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**EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW**  
**(VENICE COMMISSION)**

**DRAFT LAW**

**ON FINANCING OF POLITICAL PARTIES  
AND ELECTORAL CAMPAIGNS**

**OF MOLDOVA**

**Standing Bureau of the Parliament of  
the Republic of Moldova**

In compliance with the art. 73 of the Constitution of the Republic of Moldova and with the art. 47 of the Regulation of the Parliament, the draft law concerning financing of political parties and electoral campaigns, is presented to the Parliament for examination, as legislative initiative.

Annex:

1. Draft law.
2. Informative note.

**Vladimir Plahotniuc**  
**Member of the Parliament**

**Draft Law**  
**on financing of political parties and electoral campaigns**

Political parties represent a fundamental element of democratic systems of the states and an essential form of expression of the political will of citizens. Financing of political parties and electoral campaigns shall be subjected to regulation, in order to prevent and fight the corruption phenomenon. Raising the awareness of the public regarding prevention and combating of corruption in the field of financing of political parties is inherent to good functioning of democratic institutions.

Taking into account the Resolution (97) 24, and those twenty Guiding Principles on fight against corruption, adopted by the Committee of Ministers on 6 November 1997, and especially principle 15, on more favourable legal regulation concerning financing of political parties and electoral campaigns, which shall deter corruption; Recommendation REC (2003) 4, adopted by the Committee of Ministers on 8 April 2003, on common rules against corruption in funding of political parties and electoral campaigns; Recommendation 1516 (2001) on financing of political parties, adopted on 22 May 2001 by the Parliamentary Assembly of the Council of Europe,

Taking into consideration the necessity to establish a uniform legal framework on financing of political parties and electoral campaigns, in compliance with the Art. 41 and Art. 72 par. (2) let. g) of the Constitution of the Republic of Moldova,

The Parliament adopts this organic law.

**Chapter I**  
**GENERAL PROVISIONS**

Article 1. Scope of the regulation

(1) This law regulates legal relationships on financing of political parties and electoral campaigns, including the electoral contestants.

(2) This law establishes principles of financing of political parties, transparency of financial activity of political parties and electoral candidates, and supervision of their financial activity.

(3) Restrictions envisaged in this law shall apply respectively to political alliances, alliances and electoral blocs and other formations set up with political goals (political formations).

(4) Financing of electoral campaigns for election of the deputies of the People's Assembly of Gagauzia and of Governor of Gagauzia (Bashkan) shall be performed in compliance with local laws, adopted in compliance with the Law on special legal status of Gagauzia (Gagauz-Yeri), No. 344 from 23.12.1994, and in compliance with this law.

Article 2. Goal of the law

(1) The goal of this law is to ensure transparency of financing of political parties' activity and of electoral contestants and equal chances in political competition.

(2) Financing shall not have as a goal limiting the independence of political parties, electoral contestants or elected officials.

Article 3. Basic definitions

Terms and expressions used in the law shall have the following meaning:

*subscriptions* – periodic payment, free and unconditional, owed by the member of the political party in compliance with the statute of this party and decisions of its authorised bodies;

*donation* – voluntary, free and unconditional transfer to the political party, electoral contestant or elected person of property or rendering for their benefit services and works on same conditions;

*direct financing* – financial support in the form of money;

*indirect financing* – financial support by granting exemptions, discounts and financing of third parties in order to secure from them a favour for the political party, other political formation or electoral contestant;

*political party* – non-commercial organisation, which performs its activity in compliance with the Law on political parties, No. 294-XVI from 21.12.2007;

*associated political party* – political party affiliated to an international political organisation or which has relationship of political collaboration with such organisation;

*electoral contestant* – person which runs for an eligible public position and has been registered as an electoral contestant, in compliance with the Electoral Code of the Republic of Moldova;

*material support* – providing support, which may be evaluated in money, in other form than direct or indirect financing;

*electoral campaign* – period of activity, performed in compliance with the Electoral Code of the Republic of Moldova, with the goal to determine voters to cast their ballots for the election of one or another electoral contestant;

*financing of political party* – direct or indirect financing, material support in other forms of electoral contestants by natural persons and/or legal entities;

*financing of electoral campaigns* – direct and indirect financing, material support in a different form of electoral contestants by natural persons and/or legal entities;

*financial reports* – reports of electoral contestants on the cash flow, including on accumulated financial means, their sources of origin and expenditures during electoral campaign.

#### Article 4. Principles of financing of political parties

- (1) Financing of political parties, electoral contestants and elected persons, and their expenditures shall be considered public interest information.
- (2) Discrimination of political parties at granting of state subsidies shall not be allowed.
- (3) The state ensures creation of optimal conditions for efficient political activity for the achievement of statutory goals.
- (4) Financing from the state budget shall be performed in compliance with objective, fair and reasonable criteria.
- (5) Financing from private sources shall be performed in a voluntary and unconditional manner.

## **Chapter II** **PATRIMONY OF THE POLITICAL PARTIES**

#### Article 5. The structure of the patrimony of political parties

- (1) Political parties are entitled to own, in compliance with the legislation, movable property and real estate, necessary for the fulfilment of specific activities.
- (2) Political parties are entitled to own, as property, buildings, equipment, printing and publishing houses, transport means, and other assets not prohibited by the law. The property of the political parties shall not be used for other goals than fulfilling the tasks set forth in their statutes.
- (3) Political parties are entitled to perform commercial activities, allowed by the legislation.
- (4) Political parties shall not have as possessions, at their disposal or use, weapons, explosive substances or other materials which pose danger to the life or health of persons, nor can they accept these for depositing.
- (5) Property rights of the political party shall be regulated by the civil legislation, with exceptions stipulated in this law.
- (6) The patrimony of political parties, including revenues, shall not be distributed among its members.

#### Article 6. Sources of financing of political parties

- (1) Financing sources of political parties are:

- a) Membership dues;
  - b) donations;
  - c) subsidies from the state budget;
  - d) other revenues from their own activities, legally obtained in compliance with Art. 24, par.(1).
- (2) Political parties shall not use other sources of financing, than those envisaged in par.(1).
- (3) Revenues stipulated in par.(1), letters a) – c) shall be exempted of taxes and fees or shall be taxed in compliance with Fiscal Code' provisions.
- (4) Prohibited revenues, including sums received and accepted as donations or obtained with violation of other provisions of this law on donations, shall be forfeited and passed to the state budget.

#### Article 7. Prohibited financing

Direct and indirect financing, any form of material support to political parties, electoral contestants or elected persons, shall be prohibited, if made by:

- (a) other states and international organisations, except for the international political organisations affiliated to this political party, and political parties and political formations having political collaboration with the respective party;
- (b) legal entities financed from the state or holding state capital, including by a public authority or institution, except when this financing is expressly provided by the legislation;
- (c) a legal entity with foreign capital or which contains foreign capital;
- (d) charitable, apolitical and non-commercial, religious organisations, including syndicates;
- (e) citizens of the Republic of Moldova without voting rights;
- (f) citizens of the Republic of Moldova, from fiscally undeclared sources;
- (g) private individuals who are not citizens of the Republic of Moldova;
- (h) anonymous persons, and on behalf of third parties.

#### Article 8. Expenditures of political parties

- (1) Political parties shall make all the expenditures from their own patrimony.
- (2) In case of electoral campaigns, some expenditures shall be subsidised from the state budget or by other persons, in compliance with the law.

#### Article 9. Financial and accounting records

- (1) Political parties shall keep accounting records and financial and specific reports, in conditions set forth in the law.
- (2) All revenues shall be reflected in accountancy at their fair value and as stipulated in the law.
- (3) Subsidies from the state budget are reported separately in the accountancy of political party.
- (4) Content and method of elaboration and presenting of financial reports shall be established by the normative acts of the Central Electoral Commission, after a consultation with the Ministry of Finances.
- (5) Payment and cash operations of political parties shall be carried out in Moldovan lei and foreign currency, via accounts opened in the banks based in the Republic of Moldova. Political parties are not entitled to open bank accounts abroad.
- (6) Political parties have the obligation to ensure keeping of their accountancy records, financial reports, specific reports and other reports on terms and procedure envisaged in the legislation.

#### Article 10. Application of provisions to electoral contestants

- (1) Provisions of this chapter shall apply accordingly also to electoral contestants, when during the electoral campaign their financing is not performed through the political party.
- (2) Electoral contestants shall keep separate records of the patrimony used during electoral campaign.

(3) It shall be prohibited for the electoral contestant to propose money to voters, to disseminate free of charge assets, including from humanitarian assistance or other charitable actions. Exceptions from the restriction to disseminate material goods shall be made only in case of symbolic gifts, which represent electoral publicity, made from means declared with the Electoral Fund, which shall bear the symbolic of the electoral contestant, the market value of which shall not exceed 40 lei per object.

(4) Unused patrimony of the electoral contestant shall become his private property.

(5) In lack of express provisions, the provisions of this chapter shall apply also to the elected persons, performing political activity.

### **Chapter III**

#### **FINANCING OF POLITICAL PARTIES FROM THE STATE BUDGET**

Article 11. Financing of political parties from the state budget

(1) Political parties shall receive annually direct financing from the state budget (subsidies), in compliance with the law on the state budget for the respective year.

(2) Total annual subsidies from the state budget for financing of political parties shall constitute 0,2 % from the foreseen revenues to the state budget for the respective year.

Article 12. Direct financing from the state budget

(1) Subsidies from state budget shall be distributed as follows:

(a) political party represented in eligible authorities – 90 % of allocations;

(b) political party not represented in eligible authorities – 10 % of allocations.

(2) Subsidies shall be distributed proportionally to the number of mandates obtained and validated at elections, within the quantum stipulated in par. (1) let. a):

(a) 50 % - for political parties, proportionally to the number of mandates obtained during parliamentary elections, but not more than 50 % for one party from the total allocated sum, according to the results of parliamentary elections;

(b) 50 % - for political parties proportionally to the number of mandates obtained at general local elections, but not more than 50 % for one party from the total allocated sum, in compliance with the results of the local elections.

(3) In case of political formations, subsidies shall be distributed according to a prior agreement between its members or, when such an agreement lacks, based on the number of mandates obtained by each fraction.

(4) Subsidies shall be distributed equally between all political parties, not represented within eligible authorities, in the amount stipulated in par. (1) let. b). Subsidies shall be distributed on the request of beneficiary political parties.

(5) Annual subsidies shall be paid in monthly rates, prior to the end of the payment month.

(6) Redistribution of allocations from the state budget during the budgetary year is prohibited, except for the redistribution based on the validated results of elections.

Article 13. Use of subsidies from the state budget

(1) Subsidies from the state budget shall be used, at the decision of leadership authorities of political parties, for following destinations:

(a) expenditures for maintenance and functioning of premises;

(b) expenditures for personnel costs;

(c) editorial and promotional materials costs;

(d) expenditures for organising of political activity;

(e) telecommunications costs;

(f) investments in movable properties and real estate, as necessary for the activity of the respective party;

(g) protocol expenditures;

(h) office supplies expenditures;

(i) expenditures for the electoral campaign.

(2) Subsidies from the state budget shall be used only on the territory of the Republic of Moldova and may not be transferred over the borders of the Republic of Moldova, including in the form of merchandise or services.

(3) Subsidies from the state budget used for other destinations than those provided in the par.(1) or with the infringement of par. (2) shall be returned to the state budget, based on a final decision of the Court of Appeals from Chisinau, at the request of the Central Electoral Commission and/or Chamber of Accounts.

(4) Efficiency and reasonable character of these expenditures shall be decided by the leadership of political parties, in compliance with their statute and legal provisions.

(5) Use of allocations from the state budget shall be reflected distinctly in the accountancy of political parties.

(6) Supervision on use of subsidies from the state budget shall be performed in compliance with the relevant legislation.

#### Article 14. Suspension of subsidies from the state budget

(1) Granting of subsidies from the state budget may be temporarily suspended, by a decision of the Central Electoral Commission, for violation of provisions regarding transparency and financial reporting, up to the fulfilment of legal requirements.

(2) Central Electoral Commission shall give notice in advance to the political party on found violations and a remedial term.

(3) The remedial term given to the political party for the remedy of found violations, shall be of 15 days. Upon a reasoned request of the political party, the Central Electoral Commission may prolongate the term for up to 30 days.

(4) Decision of suspension may be challenged within 15 days after it has been communicated, at the competent administrative court, which shall pronounce its decision within 15 days from notification. The court decision is irrevocable.

(5) Within 10 days from the written notification submitted by the political party on remedy of found violations, the Central Electoral Commission shall pronounce itself on lifting of suspension.

#### Article 15. Loss of right to obtain subsidies from the state budget

(1) The political party shall lose its right to subsidies from the state budget if:

(a) its activity was limited – for the entire period of limitation of activity;

(b) it is in the process of liquidation;

(c) it has lost the status of the legal entity;

(d) a sanction on removal of the right to subsidies, including for the infringement of the provisions on financing of political parties, has been issued;

(e) during the electoral campaign it has exceeded the maximum limit of expenditures established by the law or obtained financing with the violation of legal provisions;

(f) it did not provide remedy for the violations found, within the term set forth in the Decision of Central Electoral Commission, in compliance with the art. 14.

(2) The political party which lost its right to subsidies from the state budget, in compliance with the par. (1) let. d) or let. e), shall be restored in its rights after the next elections, in conditions set forth by art. 12.

(3) The political party devoid of its right to be financed from the state budget based on par.

(1) let. f), shall be restored in this right after the next elections, in compliance with the art. 12, on condition that it has repaired found violations.

(4) Restoring to rights shall be performed by the decision of the Central Electoral Commission.

#### Article 16. The procedure of granting of subsidies from the state budget

(1) Subsidies from the state budget for financing of political parties shall be transferred to their accounts by the Central Electoral Commission.

(2) In case of suspension of subsidies from the state budget, the payment of instalments for the months during which the political party has been suspended from this right, shall not be made.

(3) In case the political party has lost its right to obtain subsidies from the state budget, the transfer of the respective sums shall be ceased starting with the month following the month the party was devoid of this right.

(4) In case of reorganisation of some political parties with the right to obtain subsidies from the state budget, the mentioned right shall be transferred to legal successors of reorganised political parties.

(5) Unpaid sums, as a result of suspension of subsidies or the loss of right to subsidies shall be returned to the state budget.

## **Chapter IV**

### **FINANCING OF POLITICAL PARTIES FROM PRIVATE SOURCES**

#### **Section 1**

#### **Subscriptions**

Article 17. The amount of subscriptions

(1) The amount, distribution and use of subscriptions, shall be established by the decisions of the political parties, in compliance with their statute.

(2) Total revenues from subscriptions are not limited.

(3) The amount of subscriptions, paid by a member to the political party within a year, shall not exceed the limit of donations, set forth by this law.

Article 18. Transparency of subscriptions

(1) Political parties have the obligation to publish in the Official Monitor of the Republic of Moldova, the total amount of revenues, obtained from subscriptions, prior to the 31<sup>st</sup> of March of the following year, and the list of members of the party, which paid subscriptions during the year, the summed value of which exceeds the amount of personal exemption limit set forth for a resident natural person for the respective year, in compliance with the Fiscal Code of the Republic of Moldova.

(2) The list envisaged in par. (1) shall encompass the following elements: name and surname of the party' member, personal code, amount and date of payment of the membership subscription.

#### **Section 2**

#### **Donation**

Article 19. Donation

(1) Donations shall be classified based on their object into:

(a) money donations;

(b) donations in other goods, services, free of charge or in conditions more favourable than the commercial value (market value), payment of some goods and services used by the party.

(2) Money donations shall be performed by banking operations (bank card, direct transfer) from the Republic of Moldova, and the identity of the donor shall be included into the banking document. In case the donor, who is a natural person, does not have a bank account and donations are performed in cash, money shall be deposited into the bank account of the political party.

(3) Discounts which exceed by 50% the value of goods and services shall be considered donations and shall be registered separately in the accountancy of the political party.

(4) The payment of the membership fee by the party' member shall not be considered a donation.



(5) It is prohibited to perform any donations, with an obvious goal to obtain an economic or political advantage, or with the infringement of the provisions of Art. 37 par. (1).

(6) Voluntary activities, performed in the conditions of the law, shall not be considered donations.

#### Article 20. Donors

(1) A natural person or a legal entity may make donations to one or several political parties, in conditions of this law.

(2) The natural person may make donations only after it has declared fiscally the revenue obtained in an amount not less than the object of donation.

(3) Donations by natural persons, citizens of the Republic of Moldova, living abroad, shall be allowed, but only within the limits stipulated by this law and only through banking institutions of the Republic of Moldova.

(4) Donations to political parties from persons enlisted in the Art. 7, and donations from legal entities and natural persons, which at the date of donation have contingent liabilities older than 60 days to the state budget, social assistance budget, local budget or mandatory medical insurance fund.

(5) Donors shall be held responsible for the conformation to conditions stipulated in the par.

(4) and a statement of personal liability shall be made.

(6) International political organisations, to which the respective political party is affiliated, or the political parties or political formations which are in the relationship of collaboration, may make donations only in material assets necessary for the political activity, except for the electoral propaganda publications. These donations, except for the transportation means, shall be exempted of customs taxes.

#### Article 21. The amount of donations

(1) Donations made by a natural person to one or several political parties within one budgetary year shall not exceed the amount of 500 average monthly salaries, forecasted per national economy for the respective year. If the natural person is a member of the party, the afore-mentioned sum shall not include also the amount of membership subscription paid by this individual within one year.

(2) Donations made by a legal entity to one or several political parties within a budgetary year shall not exceed the amount of 10 % from taxed revenues, and shall not exceed the amount of 1000 of average monthly salaries, forecasted per economy for the respective year.

(3) The total amount of donations made by the legal entities, which are controlled directly or indirectly by another person or a group of natural persons or legal entities, shall not exceed the limits envisaged in par. (1) and (2).

(4) The fair value of the movable assets and real estate donated to the party, and the services rendered to it free of charge, shall be included in the value of donations, in the limits stipulated in the par. (1)-(3).

#### Article 22. Acceptance of donations

(1) When accepting donations, checking and registering the identity of the donor is mandatory.

(2) Acceptance consists of receiving of donation by the political party. The political party shall return donations, prohibited by the law.

(3) Shall be prohibited acceptance of donations from persons not entitled to make donations and in other cases of legally prohibited donations.

(4) Acceptance of donations exceeding the limits set forth by this law, shall be prohibited.

(5) At the declaration of the origin of donated means, including their restitution, terms and conditions stipulated in the art. 37 shall apply.

#### Article 23. Public character of donations to political parties

(1) Every political party shall open a special bank account, where all cash revenues shall be transferred, including donations and membership subscriptions. The requisites of the special bank account shall be posted on the web page of the political party, and shall be indicated in the financial reports of the political party and communicated to the Central Electoral Commission.

(2) Every political party shall keep records of received donations.

(3) All donations shall be appropriately reflected in the accountancy documents, with mentioning the date on which they were granted, and other information which would allow identification of the financing sources, including the name and the surname (company name), domicile (premises) of the donor and the donated sum.

### **Section 3** **Other sources of income**

Article 24. Commercial activities of political parties

(1) Political parties are entitled to perform the following activities, in case it is expressly mentioned in the statute:

(a) publishing, printing and dissemination of publications or other propaganda materials and of own political culture;

(b) organising of seminars and assemblies with political, economic or social subject;

(c) organising leisure, cultural, entertainment, sportive events or other mass events;

(d) internal services of the party;

(e) renting of premises for conferences or social-cultural activities, or for organisation of parliamentary bureaux;

(f) activity with immediate connection to the management of their own property, including sale of real estate and patrimony, without a commercial (profit) goal, sale of land and buildings from the patrimony. Real estate property may be sold after at least 2 years from the registration into the patrimony, except for the parties subjected to the liquidation procedure. The 2 years term shall not apply to the inherited real estate property.

(2) Political parties are not allowed to perform other activities, than those envisaged in par.

(1).

(3) Political parties may obtain revenues from bank interests.

## **Chapter V** **FINANCING OF ELECTORAL CONTESTANTS AND ELECTED PERSONS**

### **Section 1** **Financing of electoral campaigns**

Article 25. Ensuring the means necessary for running of elections

(1) Expenditures related to preparing and running of elections shall be covered by the state.

(2) The amount of financial means shall be established by the Parliament in the limits envisaged in the law on the state budget for the year of elections. Respective proposals shall be made to the Government by the Central Electoral Commission. After examining these, the Government shall present them for approval to the Parliament.

(3) In case the expenditures for the current year are not foreseen in the state budget, their amount shall be established by the Parliament, as stipulated in the par. (2).

(4) Financial means, in the amount set forth by the Parliament, shall be transferred monthly into the account of the Central Electoral Commission, in the limits of approved budget. After elections, the Central Electoral Commission shall present to the Parliament, within the shortest term possible, but not later than within 2 months, a report on the administration of allotted financial means, accompanied by the note of the Court of Accounts.

(5) Unused financial means shall become revenue to the state budget.

(6) Dissemination and use procedure of financial means, and of the publication of report on administration of allotted money, shall be established by the Central Electoral Commission, in compliance with the law.

(7) Local public administration authorities, enterprises, institutions and organisations shall make available to the electoral councils and bureaus the premises and equipment necessary for organising, carrying out and summing up the results of elections.

(8) Members of electoral bodies and members of their working personnel shall be given one day of leave – the Monday immediately after the day of elections.

#### Article 26. Access to radio and television broadcasting

(1) Access to radio and television services within the electoral campaign, and to special electoral posting places, is guaranteed and shall be ensured in compliance with electoral legislation.

(2) Financing the access to radio and television services during the electoral campaign shall be made on the account of the electoral contestant or from the state budget, in cases stipulated by the electoral legislation.

(3) Natural persons and legal entities are not entitled to order electoral publicity materials for and in favour of electoral contestants and pay the costs resulting from their production.

(4) Within 5 working days from the initiation of electoral campaign, the radio broadcasting companies shall make publicity and inform the Central Electoral Commission and the Coordinating Audiovisual Council, regarding the conditions for rendering publicity space (including price per minute) and other related services. The Central Electoral Commission shall publish this information of its web page.

(5) The electoral contestants shall choose freely the radio broadcasters and determine the manner of broadcasting the form of electoral publicity with them, in the limits of maximum sum for expenditures, envisaged in the legislation. Expenditures for preparing of electoral publicity materials in audio and video format shall be covered by the electoral contestant.

(6) Publicity in special places for electoral postings and of other electoral publicity materials shall be ensured on the account of the electoral contestants.

(7) Electoral contestants have the obligation to print on all electoral publicity materials the following information: name of the electoral contestant, the title of the political party or other electoral political formation which has ordered these, upon the case.

(8) Expenditures for printing electoral publicity materials are covered exclusively by electoral contestants.

(9) Electoral contestants have the obligation to report to the Central Electoral Commission, through a financial agent, the quantity of produced electoral publicity materials, structured per category.

(10) Shall be considered as electoral publicity material any written, audio, video material, which fulfils the following conditions:

- (a) refers to an identified electoral contestant;
- (b) is used during the electoral campaign;
- (c) has electoral objective and is addressed to the large public;
- (d) exceeds the limits of journalist activity to inform the public.

## Section 2

### Sources of financing of electoral contestants

#### Article 27. Conditions for financing of electoral contestants

(1) Financing of electoral campaigns of the electoral contestants shall be performed in compliance with the following conditions:

(a) after the initiation of the electoral campaign, financial means and other forms for financing of electoral contestants, shall be declared weekly: in case of parliamentary elections – through a publication of republican coverage; in case of local elections – in a regional publication, in the respective territory;

- (b) after setting up of the respective electoral council or bureau, electoral contestants have also the obligation to declare financial means and other forms of financing, prior to their use;
- (c) in case of parliamentary elections and referendums, information regarding the revenues and expenditures of electoral contestants shall be posted on the web page of Central Electoral Commission within 24 hours from its receipt, and shall contain identification information on natural persons and legal entities which donated/spent the means, their amount and numbers of financial records.
- (2) Natural persons and legal entities are not entitled to pay for the expenditures related to the electoral campaign and provide other financing in favour of the electoral contestant, without the approval of these contestants and with financial means which were not wired to the account entitled „Electoral fund” of the respective contestant.
- (3) Financial agent presents bi-weekly financial reports to respective electoral authorities, which shall contain information on revenues and expenditures, per destination.
- (4) Electoral contestant, representing a political party, may obtain financing from this political party within the maximum margin of expenditures, as provided in this law.

#### Article 28. Modality of financial support of the electoral contestants (Electoral Fund)

- (1) Electoral contestant shall open at the bank an account, entitled „Electoral fund”, and shall wire into it own financial means, money received from natural persons and legal entities registered in the Republic of Moldova. Wiring of these sums to the account of the electoral contestant may be performed only upon receiving his prior approval. The limit of the allowed wired means to the Electoral Fund of the electoral contestant shall be established by the Central Electoral Commission.
- (2) Electoral contestant shall confirm to the Central Electoral Commission the person charged with the financial responsibility (the financial agent).
- (3) Legal entities may wire money to the „Electoral Fund” account only through money transfer.
- (4) Financial means wired into the „Electoral Fund” account shall not be used for personal use. Electoral contestants are prohibited to propose to voters money, presents, distribute free of charge material assets, including from humanitarian assistance or other charitable actions.
- (5) The bank shall inform daily the Central Electoral Commission and the respective circumscription electoral council, on the money wired to the account of the electoral contestant. The Central Electoral Commission and the circumscription electoral council may request the Court of Accounts or Principal State Fiscal Inspectorate subordinated to the Ministry of Finances to perform a checking of the sources of origin of the revenues, of the accuracy of accountancy and use in conformity with the destination of the money by the electoral contestant.
- (6) The Central Electoral Commission or the circumscription electoral councils shall keep a register with all data enlisted in this article and shall make it available to the public for information. The respective electoral authority shall group the information and perform a weekly report regarding the volume of received financing by each electoral contestant and the sources from which they were received. Two days prior to elections, the respective electoral body shall perform a final pre-electoral report and a summing-up report, which shall comprise all existing information on the volume and sources of financial means received by the electoral contestant.
- (7) The electoral contestant which does not create a bank account, entitled „Electoral Fund”, shall inform about this the Central Electoral Commission and shall perform electoral campaign activities, which do not involve financial expenditures.

#### Article 29. Financing by the electoral contestant

- (1) The electoral contestant proposed by a political party may finance his own electoral campaign only through the political party.

(2) The sums received from the electoral contestants proposed by a political party shall be considered donations and shall be regulated by the relevant provisions of this law.

#### Article 30. Prohibited financing during electoral campaign

(1) Any form of financing the electoral campaigns of electoral contestants by the persons which are not entitled to make donations, in compliance with the Art. 20, shall be prohibited

(2) Restrictions from the par. (1) shall also apply in case of legal entities which, 12 months prior to the initiation of electoral campaign, were not entitled to make donations.

(3) Provisions of the par. (1) and (2) may not be interpreted and applied as to limit financing from abroad, granted with the goal to support the efforts to promote democratic values, international standards for free and fair elections.

(4) In cases when the electoral contestant or financial agent has accepted and/or used intentionally the financing from abroad, the Central Electoral Commission shall send to the Court of Appeals from Chisinau a request for nullification of his registration.

### **Section 3** **The financial agent**

#### Article 31. The financial agent

(1) Receipt of financing shall be performed only through a financial agent (proxy), designated for this purpose by the electoral contestant.

(2) In case the electoral contestant represents a political party, appointment shall take place with the approval of this political party.

(3) As proxy may serve the natural person or legal entity registered with the Ministry of Finances, and shall be held liable for the legality of financial operations carried out during the electoral campaign and for conformation to the financing provisions during the electoral campaign.

(4) The services of the same financial agent shall not be used by several electoral contestants.

(5) The financial agent position shall be obtained only through official registration at the Central Electoral Commission and shall be made public by a press release or by posting on the web page of the electoral contestant or the represented political party.

#### Article 32. Functions of the financial agent

The financial agent shall have the following responsibilities:

(a) organising the record keeping of the revenues received for the electoral campaign, of transfer of other funds resulted from revenues obtained outside the electoral campaign and of expenditures performed for the electoral campaign;

(b) checking the legality of the financial operations carried out during the electoral campaign, conformation to the provisions on registered donations during the electoral campaign;

(c) presenting to the Central Electoral Commission the report on conformity to the legal provisions on financing of electoral contestants.

### **Section 4** **Financing of the referendum**

#### Article 33. Financing of the referendum

In absence of a special provision, the provisions of this chapter shall apply accordingly to the financing of the referendum.

### **Section 5** **The maximum limits of expenditures**

#### Article 34. The maximum quota allowed for an electoral contestant

(1) The maximum limit of expenditures which may be performed by a political party or a political formation during each electoral campaign shall be calculated by summing up the maximum values allowed by legislation for each electoral contestant proposed by them.

(2) The maximum amount of allowed expenditures for an electoral contestant shall be established by the Central Electoral Commission and shall be estimated at 1 % from the average monthly salary forecasted per economy for the respective year multiplied by the total number of voters from the Republic of Moldova, for parliamentary elections, or multiplied by the total number of voters from the respective circumscription, in case of local elections.

Article 35. The maximum quota of expenditures at the referendum

The maximum limit of expenditures by a political party, an initiative group or a political formation for electoral agitation shall be established by the Central Electoral Commission and shall be estimated at 1 % of the average monthly salary forecasted per economy for the respective year, multiplied by the total number of voters from the Republic of Moldova, for national referendums, or multiplied by the total number of voters of the respective circumscription, for referendums of local importance.

Article 36. The maximum quota of expenditures at joint elections

In case a candidate is proposed for several positions within an electoral campaign, the maximum quota of allowed expenditures shall be established at the maximum value, in compliance with this chapter.

## **Chapter VI** **TRANSPARENCY. FINANCIAL REPORTS**

### **Section 1** **Financing transparency**

Article 37. Declaration of origin

(1) Each person, except for the state, which may finance in any form a party, political formations, electoral contestants etc., has the obligation to present to the beneficiary a written statement of personal liability regarding the conformity to the requirements of this law, also including the origin of the object of financing, within 5 days from payment day.

(2) Within 5 days from the payment, the electoral contestant or elected person, the political party or another political formation has the obligation to request from the financing person presenting of a statement of personal liability, as stipulated in the par. (1). In this case, the term envisaged in the par. (1) shall be calculated from the expiry of 3 days from the date when the respective notification has been sent.

(3) The template of the statement of origin, considered also as statement of personal liability, shall be approved by the Central Electoral Commission.

Article 38. Obligation to publish the financial sources of the political party

(1) Political parties have the obligation to publish in the Official Monitor of the Republic of Moldova and on its web page, prior to the 31st of March of the next year the following information:

(a) list of natural persons and legal entities which made during one fiscal year donations in the amount exceeding 5000 lei;

(b) list of members which paid within one fiscal year membership subscriptions, the summed up value of which exceeds the quota of personal exemption for a resident natural person within the respective year, in compliance with the Fiscal Code of the Republic of Moldova;

(c) total quota of the revenues resulted from other financing sources.

(2) The lists provided in the letters a) and b) from par. (1) shall contain the following data:

- (a) for natural persons: name and surname, personal code, value, type of donation and date on which it was performed;
- (b) for legal entities: name of the company, premises, nationality, identification number, fiscal code, value, type of donation and date on which it has been made.

Article 39. Declaration of income during the electoral campaign

- (1) To be registered, the electoral contestant shall submit the statement of personal liability regarding financing received by him during the last two years, including the balance at the date of submitting the statement.
- (2) In case the electoral contestant represents a political party or a political formation, the statement shall be accompanied by data on financing obtained by the political party or political parties represented by this candidate during the last two years, including the balance on the date of submitting of declaration.
- (3) Any financing obtained by the electoral contestant, including by the represented political party, after the filing of the registration request, shall be declared to the Central Electoral Commission by the financial agent, within 5 working days from its reception.
- (4) Financing obtained after the filing of the registration request may be used for the electoral campaign only after having declared it to the Central Electoral Commission.

Article 40. Declaration of conformity

- (1) Prior to the validation of mandates, the electoral contestants shall submit, on their personal liability, to the Central Electoral Commission the declaration of conformity to the maximum limits of expenditures, set forth in the articles 34-36.
- (2) The standard form of the declaration of conformity shall be approved by the Central Electoral Commission.

**Section 2**  
**Financial reports**

Article 41. Annual financial reports

- (1) Political parties shall annually, until 31 March, submit their financial reports to the Central Electoral Commission. Political parties, which are beneficiaries of allocations from the state budget, shall present the respective reports also to the Court of Accounts.
- (2) The reports mentioned in paragraph (1) shall be checked by the Central Electoral Commission. For the purposes of verification, Central Electoral Commission shall request from political parties and other public or private persons information that is necessary for carrying out the control. The requested information shall be offered within two weeks. This time limit can be extended by the Central Electoral Commission, depending on the character and volume of the requested information.
- (3) Information from financial reports submitted by political parties and opinions of independent audit reports shall be published on the official web page of the Central Electoral Commission, within two weeks after receiving them, as well as on the official web pages of political parties, if they exist.
- (4) Central Electoral Commission shall elaborate and approve the template of annual financial reports, that shall include the following:
  - a) information concerning the goods and income of political party, including grouping these incomes according to their type;
  - b) information concerning all donations offered to the political party, including the donated amount, identity of the donor (name and last name, name of the organization and organizational form), residence or headquarters and occupation, place of employment and the type of activity;
  - c) information concerning obligations and expenditures of the party (others than those for electoral campaign), grouped in operational expenditures and expenditures related to management of goods;

d) other relevant information, upon the decision of the Court of Accounts or Central Electoral Commission.

Article 42. Reports concerning financing of electoral campaigns

(1) After registration of the candidate in elections, once every two weeks, until the date of elections, each candidate at elections shall submit to the Central Electoral Commission reports, both in electronic form, and on paper, with signature of responsible persons, about the accumulated financial means and their expenditures during electoral campaign. These reports shall necessarily include the following information:

(a) information concerning identification of natural persons and legal entities who donated financial means;

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

(c) total value of all donations and the number of donors;

(d) donations that have been returned;

(e) information concerning identification of natural persons and legal entities who received financial means from Election Fund and the purpose of the respective expenditures;

(f) the amounts of debts, numbers of financial record documents and other relevant information;

(g) the column on expenditures, according to paragraph (2);

(h) accounting information for the corresponding period of time that belongs to legal entities founded or otherwise controlled by the candidate in the respective elections, including by the represented political party.

(2) The column on expenditures shall necessarily include at least the following information:

(a) the costs of electoral meetings and events, including the related costs (rent, stage, sound equipment, stands, posters, expenses related to protocol, security, reflecting the event in mass-media etc.);

(b) expenses related to advertisement, including on television, radio, other means of electronic media, written press, billboards, other street and mobile advertising platforms;

(c) expenditures related to promotional materials, including electoral programs of the parties, posters, flags, T-shirts, other promotional articles offered free of charge according to Article 10 paragraph (3);

(d) expenditures related to transport of persons and goods;

(e) the costs of services related to public opinion polls;

(f) additional costs related to maintenance: such as renting additional offices for electoral purposes, paying salaries of staff temporarily employed for electoral purposes;

(g) costs related to delegation/detachment of persons;

(h) payment of electoral and political consultancy.

(3) Reports that include information stipulated in paragraph (1) for the entire electoral period shall be submitted to the Central Electoral Commission latest one day before the election date, and shall be published on the web page of Central Electoral Commission within maximum one week after they are received.

(4) The Regulation concerning the form, content and the manner of submitting reports concerning financing of electoral campaigns shall be elaborated and approved by the Central Electoral Commission,

(5) Central Electoral Commission will not accept reports that do not correspond to the conditions stipulated in paragraphs (1) - (3) or that are not complete. If the submitted report is not complete, Central Electoral Commission is entitled to request the respective candidate to fill it in with the respective information.

(6) All reports that are received shall be published on the web page of the Central Electoral Commission within 48 hours after they are received.



(7) Central Electoral Commission shall publish on its web page, within 2 months after the date of elections, the budget of each candidate in elections during the electoral campaign, based on the information submitted by candidates in elections.

(8) The mandate of the candidate in elections who was elected shall not be validated if the financial report concerning his/her electoral campaign was not submitted according to conditions stipulated in the law.

Article 43. Report concerning financing of political parties and electoral campaign  
The Central Electoral Commission shall annually present in front of the Parliament, until 1<sup>st</sup> of August, a report about financing of political parties and electoral campaigns.

## **Chapter VII** **FINANCIAL CONTROL. SANCTIONS**

### **Section 1** **Financial control**

Article 44. Financial control agency

(1) Central Electoral Commission is a public authority competent to exercise control of the observance of legal provisions concerning financing of political parties, other political organizations, candidates in elections and the elected persons (financial control).

(2) A Direction of Financial Control shall be founded within the Central Electoral Commission.

(3) Head of the Direction of Financial Control can be any person who cumulatively meets the following conditions:

(a) is entitled to occupy a function under conditions of the Law on the Status of Persons with Public Dignity Functions, No. 199 from 16.07.2010;

(b) has high education in economics and legal science;

(c) was not a party member in the last 5 years.

(4) Each candidate to the position of the head of Direction of Financial Control shall be subjected to checks, under conditions of the Law No. 271-XVI from 18 December 2008 concerning Verification of the Candidates for the Public Function, and information concerning the results of the verification shall be published on the web page of the Central Electoral Commission.

(5) Competition for the position of the head of the Direction of Financial Control shall be organized by a special commission comprising 7 members, appointed through the decision of the Central Electoral Commission, and shall be composed of teaching staff with experience in economics and legal field.

(6) Commission mentioned in paragraph (5) shall elaborate a Regulation on the Competition Process, by following the provisions of the Law on Public Function and the Status of Public Official, No. 158 from 04.07.2008, and shall select the candidate who was the best in the competition process. This person shall be nominated in the respective position by the chairperson of the Central Electoral Commission, within 15 days after his/her nomination.

(7) The head of the Direction of Financial Control shall have the following exclusive tasks:

(a) organizing the activity of financial control;

(b) coordinating the activity of the personnel subordinated to him/her;

(c) proposing to the chairperson of the Central Electoral Commission application of sanctions regulated by the present Law.

(8) Control of the allocations from the state budget shall be simultaneously carried out by the Court of Accounts, according to the provisions of the Law on the Court of Accounts, No. 261 from 05.12.2008.

Article 45. Functions and rights of the agency responsible for financial control

(1) As an independent agency exercising financial control, the Central Electoral Commission shall have the following tasks:

- (a) to elaborate and issue necessary normative acts in the field of financing political parties and electoral contestants;
  - (b) to elaborate guiding documents (templates, guidelines, methodological norms) necessary for providing assistance related to financial activity and for training political parties and electoral contestants regarding their rights, obligations and responsibilities in the process of fund management;
  - (c) to collect and systematize financial reports and auditing reports that are submitted;
  - (d) to ensure publication on the web page of submitted information and reports in the field of financing political parties and electoral campaigns;
  - (e) to examine requests concerning violation of the legislation in the field of financing political parties and electoral campaigns and complaints concerning violation of the respective legislation;
  - (f) to apply sanctions, stipulated by the present Law, and inform competent authorities about violations that are subject to contravention and criminal responsibility or about tax violations;
  - (g) to submit proposals to the Government regarding amendments of legislative framework in the field of financing political parties and electoral campaigns;
  - (h) to ensure cooperation and provide informational support for elaboration of independent studies related to monitoring the field of financing political parties and electoral campaigns;
  - (i) to exercise other functions of control in the field of financing political parties and electoral campaigns, in accordance with the legislation.
- (2) Central Electoral Commission shall have access to information and database registries, including with personal character, which are held by public authorities of all levels in order to be able to exercise its duties in the field of financing political parties and electoral campaigns.
- (3) Public authorities must provide support to the Central Electoral Commission and district electoral councils in their activities related to checking the financing of political parties and electoral campaigns.

#### Article 46. Information received concerning financial control

- (1) Central Electoral Commission shall, annually and any time it is informed, check the observance by each political party of the legal provisions related to financing of political parties and electoral campaigns.
- (2) Central Electoral Commission can be addressed by any person who submits evidence about violation of legal provisions concerning financing of political parties and electoral campaigns.
- (3) The letter shall include description of facts invoked as alleged violations, evidence, legal justification, signature and identity data of the person who submitted this information.
- (4) Central Electoral Commission may check the observance of legal provisions related to financing of political parties and electoral campaigns also in case when suspicions exist concerning violation of legal provisions related to financing of political parties and electoral campaigns, upon information received from any interested person or ex officio.
- (5) The letter may be submitted within 6 months after the respective violation became known, but not later than within 5 years after the violation was committed.
- (6) The results of each control shall be published on the web page of the Central Electoral Commission, within 15 days after it is carried out.

#### Article 47. Carrying out financial control

- (1) Central Electoral Commission may request declarations and additional documents considered necessary for carrying out control of the legality of money received and payments made by political parties and candidates in elections.
- (2) Political parties and candidates in elections must submit the requested documents to the representatives of Central Electoral Commission within 15 days.

(3) Within 30 days after the report is received or after the requested additional documents are received, Central Electoral Commission shall take a decision concerning the correctness of electoral accounting evidence and legality of payments made.

(4) The decision taken according to paragraph (3) may be appealed to the administrative court under conditions of the law.

#### Article 48. Audit and verification of financial reports of political parties

(1) Political parties whose annual income or expenditures exceed one million lei must carry out audit of financial reports at least once every 3 years. In case when the party received allocations from the state budget, the audit report, together with annual financial report, shall be sent to the Central Electoral Commission and Court of Accounts.

(2) Auditor is selected by political party and he/she should not have acted as member or candidate of any party in electoral campaign in the last 5 years.

(3) Central Electoral Commission shall offer to the auditors a special template for auditing political parties' accounts and guidelines for filling in the template that shall include information necessary for checking the compliance of accounts with the requirements of the legislation concerning financing of political parties and electoral campaigns, including:

(a) requirement that auditor shall indicate the fact that he/she is familiarized with the relevant legal documents;

(b) establishing the exact objective of the auditing;

(c) the structure of the template auditing report;

(d) auditing guidelines with focus on factors of risk concerning donations and expenditures;

(e) specific methods of verification.

## **Section 2 Sanctions**

#### Article 49. Violation of the norms concerning donations to political party or candidate in elections

(1) In case political party or candidate in elections receives donations with violation of the norms concerning donations to political party or candidates in elections, including in case political party or candidate in elections receives donations that exceed the limit established by law, he/she must, within 10 days after he/she was informed about the receipt of donation, return the amounts received that exceed the limit or, in case of impossibility, transfer the amounts received with violation of the law to the state budget.

(2) In case requirements stipulated in paragraph (1) are not observed, Central Electoral Commission shall send written summons on the name of the donor, and request redressing the violation and informing the Commission about the measures taken within 3 working days after issuing the summons.

(3) In case violations stipulated in paragraph (1) are repeated within one calendar year, Central Electoral Commission shall adopt a decision concerning suspending the right of the respective party to receive allocations from the state budget for a period from 6 months to one calendar year after adopting the decision of the Central Electoral Commission.

(4) In case it is established that anonymous donations or donations that exceed the limits provided by the present Law were accepted, political party must, within 10 days, transfer the respective amounts to the state budget.

(5) In case it is established that donations that are prohibited by the present Law were accepted during electoral campaign, the candidate in elections must transfer to the state budget, within 10 days, the double value of the donation.

(6) Sanctions regulated by paragraphs (4) and (5) may also be applied to financial agent.

#### Article 50. Violation of the norms concerning financial management

(1) The following shall represent violations of financial management:

- (a) violation of the norms related to record and use of the patrimony of political parties or candidates in elections, including non-presentation of identification data of the donors;
  - (b) non-presentation by political parties of the annual financial report within the time limit and in the established format, including submitting incomplete data;
  - (c) using allocations received from the state budget by political parties against their destination.
- (2) In case of violations stipulated in paragraph (1), Central Electoral Commission shall suspend awarding of allocations from the state budget.

#### Article 51. Cancelling registration of the electoral contestant

- (1) In case when during the control carried out by competent bodies it is established that candidate in elections accepted or used funds with violation of the provisions of the present Law, Central Electoral Commission shall submit a request to the court of law to cancel registration of the respective candidate as electoral contestant.
- (2) The request shall be examined by the Court of Appeal Chisinau or by the court of law which has territorial jurisdiction over the respective electoral council, in case of local elections or local referendum.
- (3) The competent court of law shall examine the request and take a decision within 5 days, but not later than the day before elections.

#### Article 52. Challenging decisions of the Central Electoral Commission

- (1) Violations stipulated by the present Law shall be determined by the Central Electoral Commission.
- (2) Decisions of the Central Electoral Commission concerning application of sanctions regulated by Articles 49-51 may be challenged within 10 calendar days in administrative court.

#### Article 53. Cumulative application of sanctions

Application of sanctions stipulated by the present Law does not impede application of sanctions stipulated by the legislation of the Republic of Moldova.

### **Chapter VIII** **FINAL AND TRANSITORY PROVISIONS**

#### Article 54.

The present law comes into force starting with 01 January 2013.

#### Article 55.

- (1) Within 3 months from the date of publication of the present law, Central Electoral Commission shall elaborate and approve necessary normative acts for application of the present law.
- (2) Government, within 3 months from the date of publication of the present law:
- shall bring its normative acts in compliance with the present law;
  - shall elaborate and approve normative acts necessary for application of the present law;
  - shall present to the Parliament proposals concerning bringing legislation in compliance with the present law;
  - shall ensure execution of the present law by central and local public administration authorities.

#### Article 56.

The following shall be declared null and void on the date the present law enters into force: Chapter VI from the Law No. 294 from 21.12.2007 on Political Parties (Official Monitor of the Republic of Moldova, 2008, No. 42-44, Article 119);

Articles 35-38 from Electoral Code of the Republic of Moldova, No.1381 from 21.11.1997 (Official Monitor of the Republic of Moldova, 1997, No. 81, Article 667), with amendments and additions introduced to these Articles.

**THE CHAIRPERSON OF THE PARLIAMENT**

**Informative Note**  
**Draft Law concerning Financing of Political Parties and Electoral Campaigns**

Draft Law concerning Financing of Political Parties and Electoral Campaigns was elaborated in order to ensure transparency in this field.

Currently, national legislation regulates in several normative acts legal relations concerning financing of political parties and electoral campaigns, however still many shortcomings, ambiguous or even contradictory norms exist. The present draft Law excludes the majority of these problems, and takes into consideration recommendations included in the Resolution (97) 24 on the twenty Guiding Principles for the fight against corruption, adopted by the Committee of Ministers of Council of Europe on 6 November 1997, especially principle 15 on promoting rules for the financing of political parties and electoral campaigns which deter corruption; Recommendation REC (2003) 4, adopted by the Committee of Ministers of the Council of Europe on 8 April 2003 on common rules against corruption in financing of political parties and electoral campaigns; Recommendation 1516 (2001) on financing of political parties, adopted on 22 May 2001 by Parliamentary Assembly of the Council of Europe, as well as many recommendations of civil society organizations.

The draft Law proposes to limit the circle of persons who can make donations to political parties from the Republic of Moldova, establishes the limits of these donations, and introduces the mechanisms for ensuring transparency of data about donors; requiring political party to make them public. In order to ensure legality of donations, donors must present personal liability statement about the origin of each donation, and also need to specify in this statement that they know and follow all requirements provided by law for this type of donations. In this respect, anonymous donations and donations made on behalf of third parties are expressly prohibited.

Provisions concerning allocations from the state budget regulated by the existing legislation are still not applicable, and therefore are not functional. The draft Law offers political parties the option to request these allocations or to renounce on them. Simultaneously, the principle of distribution of state allocations among political components has also changed: political parties that are not represented in Parliament will also be able to benefit from allocations. At the same time, it is prohibited to use allocations from the state budget for payments abroad, and the field of their use was regulated in a clear way and reduced.

The current draft Law regulates in details the right of political formations to receive financing from the state budget and the mechanism of offering financing from the state budget, as well as the grounds and the manner of suspending and/or losing this right.

The draft law also clearly regulates the other types of activities that can be carried out by political party in order to receive the necessary sources for its political activity.

In the field of financing electoral campaigns, the draft law applies and institutes the principle of equality of chances, by establishing the limits for electoral expenditures for all candidates/contestants, as well as express mechanism for determining these limits. At the same time, the draft Law regulates interdictions in the field of financing electoral campaigns, taking into consideration European practice, including practice in organizing referendum. The duties of financial agent shall be specified, and he/she shall represent and should bear responsibility for correctness of keeping financial accounting.

The draft law excludes the obligation of the state to offer financial-material support to electoral contestants, because it was not requested for a long time, and the return of these amounts may create elements of corruptibility for the elected candidate.

Transparency of financing political parties is part of a separate chapter of the draft Law that institutes new mechanisms, such as declaration concerning the origin of donations, obligation of political party to publish its financial sources, establishing an exhaustive list of data that follows to be communicated, submitting financial reports on an annual basis and before the electoral campaign (together with data concerning income received in the last two years). Financial reports prepared during electoral campaign became more complex, and they include data that allows identification of any illegal source of financing. At the same time, Central

Electoral Commission shall annually present in front of the Parliament, until 1<sup>st</sup> of August, a final report about situation related to financing of political parties and electoral campaigns.

Financial reports submitted by political parties are subjected to rigorous control on behalf of the Central Electoral Commission. Despite of this, political parties whose annual income or expenditures exceed one million lei must order audit of financial reports at least once in 3 years.

Considering that functional competences of the Central Electoral Commission in the field of financing political parties increased, it is planned to create a new direction within this institution, which would have special and independent status, and would have highly qualified specialists. It is proposed to elect the head of the Direction based on a public competition, organized by a special commission created for this purpose.

The draft Law also includes general norms concerning financial control. Therefore, competences of the Ministry of Justice and Ministry of Finance in this field were excluded and competence of the Court of Accounts refers only to allocations from the state budget. Central Electoral Commission became an agency of financial control, and this body includes representatives of all parliamentary political forces, including of opposition parties.

Norms concerning the grounds and the mechanism for applying sanctions, as well as challenging the sanctions applied, are regulated with maximum transparency. At the same time, application of sanctions regulated by the present draft Law does not exclude criminal, contravention, fiscal liability, etc., when respective grounds exist.

Following adoption of this draft Law, it will be necessary to amend and supplement the following acts: Electoral Code of the Republic of Moldova, No. 1381-XIII from 21.11.1997; the Law on Political Parties, No. 294-XVI from 21.12.2007; Criminal Code of the Republic of Moldova, No. 985-XV from 18.04.2002; Code of Administrative Offences of the Republic of Moldova, No. 218-XVI from 24.10.2008; Fiscal Code of the Republic of Moldova, No. 1163-XIII from 24.04.1997; and other legislative and normative acts. This fact indicates on the complex approach which aims at unification of the respective norms in the field.

From social and democratic point of view, the proposed amendments offer more access of each person to data concerning financing of political parties, and the mechanism of supporting the parties becomes more simple and fair. Consequently, the draft Law may contribute to the increase of trust of the society in political system, from the moment it is voted.

In this sense, we propose the present draft Law on Financing Political Parties and Electoral Campaigns for Parliament's examination and adoption.

Implementation of these amendments and additions requires additional financial expenditures for ensuring creation and activity of the Direction of Financial Control created within the Central Electoral Commission.

**Deputy in Parliament**

**Vladimir Plahotniuc**