

Organic Law of Georgia on Political Unions of Citizens

Chapter I

General Provisions

Article 1

A political union of citizens (hereinafter referred to as a “party”) is a voluntary and independent association founded on citizens’ common vision and organizational basis, registered in accordance with procedure established by this Law and operates within the scope of the Constitution and legislation of Georgia.

Article 2

A party - as an essential constitutional and legal part of a free democratic society - participates in the forming and expressing the citizens’ political will by means of elections and other means permitted by the legislation.

Article 3

A party shall be established and operate on the following principles:

- a) Voluntary entry into and leave of a party membership;
- b) Independence and self-governance;
- c) Electivity and accountability;
- d) Equality of parties before law;
- e) Publicity of formation and functioning of a party.

Article 4

A party is a non-profit legal entity. It is subject to provisions of Civil Code that do not contradict this Law.

Article 5.

1. Every citizen of Georgia has a constitutional right to participate in forming and functioning of a party.
2. It is impermissible to form and operate a party, which is aimed at subversion or forced change of constitutional order of Georgia, infringement upon the country's independence, interference with its territorial integrity or which propagates war or violence or kindles a national, community, religious or social feud.

Article 5¹ Deleted (*8.05.2012. N6116*)

Article 6

It is impermissible to establish a party according to a regional or territorial principle.

Article 7

1. The State shall secure protection of parties' rights and legal interests.
2. It is impermissible to interfere by state bodies and officials in the party's functioning, unless so prescribed by law.

Chapter II

Establishment of a Party and Organizing its Activity

Article 8

Every citizen of Georgia having the electoral right is entitled to participate in establishment and functioning of a party.

Article 9

A citizen of Georgia may be a member of only one party.

Article 10 (29.12.2006 N 4272)

A citizen who enters into service of military forces, interior bodies or is appointed in the relevant department of the Ministry of Finance as servant with a special authority or as a judge

or a prosecutor as well as in other circumstances prescribed by the Law shall be suspended of his/her membership of a party.

Article 11

Membership of a party may not be restricted regardless of race, skin colour, language, gender, religion, national, ethnic or social belonging, origin, property status, rank or place of residence.

Article 12

1. For the purpose of establishment of a party, a group of at least 300 citizens, without prior permission, holds a founding meeting (conference, congress, assembly, etc) of the party.
2. The founding meeting adopts the statute of a party.
3. A notary shall attend the founding meeting and certifies a protocol thereon.

Article 13

1. A statute of a party shall include:
 - a) Its title, as well as any abbreviation (if any) denoting it;
 - b) Legal address;
 - c) Goals and the ways they are to be attained;
 - d) Rules of entry into and leave a party membership;
 - e) Rights and obligation of its members;
 - f) Organizational structure;
 - g) Rules of forming governing, executive and supervisory bodies as well as their competence and official tenure;
 - h) List of officials holding general and specific authorization of representation and scope of the authorization;
 - i) Rules of generating and using of the party's property;

- j) Rules of introducing amendments and supplements into the statute;
 - k) Basics of termination of party's activity (rules of re-organization and self-liquidation);
 - l) Description of the party symbols, if any.
2. The statute may also include other provisions relating to the functioning of the party provided that they do not contradict the applicable legislation.

Article 14

1. The party's title, abbreviation or symbols may not be the same as those of already registered or liquidated parties, except if 4 years have elapsed following liquidation of the relevant party.
2. It is prohibited to use the party's title, abbreviation or symbol without the permission of this party.

Article 15

1. Competent bodies named in the statute of a party independently decide on granting the party membership to a person in accordance with procedure determined in the statute of a party. It is not necessary to provide explanation for refusal of a party membership.
2. To leave membership of a party shall be free.
3. Disciplinary measures, grounds for imposing disciplinary sanctions and bodies having competence to impose such sanctions shall be determined by the statute of the party.
4. Decision on expel a person from the membership of a party shall be taken by a body named in the statute of the party. Such a decision including its reasoning shall be made in written. It may be appealed in a superior body of the party.

Article 16

1. Governing, executive and supervisory bodies shall be as follows: a general meeting of the members of the party (congress, assembly, conference, etc), a board (council, hall, secretariat, committee, etc), and an auditing commission (supervisory commission, control commission, etc).

2. The statute of a party may prescribe creation of other bodies and governing posts within the party as well.

Article 17

1. A general meeting of members of a party (governing body) is its highest representative body. It shall be convened at intervals specified in the statute but not less than once in every 4 years.
2. Unless the statute provides otherwise, every member of the party may participate in the general meeting. The statute may envisage participation in the general meetings by representatives elected by members of the party. Quotas of such representatives shall be determined by the statute or a decision of the board provided that at least 200 representatives shall be elected.
3. A general meeting is authorized if more than a half of party members are attending the meeting. The statute may prescribe a higher quorum.
4. Unless the statute provides otherwise, decisions at the general meetings are taken by a majority of votes of members attending the meeting.
5. Adoption of a statute, introduction of amendments and supplements to it, election of the party's governing, executive and supervisory bodies, reorganization and self-liquidation as well as other matters as defined by this Law are a special competence of a the party's general meeting.

Article 18

1. An executive body of a party (the board) shall consist of at least 3 members and shall be elected by a general meeting of the party for a term established by the statute of the party.
2. The board is authorized if at least more than a half of the board members are attending the board meeting. The statute may envisage a higher quorum.
3. The board takes decisions by a majority of votes of members attending its meeting. The statute may envisage that decisions on certain matters require a qualified majority.

Article 19

1. An auditing commission shall consist of at least 3 members and shall be elected by a general meeting of the party for a term established by the statute of the party.

2. The auditing commission is authorized if at least more than a half of the commission members are attending its meeting. The statute may envisage a higher quorum.
3. The auditing commission takes decisions by a majority of votes of commission members attending its meeting. The statute may envisage that decisions on certain matters require a qualified majority.
4. Conducting an audit of financial and accounting documents of a party is a special competence of the auditing commission. The party's statute may prescribe other functions of control of the commission.

Article 20

Rules of convening a general meeting, a board and an auditing commission of a party as well as their competence shall be determined by a statute of the party pursuant to requirements under this Law.

Article 21

1. A party shall be entitled to establish its structural units (branch, representation office, youth organization etc) without a status of a legal entity.
2. Unless the statute of the party provides otherwise, the statute of the unit shall be approved by the board of the party.
3. If a party unit operates on the entire territory of Georgia, the board of the party (or its leader) shall, within a month, send the statute of the unit and a notary-certified copy (copies) of a signature(s) of a person (persons) authorized to represent the unit to the Legal Entity of Public law acting under the supervision of the Ministry of Justice of Georgia - National Agency of Public Registry (hereafter - National Agency of Public Registry) *(8.05.2012. N6116 shall enter into force from June 1, 2012)*.
4. If a party unit operates on a specific administrative territory of Georgia, the board of the party shall, within a month, send the statute of the unit, the statute of the party and a notary-certified copy (copies) of a signature(s) of a person (persons) authorized to represent the unit to the appropriate local self-government body. (25.05.2007 N4817)

Article 22

1. A party shall be registered in the National Agency of Public Registry. (8.05.2012. N6116 *shall enter into force from June 1, 2012)*

2. Within a week of holding a founding meeting of the party, the following documents shall be submitted to the National Agency of Public Registry (8.05.2012. N6116 shall enter into force from June 1, 2012):
 - a) An application for registration signed by the party leader (leaders);
 - b) A notary-certified protocol of the party's founding meeting;
 - c) A list of not less than 1000 members of a party indicated with their name, surname, date of birth, personal ID number, work place, home address, telephone number and signatures.
 - d) The statute of a party;
 - e) A certificate of legal address and telephone number of a party;
 - f) A notary-certified copy (copies) of a signature(s) of a person(s) authorized to represent the party;
 - g) Samples of a seal, emblem and other symbols of the party, if applicable.

Article 23

1. National Agency of Public Registry (*8.05.2012 N6116 shall enter into force from June 1, 2012*) verifies accuracy of submitted documents and decides on registration of a party within a month following the date of submission of the required documentation.
2. A registering body, having reviewed the submitted documentation, takes one of the following decisions:
 - a) to register a party;
 - b) to deny registration.
3. If the party is registered, the registering body shall hand the registration certificate within 7 days after adoption of decision on registration.
4. A party shall be denied to be registered if its statute or other submitted documents contradict to the Constitution of Georgia or requirements of this Law.
5. If registration is denied, the registering body must notify in writing the applicant thereon within 7 days following such decision; the decision shall include reasons of denial.
6. The party whose registration has been denied may appeal against this decision within a month to a court.

7. If the applicant eliminates the reasons for denial of registration, it may re-submit documents for registration.
8. If, within the term specified in this Article, a party is not officially registered and the applicant does not receive a notification on denial and if the submitted documents comply with the requirements of this Law, the party shall be considered registered and the National Agency of Public Registry (*8.05.2012 N6116 shall enter into force from June 1, 2012*) is obliged within 7 subsequent days to issue a certificate of registration.

Article 24

1. In case of amendment made to the statute, party is obliged to inform the National Agency of Public Registry (*8.05.2012 N6116 shall enter into force from June 1, 2012*) within 10 days and shall submit relevant documentation.
2. Amendment shall be registered in accordance with rules and terms established by the Article 23 of this Law.
3. According to the amendment made to the statute, the amendment becomes applicable only after its registration.

Chapter III

Property, Funds and Financial Monitoring of a Party (title (28.12.2011 N5661)

Article 25 (28.12.2011 N5661)

1. A party's property shall be made up of:
 - a) Membership fees;
 - b) Donations;
 - c) Allocated State Funds- prescribed by Law;
 - d) Procurement and distribution of party symbols by party, organizing lectures, exhibitions and other similar events, as well as income received from other publications or activities, which doesn't change the nature of a party as a non-profit legal entity, also contributions received from public events. Based on this sub-paragraph total amount of income received during the year shall not exceed 60 000.

2. Financial resources transferred to the account of a party by a citizen of Georgia shall be considered as a donation, as well as material or non-material value (including preferential credit) and services received without charge or on sale/preferable terms by a political party (except voluntary work done by a volunteer). (8.05.2012. N6116)
- 2¹. Financial resources, material or non-material values or services granted without charge or on sale/prefferable terms (except voluntary work done by a volunteer) made in support of a party or a person prescribed by the Article 26¹ of this Law shall also be considered as donations; (8.05.2012. N6116)
- 2² . Restrictions and regulations prescribed by this law for donations also apply to the financial resources, material or non-material values or services granted without charge or on sale/prefferable terms made for refrain from supporting the party or a person prescribed by the Article26¹ or this Law (except voluntary work done by a volunteer); (8.05.2012. N6116)
3. Political party doesn not have a right to take loan/credit from any natural or legal person. For the puproses of election campaign, election subject after registering as following, can take a credit from comercial bank prescribed by Paragraph “c” of the Article 2 of the Law on the National Bank of Georgia. The amount of such credit in total should not exceed 1 000 000 GEL.

Article 25¹ (28.12.2011. N5661)

1. Total amount of expenditures by political party/electoral subject shall not exceed 0.2 % of Georgia’s GDP of the previous year. Indicated amount includes expenditures of party’s/electoral subject and expenditures made in favor of it by other person, that is defined by the Chamber of Control of Georgia and regarding which is notified relevant party/electoral subject.(22.06.2012 N 6551 shall enter into force from July 1, 2012)

1¹. The cap of total number of annual electoral expenditures of an independent Majoritarian candidate shall be determined by following rule: the cap of expenditures permittied for a party for election campaign (0.2 % of Georgia’s GDP of the previous year) shall be divided into the total number of voters in the country and received number shall be multiplied on number of voters of the relevant election district.(8.05.2012. N6116)
2. Deleted. (8.05.2012. N6116)
3. Party’s expert - consultation services expenditure shall not ecceed 10% of the limit prescribed by paragraph 1of this article.
4. In terms of celebration of holiday troughout the year, party is entitled to give small value gifts, the total value of no more than 5 000 GEL.

5. Total amount of expenditures by political parties in election bloc and expenditures made in favor of them shall not exceed the cap prescribed by the paragraph 1 of this Article. (8.05.2012. N6116)
6. "Year" means a period from November 1 till November 1 of the next year unless otherwise is provided by this law.

Article 25² (8.05.2012. N6116)

1. Party shall be prohibited, by means of a candidate, representative or any other person, to give directly or indirectly financial resources, gifts and other material or non material values to the citizen of Georgia (except party campaign small value accessories- T-shirts, caps, hats, flags and other related things), sale or offering goods or services on discount/preferable terms, buying goods or services more than the market price, supply or distribution of goods or services free of charge (except the exceptions prescribed by this Law), or interest of a citizen of Georgia by delivery or promise of financial resources, securities, material or non material values, or services (including factious labor contracts or any other relations).
2. Activity in favour or against of any party prescribed by paragraph 1 of this Article, is also forbidden to any person.
3. Prohibition related to promises, prescribed by paragraph 1 of this Article doesn't apply to political and election promises related to the future allocation of budget funds and implementation of future policy of the State.

Article 26 (16.12.2005 N2260)

1. It is prohibited (8.05.2012. N6116) to receive donations from:
 - a) physical and legal persons of other countries, international organizations and movements, except lectures, workshops and other public arrangements are held;
 - a¹) Legal persons, their consolidations or other types of organizational entities; (28.12.2011.N5661)
 - b) State body, state organization, legal person of public law, enterprises with state shares, except cases envisaged by this law; (28.12.2011.N5661)
 - c) a non-profit legal person and a religious organizations, except lectures, workshops and other public arrangements are held;

d) persons having no citizenship;

e) Donations received anonymously (8.06.2007 N4918 valid October 1, 2007)

2. A person while carrying out the donation shall indicate a name, surname and ID number. (8.05.2012. N6116)

3. Money contributed without indication of details prescribed in paragraph 2nd of this Article will be considered as anonymous. Anonymous contributions shall be immediately transferred into the State Budget of Georgia by the official person who is responsible for financial activities of the political union.

4. The requirement prescribed in the Paragraphs 2nd and 3rd of this Article does not apply on the donations received as a result of public event. The amount of contributions received from public event shall not exceed 30 000 GEL per year. (8.06.2007 N4918 valid October 1, 2007)

5. A person responsible for the financial activities of a party is obliged to transfer all the donations received from the public event to the account of the party within 7 days. (8.06.2007 N4918 valid October 1, 2007)

6. Information regarding to the party donation, including the information, that contains the data defined by the paragraph 2 of this Article, and information regarding the place of registration of a donator - is public. The State Audit Office ensures accessibility of this information as provided for by the law. Monthly, the State Audit Office must ensure public accessibility of information about donations through its website. (22.06.2012 N 6551 shall enter into force from July 1,2012)

Article 26¹ (8.05.2012.N6116)

1. Restrictions on a party prescribed by this chapter apply to a person, who has declared electoral goals and which uses related financial and material resources to achieve this goal;

2. A person, who has been held liable for violating this law multiple times, or the violation concerns a sum exceeding 30 000 GEL, the rule of financial transparency prescribed by this Law is applied.

3. A physical person, who has declared electoral goals and uses related resources for these goals, is obliged to establish a special fund. Restrictions for an independent candidate, defined in the Organic Law of Georgia “Election Code of Georgia” shall be applied to this person.

4. Responsibility prescribed by this Law applies to any activity and person, whose aim is to avoid restrictions prescribed by this Law, including through illusory and deceptive arrangements.

5. The goal of the restrictions is to regulate and ensure the transparency of incomes and expenditures of a party and of a person with declared political and electoral goals. Restrictions to the persons as defined in this Article shall apply only to the activities that are related to the use of finances or any other material or non-material resources for political or electoral goals. Restrictions do not apply on economic/commercial activities, property right and other private legal rights and freedoms, if they are not related to the electoral goals and/or are not implemented for the purposes of bypassing the restrictions prescribed by the Legislation of Georgia.

6. Restrictions prescribed by this Law do not apply to the international organizations and legal entities, goal of which is institutional development of political unions that is not related to support of or refrain from support of any political power.

7. Restrictions prescribed by this Law shall not be applicable against freedom of expression, implementation of civic activities and pre-election agitation (campaigning).

8. Restrictions prescribed by this Article shall be abolished on the day elections results are summarized.

9. In case, where circumstances prescribed by this Article are no longer present, the State Audit Office, by its own initiative or on the basis of a statement from a person under the restrictions prescribed by this Article, through a simple administrative procedure considers the issue of abolishment of the restrictions. (22.06.2012. N6551 shall enter into force from July 1, 2012)

Article 27 (28.12.2011.N5661)

1. Total amount of donations received by a party from each citizen (8.05.2012.N6116) shall not exceed 60 000 GEL in a year. Annual amount of membership fees from each party member shall not exceed 1 200 GEL.
2. A donator shall not be a citizen of Georgia, 15% of whose annual revenue is composed with the revenues received by the entity established by him/her or via his/her participation through the simple state procurement.
3. A citizen shall make a donation in favour of several political parties throughout the year, but total amount of which shall not exceed the limit prescribed by this Law – 60 000 GEL.
4. Restrictions prescribed by paragraph 1st of this article apply to all kind donations, including the services provided for the party purposes and on party's behalf party's name.
5. The party membership fees, as well as donations from the citizen shall be admitted only via bank wire transfer. Donations shall be made only by a licensed commercial bank based in Georgia, from the account of donator or a person who pays membership fee.

6. Implementation of donations via other individuals or otherwise avoidance of the restrictions established by this Law shall cause transfer of these donations to the state budget and offender will be held liable in accordance with the legislation of Georgia.
7. If the donating physical persons receive income in full or in part from one source (from physical or legal persons, or persons related to them), the total annual amount donated for the benefit of one party/political subject shall not exceed 500 000 GEL; as well, the total amount donated individually cannot exceed 60 000 GEL. Political unions and donators shall not be held liable for the violation of limits defined by this article, if they were unaware of the violation of the relevant norm. In such cases, the State Audit Office is obliged to define a period, at least 5 days, for the elimination of the relevant violation. (22.06.2012. N6551 shall enter into force 01.07.2012)

Article 27¹ (28.12.2011.N5661)

1. Party shall submit information regarding donations as well as implementation of membership fees to the State Audit Office within 5 working days. (22.06.2012. N6551 shall enter into force 01.07.2012)
2. If the regulations prescribed by this law are violated because of acceptance of the donations, as well as membership fees, after the transfer on its account, party is obliged to return the money to the donator/implementer of membership fee within the 5 working days. In case of failure of this obligation money shall be transferred in State Budget. If the party did not know nor could have known about the illegality of the donations, the obligation to transfer money back arises from the moment of the request of the State Audit Office. (22.06.2012. N6551 shall enter into force 01.07.2012)
3. In case of failure to perform the relevant obligations by an authorized person of a party shall be imposed responsibility prescribed by the Georgian Legislation.

Article 28 Deleted (8.05.2012.N6116)

Article 29

The rules of funding of parties election campaign by the state is regulated by Electoral Legislation of Georgia.

Article 29¹ (30.12.2008 N963)

1. A certain amount of funds from the state budget shall be allocated annually for financial support of party activities and for facilitating creation of healthy, competitive political system.
2. Funds allocated in accordance with the paragraph 1st of the this article shall be distributed among parties and non governmental organizations in compliance with the following rule:
 - a) Transferring funds directly from the state budget to the political parties;
 - b) Distributing funds among parties and non governmental organizations from a fund, in accordance with this Law.

Article 30 (30.12.2008 N963)

1. Funds from the state budget which are to be directly distributed among political parties shall be transferred to parties in accordance with the rule prescribed by this article.
2. Funds from the state budget which are to be directly distributed among political parties shall be transferred to the political parties, which during the last parliamentary elections overcame the 4% threshold, or parties which during the last local self-government elections overcame the 3 % threshold.
3. The amount of the state funding defined in this article shall be composed of the basic funding, bonuses for each member of the parliament elected through the proportional system and the component to be defined in accordance with the number of votes received by a party.
4. The amount of the state funding to be received by a party shall be calculated in the following way:

$$Z=B+(M*600*12)+(L*100*12)+(V*1,5)+(W*1)$$

Where, Z is the amount of state funding to be received by a party, B is the amount of basic funding, M – is the number of the MPs up to 30 elected from a proportional list, L is the number of the MPs above 30 elected through the proportional system, V is the number of the received votes under 200 000; W is the number of the votes received above 200 000.

5. The amount of the basic funding is 150 000 GEL annually.
6. If an election subject (party/election bloc) overcomes 8% threshold in the last parliamentary elections, or 6% threshold in the last local self-government elections, the

basic funding shall be 300 000 GEL in a year. The law of Georgia on the respective budget year can define a larger amount of the basic funding.

7. For the purpose of the formula of this Article, M and L shall equal to zero, if authority of the MPs elected through the proportional list is terminated in accordance with the Georgian legislation. M and L shall also change (reduce or increase) by the relevant amount, if the MPs elected through the proportional system, within 3 months upon recognition of their authority leave or join the party which receives a state funding in compliance with this Law.
- 7¹. The election subject receiving funding from the state budget in accordance with rules prescribed by this Article, will receive from the state budget 10% of supplement, if in the nominated party list (local self-government elections – all party list) it includes at least 20% of different gender in each 10 candidates. *(28.12.2011.N5661)*
8. For the purpose of the formula of this article, the results of the last parliamentary or local elections shall be used based on the parties' estimation, in accordance with the terms described by this article.
9. If for the purpose of this article the results of the election bloc in the respective elections are used, the number of the received votes shall be divided by the number of the parties in the respective bloc.
10. The basic funding shall be equally distributed among the parties in the election bloc.
11. The party shall get the budgetary funding only based on the prior written consent which shall be submitted to the State Audit Office annually, not later than 25 November. If party fails to submit the written consent for receiving the next year's state funding in time, the State Audit Office shall inform the party in a written form on the next day after expiration of the deadline. The party has right to submit the relevant consent within 3 days from receiving warning from the State Audit Office. If the party fails to submit the relevant consent in the timeframes set by the State Audit Office, it shall lose the right to receive state funding next year. The State Audit Office shall inform the party thereon in a written form. The State Audit Office is obliged to transfer the money back to the state budget within 5 days after the relevant party loses the right for state funding. *(22.06.2012. N6551 shall enter into force 01.07.2012)*
12. During the election year, for financial support of a party election campaign, additional funding shall be allocated from the State Budget in order to cover TV commercials costs. Funds prescribed by this paragraph shall receive only those political unions which receive funding in accordance to the previous general election results. In accordance to this paragraph, for the purposes of calculation of amount of funds allocated for political unions, received votes of relevant electoral subject shall be multiplied by three and divided into

number of political unions in electoral subject. Herewith, amount of funding allocated for one electoral subject (total sum for political unions in electoral subject) shall not exceed 600 000 GEL. (8.05.2012.N6116)

Article 30¹ (30.12.2008.N963)

1. Apart from the state funding defined in the article 30 of the present law, a certain amount of funds from the state budget shall be transferred to a fund annually. The aim of the fund is to contribute to the development of parties and NGO sector and creation of a healthy and competitive political system.
2. The funding of parties and NGOs from the fund shall be held in accordance with the rule prescribed by this Article.
3. The functions of a fund defined in this Article shall be carried out by the Center for Development of Electoral Systems, Reforms and Training. (25.12.2009 N2476)
4. The amount of sum to be transferred from the state budget to the fund shall be half of the amount which is to be directly distributed among parties in accordance with the Article 30th of this Law.
5. Transfer of money from the state budget to the fund shall be carried out on a quarterly basis.
6. Other sources can be used as well for accumulating money in the fund.
7. 50% of the money transferred from the state budget to the fund shall be distributed among parties, while 50% among NGOs.
8. The amount of sum in the fund allocated for the parties shall be distributed among parties proportionally with their basic funding.
9. Sum from the fund shall be released only for financing researches, studies, conferences, official visits, regional projects and projects aiming voters' civic and electoral education. (28.12.2011.N5661)
10. The grants for the NGOs shall be released only based on the submitted projects aimed at party development and voters' civic education. The amount of money to be transferred to one NGO shall not exceed the 10% of the total amount of money allocated for NGOs. At least 3 international organizations' representatives or representatives of the foreign funds with the relevant experience shall participate with a right to advisory vote, in the activities NGOs projects reviewing center. (28.12.2011.N5661)

11. The party shall annually submit a report to the fund on the reasonable usage of the received sum. If the party fails to submit a report in accordance with the law or fails to use the money in accordance with the objectives determined by this Article the party financing from the fund shall be suspended for one year.
12. If parties or NGO sector will not be able to use the money from the fund, the money shall be transferred for allocation to the next year.

Article 31 (15.07.2008 N 230)

1. Issuance of the state funding, prescribed by the Article 30th of this Law, begins after Central Election Commission announces final results of election.
2. Acceptable sum of money in a form of state funding will be transferred on party's account on monthly basis with amount of 1/12 of total budgetary fund of the party.
3. If right of a party to receive state funding arises during the year, but at least 6 calendar months still remain before the end of the year, party will receive the whole amount of the money of that year and it will be distributed proportionally to the following months, but if less than 6 calendar months is left by the end of the year, the party will receive funding only for the remaining months in accordance with the rule established by the Paragraphs 1st and 2nd of this Article.
4. If a party refuses the monetary funds in accordance with the Article 30th, money shall be transferred to the state budget.
5. Deleted (30.12.2008 N 963)

Article 32 (28.12.2011.N5661)

1. A party shall, before February 1 of each year, send the financial declaration of previous year together with the auditor's (auditing firm's) conclusion to the State Audit Office. The declaration shall provide the annual income of the party (including the membership fees and amount of donations, identity of the natural persons providing the membership fees, information about the natural persons providing the contributions, the finances allocated by the state as well as the finances received as a result of publications or other activities of the party) and the expenditures of the parties (the expenditures spent on elections, financing of various activities, remuneration, business trips and other), as well as the report on its proprietary status (owned premises, quantity and type of vehicles, their total value, amount

of funds the party has in the banking institutions). (22.06.2012. N6551 shall enter into force 01.07.2012)

2. A party's income-expenditure related to election should be shown separately in party's financial declaration.

3. The State Audit Office is obliged to provide all interested persons with the information related to a party's financial declaration as well as to publish financial declaration on the web side within 5 working days after receiving it. (22.06.2012. N6551 shall enter into force 01.07.2012)

4. A party is obliged to indicate in its financial declaration expenditures made by person subject to the restrictions prescribed by Article 26¹ of this Law, which were spent on election purposes and activities of a party. Indicated expenditures do not include expenditures made by persons prescribed by paragraph 5 of the Article 26¹ with an aim of party institutional support. (8.05.2012. #6116)

5. The State Audit Office drafts the form of annual financial declaration of party and defines the appropriate standards of audit of financing; (22.06.2012. N6551 shall enter into force 01.07.2012)

6. The party is obligated to keep the financial declaration and all the documents related to it within the period of 6 years, as well as to comply with the obligations established by the tax legislation, related to maintenance of the tax documents.

7. The party whose annual turnover does not exceed 1000 GEL has a right to submit financial declaration without audit report. (8.05.2012. N 6116)

Article 32¹ (22.06.2012. N6551 shall enter into force 01.07.2012)

After setting up election day, once in every three weeks party participating independently in the elections or in election bloc, shall submit financial report to the State Audit Office in a form set by the State Audit Office.

Article 32² (22.06.2012. N6551 shall enter into force 01.07.2012)

The State Audit Office establishes the rule for transparency of the data related to a party's financial condition and donations prescribed by this law.

Article 33 (28.12.2011. N5661)

1. Party is obliged to make a financial audit of its activities annually.
2. For the purpose of conducting financial audit, a party is entitled to address any independent auditor, who complies with the standards defined by the State Audit Office. (22.06.2012. N6551 shall enter into force 01.07.2012)
3. An independent auditor's report on a party's financial condition shall be submitted to the State Audit Office. (22.06.2012. N6551 shall enter into force 01.07.2012)

Article 33¹ (28.12.2011. N5661)

Agreement that intends avoidance of rules and restrictions prescribed by this chapter shall be void. On the basis of such agreement issued and accepted property shall be transferred to the state property.

Article 34 (22.06.2012. N6551 shall enter into force 01.07.2012)

If a party fails to submit its financial declaration to the State Audit Office in time, the latter shall warn the party in a written form and request to remove inaccuracy within 5 days. Unless the party submits its financial declaration to the State Audit Office of Georgia within 5 days, it shall not be entitled to receive public funding indicated in the Article 30th of this Law for subsequent 1 year.

Article 34¹ (22.06.2012. N6551 shall enter into force 01.07.2012)

1. Monitoring over the legality and transparency of financial activities of a political party shall be carried out by the State Audit Office.
2. The State Audit Office is authorized:
 - a.) Elaborate the annual form of declaration of the party;
 - b.) To define auditing standards of financing for political parties;
 - c.) To verify completeness, accuracy and legality of the financial declaration and the report of fund of the election campaign;
 - d.) To conduct audit of financee activity of the parties;
 - e.) To ensure transparency of financing of the parties;

- f.) If required, request information on party's finances from administrative bodies and commercial banks;
 - g.) If required, request information from persons about the origins of the property contributed to or received from party or the persons defined by the article 26¹ of this law.
 - h.) Give consultations to the interested persons about party's financing;
 - i.) To response on violation of the legislation related to the party funding and apply the sanctions prescribed by the law;
 - j.) Apply to the prosecution service in case of disclosure of any crime.
 - k.) If there is a probable cause regarding the existence of circumstances prescribed by the Article 26¹ of this Law, to request a financial report from a person.
 - l.) To make decision on the imposition of restrictions defined in the Article 26¹ of this Law on persons through a simple administrative procedure. Upon request of a party, a copy of the decision shall be handed to the party before 18:00 of the next day after the issuance of the act.
 - m.) To develop monitoring methodology of a party's financial activity.
 - n.) To Exercise other authorities prescribed by the Law.
3. If there is a probable cause that the requirements established by this law are violated, state agencies provide with this information to the State Audit Office.

Article 34² (8.05.2012. N6116)

1. Receipt or hide of donations/membership fees prohibited by Georgian legislation by party or a person prescribed by paragraph 1 of the Article 26¹ of this Law – will result in transferring the prohibited donation/membership fee in the state budget and fine with five fold of the received donation/membership fee.
2. Implementation of donation/membership fee prohibited by Georgian legislation carried out by physical or legal entity, their union or other types of organizational forms in favour of a party or a person prescribed by paragraph 1 of the Article 26¹ – will result in fine of a person implementing prohibited donation/membership fee with five fold of the donation/membership fee.
3. Receipt or/and hide of information regarding the donation/membership fee, prohibited by Georgian legislation, by person in favour of a party or a person prescribed by paragraph 1 of the Article 26¹ of this Law– will result in fine of a person with five fold of the donation/membership fee.

4. Failure to comply with the requirements and obligations prescribed by this Law by party or by the person prescribed by paragraphs 1st and 2nd of the Article 26¹ – will result in fine by 5 000 GEL;
5. Failure to provide information to the State Audit Office in compliance with obligations by the law – will result in fine by 5 000 GEL; (22.06.2012. N6551 shall enter into force 01.07.2012)
6. Violation of requirements prescribed by Article 25² of this Law, also receipt of illegal gift, income, service, or property (service) by physical person, prescribed by this Law, if value doesn't exceed 100 GEL - will result in fine of a party, party representative, legal entity with ten fold of corresponding property (service), or of corresponding agreement and twice fold of corresponding value of physical person.
7. To make an agreement prescribed by Article 33¹ of this Law - will result in fine with five fold of value of an agreement.
8. Violation of requirements prescribed in paragraphs 1st and 1¹ of Article 25¹ of this Law - will result in a fine worth five-fold of the expense that exceeded the prescribed limits.
9. Act prescribed by paragraphs 1-8 of this Article, made repeatedly, or made by one person by means of different legal entity or physical person - will result in fine with twice fold of the defined fine by related paragraph.
10. A person can be held liable as prescribed by this Article during 6 years after perpetrating the relevant act.
11. On administrative offences prescribed by this Article an authorized person of the State Audit Office shall draft an administrative offence protocol, which shall be immediately sent to the Regional (City) Court for review. (22.06.2012. N6551 shall enter into force 01.07.2012)
12. If circumstances are present that might obstacle execution of penalties for offences prescribed by the law, State Audit Office is authorized with drafting protocol of administrative offences, to seize property of a party or/and person (including bank accounts) proportionally with a sanction in accordance with the relevant offence. Seizure shall enter into force immediately and with the protocol of administrative offences shall be presented to the Court for confirmation. (22.06.2012. N6551 shall enter into force 01.07.2012)
13. Court reviews protocol of administrative offences and issue of confirmation of seizure (if such exists) prescribed by paragraphs 11 and 12 of this Article and makes decision within 48 hours after its submission. Court decision shall be appealed once in a Court of Appeal within 48 hours. Appeal doesn't suspend validity of a seizure. Court of Appeal makes its decision within 48 hours. Decision is final and may not be appealed.

Chapter IV

Termination of a Party's activity

Article 35

A party may be banned only by decision of the Constitutional Court of Georgia, in accordance with the procedure prescribed by this Law.

Article 36

The Constitutional Court of Georgia may banned a party, which is aimed at subversion or forced change of constitutional order of Georgia, infringement upon the country's independence, interference with its territorial integrity or which propagates war or violence or kindles a national, community, religious or social feud, forms or already had formed military unit.

Article 37

1. Activity of a party may also be terminated by means of its reorganization (merger, accession or separation) or self-liquidation.
2. A party may be reorganized by decision of its general meeting. The party (parties) emerged as a result of reorganization shall be registered in accordance with rules prescribed by this Law.
3. If reorganization of a party is decided, its general meeting shall also decide on distribution of the party's property in accordance with established rules.
4. Self-liquidation of a party may be effected by decision of its general meeting in accordance with rules prescribed by the party's statute.

Article 38

Property of a banned or self-liquidated party shall be handed to the state treasury.

Chapter V

Transitional Provisions

Article 39

1. Parties registered under Law of Republic of Georgia on Political Unions of Citizens as of 10 August 1991 shall undergo registration anew in accordance with this Law before 1 March 1998.
2. If a party is registered anew, requirements under Articles 12 and 22(2)(b) of this Law shall not apply to that party.
3. Deleted (15.07.2008 N230)
4. Deleted (15.07.2008 N230)
5. Deleted (15.07.2008 N230)
6. Deleted (15.07.2008 N230)
7. The rule defined in the article 30 paragraph 10 of the present law, before 1 January 2011, shall not concern to the parties which shall get the state funding in accordance with the results of elections conducted before 1 October 2007. (27.02.2009 N 1026)
8. Deleted (15.07.2008 N230)
9. The rule defined in the article 30 paragraph 6 of the present law, concerns the results of the conducted elections after 1 October 2007. (27.02.2009 N 1026)
10. For the purpose of receiving the 2009 state funding the parties shall submit prior consent to the Central Election Commission no later than January 31, 2009.(30.12.2008 N 963)

Chapter VI

Concluding Provisions

Article 40

This Law shall enter into force upon its publication.

Article 40¹ (16.12.2005 N 2260)

Paragraph 3rd of the Article 26th of this law shall enter into force from the January 1, 2009.

Article 41

Entry into force of this Law shall invalidate the Law of Republic of Georgia on Political Unions of Citizens as of 10 August 1991 (Herald of the Supreme Council of Georgia, 1991, 18, Art. 591).

President of Georgia

Eduard Shevardnadze

Tbilisi

31 October 1997

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