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EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW
(VENICE COMMISSION)

KOSOVO

LAW NO. 03/L-174 ON THE FINANCING OF POLITICAL ENTITIES

**LAW NO.04/L-058 ON AMENDING AND SUPPLEMENTING THE LAW
NO. 03/L-174 ON THE FINANCING OF POLITICAL ENTITIES**

**LAW NO. 04/L-212 ON AMENDING AND SUPPLEMENTING THE LAW
NO. 03/L-174 ON THE FINANCING OF POLITICAL ENTITIES,
AMENDED AND SUPPLEMENTED BY LAW NO. 04/L-058**

LAW No. 03/L-174

ON FINANCING POLITICAL PARTIES

Assembly of Republic of Kosovo,

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

Adopts:

LAW ON FINANCING POLITICAL PARTIES

**Article 1
Purpose**

This law regulates the manner, conditions of funding, administration and observation, incoming report of political party and also foresees gained transparency and reporting expenditure of funds of political subjects in Republic of Kosovo.

**Article 2
Definitions**

1. Expressions used in this law have the following meaning:

- 1.1. **Administration** - organization, direction, use, maintenance and reasonable expenditure of the assets of political parties;
- 1.2. **Sheet balance** - financial declaration of political subject, assets, obligations and capital;
- 1.3. **Fund for support of political party- Fund-** a fund for financing a political subject through the Budget of the Republic of Kosovo, which operates within the Central Election Committee;
- 1.4. **CEC** - Central Elections Committee;
- 1.5. **Contribution** - any gift (donation) or assistance that is given to political subject, whether in cash or material goods; contribution;
- 1.6. **Membership Dues** - the limited sum of money which is paid every month or year for membership in one organization;
- 1.7. **Political party** - every registered and certified political party, by the competent authority;
- 1.8. **Asset** - the whole set of items, material partitions, money and other assets of a political subject;
- 1.9. **Financial representative** - the responsible person for finances in the political subject;
- 1.10. **Political subject** - political subject, coalition, citizens initiative, independent candidate;
- 1.11. **Certified Political Party** - a certified political subject from the Central Election Commission in accordance with the law into force and regulations of Central Election Commission;
- 1.12. **Expenses for campaign** - every payment that is done for goods and services in accordance with the law for general elections;

1.13. **Incomes** - any received monetary amount that the political subject has received from legal and natural entities, from membership dues and from the budget of the Republic of Kosovo.

Article 3 Status of political subject

Political subject is a non profitable legal entity.

Article 4 Financial and material sources

1. Financial and material sources of the political subject are:

- 1.1. dues (membership fees);
- 1.2. contributes;
- 1.3. financing from the budget of the Republic of Kosovo;
- 1.4. every assets gained as foreseen by this law;
- 1.5. incoming from the activities of political subject determined with Article 6 of this law.

Article 5 Contributions for political subjects

1. Political Subjects are allowed to receive contribution from:

- 1.1. natural persons in the amount not exceeding two thousand (2.000) Euro per calendar year;
- 1.2. legal entities in the amount not exceeding ten thousand (10.000) Euro per calendar year.

2. A political subject receiving a contribution, the origin of which cannot be proven by the contributing entity, shall be under obligation to notify the competent authorities, within two (2) weeks, for verification of the origin of respective contribution.

3. If the origin of the contribution cannot be proved, the respective amount shall remain in the Budget of the Republic of Kosovo.

4. As to the above paragraphs, it is forbidden the expenditure of financial resources, for personal benefits.

Article 6 Incomings from the activity of political subject

1. Political Subject shall not engage in a profitable business activity, except the sale of goods like: publications, editions, advertisings, posters with party emblem or acronym of political subject and other allowed legal sources.

2. All incoming and outgoing payment from financial activities of political subjects shall be registered subjects financial registers.

Article 7 Financial funds for the support of political subject

1. Public financing of political subject is made through the Fund for supporting the political parties within the Budget of the Republic of Kosovo.

2. Fund for supporting political subject s, functions within the Central Election Committee.

3. Amount of budget dedicated to support fund for political subject cannot exceed 0.17% (zero point seventeen percent) of the Budget of Kosovo.

4. Public financial resources, from the budget of the Republic of Kosovo are used for financing pre-election and election activities, financing the Assembly working groups and other regular activity of political subjects.

5. Allocation of funds shall be done based on criteria foreseen in Article 9 of this Law.

Article 8

The purpose of use of allocations from the support fund of political subject

1. Fund allocations may be used for these purposes:

1.1. financing the activities of political subject;

1.2. financial of political subject branches;

1.3. yearly material expenses of deputies and parliamentary working group for activities of the party;

1.4. expenditures for local and central elections, and extraordinary elections of political subjects.

Article 9

Allocation of public financial funds

1. As to the financing of the regular activities of political subjects, Funds allocations for the support of political parties shall be allocated among the political subjects represented in the Assembly according to the number of seats for that mandate.

2. If one deputy decides to leave the political subject, where he/she won the mandate, he/she shall not receive the financial means allocated from the fund for that mandate in new political subject.

3. Political subject in order to benefit from this fund should attach to the request a financial declaration for the previous year.

Article 10

Allocation of funds for election campaigns

1. Upon the proposal of the Government the Assembly shall allocate funds, but not exceeding 0.05% of Kosovo Budget, to finance the local and central elections campaigns related to regular or extraordinary elections.

2. Funds to finance the pre-election campaign are given to political subjects that are participating in these elections according to criteria's:

2.1. 90% of funds shall be allocated based on the number of seats in the Assembly:

2.1.1. during central election based on the number of seats in the last central election;

2.1.2. during local elections based on the number of seats in municipal assemblies in the last local elections.

2.3. 10 % of the funds shall be allocated proportionally to recently registered political subjects and certified ones by the Central Election Committee.

Article 11

Ban on financial assistance

1. Ban on financial and material assistance shall apply to:
 - 1.1. government and non government foreign institutions and foreign natural and legal persons;
 - 1.2. unknown natural and legal persons;
 - 1.3. unknown donators;
 - 1.4. institutions that gain capital from the gambling , different betting and also;
 - 1.5. public institutions authorities or with participation of state capital.
2. Public enterprises cannot support financially political subjects.

Article 12
Prohibition of exercise of pressure

1. It is prohibited the exercise of any political pressure in any form on natural and legal entities, in cases of collection of contributions for political subjects.
2. It is forbidden to promise privileges or personal illegitimate benefits to donors of any political subjects.

Article 13
Collection of funds

1. Political subject, besides the membership payment fees, has the right to collect its election expenses, no more than six (6) months, before the election campaign starts.
2. Political subject in accordance with paragraph 1 of this Article shall open bank account on one of the registered commercial banks in the Republic of Kosovo.
3. Political subject is obliged to keep accurate records for the origin, structure and flow of collected funds.

Article 14
Responsibility to use funds

1. Political subject shall appoint a representative who holds financial responsibility:
 - 1.1.for incoming registration;
 - 1.2.for expenses of funds;
 - 1.3.for submitting the final report of assets expenses;
 - 1.4.for submitting financial statements report of campaign; and
 - 1.5.for other liabilities related with incomes, expenses, presentation of the aim and sharing amounts of subject's fund.
2. Authorized financial officer of the political subject and president of the political subject are legally responsible for accuracy of all information's that were submitted to Central Election Committee and other institutions as it is required by the law.

Article 15
Financial Report

1. Registered political subjects submit to CEC every year the annual financial report at latest till 1 March of the coming year in the manner as foreseen by CEC.

2. Each financial report includes:

2.1. the state balance, which shows the assets, obligations and capital of a party, including all its branches in its first and the final days of the period included in the report;

2.2. the statement of benefits and losses, which shows the incomes and expenditures of a party, including all its branches during the period included in the report; and

2.3. the statement showing every payment made to another person during the period included in the report, if the overall value of all payments made to that person during this period exceeds the amount of five thousand (5.000) Euro, by writing the reason for the payment.

3. Each annual financial report includes copies of the following documents:

3.1. financial statement of political subject registered in the period included in the report;

3.2. invoices for all expenditures exceeding the amount from one hundred (100) Euros;

3.3. bank balances for every bank account of registered political subject or accounts in its name; and

3.4. register of all contributors for registered political subject, data from unique source, if the overall value of contributions from that source has exceeded the amount from one hundred (100) euro during the period included in the report, which shows:

3.4.1. the value of each given contribution for political subject;

3.4.2. the date when each contribution was given; and

3.4.3. full name, address and personal number of passport or drivers license of the contributor.

3.5. political subjects that accept contributions from public enterprises, which, through contracts with state institutions perform services, should prepare a special list of accepted contributions.

4. CEC should publish all annual financial reports together with auditing declaration of political parties in its official page.

Article 16 The income tax of political subjects

1. Incomes from the membership fees and the incomes provided for in Article 6, shall not be subject to taxes.

2. Other incomes of political subjects shall be subject to taxes.

Article 17 Internal Control

1. Political subjects are obliged to define in the Statute, the possibility to exercise the internal financial control.

2. Political subjects should clearly define, with statute, the rights of members to be informed for all incoming and expenses of political subject and also for the responsibility of appropriate authority for financial transactions.

Article 18 Overdue obligations

In case when a political subject does not pay its obligations such as fines, judicial sentences, bills etc., then the respective amount will be deducted from the budget, that it is distributed to support the political subject.

Article 19 Financial control

1. CEC performs control of each financial report.
2. CEC performs control in compliance with standards of applicable accounting in Kosovo.
3. Registered political subject cooperates closely with CEC auditors and offers them full and open access in party's financial notes, by including all unlimited notes.
4. CEC shall present preliminary results of annual financial report's control to the highest executive body of the political subject, by including the list of mistakes or laxness within sixty (60) days from the beginning of controlling.
5. Registered political subject within five (5) working days from receiving preliminary results of controlling may submit the reviewed financial report and explanations regarding every visible mistake or laxness identified by CEC.
6. CEC shall prepare the final audit report of the registered political party within ten (10) working days from submission of prior audit report. The final report identifies every mistake or laxness in financial report, by taking into consideration every submitted explanation or review.
7. After completing control of final report, the CEC shall submit a copy of it to the highest body of a registered political party.
8. CEC prepares the annual report for the Assembly of Republic of Kosovo for distribution and expenditures from the fund.

Article 20 Allocation of the assets

1. In case of separation of political subject, assets sharing shall be made with an agreement.
2. If there is no agreement within political subject, then the allocation of assets is made through the competent court.

Article 21 Penal provisions

1. Political subject will be penalized with three thousand (3.000) to ten thousand (10.000) Euro, whereas the deputy, advisors and other independent deputies will be imposed a fine from five hundred (500) to three thousand (3.000) Euro, for violation of provisions of this Law, if:
 - 1.1. receives funds in violation with provisions of this Law and other applicable legislation.
 - 1.2. maintains records in its files in violation with provisions of this Law and other applicable legislation.
 - 1.3. they do not comply with provisions of this Law and other applicable legislation related to central and local elections.
2. A political subject, that does not submit the annual financial report to the CEC within the term defined by this law, shall lose the right to receive benefits from the fund for coming year.

3. Responsible person within political subjects will be penalized for more than three hundred (300) Euro to one thousand (1.000) Euro for violation of provisions of this Law.

4. Revenue from fines paid under this law shall be deposited to the budget of the Republic of Kosovo.

Article 22
Presentation of assets

Political subjects are obliged to present to CEC all data's on their assets, categorized according to the value, type and origin.

Article 23
Responsible authority for the issuance of secondary legislations

OAG, CEC and the Government, when is needed will adopt particular acts to implement this law.

Article 24
Abrogation Provisions

Upon the entry into force, of this Law shall supersede all provisions which regulate all financial issues of political parties that are in the contradiction with this law.

Article 25
Entry into force

This law shall enter into force fifteen (15) days after publication in the Official Gazette of the Republic of Kosovo.

Law No. 03/L-174
16 September 2010

Pursuant to the article 80, paragraph 5 of the Constitution of the Republic of Kosovo, Law shall be published in the Official Gazette of the Republic of Kosovo.

**LAW No.04/L-058
ON AMENDING AND SUPPLEMENTING THE LAW NO. 03/L-174 ON FINANCING
POLITICAL PARTIES**

Assembly of Republic of Kosovo,

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

Approves:

**LAW ON AMENDING AND SUPPLEMENTING THE LAW NO. 03/L-174 ON FINANCING
POLITICAL PARTIES**

**Article 1
Purpose**

The purpose of the Law is to amend and supplement the Law No. 03/L-174 on Financing Political Parties (Official Gazette, No. 82, 21 October 2010).

Article 2

1. Article 7 of the basic Law, paragraph 3 shall be amended and reworded as following:

3. Amount of budget dedicated to support fund for political subject cannot exceed 0.34% of the Budget of Republic of Kosovo.

2. Article 7 of basic Law, paragraph 4 shall be deleted from the text of the Law.

Article 3

Article 8 of basic Law, paragraph 1 shall be amended and reworded as following:

1. The allocated funds may be used for these purposes:

1.1. financing the regular activities of political parties;

1.2. financing the branches of the political subjects;

1.3. financing the respective unites of organization of women and youth of the political subjects;

1.4. financing the pre-election and election activities of the political subjects;

1.5. financing the activities of parliamentary groups.

Article 4

1. Article 10 of the basic Law, paragraph 2. sub-paragraph 2.2 shall be amended and reworded as following:

2.2. 10% of funds shall be allocated proportionally for other political subjects registered and certified by the Central Election Commission, for respective elections.

2. Article 10 of the basic Law, after paragraph 2, there is added a new paragraph 3, with the following text:

3. Political party which benefits financial means in accordance with paragraph 2 of Article 10 of this Law, if it does not participate in respective elections, shall be obliged to return the means to budget of Kosovo.

Article 5

Article 11 of the basic Law, after paragraph 2. there is added a new paragraph 3 with the following text:

3. There is prohibited the granting of donations from which the donor clearly may benefit any economic advantage. Donations of natural and legal persons to political parties should be done in a transparent manner in bank account and should be included in financial reports of beneficiary political parties. The financial report of political parties should contain the name and registration number of legal persons or name, surname and address of natural persons.

Article 6

Article 15 of the basic Law, after paragraph 4 there shall be added a new paragraph 5 with the following text:

5. CEC shall prepare an annual report for the Assembly of the Republic of Kosovo for the distribution and expenditure of funds from the Fund, by no later than 30 June of the following year.

Article 7

Article 21 of the basic Law shall be amended and reworded as following:

1. Political party shall be fined from five thousand (5.000) Euro up to fifty thousand (50.000) Euro, while the candidate for Mayor, candidate for Deputy, municipal advisor and independent candidate shall be fined from one thousand (1.000) Euro up to five thousand (5.000) Euro for violating the provisions of this Law if:

1.1. receives financial funds in contradiction with provisions of this Law and other applicable legislation;

1.2. maintains records in its files in contradiction with provisions of this Law and other applicable legislation;

1.3. they do not comply with provisions of this Law and other applicable legislation related to general and local elections.

2. A political party, that does not submit the annual financial report to the CEC within the term defined by this Law, shall lose the right to receive benefits from the fund in coming year.

3. Responsible persons within political party shall be fined from one thousand (1.000) Euro up to five thousand (5.000) Euro.

4. Political parties which can not prove the origin of revenues over twenty thousand (20.000) Euro will be fined three times of that amount.

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

6. Political parties shall have rights to appeal against the penal provisions. Appeals shall be addressed to the Election Panel on Complaints and Appeals according to the legislation in force.

7. Revenue from fines paid under this Law shall be deposited to the budget of the Republic of Kosovo.

Article 8

Article 23 of the basic Law shall be amended and reworded as following:

When necessary, CEC shall issue sub- legal acts for implementation of this Law.

Article 9 Entry into force

This Law shall enter into force fifteen (15) days after the publication in the Official Gazette of the Republic of Kosovo.

**Law No. 04/L-058
21 December 2011**

Promulgated by Decree No.DL-055-2011, dated 30.12.2011, President of the Republic of Kosovo Atifete Jahjaga.

LAW NO. 04/L-212

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

Assembly of Republic of Kosovo,

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

Approves

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

Article 1

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

Article 2

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

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

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

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

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

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

Article 3

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

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

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

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

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

Article 4

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

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

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

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

Article 5

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

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

Article 6

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

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

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

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

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

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

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

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

Article 7

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

Article 8

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

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

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

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

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

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

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

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

Article 9

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

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

Article 10

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

Article 18
Overdue obligations

1. In cases when a political entity does not pay its obligations, such as fines imposed by the CEC, tax duties, or obligations arising from the enforcement of court's rulings, the relevant amount then is deducted from the budget that is allocated from the by Fund.
2. If the amount of duty of the political entity is larger than the budget which the Fund realizes, political entity cannot participate in elections without paying its debt.

Article 11

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

Article 19
Financial control

1. Annual Financial Reports and Financial Declaration Reports of Campaign which are submitted by political entities to CEC, shall be audited in accordance with accounting standards applicable in Kosovo by auditors to be elected by the Assembly of the Republic of Kosovo through the Committee for the Oversight of Public Finances through an open public invitation for application.
2. For the implementation of obligation deriving from paragraph 1 of this article, the Assembly of the Republic of Kosovo through the Committee for the Oversight of Public Finances selects, in January of every year, at least ten (10) licensed auditors through a public announcement who will audit the Annual Financial Reports and Financial Declaration Reports of the Campaign of political parties. To be selected, the auditors must meet *inter alia*, the following criteria:
 - 2.1. are licensed auditors according to the criteria of the legislation in force in the Republic of Kosovo;
 - 2.2. have at least two (2) years working experience in the field of audit;
 - 2.3. the natural or legal persons selected should not have had any contractual relations with some of the political entities during the last three (3) years;
 - 2.4. have not been donors to any of the political entities or have benefited in any way from political entities during the last three (3) years;
 - 2.5. are not under investigations or convicted of any criminal offense;
 - 2.6. present a list of all audits that have conducted during the last three (3) years;
3. In case the legal persons apply to be selected for auditors under paragraph 1. of this Article, such legal and natural person who are an integral part of the legal person have to meet all the criteria according to paragraph 2. of this Article. Such legal person must also submit a list of all employees.
4. Following the selection of the list of auditors who will carry out the audit under paragraph 1. of this Article, from this list, the Committee for the Oversight of Public Finances of the Assembly of the Republic of Kosovo will define by draw the auditors who will be responsible for the audit of the

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

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

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

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

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

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

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

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

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

Article 12

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

Article 21 Punitive Provisions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 13

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

Law No. 04/L-212

31 July 2013

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