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**The most important Amendments to the Law on Political Parties Financing omitted**

*Although the goal of the amendments to the Law on Political Parties Financing is to fulfill the recommendations provided by GRECO, most of them have not been met and represent an attempt of providing illusion of fulfillment of recommendations through cosmetic changes to the Law*

**Banja Luka, 21st April 2016 –** Draft Law on Amendments to the Law on Political Parties Financing, which the Intersectoral Working Group submitted to the parliamentary procedure, will not bring significant improvement in terms of transparency and accountability of political parties, but it only represents an attempt of providing illusion of fulfillment of GRECO recommendations through cosmetic changes to the Law. As it is indicated in the explanation, the goal of the Amendments is the compliance with the recommendations provided by the Group of States against Corruption of the Council of Europe (GRECO), but four out of nine recommendations have not been addressed at all, while the others have been superficially treated or partially met, and none of them have been fully covered by the planned Amendments to the Law.

The proposed Amendments refer to: the abolition of the possibility of political parties financing through bank loans, reports on the income generated by the related parties, the obligation of each political party to publish information on its financial transactions on its website, introduction of the obligation of the CEC BiH to report its suspicions regarding the criminal offenses to the Prosecutor Offices, and modification of the amounts of monetary sanctions for violation of the legal provisions.

However, the Intersectoral Working Group failed to use these Amendments to resolve the most important issues:

* The issues regarding detailed definition of the competencies of CEC in regard to the audit of the costs of the parties or promotion of using unique bank accounts for financial transactions of political parties have not been resolved, although these are two most important criteria for the establishment of the effective control over the parties financing.
* Although there is a proposal to introduce the obligation for the parties to publish information regarding the costs and income on their websites, no required form or publication deadlines have been prescribed.
* The obligation of reporting on the benefits obtained through related parties has been prescribed, but there is no definition of the related parties, and it is not prescribed how to ensure the implementation of this provision or how to control if all the benefits generated by related parties have been reported.
* Sanctions have been partially increased for the violation of specific legal provisions, but TI BiH still believes that monetary sanction of BAM 10.000 cannot motivate political parties to act in accordance with the Law, since the potential benefits from violating these provisions are much higher.
* There are still no provisions that would ensure greater independence of the Audit Office of CEC BiH and capacities necessary for effective law enforcement.

In this way the Intersectoral Working Group again missed the opportunity to improve the legal framework, and now 5 years after publishing the first GRECO report in the Third Round Evaluation, BiH has not fulfilled recommendations concerning political parties financing, which can have serious consequences.

Having in mind that the Intersectoral Working Group suggested to discuss the Draft Law in the regular procedure, TI BiH urges to follow the procedure, and to use the public debate in order to find better solutions that would be based

on GRECO recommendations, as well as the proposals provided for many years by the civil society organizations that deal with this matter.

Otherwise, the assets of the taxpayers invested in the work of the Intersectoral Working Group and the Parliament that shall discuss this Law, will be needlessly spent, and BiH will certainly have to alter the Law in the nearby future in order to harmonize it with the European guidelines and practices.