



Strasbourg, 29 May 2015

**CDL-REF(2015)019**

**Opinion No. 782 / 2014**

Engl. only

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

**LAW**  
**ON FINANCING POLITICAL ACTIVITIES**  
**OF SERBIA**  
**AS AMENDED ON 8 NOVEMBER 2014<sup>1</sup>**

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<sup>1</sup> The Law was published in the "Official Gazette of the Republic of Serbia", No. 43/11 from 14 June 2011.

The Law on Amendments to the Law on Financing Political Activities was published in the "Official Gazette of the Republic of Serbia", No. 123/14 from 10 November 2014 and entered into force on 18 November 2014.

**Translated by OSCE Mission to Serbia  
20 June 2011**

## **I INTRODUCTORY PROVISIONS**

### **Subject of the Law**

#### **Article 1**

This Law shall regulate sources and manner of financing, records and control of financing of activities of political parties, coalitions and citizens' group (hereinafter "political entities").

### **Meaning of Terms**

#### **Article 2**

Individual terms used in this Law shall mean:

- "political activity" is regular work and election campaign of a political entity as submitter of registered electoral list and nominator of candidates for president of the Republic, members of parliament, deputies and councillors;
- "political party" is an organization of citizens recorded in the Register of Political Parties with the competent authority, in accordance with law;
- "coalition" is a form of association of political entities for joint participation in elections, which regulate their mutual relations by contract, attested in accordance with law governing attestation of signatures;
- "citizens' group" is a form of association of voters for joint participation in elections, which regulate their mutual relations by contract, attested in accordance with law governing attestation of signatures;
- "election campaign" is the body of activities of a political entity from the day of calling of elections until the day of proclaiming final election results;
- "regular work" is the political activity of a political entity other than election campaign;
- "election bond" is the guarantee of a political entity participating in elections to return the amount of funds received from public sources for financing of political campaigns if it fails to win 1% of valid votes, and/or in case of political entity representing and advocating national minority interests if it fails to win 0.2% of valid votes;
- "value of contribution" is the aggregate value of all contributions (membership dues, donations) that one natural person or legal entity gives to a political entity at annual level;
- "average monthly salary" is the average monthly salary in the Republic of Serbia, without tax and dues, pursuant to data of the authority with competence for statistical affairs for the preceding year.

## **II. SOURCES AND MANNER OF FINANCING**

### **Sources of financing of political entities**

#### **Article 3**

Political entities are financed from public and private sources.

Political entities use funds from sources specified in paragraph 1 of this article for financing of regular work and election campaign costs.

Political entities may borrow from banks and other financial organization in the Republic of Serbia, in accordance with law.

## **Public Sources**

### **Article 4**

Public sources for financing of political activity comprise pecuniary funds and services granted by the Republic of Serbia, autonomous province and local government, their organs as well as organizations founded by them.

### **Pecuniary funds from public sources**

#### **Article 5**

Pecuniary funds from public sources are funds from the budget of the Republic of Serbia, autonomous province budget and local government budget, designated for financing of political activity.

### **Services and goods from public sources**

#### **Article 6**

Services and goods from public sources are services and goods defined under separate regulations given to political entities by organs of the Republic of Serbia, autonomous province and local government, as well as by other organizations founded by them.

It is obligatory to grant services and goods referred in paragraph 1 of this article to all political entities under equal terms.

Organs of the Republic of Serbia, autonomous province and local government, as well as other organizations founded by them shall more specifically regulate granting of services and goods referred in paragraph 1 of this article.

## **Private sources**

### **Article 7**

Private sources of financing political activities comprise membership dues, donations, inheritance, legacy income from property and borrowing from banks and other financial organizations in the Republic of Serbia.

### **Membership dues**

#### **Article 8**

Membership dues are the pecuniary amount paid regularly by a member of a political party in the manner and under conditions set forth by the statute or other general act of the political party.

A member of a political party is required to effect payment of membership dues only from his/her current account.

As an exception to paragraph 2 of this article membership dues not exceeding 1,000 RSD on annual level may be paid in cash or by postal / bank order. When membership dues are paid in cash the authorised officer of a political party is required to issue a receipt to the member for received dues. The receipt is signed by the member paying the membership dues and the authorised person of the political party.

The authorized officer of a political party is required to pay membership dues received in cash into the account of the political party within seven days from the day of issuing of receipt.

### **Donation**

#### **Article 9**

A donation is a pecuniary amount, other than membership dues, that a natural person or legal entity voluntarily give to a political entity, a gift, as well as services provided without compensation or under conditions deviating from market conditions.

A donation is also credit, loan and other services provided by a bank or other financial organizations in the Republic of Serbia given under conditions deviating from market conditions, as well as write-off of debt.

A donor engaged in commercial activity is required when giving a donation and not later than the following day to forward to the political entity a personal statement or attestation from the relevant authority that it has settled all obligations relative to public revenues, as well as a statement that it is not engaged in or has been engaged over the past two years in contracted activities of general interest. A legal entity, as donor, is required to also submit data on its ownership structure. A donor is required to forward a statement that it has not exceeded the donation ceiling specified in article 10 paragraphs 1 and 2 hereof not later than three days from the date of giving of donation.

A political entity is required to accept payment of pecuniary amount specified in paragraph 1 of this article only from the donor's current account.

A political entity is required to record the donation referred in paragraph 1 of this article.

Exerting any form of pressure, threat, discrimination or any other form of direct or indirect placement in disadvantageous position of a natural person or legal entity giving a donation to a political entity is prohibited.

Government authorities are required to prevent and punish any violence, violation of rights or threat to a natural person or legal entity for giving of a donation to a political entity.

#### **Maximum value of donation**

##### **Article 10**

Maximum value of donation on at annual level that a natural person may give to political entities for regular work shall not exceed 20 average monthly salaries.

Maximum value of donation at annual level that a legal entity may give to political entities for regular work shall not exceed 200 average monthly salaries.

Donations exceeding at annual level one average monthly salary are published.

A political entity is required to publish each donation referred in paragraph 3 of this article on its web site within eight days from the date the value of donation has exceeded the amount of one monthly average salary.

#### **Acquisition and income from property of political party**

##### **Article 11**

Assets of a political party comprise real property and movables.

Assets referred in paragraph 1 of this article serve for political activity and other allowed activities of a political party, in accordance with law.

A political party acquires property through purchase, inheritance and legacy.

~~A political party may acquire real property only with funds collected from private sources.~~ **A political party acquiring real property with funds from public sources may use such property only for conducting its political activities.**

Income from property is the income realized by a political party from sale of real property and movables, lease of real property in its ownership and interest on deposits with banks and other financial organizations in the Republic of Serbia.

## **Prohibition on financing**

### **Article 12**

It is prohibited to finance a political entity by foreign states; foreign natural persons and legal entities, except international political associations; anonymous donors, public institutions, public enterprises, companies and entrepreneurs engaged in services of general interest, institutions and companies with state capital share, other organizations discharging administrative authority; trade unions, associations and other non-profit organizations, churches and religious communities; gaming industry; importers, exporters and manufacturers of excise goods, legal entities and entrepreneurs with due, and unsettled, public revenue obligations, unless set forth otherwise by this Law.

Donations from international political associations may not be in money.

Financing of political entity by a natural person or legal entity engaged in activities of general interest pursuant to contract with organs of the Republic of Serbia, autonomous province and local government and public services founded by them is prohibited throughout the validity of such contract and for a period of two years subsequent to termination of contractual relations.

Acquisition of shares or stock in a legal entity by a political entity is prohibited.

Financing of a political entity by an endowment or foundation is prohibited.

## **Prohibited collection of funds**

### **Article 13**

Exerting any form of pressure on legal entities and natural persons in collecting donations for a political entity is prohibited.

Giving promises or inferring any privilege or personal benefit to donor of a political entity is prohibited.

Giving a donation to a political entity through a third party is prohibited.

Concealing identity of donor or amount of donation is prohibited.

## **Ban on acquisition of income from commercial activity**

### **Article 14**

A political entity may not realize income from promotional, and/or commercial activity.

## **Remittance of unlawfully acquired funds**

### **Article 15**

A political entity is required to pay pecuniary funds acquired contrary to article 12 hereof in favour of the Republic of Serbia budget within 15 days from the date of receiving such funds. If the payee of funds has ceased to exist, a political entity is required to transfer the paid amount to the Republic of Serbia budget within 15 days from the day of receiving of funds.

A political party is required to pay membership dues received contrary to article 8 paragraph 3 hereof in favour of the Republic of Serbia budget within 15 days of receiving membership dues.

A political entity is required to return to the donor a donation without forwarded documents of the donor stipulated in article 9 paragraph 3, as well as a donation exceeding the amount set forth in article 10 hereof within 15 days from the date of receiving the donation.

If funds referred to in paragraph 3 of this article cannot be returned to the account of the payee, the funds are paid into the budget of the Republic of Serbia.

### **III FINANCING OF REGULAR WORK OF POLITICAL ENTITIES**

#### **Funds from public sources**

##### **Article 16**

Funds from public sources appropriated for financing of regular work of political entities whose candidates have been elected members of parliament, deputies and/or /councillors are set at the level of ~~0.15%~~ **0.105%** of the Republic of Serbia ~~budgetary expenditure~~ **tax revenues**, territorial autonomy budgetary expenditure and/or local government budgetary expenditure.

#### **Allocation of funds from public sources**

##### **Article 17**

Funds specified in article 16 hereof are allocated to political entities winning seats in representative bodies in proportion to the number of votes calculated according to the method defined in paragraph 2 of this article.

The number of votes of a political entity taken as basis for allocation of funds is calculated by multiplying the number of votes of all voters up to 5% of valid votes with a quotient of 1.5, and the number of votes over 5% of valid votes of all voters with a coefficient of 1.

Funds specified in article 16 hereof granted to a political entity participating in elections as a coalition are divided pursuant to coalition agreement.

The ministry with competence for financial affairs and/or the relevant autonomous province authority, and/or the local government authority, transfers the proportionate portion of funds referred to in paragraph 1 of this article to political entities every month, before the 10<sup>th</sup> of the month for the preceding month.

#### **Account for financing regular work**

##### **Article 18**

A political party may have several accounts but only with the same tax identification number, as well as a foreign currency account, through which it transacts all funds earmarked for financing regular work.

Coalition and/or citizens' group define accounts used for transaction of all funds earmarked for financing regular work by the agreement establishing such political entities.

#### **Use of funds for financing regular work**

##### **Article 19**

Funds for financing regular work of political entities are used for functioning and propagation of the idea of a political entity and presume work with the electorate and membership, **transportation costs and holding rallies**, promotional costs, advertising material and publications, public opinion polls, training, international cooperation, salaries and emoluments for staff, costs of utilities services and expenses related to other similar activities.

**Funds for financing of regular work of political entities are also used for financing of election campaign costs, in accordance with this law.**

A political entity is required to use funds received from public sources in the amount not less than 5% of aggregate funds received for regular work at annual level for professional upgrading and training, acquiring practical skills, international cooperation and work with the membership.

## **IV FINANCING ELECTION CAMPAIGN COSTS**

### **Funds from public sources**

#### **Article 20**

Funds from public sources for covering election campaign costs are allocated in the year of regular elections in the amount of ~~0.1%~~ **0.07%** of the Republic of Serbia ~~budgetary expenditure~~ **tax revenues**, of the autonomous province budgetary expenditure and/or of the local government budgetary expenditure for the budget year.

In case of early elections the relevant authorities are required to provide funds specified in paragraph 1 of this article.

### **Allocation of funds from public sources**

#### **Article 21**

Funds specified in article 20 hereof in the amount of 20% are allocated in equal amounts to submitters of proclaimed election lists who at time of submission declared to use the funds from public sources to cover election campaign costs. These funds shall be paid within five days from the date of proclaiming of election lists.

The remaining portion of funds specified in article 20 hereof (80%) is allocated to submitters of election lists *pro rata* to the number of won seats, within five days from the date of proclaiming of election results, regardless of whether the funds from public sources were used to cover election campaign costs.

In case of elections held according to majority system, the funds specified in article 20 hereof in the amount of 50% are allocated in equal amounts to proponents of candidates who declared at time of filing of candidacy to use funds from public sources to cover election campaign costs. These funds shall be paid to proponents of candidates within five days from the date of determination of final list of candidates.

In case of holding elections referred in paragraph 3 of this article the remaining portion of funds specified in article 20 hereof (50%) is allocated to the proponent of the winning candidate within five days from the date of proclaiming election results, regardless of whether the funds from public sources were used to cover election campaign costs.

In case of runoffs for elections specified in paragraph 3 of this article, the remaining portion of funds specified in article 20 hereof (50%) are allocated in equal amounts to proponents of candidates participating in election runoff, within five days from the date of proclaiming election results of the first election round, regardless of whether the funds from public sources were used to cover election campaign costs.

If the submitters of election lists and/or nominators of candidates declaring to use funds from public sources for covering election campaign costs fail to give election bond within the deadline set forth under article 25 paragraph 3 hereof, the portion of funds allocated to such submitters of election lists and/or nominators of candidates is carried over to the remaining funds specified in paragraphs 2, 4 and 5 of this article.

Funds for election campaign from public sources are allocated by the ministry with competence for financial affairs and/or the relevant authority of autonomous province or local government.

## **Financing election campaign from private sources**

### **Article 22**

A political entity may raise funds from private sources for election campaign costs.

Natural persons and legal entities may give donations in a single calendar year in which election are held, in addition to donations for regular work, also for election campaign costs up to maximum stipulated amount at annual level specified in article 10, paragraphs 1 and 2 hereof, regardless of the number of election campaigns in a calendar year.

## **Election campaign costs**

### **Article 23**

Election campaign costs are costs related to political activities during the election campaign.

Funds raised from public and private sources for financing election campaign costs may be used only for activities specified in paragraph 1 of this article.

Rules and regulations governing action of media during election campaigns shall apply to each time slot purchase in the media.

## **Separate account for election campaign financing**

### **Article 24**

For the purpose of raising funds for election campaign financing a political entity shall open a separate account that may not be used for other purposes.

A political entity not having the account specified in paragraph 1 of this article is required to open such account after calling of elections and before registering own election list.

All funds intended for financing of election campaign are paid into the account specified in paragraph 1 of this article and all payments of election campaign costs are made from that account.

A political entity may use funds raised ~~from private sources~~ for regular work for election campaign financing with the proviso that such funds are paid into the account specified in paragraph 1 of this article.

Opening of the account referred in paragraphs 1 and 2 of this article for a coalition and/or group of citizens is regulated by the agreement on establishing such political entities.

## **Election bond**

### **Article 25**

A political entity declaring intention to use funds from public sources to cover election campaign costs is required to give election bond in the amount of funds specified in article 21 paragraphs 1 and 3 hereof, allocated to such political entity.

Election bond referred to in paragraph 1 of this article comprises of depositing cash, bank guarantee, government bonds or placing a mortgage covering the amount of bond on real property of the persons giving the bond.

The election bond specified in paragraph 2 of this article is given to the ministry with competence for finance affairs and /or relevant authority of autonomous province or local government, within three days from the date of proclaiming all election lists and/or determination of final list of candidates.

## **Return of funds**



### **Article 26**

The election bond is returned to the political entity if winning at elections a minimum of 1% of valid ballots and/or minimum 0/2% of valid ballots if the political entity is representing interests of a national minority, within 30 days from the date of declaring final election results.

A political entity failing to win the number of votes specified in paragraph 1 of this article is required to return the funds for which he gave an election bond within 30 days from the date of proclaiming final election results.

If a political entity fails to return the funds from which it gave an election bond within the deadline set forth under paragraph 2 of this article, the Republic of Serbia, autonomous province or local government shall collect such funds from the election bond.

## **V KEEPING RECORDS AND REPORTING**

### **Duty to keep books and records**

#### **Article 27**

A political entity with representatives in representative bodies and registered political parties are required to keep bookkeeping records of all revenues and expenditures.

Bookkeeping is done by origin, amount and structure of revenues and expenditures, in accordance with regulations governing accounting and audit

Bookkeeping records of revenues and expenditures of political entities referred to in paragraph 1 of this article are subject to annual control of relevant authorities.

A political entity with representatives in representative bodies and registered political parties are required to keep separate records of donations, gifts and services extended without compensation, and/or under conditions deviating from market conditions and records of property.

The content and manner of keeping records specified in paragraphs 4 of this article is specified by the Director of the Anti-corruption Agency (hereinafter "the Agency").

### **Annual financial report**

#### **Article 28**

A political entity with representatives in representative bodies and registered political parties are required to submit to the Agency an annual financial statement, as well as a report on donations and assets, together with the opinion of an auditor certified in accordance with accounting and audit regulations not later than 15 April of the current year for the preceding year.

Political entities referred in paragraph 1 of this article are required to publish within eight days of submission of the annual financial statement to the Agency, the statement on their web site ~~and forward it for publishing in the "Official Gazette of the Republic of Serbia".~~  
**Annual financial statement is published on the Agency's web site.**

The Director of the Agency shall specify the content of the annual financial statement.

## **Report on election campaign costs**

### **Article 29**

A political entity participating in election campaign is required to submit to the Agency a report on election campaign costs within 30 days from the date of publication of final election results.

The report on election campaign costs contains information on origin, amount and structure of raised and spent funds from public and private sources.

The report on election campaign costs is compiled for the period from the date of calling of elections until the date of publishing final election results.

The report on election campaign costs is published on the web site of the Agency.

The content of the report on election campaign costs is specified by the director of the Agency.

The director of the agency is obliged to issue the act specified in paragraph 5 hereof within a timeframe which ensures that this act comes into force not later than five days from the date of calling of elections.

Amendments to the act specified in paragraph 5 hereof may not be made during the election campaign.

## **Return of funds from public sources**

### **Article 30**

A political entity is required to return all funds from public sources not used in the election campaign into the budget of the Republic of Serbia, autonomous province and/or local government by the date of submission of report.

A political entity is required to transfer all funds from private sources not used in the election campaign to the account used for regular operation, by the date of submission of report.

## **Authorised person**

### **Article 31**

A political party's statute and/or appropriate decision of a political entity must define the manner of conducting internal control of financial affairs and the right of the membership and/or voters supporting an election list to be informed of revenues and expenditures of a political entity.

A political party's statute, or contract establishing a political entity, must provide for appointment of the person responsible for financial affairs, reporting and keeping of books, who is authorized to contact the Agency (hereinafter "authorised person").

A political entity notifies the Agency of the appointment of authorised person specified in paragraph 2 of this article within three days of his/her appointment.

A political entity is required to notify the Agency of any change in regard of authorised person.

The authorised person signs all reports and is responsible for keeping of records regarding financing of the political entity.

At the request from the Agency the authorised person is required to forward bookkeeping data specified in article 27 of this Law for inspection also during the fiscal year.

A political entity specified in articles 28 and 29 of this Law safeguards its financial statements for a minimum of six years from the date of submission to the Agency.

**Powers of the Agency**  
**Article 32**

Within the purview defined under this Law, the Agency has the right of direct and free access to bookkeeping records and documentation and financial reports of a political entity and to engage relevant experts and institutions. The Agency is also entitled to direct and free access to bookkeeping records and documents of an endowment or foundation founded by a political party.

A political entity shall at the Agency's request and within the time frame set by the Agency which may not exceed 15 days, submit to the Agency all documents and information necessary to the Agency to carry out tasks from its purview set forth under this Law.

In the course of election campaign, a political entity is required upon the request of and within the time frame set by the Agency, which may not exceed three days, to submit information necessary to the Agency to carry out tasks from its purview set forth under this Law.

Organs of the Republic of Serbia, autonomous province and local government, banks, as well as natural persons and legal entities financing political entities performing for and/or on their behalf particular services, are required to forward to the Agency at its request all data required by the Agency to discharge duties from its purview set forth under this Law.

The obligation to provide information from para 4 of this Article supersedes any other restriction or limitation that may appear in any other regulation.

**Provision of funds required for performing control**  
**Article 33**

Funds for performing control of election campaign costs for the election of president of the Republic, election of members of parliament, deputies and councillors are provided to the Agency from the Republic of Serbia budget.

For the purposes referred to in para 1 of this article, the funds are allocated in the budget of the Republic of Serbia in the amount not less than 1% for elections for the president of the Republic and members of parliament, 0.5% for elections for deputies and councillors for city councils and/or 0.25% for elections for deputies for municipal councils, out of the aggregate amount of funds allocated in the Republic of Serbia budget for election campaign for the election of members of parliament.

In case there are more than one election in the same calendar year, the percentage specified in paragraph 2 shall apply to every election.

**Control by the State Audit Institution**  
**Article 34**

The Agency may, after conducting control of financial reports of a political entity, forward a request to the State Audit Institution to audit these reports, in accordance with the law governing competencies of the State Audit Institution.

**VI ACTIONS AND DECISION TAKING IN CASE OF VIOLATION OF LAW**

**Procedure**  
**Article 35**

Proceedings to establish violation of this Law and to pronounce measures in accordance with this Law are launched and conducted by the Agency *ex officio*.

Proceedings referred to in para 1 of this article may also be launched on basis of complaint by a natural person or legal entity.

The Agency shall notify the political entity of the initiation of the proceedings referred to in para 1 of this article.

The Agency may summon the authorized person as well as the person on whose complaint the proceedings were launched to obtain information as well as request forwarding necessary data in order to decide whether there is a violation of this Law.

### **Application of other regulations**

#### **Article 36**

Provisions of the law governing general administrative procedure shall appropriately apply to proceedings referred in article 35 hereof if not regulated by this Law.

#### **Measure**

#### **Article 37**

The Agency issues a warning measure to a political entity in case it identifies during control deficiencies that may be corrected.

If the political entity fails to act upon the measure before the deadline specified in the Agency's decision expires, the Agency shall initiate misdemeanour proceedings.

## **VII PENAL PROVISIONS**

### **Criminal offence**

#### **Article 38**

Whoever gives, and/or provides for and on behalf of the political entity, funds for financing of the political entity contrary to the provisions of this Law with intent to conceal the source of financing or amount of collected funds of the political entity, shall be punished with imprisonment from three months to three years.

If the offence referred to in para 1 involved giving or receiving more than one million and five hundred thousand dinars, the offender shall be punished with imprisonment from six months to five years.

Whoever commits violence or threatens violence, places in disadvantageous position or denies a right or interest based on law to a natural person or legal entity based on giving donation to a political entity, shall be punished by imprisonment of three months to three years.

Funds referred in paragraphs 1 and 2 of this article shall be confiscated.

### **Misdemeanours of a political entity**

#### **Article 39**

A political party shall be fined from 200,000 to 2,000,000 RSD for a misdemeanour if it:

- 1) receives funds contrary to article 8 paragraph 3 hereof;
- 2) fails to publish donations in accordance with article 10 paragraphs 2 and 4 hereof;
- 3) acts contrary to article 11 hereof;
- 4) acts contrary to prohibition specified in article 12 paragraph 3 hereof;
- 5) acts contrary to prohibition specified in article 13 hereof;

- 6) acquires income contrary to article 14 hereof;
- 7) fails to remit funds in accordance with article 15 hereof;
- 8) opens multiple accounts contrary to article 18 hereof;
- 9) uses funds contrary to articles 19 and 23 and article 24 paragraphs 3 and 4 hereof;
- 10) fails to open a separate account for financing of electoral campaigns pursuant to article 24 hereof;
- 11) fails to keep records pursuant to article 27 hereof;
- 12) fails to submit the annual statement pursuant to article 28 paragraph 1 hereof;
- 13) fails to publish the financial statement on its web site ~~or fails to submit it to the "Official Gazette of the Republic of Serbia" for publication,~~ within the time frame set forth in article 28 paragraph 2 hereof;
- 14) fails to submit the report on electoral campaign costs pursuant to article 29 hereof;
- 15) acts contrary to article 30 hereof;
- 16) fails to appoint the authorized person, fails to report change in authorized person or notify the Agency thereof, in accordance with article 31 paragraphs 3 and 4 hereof;
- 17) fails to provide access to the Agency pursuant to article 32 paragraph 1 hereof;
- 18) fails to submit to the Agency documents, information and data pursuant to article 32 paragraphs 2 and 3 hereof;
- 19) fails to act in accordance to the pronounced warning measure (article 37 paragraph 2).

The responsible person of a political party or other political entity shall also be fined from 50,000 to 150,000 RSD for offences specified in paragraph 1 of this article.

Funds obtained through commission of misdemeanours specified in paragraph 1 items 1), 3) through 7), 9) and 15) of this article shall be confiscated.

### **Misdemeanours by donors of funds**

#### **Article 40**

A legal entity shall be fined with 200,000 to 2,000,000 RSD if it:

- 1) gives a donation to a political entity contrary to articles 9 and 10 and article 22 paragraph 2 hereof;
- 2) fails to ensure access to the Agency in accordance with article 32 paragraph 1 hereof;
- 2) fails to submit data to the Agency pursuant to article 32 paragraph 4 hereof.

The responsible person of a legal entity shall also be fined with 50,000 to 150,000 RSD for misdemeanour specified in paragraph 1 of this article.

An entrepreneur shall be fined with 100,000 to 500,000 RSD for misdemeanour specified in paragraph 1 of this article.

A natural person shall be fined with 50,000 to 150,000 RSD for misdemeanour specified in paragraph 1 of this article.

Funds obtained through commission of misdemeanour specified in paragraph 1 item 1) of this article shall be confiscated.

### **Statute of limitations on launching misdemeanour proceedings**

#### **Article 41**

Proceedings for misdemeanours specified in articles 39 and 40 hereof cannot be instituted after expiry of five years from the date of commission of misdemeanour.

### **Loss of funds from public sources**

#### **Article 42**

In case of conviction for a criminal offence specified in article 38 hereof or if a political party or responsible person of a political entity is fined for misdemeanour specified in article 39 hereof, the political entity shall lose the right to funds from public sources dedicated for

financing of the political entity in the amount set forth pursuant to paragraphs 2 and 4 of this article.

The amount of funds referred in paragraph 1 of this article may not be less than the amount of funds acquired through commission of a criminal offence or misdemeanour, up to a maximum of 100% of the amount of funds from public sources allocated for financing of regular work of the political entity for the coming calendar year.

If the amount of funds acquired through commission of a criminal offence and/or misdemeanour is less than 10% of the funds from public sources allocated for financing of regular work of the political entity for the coming calendar year, the amount of funds specified in paragraph 1 of this article may not be less than 10% of the funds from public sources allocated for financing of regular work of the political entity for the coming calendar year.

The amount of funds referred in paragraph 1 of this article is determined pro rata to pronounce punishment for criminal offence or misdemeanour, pursuant to rules set forth in paragraphs 2 and 3 of this article.

The decision on loss of rights to public funds allocated for financing of regular work of a political entity for the following calendar year wherein the amount thereof is also defined, is issued by the Agency and may be appealed through administrative dispute.

### **Suspension of transfer of funds from public sources**

#### **Article 43**

At the request of the Agency and following launching of criminal proceedings for the offence referred in article 38 hereof or misdemeanour proceedings for a misdemeanour referred in article 39 hereof the ministry with competence for financial affairs and/or the competent authority of autonomous province and/or local government, issues a decision for temporary suspension of transfer of funds from public sources to the political entity until issuing of final decision in criminal, and/or misdemeanour proceedings.

The decision of the competent administrative authority of autonomous province, and/or local government referred in paragraph 1 of this article may be appealed with the relevant authority of the autonomous province and/or local government.

Administrative dispute may be instituted against the decision of the ministry referred in paragraph 1 of this article and the decision of the competent authority of autonomous province and/or local government.

The administrative court is required to decide within 30 days from the date of filing of complaint in administrative dispute referred in paragraph 3 of this article.

## **VIII TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 44**

Control of the work of political parties commenced prior to coming into force of this Law shall be concluded pursuant to provisions of the Law on Financing of Political Parties ("Official Gazette of the RS", no. 72/03, 75/03 – corrigendum, 97/08 and 60/09 – Constitutional Court decision).

#### **Article 45**

Bylaws provided under this Law shall be enacted within six months from the date of coming into force of this Law.

Until enactment of the bylaws referred in paragraph 1 of this article the bylaws enacted pursuant to the Law on Financing of political Parties ("Official Gazette of the RS", no. 72/03, 75/03 – corrigendum, 97/08 and 60/09 – Constitutional Court decision) shall apply unless contrary to this Law.

**Article 46**

With the coming into force of this Law, the Law on Financing of Political Parties ("Official Gazette of the RS", no. 72/03, 75/03 - corrigendum, 97/08 and 60/09 - Constitutional Court decision) shall cease to apply with the exception of article 4 that shall cease to apply as of 1 July 2012.

**Article 47**

This Law shall come into force on the eighth day of publication in the "Official Gazette of the Republic of Serbia, except articles 16 and 17 that shall come into force on 1 July 2012.