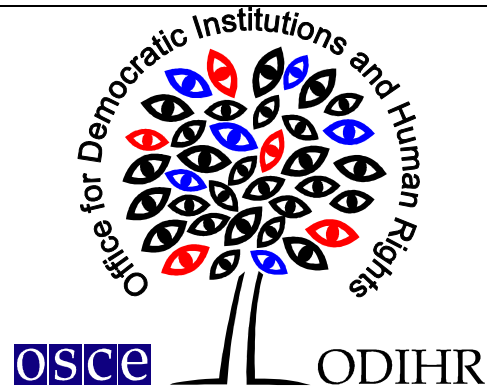


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COMMENTS ON THE LAW ON POLITICAL PARTY FINANCING OF BOSNIA AND HERZEGOVINA

**Based on an unofficial English translation of relevant documentation provided by the
OSCE Mission to Bosnia and Herzegovina**

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1. INTRODUCTION

1. *On 4 July 2011, the OSCE Mission to Bosnia and Herzegovina requested the OSCE/ODIHR to provide expertise on the Law on Political Party Financing of Bosnia and Herzegovina (hereinafter “the Political Party Financing Law”) in view of plans to revise this piece of legislation towards the end of the year. These Comments are provided in response to this request and during the time of drafting, OSCE/ODIHR learned that indeed the process of formulation of amendments had commenced through the establishment of a working group in the country, tasked with revising the law currently in force.*
2. *These Comments were prepared on the basis of comments by Professor Richard Katz, Dr. Daniel Smilov and Prof.Dr. Omer Faruk Genckaya of the OSCE/ODIHR Group of Experts on Political Parties, an expert advisory body of ODIHR tasked with supporting ODIHR in providing legislative assistance in this field. These Comments have also been complemented by the contribution of Ms. Barbara Jouan, Legal Expert.*

2. SCOPE OF REVIEW

3. These Comments cover only the Political Party Financing Law, as requested. In particular, they do not cover the Election Law, which deals with election-related financing of political parties and candidates.¹ Thus limited, the Comments do not constitute a full and comprehensive review of all available framework legislation governing political finance in Bosnia and Herzegovina.
4. The Comments assess the Political Party Financing Law against the relevant international and regional instruments and standards as well as the OSCE commitments which have been most recently affirmed by the Astana Declaration.²
5. These Comments are based on an unofficial translation of the Political Party Financing Law. Errors from translation may result.
6. The OSCE/ODIHR notes that the Comments provided herein are without prejudice to any other opinions or recommendations that the OSCE/ODIHR may wish to make on these or related issues in the future.

3. EXECUTIVE SUMMARY

7. While many positive aspects of the Political Party Financing Law have been noted, in the interests of brevity these Comments will focus mainly on areas of concern. In order to ensure compliance of the Political Party Financing Law

¹ The Political Party Financing Law does, however, refer to the Election Law in some instances, such as in Article 11 par 2.

² Astana Commemorative Declaration Towards a Security Community, 3 December, 2010. See also the Document of the Copenhagen Meeting of the Conference on the Human Dimension of the CSCE (Copenhagen, 5 June – 29 July 1990) (Copenhagen Document), article 7.6, Istanbul Summit Declaration, Istanbul, November 1999, article 26 and the Document of the Eleventh Meeting of the Ministerial Council, Maastricht, 2003, Decision of the Ministerial Council 5/03.

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with international standards pertaining to the financing of political parties, it is recommended as follows;

3.1. Key Recommendations

- A. To consider extending the applicability of the Political Party Financing Law to all forms of political associations on the state level or, alternatively, to closely co-ordinate the revision of this law with other regulations on financing political activities, taking into consideration the particular constitutional setup of Bosnia and Herzegovina [par 12];
- B. To consider regulating all areas of political party financing on the state level in a single piece of legislation, taking in consideration the particular constitutional setup of Bosnia and Herzegovina [par 13];
- C. To amend the Political Party Financing Law so that membership fees constitute a part of the total contributions and are thus included in the overall donation limit under Article 5 [par 24];
- D. To amend the Political Party Financing Law by clearly and comprehensively outlining what the public funding of political parties shall be used for, explicitly stating that party leaders and members are prohibited from converting their party funds (both public and private) into personal use, or, alternatively, to introduce to the Political Party Financing Law clear references to other legislation where these regulations can be found [par 28];
- E. To consider extending the possibility of receiving public funding in Article 10 par 1 also to parties that do not have seats in the parliament [par 32];
- F. To amend the Political Party Financing Law by including therein a specific article dealing with the applicable sanctions and by introducing penal provisions that specifically regulate which behaviour will lead to which breaches of the obligations stipulated in the law and which punishment or penalties may be imposed for which actions, while applying the proportionality principle [par 41];
- G. To specify whether or not persons other than political parties can be liable according to Article 13 of the Political Party Financing Law and if so, for which behaviour constituting which violations and leading to which possible penalties [par 42];

3.2. Additional Recommendations

- H. To add internal financing to the list of sources for political party financing in Article 3, and to subject these contributions to the reporting requirements for political parties [par 16];
- I. To use market value at the time that the service or goods was provided as the benchmark against which discounted goods and services are measured in Article 4 [par 18];
- J. To ensure that the invoice in Article 4 par 2 should in all cases state both the price paid for the goods or service, where applicable, and the corresponding market value [par 19];

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- K. To consider reformulating Article 8 so that it contains a clear and comprehensive prohibition of contributions and constitutes an efficient safeguard against contributions that may distort the political process [par 21];
- L. To consider amending the Political Party Financing Law so as to oblige parties to have a special bank account, through which all monetary income must be channeled [par 23];
- M. To amend Article 10 par 2 so that it includes more detailed rules on public financing [par 30];
- N. To ensure that the investigative powers of the Election Commission are further clarified to specify exactly which “certain individuals” the Election Commission may oblige to submit a written statement and under what circumstances [par 34];
- O. To amend Article 12 so that the rationale for the set time frames in Article 12 pars 2 and 3 should be clearly indicated [par 36];
- P. To consider amending Article 12 par 4 to the effect that reports shall be available online [par 37];
- Q. To amend Article 14 par 3 to clarify the time frames for raising objections against an audit [par 38];
- R. To introduce to the Political Party Financing Law sanctions applicable in cases of breaches of Articles 9 par 1 and 9 par 2, or to provide clear references to relevant legislation [par 43];
- S. To change Article 14 par 7 so as to allow for a more proportionate way of sanctioning violations, whereby only serious violations will result in severe sanctions under the law [par 44];
- T. To amend the Political Party Financing Law so that it includes references to correct appeals instances and ensure that remedies are provided expeditiously [par 45];
- U. To ensure that reform of the Political Party Financing Law is undertaken in consultation with political parties, civil society and other relevant stakeholders [par 46]; and
- V. To conduct a detailed regulatory and financial impact assessment when undertaking reform of the Political Party Financing Law [par 47].

4. ANALYSIS AND RECOMMENDATIONS

4.1. International Standards on Political Parties Financing

- 8. In order to achieve free and fair competition between political parties, it is essential to establish transparent and equitable rules on political party financing, both during and between election periods. These rules should guarantee the independence of political parties and allow for private contributions, as a form of political participation, whilst at the same time limit private donors from exercising undue influence. Rules on political party financing should aim at creating opportunities for political parties to compete on a level playing field

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and ensure a transparent display of the financial background of any actor competing for a political mandate.

9. The recommendations in these Comments are based on international agreements and commitments ratified and entered into by Bosnia and Herzegovina that establishes obligations in relation to political party financing. Particular mention can be made of the International Covenant on Civil and Political Rights (hereinafter “the ICCPR”)³ which provides for the freedom of association, as the foundation of political parties in its Article 21, the European Convention on Human Rights⁴ (hereinafter “the ECHR”) which in its Article 11 also guarantees the right to associate and the extensive case-law of the European Court of Human Rights (hereinafter “the ECtHR”) which establishes important benchmarks in this field, including on the question of financing of political parties.
10. The Comments also make extensive use of the OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulation⁵ (hereinafter the “Guidelines”) which bring together the above mentioned international standards and practice. Furthermore, the Comments refer to the Council of Europe’s Committee of Ministers’ Recommendation (2003)4 on common rules against corruption in the funding of political parties and electoral campaigns (hereinafter the “Council of Europe Recommendation”).⁶

4.2. Scope of the Law on Political Party Financing

11. Bosnia and Herzegovina is a state consisting of two entities, namely the Federation of Bosnia and Herzegovina and Republika Srpska, as well as the Brčko District, which is an administrative unit of self-government directly under the sovereignty of Bosnia and Herzegovina.⁷ The financing of political parties is therefore regulated on several levels. As regards public funding, the Political Party Financing Law deals only with the financing of parliamentary groups as represented in the Bosnia and Herzegovina Parliamentary Assembly. There are other regulations at entity level and for Brčko District regarding the financing of political parties on these levels.⁸
12. The Political Party Financing Law deals only with registered political entities, as defined in Article 2. Consequently, there is a risk that political associations and projects may simply not register in order to be excluded from this definition and

³ See the International Covenant on Civil and Political Rights, (adopted 16 December 1966, entry into force 23 March 1976) 999UNTS 171 (ICCPR). Bosnia and Herzegovina became a member state of the ICCPR through succession on 1 September 1993.

⁴ See the European Convention for the Protection of Human Rights and Fundamental Freedoms (adopted 4 November 1950, entry into force 3 September 1953). Bosnia and Herzegovina became member state of the Council of Europe on 24 April 2002 and ratified the ECHR on 12 July 2002.

⁵ CDL-AD(2010)024, adopted at the 84th Plenary Session of the Venice Commission on 15-16 October, 2010.

⁶ Recommendation(2003)4 of the Committee of Ministers of the Council of Europe on Common Rules Against Corruption in the Funding of Political Parties and Electoral Campaigns.

⁷ Evaluation Report on Bosnia and Herzegovina on Transparency and Party Funding, adopted by GRECO at its 51st Plenary Meeting (Strasbourg, 23-27 May 2011), par 7.

⁸ Law on Financing of Political Parties from the Budget of Republika Srpska, Cities and Municipalities, and Law on Financing of Political Parties from the Budget of the Brčko District of Bosnia and Herzegovina.

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the requirements of the Political Party Financing Law. There may be other legislation that limits and regulates the financing of non-registered political entities; however, when revising this Political Party Financing Law, there is clear need to take into account political financing of all forms of political associations, both registered and not registered, at a state level. It is therefore recommended to consider extending the applicability of this law to all forms of political associations on the state level or, alternatively, to closely co-ordinate the revision of this law with other regulations on financing political activities, taking into consideration the particular constitutional setup of Bosnia and Herzegovina.

13. The Guidelines clearly state that the funding of political parties involves both the way in which parties fund their routine activities and campaign finance, which refers specifically to funds allocated during the electoral process.⁹ The Political Party Financing Law does not deal with all of these aspects; in particular, campaign financing is not covered by the law. There is other legislation - i.e. the Election Law - which limits and regulates such activity. In order to have a coherent and comprehensive regulation covering all forms of political party financing, it might be considered to regulate all forms of financing, on the state level, in one law, taking into consideration the particular constitutional setup of Bosnia and Herzegovina.

4.3. Sources and Ways of Funding

14. According to the Guidelines, states should adopt several important parameters when creating political finance systems. These include: restrictions and limits on private contributions, a balance between public and private funding, restrictions on the use of state resources, fair criteria for the allocation of public financial support, spending limits for campaigns, requirements that increase the transparency of party funding and credibility of financial reporting, as well as an independent regulatory mechanism and appropriate sanctions for violations.¹⁰
15. The Political Party Financing Law stipulates different forms of funding in Article 3; this list includes private funding in the form of membership fees, contributions from legal entities and natural persons, income generated by property owned by the political party, profit from enterprises owned by the political party and public funding from the budget of Bosnia and Herzegovina for financing parliamentary groups and the budgets of the entities and their lower units.
16. In accordance with the Guidelines, intra-party financing, meaning financing between the national, regional and local level of one party, should be allowed and not limited through legislation.¹¹ However, parties can be expected to report on this internal distribution of funds. In addition, the Council of Europe Recommendation states that the accounts of political parties should be consolidated to include, as appropriate, accounts of all the entities which are

⁹ OSCE/ODIHR- Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 161.

¹⁰ OSCE/ODIHR- Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 160.

¹¹ OSCE/ODIHR- Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 166.

related, directly or indirectly, to them or are otherwise under their control.¹² Since the enumeration under Article 3 is exhaustive, it may be advisable to add this type of financing to this list of possible sources of funding. It is therefore recommended to amend Article 3 par 1 to include internal financing, and to make these contributions subject to the reporting requirements for political parties. This would lead to increased transparency of parties' reports by aggregating the finances of party branches that would otherwise not be seen on the balance sheet.

4.3.1. Private Funding

17. Private contributions are a legitimate and necessary part of the financing of political parties and legislation should require this source of income to form at least part of the financing of all political parties, as an expression of minimum support.¹³ However, reasonable limits may be imposed on private contributions.
18. According to Article 4 of the Political Party Financing Law, legal and natural persons are entitled to give contributions to a political party or a member acting on its behalf. Apart from monetary contributions, the provision also covers in-kind contributions. These are defined as gifts as well as free services and provision of services or selling of products to the party or its members "under conditions which provide a preferential treatment for the party in relation to the general public". However, this manner of evaluating services or sales of products may not be ideal, since the term "the general public" is not sufficiently clear and in some cases may be irrelevant since some services or goods provided to political parties might not be of the same value to the general public. Instead, the applicable market value may be considered as a benchmark against which a donation should be measured and this may also provide a better indication of the value of a gift or service. It is therefore recommended to use market value at the time that the service or goods was provided as the benchmark against which discounted goods and services are measured in Article 4.
19. In order to calculate the value of a contribution to a political party it is important that the contributor provides an invoice. Article 4 par 2 of the Political Party Financing Law stipulates an obligation for any legal entity or natural person that provides goods or services to a political party to provide an invoice, even if the services or goods were provided for free. However, it is not clear from Article 4 par 2 how the invoice should be designed and what information it ought to contain; in particular, the invoices for in-kind contributions should contain directives in order to facilitate monetary assessments. In order to be able to calculate the value of the transaction for the political party, it is recommended that the invoice in all cases should state both the price paid for the goods or service, in cases where applicable, and the corresponding market value.
20. In order to limit the ability of particular domestic groups to gain unfair political advantage, certain restrictions on financial contributions are fully legitimate if

¹² Rec(2003)4, art. 6 and 11.

¹³ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 170.

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applied in a just, appropriate and proportional manner.¹⁴ Such restrictions may include the prohibition of contributions by certain types of donors. In particular, state entities and state-controlled companies may be prohibited from funding political parties to prevent corruption and an erosion of the separation of powers. To what extent contributions from private companies are prohibited falls within the discretion of each state; in fact, some countries ban all contributions from private companies. Article 8 of the Political Party Financing Law prohibits contributions from state, entity, cantonal and Brcko District bodies, also municipal and local bodies, public institutions and companies, religious communities as well as legal persons in which public capital has been invested in the amount of at least 25 %. Furthermore, Article 8 par 2 prohibits companies that “perform public services” through contracts with the government, from contributing to political parties.

21. In this context, there are a few matters that might be reconsidered and clarified: Perhaps it would be appropriate to include in this list corporations that are in the process of applying for government contracts? Should all corporations with a government contract, also those with only a minor government contract, be included? Does the wording “perform public services” also cover the procurement of goods? It is recommended to consider these issues when revising the Political Party Financing Law, in order to provide a prohibition which is clear and comprehensive and provides an effective safeguard against contributions that may distort the political process.
22. Anonymous contributions should be subject to strict regulations, in order to enhance the transparency of financing political parties.¹⁵ In this regard, Article 8 of the Political Party Financing Law contains a laudable provision stating that anonymous donors may not finance political parties at all.
23. Contributions by a single donor may be limited to a certain maximum level, in order to minimize the risk of corruption.¹⁶ Article 5 of the Political Party Financing Law sets the maximum level of a single contributor to 8 (eight) average worker’s salaries per calendar year from a physical person and to 15 (fifteen) average salaries per calendar year for a legal person. It is assumed that this refers to yearly salaries and that it also refers to all contributions (both monetary and in-kind) made to all parties and not just to one party in this period. It is noted that there is a risk that such limitations will be circumvented through the use of agents for payments. Effective monitoring by the competent regulatory agencies is the only form of possible prevention of such attempts to by-pass this provision. In order to facilitate such monitoring, one consideration could be to amend the Political Party Financing Law so as to oblige parties to have a special bank account, through which all monetary income must be channeled, in order to ensure that the relevant authority is able to control and trace all income.

¹⁴ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 173.

¹⁵ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 174.

¹⁶ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 175.

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24. Membership fees are a legitimate source of political party financing, as long as they are not so high as to unduly restrict membership and if safeguards are in place so that they cannot be used to circumvent contribution limits.¹⁷ The Political Party Financing Law defines membership fees in Article 3 par 3 as a “regular payments a member pays by virtue of the provisions of the political party statute”. Only payments exceeding the membership fee are treated as contributions. This leaves room for possible circumvention of the contribution limits as the size of the membership fee is determined by the political party and could potentially be manipulated in order to circumvent the rules on contribution. An example of this would be the creation of multiple levels of memberships, where higher membership fees could be applied to a certain group, which would thus avoid being treated as contributions. A preferable solution would be to include the membership fee in the total cumulative amount that each member can contribute to the party, in order to avoid any abuse with regard to the level of the fees. It is therefore recommended for the Political Party Financing Law to be amended so that membership fees constitute part of the sum total of permissible contributions under Article 5.
25. In many OSCE participating States, political party financing from foreign sources is prohibited or at least severely restricted or controlled.¹⁸ In fact, in several international policy documents, such restrictions are deemed justifiable, if not necessary.¹⁹ The rationale behind such restrictions is to avoid undue foreign influence in domestic politics. In contrast, the Political Party Financing Law does not place any particular restrictions on foreign contributors. Relevant stakeholders may consider certain restrictions in this regard, while bearing in mind the growing importance of political party co-operation at an international level; the free association of parties across borders should not be unduly restricted.²⁰

4.3.2. Public Funding

26. Public funding forms an important part of political party financing and can be used to prevent corruption, support political parties and remove undue reliance on private donors. Legislation should attempt to create a balance between private and public funding, thus supporting the independence of political parties, but still not making political parties overly dependant on public support and thereby diluting the value of individual donations.²¹
27. In general, public funds are distributed under the precondition that funding is used for ordinary political party activities, e.g. work with voters and members,

¹⁷ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 163.

¹⁸ For an overview of Council of Europe member states, see the Venice Commission Opinion on the Prohibition of Financial Contributions to Political Parties from Foreign Sources CDL-AD(2006)014.

¹⁹ Recommendation of the Committee of Ministers of the Council of Europe on Common Rules Against Corruption in the Funding of Political Parties and Electoral Campaigns Rec(2003)4, which states that “states should specifically limit, prohibit or otherwise regulate donations from foreign donors”.

²⁰ See for example, the European Union political parties as set out in Article 12(2) of the Charter of Fundamental Rights of the European Union, OJ C/364/1, 18 December, 2000.

²¹ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 176.

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advertising materials, publications, surveys etc.²² The proper usage of public funds can then later be controlled by the regulatory authorities when reviewing the financial report of the political party. This is a vital means to avoid abuse of state resources.

28. The Political Party Financing Law, as it currently stands, lacks any regulation as to what the public funds may be used for. It is recommended that this be amended by including therein clear and comprehensive requirements stipulating the designated purpose of use of public funding of political parties, which explicitly state that party leaders and members are prohibited from converting their party funds (both public and private) into personal use. Alternatively, the law should contain clear references to where these regulations can be found, should they already exist.
29. The manner of allocating public funding varies from state to state. Distribution can be either absolutely equal (“absolute equality”) or in proportion to the seats obtained in parliament (“equitable”).²³ In the Political Party Financing Law, Article 10 par 1 stipulates that 30 % of the funds shall be equally distributed between all parties in parliament, that 60 % shall be distributed proportionately in accordance with the number of seats held by each parliamentary group and that the remaining 10 % shall be distributed to the parliamentary groups in proportion to the number of seats held by the less represented gender. This combination of the absolute equality model and the equitable model is commendable as such a mix is generally regarded as fostering political pluralism and equal opportunity.
30. However, Article 10 par 2 delegates authority on the details of distribution to the Rules of Procedure of the Parliamentary Assembly of Bosnia and Herzegovina. This solution is of some concern as in general, rules on public financing are contained within a law on political party financing or other laws at the primary level, in particular due to the fact that the Rules of Procedure of Parliament can be easily amended and are not subject to the same public scrutiny as a law. It is therefore recommended that the Political Party Financing Law is amended to include these more detailed rules on public financing, rather than having them regulated in the Rules of Procedure of the Parliament.
31. It is welcomed that according to Article 10 par 1, 10 % of the public funding is distributed to the parliamentary groups in proportion to the number of seats held by the less represented gender. This special measure, adopted to increase the political participation of women, is commendable. An allocation of funds based on party support for women candidates is not considered discriminatory and should be considered as special measures to be adopted by states according to the UN Convention on the Elimination of All Forms of Discrimination Against Women.²⁴ Such measures are particularly justified since there are still far less women than men in the Parliamentary Assembly of Bosnia and Herzegovina.²⁵

²² OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 207.

²³ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 185.

²⁴ Article 4 of the United Nations Convention on the Elimination of All Forms of Discrimination against Women, 1979. Bosnia and Herzegovina became a member state of the ICCPR through succession on 1

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32. As regards the distribution of public funds in accordance with Article 10 par 1 of the Political Party Financing Law, it appears that parties that are not represented in parliament are totally exempted from receiving any kind of public funds. This may be detrimental to the development of new political alternatives and pluralism in the political landscape.²⁶ In particular, it prevents new political parties from support that they might need in order to develop and enhance public outreach and visibility. It is therefore recommended to consider extending the possibility of receiving public funding also to parties that do not have seats in the parliament but which manage to obtain a certain amount of public support.

4.4. Monitoring and Reporting

33. Monitoring of compliance with political party financing regulations should be performed by an independent regulatory authority.²⁷ In the Political Party Financing Law, this body is the Central Election Commission of Bosnia and Herzegovina, which, according to Article 13, has the mandate to investigate, *ex officio* or upon a complaint, all cases of non-compliance with the law, to order “certain individuals” to issue written statements and to obtain witness’ statements. Furthermore, the Central Election Commission decides whether or not a political party or other person has violated the Political Party Financing Law and decides on appropriate sanctions.
34. As regards the investigative powers of the Central Elections Commission in Article 13, it is noted that these are in need of further clarification. In particular, it is recommended that Article 13 specifies exactly which “certain individuals” the Central Election Commission can request a written statement from and under what circumstances.
35. According to established international practice, political parties should be required to regularly report on their incomes and expenditures; this is of pivotal importance to improve transparency and prevent corruption.²⁸ It is therefore commendable that Article 11 of the Political Party Financing Law prescribes clear reporting requirements for all political parties and stipulates that all political parties should submit a financial report to the Central Election Commission for each accounting year. Furthermore, a separate report shall be submitted for each election campaign, which further enhances transparency on campaign spending. The content, form, manner and other details related to the report are to be determined by the Central Election Commission based on the requirements of the Election Law, and is thus not outlined in the Political Party Financing Law.

September 1993. See also OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024 par 191.

²⁵ In the beginning of 2011, 19,3 % of the members of the Parliamentary Assembly of Bosnia and Herzegovina were women, see website of the Assembly,

<www.parlament.ba/sadrzaj/about/general_info/default.aspx?id=20345&langTag=en-US>

²⁶ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 185 and European Commission for Democracy through Law (Venice Commission), Guidelines for Financing of Political Parties, CDL-PP(200)6, A.4.

²⁷ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024, par 211-212 and Rec 2003(4)

²⁸ See UNCAC Article 7(3).

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36. Article 12 prescribes that all political parties should appoint a “competent person” who shall be in charge of the business record-keeping and the financial reporting. The provision contains two time frames to be observed by the political party, the first stating that the appointment of the “competent person” shall be notified to the Central Election Commission within 15 days (Article 12 par 2) and the second that the financial reports of the political party shall be kept for at least 6 years (Article 12 par 3). It is recommended that the rationale for these time frames should be properly explained in the introduction of Article 12.
37. Article 12 par 4 prescribes that the Central Election Commission shall make all reports publicly available; however, it does not specify the exact manner in which this should take place. Since publication on the internet is a cost-effective way of distributing the reports, it is recommended to consider amending the provision by stating that the reports should be, amongst others, made available online.
38. Article 14 of the Political Party Financing Law establishes an Auditing Office that is to be established by the Central Election Commission. The Auditing Office shall, according to Article 14 par 1, review and audit political parties’ financial reports and perform audits of political party financing under the Political Party Financing Law. It shall produce a final written report, which is confirmed by the auditor only after the political party is provided with the opportunity to raise objections (Article 14 par 3). If an objection is raised against the audit, the auditor must refuse to officially certify the audit or modify the audit according to the objection. However, it is not clear what the time limits are for raising an objection against the audit report. It is recommended that the Political Party Financing Law be amended in this regard.

4.5. Procedures and Decisions in Case of Violation of the Law

39. The power to impose sanctions in cases of violations of the law is the cornerstone of the effective functioning of any political finance system. As stated in the Guidelines, “while criminal sanctions are reserved for serious violations that undermine public integrity, there should be a range of administrative sanctions available for the improper acquisition or use of funds by parties”.²⁹ Violations of regulations on political party financing, such as non-compliance with reporting requirements and improper use of funds, should be subject to objective, enforceable, effective and proportionate sanctions such as administrative fines and loss of future funds.³⁰ There should be a direct connection between the specific violation and the sanction and the principle of proportionality must always be carefully considered by the sanctioning authority.
40. The procedure in cases of violations of the Law is mainly regulated in Article 15. The bases for establishing violations are irregularities and violations of the law reported by the Auditing Office to the Central Election Commission. Article 15 par 2 states three cases in which political parties may be punished: If

²⁹ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024 par 217.

³⁰ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024 par 204, par 215 and 224.

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the total amount of contributions exceeds the permissible annual income indicated in Article 3 par 4³¹, if single contributions are higher than allowed in Article 5, or if contributions are received from persons prohibited from providing such contributions as stipulated in Article 8. In these cases a fine not exceeding three times the illegally acquired sum may be imposed. As for all other possible offences, Article 15 par 1 of the Political Party Financing Law simply states that the Central Election Commission is authorized to impose financial penalties in accordance with the Election Law of Bosnia and Herzegovina “In case of failure to comply with the provisions of this Law”.³² The Political Party Financing Law does not contain any sanctions for specific other breaches of the law such as the failure to submit a financial report (within the legal deadline or at all) under Article 11 or the failure to report on a contribution above 100 KM under Article 6.

41. Against this background, the penal provisions of the Political Party Financing Law would appear to be insufficiently foreseeable and specific, both as regards which actions or omissions by political parties or other actors may lead to sanctions, and as regards which sanctions may be expected for each specific offence. In these circumstances, the Political Party Financing Law will need to be amended and reformulated to contain specific penalty provisions for each possible violation of the law. It is therefore recommended to amend the Political Party Financing Law by including a specific article dealing with the applicable sanctions for individual actions and introducing penal provisions that specifically regulate which breach of obligations stipulated in the law will result in which type of sanctions always bearing in mind the proportionality principle.
42. Article 13 par 2 mentions that the Central Election Commission may decide whether “any other person” is in breach of the Political Party Financing Law. However, the Political Party Financing Law is silent on the nature of these other persons, what types of violations they could be liable for and which sanctions would be applicable in such cases. It is recommended to specify whether persons other than political parties can be liable based on the provisions of the law and what type of behaviour would lead to which penalties.
43. Article 9 par 1 states that it shall be forbidden to exercise political pressure on legal and physical persons when soliciting contributions to political parties, while Article 9 par 2 prohibits the promise of privileges and personal gain to political party donors. The Political Party Financing Law does not mention which sanctions would be applied in cases of violation of these provisions. Consequently, it is recommended that these provisions should be clarified in order to set the applicable sanctions or to provide clear references to relevant legislation or other provisions in the law.
44. Article 14 par 7 contains a specific punishment for cases where the Auditing Office is not allowed access to the party’s premises when performing a financial investigation in order to ensure the validity of the accounting report. In these cases, “it shall be deemed that the party has failed to submit a financial report and the Central Elections Commission shall prohibit the party to stand for the

³¹ The translated version of Article 15 of the law refers to 3(d) but this is assumed to be an error.

³² It can be noted that, Chapter 19.A of the Elections Law, which deals with Penalty Provisions, does not refer to the Political Party Financing Law and there are no specific penalty provisions that deal with political party financing.

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next election”. This sanction appears to be very harsh, and disproportionate vis-à-vis the fundamental right to vote and stand for elections, in particular since the law does not appear to foresee milder sanctions in case of a milder form of violation (such as for example a minor delay of access). Furthermore, there is no other provision in this law which would clearly stipulate that the blanket refusal of a party to submit an annual financial report will result in the loss of the right to stand for next elections, which the wording of Article 14 par 7 appears to imply. It is therefore recommended that this provision be changed so as to allow for a more proportionate way of sanctioning violations, such that only serious violations will result in the most severe sanction of the law.

45. In the case of commencement of an investigation and subsequent decision on violations of the rules of political party financing, the accused party should have recourse to a fair hearing by an impartial tribunal.³³ This means that, even if the first decision on sanctions can be determined solely by a regulatory body, such as the Central Election Commission, there should be an opportunity to challenge this decision before an impartial judicial tribunal. According to Article 16 of the Political Party Financing Law, an Appeal Council is authorized to review appeals following the decisions of the Central Elections Commission. However, the Appeal Council appears to have been abolished in 2006, and legal recourse seems to now lie with the Appellate Division of the Court.³⁴ While such a court would appear to be more compliant with the Guidelines than the previous Appeal Council, it is nevertheless recommended that the law be amended so that it refers to the correct appeals instance and to ensure that remedies are provided expeditiously.

4.6. Additional Recommendations and Comments

46. In order to ensure a transparent and open law-making process as well as success in implementation, it is recommended that reform of the Political Party Financing Law is undertaken in consultation with political parties, civil society and other relevant stakeholders.
47. In undertaking reform of the legislation it is recommended for a detailed regulatory and financial impact assessment to be conducted.

[END OF TEXT]

³³ OSCE/ODIHR – Venice Commission Guidelines on Political Parties Regulations, CDL-AD(2010)024 par 204, par 215 and 228.

³⁴ OSCE/ODIHR Election Observation Mission Final Report, General Election 2006, 6 February 2007, page 15.

Annex

**LAW ON POLITICAL PARTY FINANCING
OF
BOSNIA AND HERZEGOVINA**

(Official Gazette of Bosnia and Herzegovina, 22/00, 102/09, 54/10)

**Article 1
Purpose of the law**

This law shall regulate the methods and conditions under which political parties and members of political parties acting on behalf of the party obtain their funds for operation.

**Article 2
Definition of the political party**

For the purpose of this Law, the political parties shall be considered organizations into which citizens are freely and voluntarily organized and registered with the competent authority in either Entity, in accordance with law in order to carry out political activities and pursue political goals.

*(deleted)*³⁵

**Article 3
Sources of funding**

(1) A party may obtain funds *only* from the following sources:

- a) Membership fees;
- b) Contributions from legal persons and physical persons;
- c) Income generated by property owned by the political party;
- d) The budgets of Bosnia and Herzegovina for financing of the parliamentary groups in accordance to the Art. 10 of this Law, as well as from the entity budgets and all their subdivisions in accordance with entity laws, *as well as from the Brčko District of Bosnia and Herzegovina.*
- e) Profit from the enterprise owned by the party; *(deleted)*³⁶

(2) The enterprise referred to in Item 5 of the preceding paragraph may only carry out culture-related or publishing activity.

³⁵ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), in Article 2, Paragraph 2 was deleted.

Previously:

(2) In order to participate in the election political parties shall certify their eligibility with the Election Commission of Bosnia and Herzegovina under the same name that it registered with the competent court.

³⁶ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), in Article 3, in paragraph 1, after the word “funds”, the word “only” was added.

In subparagraph d), after the word “laws” in the end of text, the words: “as well as from Brčko District of Bosnia and Herzegovina;” were added.

In subparagraph e) words “income of the” were deleted.

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(3) Membership fees referred to in Item 1 of paragraph 1 of this article shall only be regular payments a member pays by virtue of the provisions of the political party statute. Contributions shall be payments exceeding the aforementioned membership fees.

(4) Annual incomes of the party referred to in Items c) and e) of paragraph 1 of this article may not exceed 20% of the amount of all annual incomes of the party. Within 30 days of filing its financial statement pursuant to Article 11, a party shall donate such income in excess of 20% for charitable purposes to one or more charitable organizations.

Article 4 Contributions

(1) Legal entities and physical persons may give contributions to the political parties or members acting on behalf of the political parties. For the purpose of this Law, a contribution to the party or members acting on behalf of the political party shall also include gifts given to the political party or member acting on behalf of the party, free service or rendering of a service for the party or members acting on behalf of the party or selling of products to the party or to the members acting on behalf of the party under the conditions which provide a preferential treatment for the party in relation to the general public.

(2) A legal person or physical person that renders a service to the party or sells it a product must deliver a receipt to the party, irrespective of who the payer of the service is or who the payer of the price of the product is, or, irrespective of the whether the service has been rendered or the product given free of charge.

Article 5 Donating limit

The total amount of all contributions of one physical person in a single calendar year must not exceed eight average net salaries, whereas the total amount of all contributions of one legal person in a calendar year must not exceed 15 average net salaries. The term average net salary shall mean an average net salary from the preceding year, according to the official information by the Bosnia and Herzegovina Agency for Statistics.³⁷

Article 6 Reporting threshold

(1) A political party shall have the obligation to keep the records of all contributions made by physical and legal persons and to issue receipts to the physical and legal persons from which it has received such contributions.

³⁷ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), in Article 5, Paragraph 1 was amended.

Previously:

(1) The total amount of the single contribution referred to in Paragraph 1 of Article 4 may not exceed eight average worker’s salaries according to the official information by the Bosnia and Herzegovina Agency for Statistics in a calendar year and may not be cumulated more than once a year.

Current paragraphs 2 and 3 were deleted.

Previously:

(2) Public grants appropriated for political youth organizations shall not count towards the contribution limits imposed by this article.

(3) Public grants appropriated for political youth organizations shall be reported on political party financial disclosure forms separately from other income to the party.

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(2) If the total amount of the contributions given by the single contributor referred to in paragraph 1 of Article 4 of this Law exceeds 100 KM, such payment must be recorded in the financial report in accordance with Article 11 *of this Law*.³⁸

Article 7

Contributions of the members of political parties

In the case that the contribution to the political party is provided by its member or a group of members, the contribution is to be reported in the same manner as the contribution referred to in the Article 6 *of this Law*.³⁹

Article 8

Prohibited donations

(1) State, entity, cantonal and *Brcko District bodies*, bodies of municipal and local communities, public institutions, public companies, humanitarian organizations, *anonymous donors, (deleted)* religious communities, as well as *legal persons* in which public *capital*⁴⁰ has been invested to the amount of a minimum of 25% may not finance parties.

(2) Private enterprises, which through government contracts perform public services cannot financially support political parties.

Article 9

Prohibited activities

(1) Exercising any form of political pressure on legal and physical persons when soliciting contributions for political parties is forbidden.

(2) Making promises of privileges or personal benefits of any kind to a political party donor is forbidden.

Article 10

Appropriations from the State budget

(1) Financing of the parliamentary groups represented in the Parliamentary Assembly of Bosnia and Herzegovina shall be distributed so that 30% of the funds will be distributed equally to the parliamentary groups, 60% out of total amount will be distributed proportionally according to the number of seats each parliamentary group holds at the time of distribution, while 10% out of total amount will be distributed to the parliamentary groups in proportion to the number of seats held by the less represented gender. The Central Election

³⁸ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), in Article 6, new Paragraph (1) was added. In current paragraph 1 that becomes paragraph 2, after the number "4." and number "11." words: "of this Law" were added.

³⁹ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), in Article 7, in the title of the Article the words: "given to the members" were replaced with word "of the members".

In the same Article, after the number "6." the words: "of this Law" were added.

⁴⁰ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), in Article 8, after the words: "cantonal bodies" the words: "bodies of Brčko District of Bosnia and Herzegovina," were added. After the words: "humanitarian organizations" the words: "anonymous donors," were added, words: "businesses which by virtue of their activity are exclusively intended and directed for non-profit" were deleted, words: "economic associations" were replaced with words: "legal persons," after the word "public" the word "capital" was added.

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Commission shall determine which gender is underrepresented according to the official election results.⁴¹

(2) The detailed method of distribution of funds will further be regulated by the Rules of Procedure of the Parliamentary Assembly of Bosnia and Herzegovina.

Article 11 Obligation to render a public statement of account

(1) Political parties shall maintain the records of their revenues and expenditures. A political party shall be obliged to file with the Central Election Commission of Bosnia and Herzegovina a financial report for each calendar year (accounting year).

(2) A political party shall file a separate financial report for the election campaign period as determined in the Election Law of Bosnia and Herzegovina.

(3) Political parties shall submit by 31 March of the following year a financial report in a format approved by the Central Election Commission of Bosnia and Herzegovina. Such report shall contain the same information as determined in the Election Law. The Central Election Commission of Bosnia and Herzegovina shall issue Regulations in order to implement the provisions whereby it shall specify in detail the content, form, manner and other details of reporting.

(4) All persons who are required to file reports must also file such additional reports as the Central Election Commission of Bosnia and Herzegovina may require.

(5) The Central Election Commission shall have full authority to implement and enforce the provisions of this article in the same manner as provided for by the Election Law of Bosnia and Herzegovina.

Article 12 Appointment of the political party agent

(1) *The political party shall have the obligation to appoint a competent person who shall be in charge for business record-keeping for political parties, filing financial reports, and who shall be authorized to receive communications from the Central Election Commission of Bosnia and Herzegovina.*

(2) Those who file reports shall inform *the Central Election Commission of Bosnia and Herzegovina* about appointing the competent person referred to in paragraph 1 of this article within *fifteen (15) days of his or her appointment, and must file the amendments within fifteen (15) days, of any changes to his or her status.*⁴²

⁴¹ In Bold – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 102/09), in Article 10, paragraph 1 was amended.

Previously:

Budgetary financing of the parliamentary groups represented in the Parliamentary Assembly of Bosnia and Herzegovina shall be distributed so that 30% of the total amount dedicated to the parliamentary groups will be distributed equally, while 70% will be distributed proportionally according to the number of seats each parliamentary group holds at the time of distribution.

⁴² In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), in Article 12, words: "Election Commission of Bosnia and Herzegovina" were replaced with the words: "Central Election Commission of Bosnia and

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(3) The competent person shall sign each such report and shall be responsible for keeping records that support the reports, and must make such reports available upon request of *the Central Election Commission of Bosnia and Herzegovina*. The political parties shall keep their complete financial reports for at least last six years after filing.

(4) *The Central Election Commission of Bosnia and Herzegovina* shall make all reports available to the public, and shall take appropriate actions to ensure that all citizens have easy access to information contained within the reports.

Article 13

Authority of the Central Election Commission

(1) *The Central Election Commission of Bosnia and Herzegovina* shall have the authority to investigate instances of non-compliance with the provisions of this Law, and may order certain individuals to answer written questions, in order to provide documentary and other evidence, and to provide testimony of witnesses in connection with any investigation that *the Central Election Commission of Bosnia and Herzegovina* may initiate. *The Central Election Commission of Bosnia and Herzegovina* may initiate investigation or take appropriate implementing actions, on its own initiative or in response to a complaint filed by a person.

(2) *The Central Election Commission of Bosnia and Herzegovina* shall have jurisdiction with respect to enforcing provisions of this Law, and shall have power to make determinations as to whether a political party or any other person has violated provisions of this Law, and it shall have power to impose sanctions against any political party for non-compliance with the mentioned provisions, or to take appropriate administrative action within its general authority *as provided by law*.

(3) Before imposing a civil penalty or taking administrative action, *the Central Election Commission of Bosnia and Herzegovina*⁴³ shall seek to achieve that the political party found to have violated the provisions of this Law removes voluntarily the observed deficiencies, insofar as they are removable.

Article 14

Financial Audits of Political Parties

(1) *The Central Election Commission of Bosnia and Herzegovina* shall establish an office for audit of *political party financing (hereinafter referred to as: the Auditing Office)*,

Herzegovina" (hereinafter: Central Election Commission of Bosnia and Herzegovina) in corresponding grammatical case.

In paragraph 1, word "Every" was deleted, the word "appoint" was replaced with words: "shall have obligation to appoint", words: "filing reports and record-keeping" shall be replaced with words: "for business record-keeping for political parties, filing financial reports".

In paragraph 2 words: "three (3) days" were replaced with words: "15 days" and after the word "inform" the words: "Central Election Commission of Bosnia and Herzegovina" were added.

⁴³ In Italic – According to the Law on Amendments to the Law on Party Financing ("Official Gazette of Bosnia and Herzegovina", 54/10), in Article 13 words: "Election Commission of Bosnia and Herzegovina" were replaced with words: "Central Election Commission of Bosnia and Herzegovina" in corresponding grammatical case.

In paragraph 2, word "this" was deleted.

In Paragraph 3, the words: "shall seek to achieve voluntary compliance with the political party determined to be in violation" were replaced with the words: "found to have violated the provisions of this Law removes voluntarily the observed deficiencies, insofar as they are removable".

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which shall review and audit financial reports submitted by the political parties *and perform audits of political party financing as provided by this Law.*

(2) The audit of a party's financial report shall include the party's national and Entity headquarters (including also the Brcko District *of Bosnia and Herzegovina*) and at least two subordinate regional branches chosen by the Auditing Office.

(3) If no objections are lodged after the final, written audit report is delivered to the party, the auditor shall officially certify the results of the audit. The certification shall confirm that, after a due diligence audit and on the basis of the party's account books and documents as well as the information and evidence furnished by the executive committees, the statement of account complies with the provisions of this Law. If objections are lodged, the auditor must refuse to certify officially the audit or he must modify it according to the objection. The names of the regional branches audited must be stated in the auditor's certificate.

(4) The auditor's certificate must be attached to the financial report to be submitted and published in the "Official Gazette of Bosnia and Herzegovina".

(5) *The Central Election Commission of Bosnia and Herzegovina* will establish the Audit Office taking into consideration the professional qualifications of the auditors. The Central Election Commission of Bosnia and Herzegovina will be in charge of recruiting and dismissing the officers from the Auditing Office.

(6) For the purpose of the preceding paragraph, a person appointed as auditor must not be a member of the executive committee, a member of a general party committee, an appointed accountant or employee of the party to be audited, or of one of its regional branches, or have been in such capacities during the last three years prior to his or her appointment.

(7) In the event that the Audit Office holds that more precise financial scrutiny has to be conducted in order to ensure the validity of submitted statement of account, the Audit Office shall have a right of access to party premises. In the case of refusal to permit access to party premises, it shall be deemed that the party has failed to submit a financial report and *the Central Election Commission* shall prohibit the party to stand for the next election.⁴⁴

Article 15 (Role of the *Central Election Commission*)

(1) *The Audit Office shall inform the Central Election Commission of Bosnia and Herzegovina about all irregularities and violations of the provisions of this Law.* In the case of failure to comply with the provisions of this Law, *the Central Election Commission* shall have the authority to impose the financial penalties in accordance with the Election Law of Bosnia and Herzegovina.

⁴⁴ In Italic – According to the Law on Amendments to the Law on Party Financing ("Official Gazette of Bosnia and Herzegovina", 54/10), in Article 14 words: "Election Commission of Bosnia and Herzegovina" were replaced with words: "Central Election Commission of Bosnia and Herzegovina" in corresponding grammatical case.

In Paragraph (1), the words: "financial work" were replaced with the words: "political party financing (hereinafter referred to as: the Auditing Office)", and after the word: "parties" were added the words: "and perform audits of political party financing as provided by this Law".

In Paragraph (2), after the word: "District" were added the words: "of Bosnia and Herzegovina".

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(2) If a political party has received funds in excess of the allowed annual income referred to in Article 3.d), or received funds in excess of contribution limit set in the Article 5 or in the manner prohibited by Article 8, *the Central Election Commission* shall fine the political parties in an amount not exceeding the amount of three times the unlawfully received sum. Such a fine shall be permitted and imposed under this Article even if the total amount of the fine exceeds ten thousand (BAM 10.000) convertible marks.⁴⁵

Article 16 (Role of the Appeal Council)

The Appeal Council shall be competent to hear appeals from a decision of the Central Election Commission of Bosnia and Herzegovina. The Appeal Council shall have the authority to impose the financial penalties in accordance with the Election Law of Bosnia and Herzegovina.

Article 17 (Obligation to report to Parliament)

The Central Election Commission shall have to report on the reviewed statements of account to the Parliamentary Assembly of Bosnia and Herzegovina each year. The report shall be circulated as a Parliamentary printed-paper.

*Article 18 (deleted)*⁴⁶

Article 19 (deleted)⁴⁷

⁴⁵ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), in the title of Article 15 and in the same Article the words: "Election Commission" were replaced with words: "Central Election Commission of Bosnia and Herzegovina" in corresponding grammatical case.

In paragraph 1, the first sentence: "Any irregularities found by the Audit Office shall be submitted to the Election Commission of Bosnia and Herzegovina" were amended to read as follows: “The Audit Office shall inform the Central Election Commission of Bosnia and Herzegovina about all irregularities and violations of the provisions of this Law”.

⁴⁶ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), Article 18 was deleted.

Previously:

Article 18 (Distribution of the financial penalties)

All the fines imposed by the Election Commission or the Appeal Council, as well as all illegal contributions collected shall be distributed according to the following:

- 70% of the sum shall be distributed to the budgetary financing of parliamentary groups as provided in the Article 10;
- 30% of the sum shall be allocated for the financing of the Election Commission of Bosnia and Herzegovina and its Audit Office and the Appeal Council.

⁴⁷ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), Article 19 was deleted.

Previously:

Article 19

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Article 20⁴⁸

(1) No later than ninety (90) days after this law comes into effect, the political party is obliged to submit data about their assets, categorized by amount, kind and source to the Audit Office.

(2) In the event that any change has occurred in regard to their assets, the political parties shall have the obligation to inform the Central Election Commission of Bosnia and Herzegovina about that change within the period of fifteen (15) days.

Article 21 (deleted)⁴⁹

Article 21a⁵⁰

The Constitutional and Legal Affairs Committees of both houses of the Parliamentary Assembly of Bosnia and Herzegovina shall be authorized to establish a consolidated version of the Law on Party Financing within the period of 30 days following the entry into force of this Law.”

Article 22^{51 52 53}

(Transitional Provisions)

As long as the Service for Financial Transactions (ZPP, ZAP, SPP) exists, the political parties shall include in their statement of account referred to in Article 11, a list of all annual financial transactions completed through the Service for Financial Transactions.

⁴⁸ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), in Article 20, in Paragraph (1), the words: “No later than three (3) months after this law comes into effect, the political parties are obliged to submit data about their assets, categorized by amount, kind and source to the Audit Office” were replaced with the words: “No later than ninety (90) days after this law comes into effect, the political party is obliged to submit data about their assets, categorized by amount, kind and source to the Audit Office”.

After Paragraph (1) a new Paragraph (2) was added.

⁴⁹ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), Article 21 was deleted.

(1) Until a permanent Election Commission is established pursuant to Article V of Annex 3 of the General Framework Agreement for Peace, the Provisional Election Commission may assume all, or any part, of the powers and duties assigned to the Election Commission by this law.

(2) Appeals from decisions of the Provisional Election Commission may be made to the Election Appeals Sub Commission pursuant Article 16 and the rules of procedure adopted by the Election Appeals Sub Commission. The jurisdiction of the Election Appeals Sub Commission granted by this paragraph shall continue until an appropriate state body assumes such jurisdiction.

⁵⁰ In Italic – According to the Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), Article 21a, was added After Article 20, which was deleted.

⁵¹ In Bold – The Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 102/09) shall enter into force on the eighth day from the day of its publishing in the “Official Gazette of Bosnia and Herzegovina”, and shall be also published in the entity and Brčko District of Bosnia and Herzegovina official gazettes.

⁵² Articles 18 and 19 of the original Law have been deleted by the Amending Law published in OG BiH no. 54/10. However, due to the erroneous sequencing, this Article is numbered as Article 21a) in the Amending Law OG BiH 54/10. Its proper enumeration should nevertheless be Article 20.

⁵³ In Italic – The Law on Amendments to the Law on Party Financing (“Official Gazette of Bosnia and Herzegovina”, 54/10), shall enter into force on the eighth day from the day of its publishing in the “Official

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Entry into force

This Law shall enter into force on the eighth day following its publication in the “Official Gazette of Bosnia and Herzegovina” and shall also be published in the official gazettes of the entities.

Gazette of Bosnia and Herzegovina”, and shall be also published in the Entities and the Brčko District of Bosnia and Herzegovina official gazettes.

The Constitutional/Legal Commissions of both houses of the BHPA are authorized to, within 30 days from the day of entering into force of this law, determine the Consolidated Version of the Law on Party Financing.