



Groupe d'Etats contre la corruption
Group of States against corruption

DIRECTORATE GENERAL I - HUMAN RIGHTS AND RULE OF LAW
INFORMATION SOCIETY AND ACTION AGAINST CRIME DIRECTORATE



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Third Evaluation Round

Second Compliance Report on Finland

"Incriminations (ETS 173 and 191, GPC 2)"

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"Transparency of Party Funding"

Adopted by GRECO
at its 53rd Plenary Meeting
(Strasbourg, 5-9 December 2011)

I. INTRODUCTION

1. The Second Compliance Report assesses further measures, by the authorities of Finland taken since the adoption of the Compliance Report in respect of the recommendations issued by GRECO in its Third Round Evaluation Report on Finland. It is recalled that the Third Evaluation Round covers two distinct themes, namely
 - **Theme I – Incriminations:** Articles 1a and 1b, 2-12, 15-17, 19 paragraph 1 of the Criminal Law Convention on Corruption (ETS 173), Articles 1-6 of its Additional Protocol (ETS 191) and Guiding Principle 2 (criminalisation of corruption).
 - **Theme II – Transparency of party funding:** Articles 8, 11, 12, 13b, 14 and 16 of Recommendation Rec(2003)4 on Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns, and - more generally - Guiding Principle 15 (financing of political parties and election campaigns).
2. The Third Round Evaluation Report was adopted at GRECO's 35th Plenary Meeting (3-7 December 2007) and made public on 12 December 2007, following authorisation by Finland (Greco Eval III Rep (2007) 2E, [Theme I](#) and [Theme II](#)). The subsequent Compliance Report was adopted at GRECO's 45th Plenary meeting (30 November – 4 December 2009) and made public on 4 December 2009, following the authorisation by Finland (Greco RC-III (2009) 2E).
3. As required by GRECO's Rules of Procedure, the Finnish authorities submitted their Second Situation Report with additional information regarding actions taken to implement the recommendations that were partly implemented or not implemented, according to the Compliance Report. This report was received on 30 June 2011 and served as a basis for the Second Compliance Report.
4. GRECO selected Norway and the United Kingdom to appoint rapporteurs for the compliance procedure. The Rapporteurs appointed for the Second Compliance Report were Mr Jens-Oscar NERGÅRD, Senior Adviser, Ministry of Government Administration and Reform (Norway) and Mr Roderick MACAULEY, Head of Corporate Crime and Bribery in the Criminal Law and Legal Policy Division, Ministry of Justice (United Kingdom). They were assisted by GRECO's Secretariat in drawing up the Second Compliance Report.

II. ANALYSIS

Theme I: Incriminations

5. It is recalled that GRECO in its Evaluation Report addressed 7 recommendations to Finland in respect of Theme I and that recommendations iv, v and vii were considered implemented satisfactorily in the Compliance Report. The remaining recommendations are dealt with below.
6. The legal amendments of the Criminal Code referred to below were accepted by Parliament on 15 March 2011, confirmed by the President on 10 June 2011 and entered into force on 1 October 2011.

Recommendation i.

7. *GRECO recommended to verify the coverage of the notion of foreign arbitrators in Finnish law and, if need be, to transpose in an unequivocal manner the definition of foreign arbitrators as provided for in Article 4 of the Additional Protocol to the Criminal Law Convention on Corruption (ETS 191) into Finnish legislation and, to sign and ratify this Instrument as soon as possible.*
8. GRECO recalls that this recommendation was considered partly implemented in the Compliance Report as draft legislation addressing the issue was underway.
9. The authorities of Finland now report that section 7 (bribery in business) and section 8 (acceptance of a bribe in business) in Chapter 30 of the Criminal Code have been amended so that these provisions also explicitly apply to an arbitrator. In addition, a new section 14 has been added to Chapter 30 of the Criminal Code, according to which sections 7, 7a, 8 and 8a of the said Chapter applies to both domestic and foreign arbitrators undertaking duties in accordance with the legislation on arbitration proceedings of a foreign country.
10. GRECO takes note of the amendments to the Criminal Code, which appear to be wide enough to cover all forms of bribery of arbitrators, whether in the domestic or the foreign context, as foreseen in the Criminal Law Convention. GRECO also notes that Finland has ratified the Additional Protocol to the Criminal Law Convention (ETS 191) on 24 June 2011 and that this instrument entered into force in respect of Finland on 1 October 2011.
11. GRECO concludes that recommendation i has been implemented satisfactorily.

Recommendation ii.

12. *GRECO recommended to review the legislation concerning bribery of members of the Finnish Parliament, members of foreign parliaments and members of international parliamentary assemblies, in order to comply with the requirements of Articles 4, 6 and 10 of the Criminal Law Convention on Corruption (ETS 173).*
13. GRECO recalls that the Evaluation Report concluded that the legislation at the time covered situations where a member of Parliament “*in exchange for the benefit and in his/her parliamentary mandate, act[s] so that a matter being considered or to be considered by Parliament would be decided in a certain way*”, and that this wording created a scope that is narrower than what is foreseen in Article 4 of the Criminal Law Convention. In the Compliance Report GRECO noted with satisfaction that this restriction did not appear in the draft legislation but also noted, however, that according to the proposed new wording the bribery act was to be “*conducive towards seriously undermining the independence of the exercise of the parliamentary mandate*”, which appeared, in the view of GRECO, to limit this offence when compared to the requirements of Articles 4, 6 and 10 of the Convention which have no such limitations. Consequently, GRECO concluded that the recommendation had not been implemented satisfactorily and that the proposed wording of section 14a, Chapter 16 of the Criminal Code would require further review by the Finnish authorities in order to fully comply with the text of the Convention.
14. The authorities of Finland now report that the Criminal Code concerning bribery of members of Parliament has been amended, as follows. As regards the active offence, section 14 a(1) in Chapter 16 of the Criminal Code states that a person who promises, offers or gives a member of Parliament a gift, which cannot be considered an act of ordinary hospitality, or other unlawful

benefit intended for him or her or another person in order to have the member of Parliament act in his or her parliamentary mandate in a certain manner or to have him or her refrain from acting in a certain manner, or as a reward for such action, and the act is conducive towards seriously undermining the independence of the exercise of his/her parliamentary mandate, shall be sentenced for the offence of *giving of bribes to a member of Parliament* to a fine or imprisonment for a maximum of two years. Moreover, according to a new subsection 2 of the aforesaid section, election funding in accordance with the Act on a Candidate's Election Funding (273/2009) is not considered a bribe to a member of Parliament, unless its purpose is to evade subsection 1. Furthermore, a new section on *aggravated giving of bribes to a member of Parliament* has been added to the Criminal Code (Chapter 16, section 14 b). This offence is committed if the gift or benefit is intended to make the member of Parliament act in his or her parliamentary mandate to the considerable benefit of the briber or of another person, or to the considerable loss or detriment of another person, if the gift or benefit is of considerable value, or if the circumstances assessed as a whole are serious. The penalty is imprisonment for at least four months and at most four years.

15. As regards the passive offence, according to the amended section 4(1) in Chapter 40 of the Criminal Code, a person shall be sentenced for *acceptance of a bribe as a member of Parliament* to a fine or to imprisonment for at most two years, if the member of Parliament, for himself or herself or for another, 1) requests a gift or another unlawful benefit or otherwise takes an initiative in order to receive such a benefit, or 2) accepts or agrees to accept a gift which cannot be considered an act of ordinary hospitality or another unlawful benefit, or agrees to a promise or offer of such a gift or other benefit in order to act in his or her parliamentary mandate in a certain manner or to refrain from acting in a certain manner in exchange for the benefit, or as a reward for such action, and the act is conducive towards seriously undermining the independence of the exercise of his/her parliamentary mandate. The penalty is a fine or imprisonment for at most two years. Furthermore, a new subsection 2 has been added to the aforesaid section, according to which election funding in accordance with the Act on a Candidate's Election Funding is not considered acceptance of a bribe as a member of Parliament, unless the purpose of the act is to evade subsection 1. Moreover, provisions on an aggravated form of acceptance of a bribe as a member of Parliament have also been added to the Criminal Code; according to a new section 4a in Chapter 40 of the Criminal Code, a member of Parliament commits *aggravated acceptance of a bribe as a member of Parliament* if the member of Parliament sets a gift or a benefit as a prerequisite for his or her actions or acts or intends to act in his or her parliamentary mandate to the considerable benefit of the briber or of another person, or to the considerable loss or detriment of another person, or if the gift or benefit is of considerable value, or if the circumstances assessed as a whole, are serious. The penalty is imprisonment for at least four months and at most four years. The authorities further confirm that the scope of application of section 20, Chapter 16 and section 12(4), Chapter 40 of the Criminal Code have been amended so that active bribery as well as passive bribery of parliamentarians also apply in respect of bribery of foreign parliamentarians.
16. GRECO notes that the criminal legislation concerning bribery of members of parliaments is more differentiated following the legislative amendments detailed above, in which a distinction between non aggravated and aggravated forms of such bribery has been introduced, following the same pattern as applies in respect of bribery of public officials. GRECO also notes, however, that the overall span of sanctions has not been changed. More importantly, GRECO notes that the wording in the draft law that the bribery act is to be "*conducive towards seriously undermining the independence of the exercise of the parliamentary mandate*", which attracted criticism in the Compliance Report, has been replicated in the amended law. GRECO maintains its position that

this appears to limit this offence in comparison with the requirements of Articles 4, 6 and 10 of the Convention. That said, the new provision of the Finnish law achieves greater consistency with articles 4, 6 and 10 of the Convention but is still not in full compliance with these articles.

17. GRECO concludes that recommendation ii has been partly implemented.

Recommendation iii.

18. *GRECO recommended to clarify in an appropriate manner what should be considered “due” and/or “undue” gifts/benefits, both in terms of material and immaterial advantages for all forms of bribery offences.*
19. It is recalled that the reasons in essence for the current recommendation were that the existing law is worded in a rather general way and that there is only limited case-law on bribery offences in Finland. As a consequence, there is a “grey zone” between what should be considered due and undue advantages, including material and immaterial benefits, which makes it difficult for public officials and others to know what benefits are acceptable and which are not (Evaluation Report, paragraph 99). Finland had not taken any concrete measures to implement this recommendation, according to the Compliance Report.
20. The authorities of Finland now report that the Ministry of Justice has not elaborated any guidelines on the law as this would be in conflict with the independence of the judiciary in its role to develop case law. However, on 23 August 2010, the Ministry of Finance published general guidelines for the state administration concerning hospitality, benefits and gifts (VM/1592/00.00.00/2010). The purpose of the guidelines, which are to be followed within the state administration, is to provide answers to questions in practice on issues that civil servants need to take into consideration in case they are offered benefits, gifts or hospitality in official business. The guidelines are available to GRECO.
21. GRECO stresses that this recommendation was drafted in an open ended way meaning that the authorities were free to choose suitable and feasible measures to remedy the shortcoming identified. GRECO fully appreciates the difficulty in drafting legally binding guidelines at this stage. With the general guidelines adopted by the Ministry of Finance, however, Finland has addressed the problem in an adequate and useful manner even if that measure is clearly limited in scope.
22. GRECO concludes that recommendation iii has been dealt with in a satisfactory manner.

Recommendation v.

23. *GRECO recommended to consider abolishing the requirement of dual criminality in respect of bribery offences in the private sector when committed abroad and thus withdrawing or not renewing the reservation relating to Article 17 of the Criminal Law Convention on Corruption (ETS 173).*
24. GRECO notes that this recommendation was already considered implemented satisfactorily in the Compliance Report as Finland was not asked more than to *consider* the matter, which had been done at the time. Nevertheless, GRECO wants to highlight that the Finnish Parliament now has adopted legislation, according to which the dual criminality requirement has been abolished.

Moreover, Finland's previous reservation relating to Article 17 of the Criminal Law Convention on Corruption (ETS 173) has been withdrawn. This is a positive development.

Recommendation vi.

25. *GRECO recommended to increase the penalties for bribery offences in the private sector.*
26. GRECO recalls that according to the Compliance Report this recommendation was partly implemented because a working party on behalf of the Government had proposed to introduce aggravated forms for private sector bribery, providing for sanctions of between 4 months' and 4 years' imprisonment, in line with the sanctions for public sector bribery.
27. The authorities of Finland report that the proposed legislation has been adopted by Parliament.
28. GRECO is pleased to note that Finnish criminal law no longer maintains a distinction in terms of sanctions for private sector bribery on the one hand and bribery in the public sector on the other hand, which is in line with the intentions of the drafters of the Criminal Law Convention on Corruption.
29. GRECO concludes that recommendation vi has been implemented satisfactorily.

Theme II: Transparency of Party Funding

30. It is recalled that GRECO in its Evaluation Report addressed 10 recommendations to Finland in respect of Theme II. Following the adoption of the Evaluation Report, a *Committee on Election and Party Funding* was established in Finland to prepare proposals to reform the regulatory framework concerning the funding of political parties and election candidates in the light of GRECO's recommendations. The authorities have described this Committee as a broadly based working party in which all the political parties represented in Parliament, several universities and the Ministry of Justice participated. However, at the time of adoption of the Compliance Report this work had not been completed and only recommendation viii had been implemented satisfactorily, while the other recommendations were partly implemented.
31. GRECO is pleased to note that the approach by the Finnish authorities to deal with GRECO's recommendations, has been very successful; new legislation in respect of election candidates was presented in the Compliance Report and now Finland has also amended the Act on Political Parties (683/2010), which entered into force on 1 September 2010. More details are described below.

Recommendation i.

32. *GRECO recommended to consider introducing a more frequent reporting on election activities, including income received and expenses incurred, during election campaigns.*
33. This recommendation was considered as partly implemented in the Compliance Report; it is recalled that the Act on a Candidate's Election Funding, including a specific provision on the duration of the election campaign and what is deemed to constitute election funding for a candidate, had entered into force, *inter alia*, providing for increased transparency in respect of income and expenditure of election candidates. More particularly, the issue of reporting routines

in respect of election activities of political parties, had at the time been considered by the Government, which had proposed to amend the Act on Political Parties (legislation not adopted) in order to make political parties as well as corporations and foundations involved in campaign financing obliged to report donations exceeding the threshold of 1500 Euros at the same frequency as is the case for election candidates.

34. The authorities of Finland now report that a provision on an obligation to file an up-to-date disclosure (section 8 c) has been added to the Act on Political Parties. This obligation applies not only to political parties, but also to party associations and entities affiliated with a political party. Moreover, a disclosure must be supplemented whenever the value of financial support from the same donor exceeds the 1500 Euros. The disclosures are to be filed electronically not later than on the 15th day of the calendar month following the month when the contribution was received, in order to secure the transparency of external funding received both during election campaigns and during periods in between.
35. In addition, a political party and associated entities are to provide itemised lists of the election campaign costs incurred during the campaign period and of the election campaign funding (section 9 b). This list is to be drawn up in connection with the financial statement (section 9 a(1)). Also for the first time, a definition of the duration of an election campaign was added to the Act on Political Parties (section 8(3)). In addition, a provision concerning a voluntary advance disclosure was added to the Act, according to which a political party and a subsidiary association to the party may before the election day file an advance disclosure with the National Audit Office containing an estimate of campaign funding and costs (section 9 b(4)).
36. GRECO welcomes the fact that Finland, through the amendments to the Act on Political Parties, has not only considered but also developed a system of more frequent reporting of income and expenditure in relation to election campaigns as requested in the recommendation.
37. GRECO concludes that recommendation i has been implemented satisfactorily.

Recommendation ii.

38. *GRECO recommended to strengthen the reporting obligations in respect of the required level of itemisation of income and expenditure, including the nature and value of individual donations and expenditure.*
39. It is recalled that GRECO concluded in the Compliance Report that this recommendation was partly implemented as new legislation had been adopted and disclosure forms had been elaborated requiring more detailed reporting obligations in respect of income and expenditure of election candidates, but that similar regulations had only been proposed in respect of political parties.
40. The authorities of Finland now indicate that the amendments to the Act on Political Parties, *inter alia*, provide definitions of financial support to a political party and to a party association (section 8) and financial support to an entity affiliated with a political party (section 8a). These clarify the contents of what has to be filed in a disclosure report, for example, contributions received in form of money, goods, services or other performances. Furthermore, it follows from section 9b of the Act that a political party and an association referred to in a party subsidy decision have to provide an itemised list of the election campaign costs incurred during the campaign period and of the election campaign funding. The law itself contains an itemised list.

Furthermore, the details of the costs and funding of an election campaign is to be submitted using an electronic form drawn up by the National Audit Office (Regulation of the National Audit Office of Finland 361/41/2010, 10 December 2010).

41. GRECO is pleased to note that Finland has now put in place legislation as well as subordinate guidelines in order to provide for more transparency in respect of income and expenditure in relation to the election campaigns of election candidates as well as political parties and other entities linked to parties.
42. GRECO concludes that recommendation ii has been implemented satisfactorily.

Recommendation iii.

43. *GRECO recommended to ensure that donations in kind to political parties (other than voluntary work from non-professionals) are evaluated and accounted for at their commercial value.*
44. It is recalled that GRECO concluded in the Compliance Report that this recommendation was partly implemented as new legislation had only been proposed in respect of political parties' accounting of donations in-kind.
45. The authorities of Finland now stress that the Act on Political Parties, as amended in 2010, provides express definitions of financial support to a political party and party associations (section 8(2)) and of financial support to an entity affiliated with a political party (section 8 a(2)), according to which contributions received in forms other than money are to be estimated and the contributions reported to their monetary value.
46. GRECO takes note of the legal clarifications concerning the accounting for in-kind donations adopted in respect of political parties as well as certain other connected associations (and in respect of election candidates, which goes beyond what was requested in the recommendation).
47. GRECO concludes that recommendation iii has been implemented satisfactorily.

Recommendation iv.

48. *GRECO recommended to introduce a general ban on donations from donors whose identity is not known to the political party/candidate and to consider lowering the threshold of donations above which the identity of the donor is to be disclosed.*
49. It is recalled that GRECO concluded in the Compliance Report that this recommendation was partly implemented as new legislation banning donations from unknown donors had been adopted; similar legislation had been proposed, however not adopted, in respect of political parties.
50. The authorities of Finland now indicate that the Act on Political Parties, as amended in 2010, provides for a ban on accepting any financial support unless the donor can be identified (section 8 b (1)). This does not, however, apply to contributions received as a result of ordinary fund-raising activities. Certain other restrictions for the reception of contributions have also been laid down in the same section, such as a contribution limit of 30,000 Euros for individual donors (subsection 2), a prohibition against receiving financial support from foreign donors

(subsection 3), and a prohibition against receiving financial support from the general government (subsection 4).

51. GRECO welcomes what has been reported, in particular, the ban on anonymous contributions introduced in respect of political parties, which was the subject of the recommendation. In this context, GRECO accepts that ordinary fund raising activities, such as public collections, lotteries, small scale selling and “rallies” etc. are not covered by the ban.
52. GRECO concludes that recommendation iv has been implemented satisfactorily.

Recommendation v.

53. *GRECO recommended to introduce provisions specifying that the disclosure thresholds, as established under the Act on the Disclosure of Election Financing, also apply to the total sum of all donations received from the same donor in each calendar year.*
54. GRECO concluded in the Compliance Report that this recommendation was also partly implemented as the authorities had specified in the 2009 Act on Candidate’s Election Funding that the disclosure thresholds apply in respect of the total sum of all donations from the same donor during a campaign. Similar legislation had been proposed, however, not adopted in respect of political parties.
55. The authorities of Finland now report that following the 2010 amendments to the Act on Political Parties, a political party, a party association and an affiliated entity must file an up-to-date disclosure form (section 8 c) with the National Audit Office, if the value of an individual contribution or the total value of several contributions from the same donor exceeds 1,500 Euros per calendar year. The disclosure must be supplemented whenever the value of financial support from the same donor, consisting of new contributions, after filing or supplementing a disclosure exceeds the same amount. The authorities explain that this form of regulation has been chosen in order to ensure that the disclosures are always up-to-date, which would not have been the case if the party obligated to file a disclosure could wait for any possible additional contributions until the end of the calendar year before filing. Similarly, it is expressly provided that all campaign contributions received from the same donor are to be added up and reported as a single campaign contribution (section 9 b(2)).
56. GRECO takes note of the information provided, which makes it clear that several donations from the same person to political parties and other associations linked to political parties during a calendar year are to be added together. The overall purpose of this requirement is to avoid circumvention of the threshold rules. GRECO notes that this principle now applies in respect of election candidates as well as to political parties and entities linked to parties.
57. GRECO concludes that recommendation v has been implemented satisfactorily.

Recommendations vi and vii.

58. *GRECO recommended to bring the rules on disclosure of donors’ identities of the political parties in line with those applicable to election candidates (recommendation vi).*
59. *GRECO recommended to find ways to increase the transparency of contributions by third parties (e.g. interest groups, political education foundations) to political parties (recommendation vii).*

60. It is recalled that these recommendations were partly implemented in the Compliance Report as with respect to both of them, draft amendments to the Act on Political Parties had been prepared, requiring that political parties as well as associations directly or indirectly linked to political parties were to be obliged to report to the National Audit Office about donations received exceeding the value of 1500 Euros (in total), indicating the value of the donation(s) and name of each donor.
61. The Finnish authorities indicate that following the amendments to the Act on Political Parties in 2010, section 8 c(1), which applies to political parties, party associations and entities affiliated with political parties, specifies that a disclosure of a contribution must contain information on the value of the contribution and the donor. Similarly, a political party and an association referred to in a party subsidy decision must mention each individual campaign contribution and its donor separately in the itemised list of the election campaign costs and funding (section 9 b(2)), if the value of a contribution exceeds the amount specified in the Act. A special restriction protecting the privacy of a donor is laid down in the same section, according to which the name of a private individual may not be disclosed without his or her express consent if the amount donated is under 1500 Euros.
62. The authorities also state that by adding the definitions of a party association (section 8(1)) and an entity affiliated with a political party (section 8a(1)) to the Act on Political Parties, the judicial status of entities affiliated with political parties has been clarified. Both of these definitions are new and, as a consequence, the above-mentioned associations and entities now fall under the scope of application of the Act on Political Parties. The limitations on financial support (section 8b) and the obligation to file an up-to-date disclosure (section 8c) laid down in the Act on Political Parties also apply to party associations and entities affiliated with political parties.
63. GRECO is pleased to learn about the measures included in the Act on Political Parties, specifically that the names of donors are to be identified in respect of donations over 1500 Euros. This is now in line with what was already the case with election candidates. Moreover, GRECO notes that Finland has also managed to establish an equal level of transparency in respect of entities linked to political parties. Thus, the reform has not only increased the transparency of financial support donated by these entities to a political party but also in respect of the financial support received by these entities themselves.
64. GRECO concludes that recommendations vi and vii have been implemented satisfactorily.

Recommendation ix.

65. *GRECO recommended to strengthen considerably the independence of the monitoring of political funding at central and local level; and to ensure proper substantial supervision - in addition to the existing formal control - of the accounts of political parties and the expenses linked to electoral campaigns.*
66. GRECO recalls that the authorities of Finland had implemented this recommendation partly according to the Compliance Report as under the 2009 Act on a Candidate's Election Funding, the responsibility for overseeing the system of financing of election candidates had been given to the National Audit Office, an independent body under the Constitution of Finland (section 90(2)). According to the 2009 Act, the National Audit Office receives all the election funding disclosures to be filed in connection with general elections and is to monitor the compliance with the disclosure obligations; verifying that all election candidates have filed the disclosures, making the disclosure forms publicly available etc.

67. The Finnish authorities now add that with the 2010 reform of the Act on Political Parties, the main responsibility for the monitoring of the funding of, *inter alia*, political parties has also been given to the National Audit Office. According to section 9 e(2) of the Act on Political Parties, the National Audit Office supervises whether a political party, an affiliated entity or an association referred to in a party subsidy decision (a supervised entity) comply with the provisions on financial support, disclosure of election campaign costs and funding. In this duty, the Audit Office may inspect the accountants and the use of funds of the supervised entity and, if necessary, urge such an entity to fulfil its obligations. However, as a main rule the Ministry of Justice continues to supervise the use of state funding to political parties.
68. GRECO welcomes the fact that the National Audit Office of Finland, which is clearly an independent body of high reputation, has become the main supervisory authority over political financing of election candidates as well as of political parties and entities linked to political parties; only state funding still being under the control of the Ministry of Justice. This is a major improvement in the system, which corresponds to the need for true independence and substantial monitoring as developed in the Evaluation Report (paragraphs 77-81).
69. GRECO concludes that recommendation ix has been implemented satisfactorily.

Recommendation x.

70. *GRECO recommended to review the sanctions available for the infringement of rules concerning the funding of political parties and election campaigns and to ensure that these sanctions are effective, proportionate and dissuasive.*
71. This recommendation was also found partly implemented in the Compliance Report as sanctions in respect of election candidates had been established in the 2009 Act on a Candidate's Election Funding (section 10 (2)); the National Audit Office had been provided with the authority to sanction election candidates who do not abide by the rules on filing disclosure forms. However, as far as political parties were concerned, only draft legislation was available.
72. The Finnish authorities now report that as a result of the amendments to the Act on Political Parties in 2010, the National Audit Office, being the main supervisory body over political parties too, has also been vested with sanctioning powers in certain situations, for example, when required documents or information has not been submitted, corrected or completed despite the Office's reminder to do so. The Office may then use a conditional fine, which can be repeated without limits until the result is achieved. The penalty payment, being an administrative sanction, is flexible and it aims primarily at securing compliance with the obligations arising from the Act on Political Parties, similarly to the supervision in accordance with the Act on a Candidate's Election Funding. It was assessed in the reform that a penalty payment, which may be imposed repeatedly if necessary, is a sufficiently effective sanction for possible neglect. In addition, provisions on the discontinuation of or recovery of state funding from political parties which fail to fulfil obligations laid down by the Act on Political Parties.
73. GRECO takes note of the information provided. It welcomes the fact that a variety of sanctions, including of an administrative nature are now available to the National Audit Office in its monitoring of election candidates as well as political parties and other associations linked thereto.
74. GRECO concludes that recommendation x has been implemented satisfactorily.

III. CONCLUSIONS

75. **In view of the conclusions contained in the Third Round Compliance Report on Finland and in view of the above, GRECO concludes that Finland has implemented satisfactorily or dealt with in a satisfactory manner in total sixteen of the seventeen recommendations contained in the Third Round Evaluation Report.** With respect to Theme I – Incriminations, recommendations i, iii – vi have been implemented satisfactorily or dealt with in a satisfactory manner and recommendation ii has been partly implemented. Regarding Theme II – Transparency of Party Funding, all recommendations (i – x) have been implemented satisfactorily.
76. Concerning incriminations, Finland has carried out a substantial reform process comprising, *inter alia*, the criminalisation of bribery of arbitrators and the strengthening of the criminal sanctions for bribery in the private sector. Moreover, Finland has abolished the requirement of “dual criminality” for corruption offences, which strengthens its possibilities to prosecute corruption offences committed abroad. This solid reform has also comprised the ratification of the Additional Protocol to the Criminal Law Convention on Corruption (ETS 191) and made it possible for Finland to withdraw one its reservations in respect of Article 17, paragraph 1(b) of the Criminal Law Convention on Corruption (ETS173). Finland is clearly to be commended for these achievements. That said, more could have been done to bring the offence of bribery of parliamentarians fully into line with the Criminal Law Convention on Corruption (ETS 173).
77. In so far as the transparency of political funding is concerned, Finland has shown remarkable progress since the adoption of the Evaluation Report; it has now in place a new legal framework which aims at providing transparency of financing of election candidates, political parties as well as other entities linked to political parties, in line with the pertinent Articles of the Recommendation Rec(2003)4 on common rules against corruption in the funding of political parties and electoral campaigns. All shortcomings identified in GRECO’s Evaluation Report have been thoroughly addressed. The legal improvements made will increase the general transparency of political funding considerably, if applied as intended. Considering that Finland has had a long tradition of only limited regulations in this area, the achievements made are impressive and may well serve as an inspiration to other GRECO members in the same situation.
78. The adoption of the Second Compliance Report terminates the Third Round compliance procedure in respect of Finland.
79. GRECO invites the authorities of Finland to translate the current report into the national languages and to make the translations public.