article 23. The amendments provided for by part 2 of Article 14 of this Law shall enter into force from the moment of assumption of powers by the next convocation of the National Assembly. Funds from the State Budget shall be allocated to the political parties having participated in the last elections of the National Assembly, from the moment of entry into force of this Law until assumption of powers by the next convocation of the National Assembly.