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LAW TO PROVIDE FOR THE REGISTRATION, THE FUNDING OF POLITICAL PARTIES AND OTHER MATTERS INCIDENTAL THERETO

The House of Representatives decides as follows:

1. This Law shall be referred to as the Law on Political Parties of 2011.

2. In this Law, unless the context otherwise requires:

"Republic" means the Republic of Cyprus;

"Registrar" shall mean the Registrar of Political Parties, who is the Director General of the Ministry of Interior;

"parliament party" means a political party which has at least one member of the House of Representatives or a member of the European Parliament among its ranks;

"public funding" means the financial support of political parties by the state to cover part of their operational and election expenses and includes regular funding and aid;

"Registry" means the Register of Political Parties kept by the Registrar, in which the charter and the articles of association of a political party registered under this Law are entered;

"non-parliament party" means a political party which does not have a member of the House of Representatives or a member of the European Parliament among its ranks;

"political party" means an association or group of people working together to form the political will of the people and participates in presidential, parliamentary, European, and municipal elections or in some of these with the aim of implementing its political programme, and which operates within the legal framework defined by the Constitution and the laws of the Republic and includes both parliament and non-parliamentary parties;

"regular funding" means the financial support given to political parties by the state to meet part of their operational expenses;

"aid" means the financial support given to political parties by the state to meet part of their election expenses;

"donor" means any legal person under public law who contributes financially in any way to an event or other activity with the aim or the direct or indirect result of promoting events by the political party.

3. (1) Subject to the provisions of section (3), each political party is entered into the Registry after submitting its statutes and a corresponding application for registration to the Registrar. The establishment and the pursuit of the activities of a political party is free, but it must be exercised within the framework of the respect for the Constitution and the laws, and its internal structure and operation must serve the free function of democracy.

(2) The application for registration under section (1) shall bear the signature of the leader or chairman of the political party or the head of the party in accordance with the statutes and procedures of the same, or of any other duly authorised representative of the political party, as applicable.

(3) Political parties that upon the entry into force of this Law are parliamentary parties shall be automatically registered in the Registry without submitting an application for registration as provided under section (1), by submitting their statutes to the Registrar within three months from the date of entry into force of this Law.

(4) Once the Registrar registers the political party in the Registry or the latter is automatically registered, he shall issue a registration certificate to the party.

(5) The registration certificate is accepted as evidence of its content and of the prerequisites of this Law.

(6) In case of dissolution of a political party, the Registrar shall delete the political party from the Registry and shall ensure the relevant publication of its deletion in the Official Gazette of the Republic.

(7) Every decision by the Registrar taken within the framework of this article shall constitute an administrative act subject to judicial control under the Constitution, with the exception of the automatic registration of parliamentary parties already existing on the date of the entry into force of this Law.

4. (1) The political parties registered in the Registry shall be funded by the state so as to meet part of their operational and election expenses.

(2) The public funding of political parties is not subject to any tax or duty imposed and collected by law.

(3) The level of regular funding and aid to political parties is determined by the Council of Ministers, is included in the state budget, and is proportionally distributed to the parliamentary parties and to the non-parliamentary parties as it may be determined:

It being understood that the parliamentary parties will receive part of the public funding in equal shares, and the remaining part in proportion to their votes in the last parliamentary elections as it may be determined:

It being further understood that the parliamentary and the non-parliamentary parties shall be entitled to aid, provided that in the case of parliamentary elections their candidates cover at least half the number of the Parliament seats and two-thirds of the electoral districts, in the case of elections to the European Parliament at least half the number of the Republic's seats in to the European Parliament, and in the case of municipal elections at least half the total of municipal councillors and two thirds of the total number of municipalities.

It being further understood that non-parliamentary parties entitled to aid as above, where they were parliamentary parties during the immediately preceding legislative period and have become non-parliamentary at the last elections, shall be entitled to such aid for the immediately following parliamentary elections, the amount of which may be determined.

5. (1) Subject to the provisions of the following sections, in addition to public funding a political party may receive lawful private money contributions or in kind or in equipment or in contribution services, named or unnamed, and in this last case section (4) of article 5 of this Law shall apply.

(2) (a) Any private contribution within the meaning of (1) of this article to a political party shall not be subject to any tax or duty imposed and collected by law:

It being understood that non-monetary contributions shall necessarily be accepted against receipt by the political party on which the nature of the contribution is described and their estimated value is specified.

(b) the receipt provided by a political party for every private contribution can be used in the tax return of the contributor and shall not be subject to any taxation or duty imposed and collected by law; and

(c) each private monetary contribution by a natural person to a political party shall be admissible only up to an amount of eight thousand euros (€8,000) per year, by private limited companies up to an amount of twenty thousand euros (€20,000) per year, and by companies listed on the stock exchange up to an amount of thirty thousand euros (€30,000) per year:

It being understood that any monetary private contribution in violation of the provisions of subsection (c) of this article shall constitute a criminal offence both for its contributor and its recipient, and shall be liable to a fine of up to ten thousand euros (€10,000).

(3) It shall not be permitted to a political party to accept private contributions of any kind from legal persons governed by public law, from public or semi-public institutions, from persons or companies which use or exercise control over casinos or betting agencies, from illegal undertakings, companies in which the state has a stake, and from companies controlled by other states:

It being understood that it is permitted for every political party to receive private contributions of any kind from legal persons governed by public law in their capacity as sponsors of party events.

(4) Notwithstanding the provisions of subsection (c) of section (2), additional named or unnamed monetary contributions to political parties are generally admissible when made directly to the Special Common Fund managed by the Services of the House of Representatives as it may be determined, and any collected monies will be subsequently distributed annually in proportion to the strength of the parties similar to public funding, and shall be subject to financial control by the Auditor General of the Republic.

6. (1) (a) The financial management of political parties, the revenue and expenditure, as well as the contributions paid to the Special Common Fund as provided by section (4) of article 5 shall be audited annually by the Auditor General of the Republic in accordance with the accounting standards applicable in the Republic. The political parties are obliged to publish a summary of their financial accounts in the daily press:

It being understood that the election expenses shall be submitted to the Auditor General of the Republic in financial accounts provided in a designated form for control purposes, within forty-five days from the date of the last elections.

(b) the Auditor General of the Republic shall draw up a report on the results of the audit he carries out pursuant to subsection (a) of this article.

(2) The Auditor General of the Republic shall publish his report, and where he establishes a violation of the provisions of this Law, he shall forward the report to the Registrar.

7. The expenses of political parties must move at least to a minimum proportion of up to 80% exclusively through financial institutions, and their capital may not be transferred to other institutions.

8. (1) Any violation of the provisions under this Law shall be liable to an administrative fine of up to eight thousand euros (€8,000), to be imposed by the Registrar with the approval of the Auditor General of the Republic:

It being understood that in case of a repeat offence, regular public funding to the party may be withdrawn in part or in whole.

(2) The examination of a case involving a violation of the provisions of this Law shall be carried out by the Registrar after the submission to him of the report by the Auditor General of the Republic and after the accused political party has been given the right to be heard.

(3) Any decision by the Registrar under this Article shall constitute an enforceable administrative act subject to judicial control according to the provisions of the Constitution.

(4) Upon examination of the case pursuant to section (2) of this article, the Registrar shall publish his

results in the Official Gazette of the Republic.

9. Each political party shall in accordance with the provisions of this Law have the right to sue and to be sued in its name as a separate legal personality representing all its members.

10. The Council of Ministers shall issue Regulations approved by the House of Representatives on any matter that requires or is eligible for definition, and in general for the better application of the provisions of this Law.

11. As of the entry into force of this Law, the provisions of the Law on Political Parties (Acquisition, Possession, and Disposal of Immovable and Movable Property) of 1989 to 1998 shall be applied to the extent they do not conflict with this Law.