

Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

- 6 June 2002 [shall come into force from 27 June 2002];
- 12 February 2004 [shall come into force from 12 March 2004];
- 22 December 2004 [shall come into force from 12 January 2005];
- 18 May 2006 [shall come into force from 26 May 2006];
- 17 July 2008 [shall come into force from 13 August 2008];
- 25 September 2008 [shall come into force from 4 October 2008];
- 10 June 2010 [shall come into force from 14 July 2010];
- 16 June 2011 [shall come into force from 7 July 2011];
- 29 November 2012 [shall come into force from 1 January 2013].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*<sup>1</sup> has adopted and  
the President has proclaimed the following Law:

## **Law On Financing of Political Organisations (Parties)**

### **Section 1. Purpose of this Law**

(1) This Law regulates the provisions for the financing of political organisations (parties) and associations thereof (hereinafter – political organisation (parties)).

(2) The purpose of this Law is to ensure the transparency, legality and conformity of the financial activities of political organisations (parties) to the system of parliamentary democracy.

### **Section 2. Sources of Financing**

(1) Political organisations (parties) may be financed by:

- 1) membership fees and joining fees;
- 2) gifts (donations) from natural persons;
- 3) the income earned by economic activities of the relevant political organisation (party);
- 3<sup>1</sup>) the State budget – in cases determined by law;
- 4) other sources of financing, except by those prohibited to finance political organisations (parties) by law.

(2) Within the meaning of this Law, a gift (donation) is any financial or other types of gratis benefits including services, transfer of rights, release of a political organisation (party) from an obligation, refusal from any right in favour of a political organisation (party), as well as other activities by which any benefit is granted to the political organisation (party). Within the meaning of this Law, a gift (donation) is also a transfer of movable or immovable property to the ownership of the political organisation (party) and provision of services to the political organisation (party) for a charge lower than the market value of the relevant movable or immovable property or service.

(2<sup>1</sup>) The restrictions of gifts (donations) determined by this Law shall not be applicable to those mutual transfers and account settlements that are performed between an association of political organisations (parties) and the political organisations (parties) formed thereby, or

<sup>1</sup> The Parliament of the Republic of Latvia

between two or more political organisations (parties) forming one association of political organisations (parties).

(3) Natural persons may give gifts (donations), pay membership fees and joining fees from the income thereof which has been obtained during the same calendar year or preceding two calendar years and the types of which are specified in Sections 8 and 9 of the Law On Personal Income Tax.

(4) Upon a request of the Corruption Prevention and Combating Bureau the giver (donor), the payer of the membership fee and joining fee shall provide to the Corruption Prevention and Combating Bureau information regarding his or her income, money provisions, debt liabilities properties, as well as submit document certifying the origin of the sources of financing.

(5) In ascertaining the information referred to in Paragraph four of this Section, the Corruption Prevention and Combating Bureau may request that the natural person who has given a gift (donation), paid in membership fee or joining fee, submits a filled-in form regarding his or her income, money provisions, debt liabilities and properties. The information to be indicated in the form and the procedures for the submission thereof shall be determined by the Cabinet.

(6) If the Corruption Prevention and Combating Bureau has requested information or documents from a natural person in accordance with Paragraph four or five of this Section, the person shall provide the referred to information or submit the documents within 30 days after the day of requesting thereof (the day when the person has been notified regarding the request). Upon a motivated submission of the natural person the Head of the Corruption Prevention and Combating Bureau may extend such period of time up to three months, counting from the day when the person has submitted a submission regarding extension of the time period.

(7) If, upon evaluating the information provided in Paragraph four or five of this Section and other materials of the file, the Corruption Prevention and Combating Bureau detects that the gift (donation), the paid-in membership fee or joining fee does not conform to the requirements of Paragraph three of this Section, the Head of the Corruption Prevention and Combating Bureau shall take a motivated decision on transfer of the relevant financial means into the State budget and handing over of the property into State ownership in accordance with Section 10, Paragraph two of this Law.

*[6 June 2002; 12 February 2004; 17 July 2008; 10 June 2010; 29 November 2012]*

### **Section 3. Joining Fee, Membership Fee and Gifts (Donations) Performed by a Member to a Political Organisation (Party)**

(1) The amount of membership fee and joining fee and the procedures for the payment thereof shall be regulated by the articles of association of the relevant political organisation (party). The total payments of membership fee, joining fee and gifts (donations) performed by a member for one political organisation (party) may not exceed 50 minimum monthly salaries within a period of one calendar year.

(2) In submitting an annual report (Section 8.<sup>5</sup>) of a political organisation (party) to the Corruption Prevention and Combating Bureau, the list of joining fee and membership fee of a political organisation (party) signed by the board of the relevant political organisation (party) or the authorised person thereof shall be attached thereto in which the given name, surname, personal identity number of each member, who has made a payment, as well as the amount of joining fee and membership fee in the relevant calendar year is indicated.

(3) If the total amount of the joining fee and membership fee of one member to a political organisation (party) exceeds one minimum monthly salary, the political organisation (party) shall inform the Corruption Prevention and Combating Bureau thereof. The Corruption Prevention and Combating Bureau shall publish information on its Internet homepage regarding the joining fees and membership fees, the total amount of which in one calendar

year exceeds one minimum monthly salary. The information to be indicated in the report of the political organisation (party) and the procedures for the submission thereof, as well as the procedures by which information shall be published regarding the joining fees and membership fees received by political organisations (parties), and the content of this information shall be determined by the Cabinet.

*[17 July 2008; 10 June 2010; 29 November 2012]*

#### **Section 4. Gifts (Donations)**

(1) In accordance with the restrictions referred to in Section 6 of this Law, political organisations (parties) may accept gifts (donations) from:

- 1) Latvian citizens;
- 2) persons who in accordance with law have the right to receive an Aliens passport of the Republic of Latvia;
- 3) *[12 February 2004]*.

(2) A natural person is allowed to make a gift (a donation) to one political organisation (a party) for the sum not exceeding the amount of 50 minimum monthly salaries over a period of one calendar year.

(3) Within 15 days after receipt of a gift (donation) the political organisation (party) shall inform the Corruption Prevention and Combating Bureau thereof. The Corruption Prevention and Combating Bureau shall publish information on its Internet homepage regarding gifts (donations) received by a political organisation (party). The information to be indicated in the report of a political organisation (party) and the procedures for the submission thereof, as well as the procedures by which information shall be published regarding the gifts (donations) received by a political organisation (party) and the content of this information shall be determined by the Cabinet.

(3<sup>1</sup>) The Corruption Prevention and Combating Bureau shall, within 45 days after the political organisation (party) has informed it regarding the gifts (donations) received, carry out the initial examination of the conformity of gifts (donations) with the requirements of this Law. If, upon performing the initial examination, the Corruption Prevention and Combating Bureau detects that it is necessary to perform additional examination, it shall, within five working days from the day when additional examination was commenced, notify the relevant political organisation (party) thereof in writing. Termination of examination shall not prevent the Corruption Prevention and Combating Bureau from commencing a repeat examination.

(4) The gift (donation) shall be considered accepted if the political organisation (party) within 60 days after receipt of the gift (donation) has not transferred (given) it back to the giver (donor). Information regarding the gifts (donations) not accepted and reimbursed (given back) to the giver (donor) shall be published on the Internet.

*[6 June 2002; 12 February 2004; 17 July 2008; 10 June 2010; 29 November 2011 / See Paragraph 21 of the Transitional Provisions]*

#### **Section 5. Tax Relief**

Natural persons who have, in compliance with the provisions of this Law, given (donated) financial resources or property to a political organisation (party) shall be exempted from payment of the relevant State fees.

*[12 February 2004]*

#### **Section 6. Restrictions for Financing**

(1) Natural persons are prohibited to finance political organisations (parties) from gifts and loans of other persons. Natural persons, who have been sentenced with a prohibition to

candidate for elections of the *Saeima*, European Parliament or local government, except for rehabilitated persons or whose conviction has been extinguished or set aside, are prohibited to finance political organisations (parties) by gifts or donations.

(2) All gifts (donations) of financial assets the sum of which exceeds one minimum monthly salary shall be transferred directly into the bank account of the relevant political organisation (party), but other gifts (donations) shall be given, transferred or submitted directly and without mediation to the relevant political organisation (party). If one person has paid in cash financial resources to a political organisation (party) the total amount of which in a calendar year has reached one minimum monthly salary, further financial resources in the relevant calendar year shall be transmitted to the bank account of this political organisation (party).

(3) It is prohibited to finance political organisations (parties) through a third party. Cases, when to implement personal interests of financing the political organisation (party), identity data of another person have been used, or when a donation to the political organisation (party) is given through another person, shall be considered financing of the political organisation (party) through a third party. Within the meaning of this Law, mediation is not a case when on the basis of a notarised authorisation, in which the specific amount or property to be donated and the value thereof have been indicated, an authorised representative gives a donation in the name of the authorising person. Handing over of such authorisation to another person is prohibited.

(4) [12 February 2004]

(5) Political organisations (parties) are prohibited to take loans.

(6) Political organisations (parties) are not allowed to issue any kind of loans or provide guarantees.

[6 June 2002; 12 February 2004; 17 July 2008; 10 June 2010]

## **Section 7. Prohibition on Anonymous Gifts (Donations)**

(1) Financing of political organisations (parties) in the form of anonymous gifts (donations) is prohibited.

(2) Within the meaning of this Law a gift (donation) is anonymous if in the accounting documents of the political organisation (party) the given name, surname, personal identification number and place of residence in respect of the giver (donor) – a natural person – are not indicated.

(3) If a political organisation (party) receives an anonymous gift (donation), such financial resources shall be transferred to the State budget within five days of the receipt thereof, but property shall be transferred to State property in accordance with the procedures specified by the Cabinet.

(4) [12 February 2004]

(5) [12 February 2004]

[6 June 2002; 12 February 2004]

## **Section 7.<sup>1</sup> State Budget Financing**

(1) State budget financing shall be granted to a political organisation (party) for which more than two percent of voters have voted in the previous *Saeima* elections, in the amount of LVL 0,50 in a calendar year for each vote acquired.

(2) State budget financing shall be granted for four years and paid commencing from the next calendar year after the *Saeima* elections. Payments shall be performed four times a year – until 15 January, 15 April, 15 July and 15 October.

(3) If extraordinary *Saeima* elections are taking place, State budget financing shall be granted for the term of office of the newly-elected *Saeima*, in this time period also including the last quarter of the calendar year in which the term of office of the relevant *Saeima* expired.

Disbursement of State budget financing shall be commenced from the quarter of the calendar year following the approval of the results from the counting of the votes and shall be performed in compliance with the conditions specified in the second sentence of Paragraph two of this Section.

*[10 June 2010]*

## **Section 7.<sup>2</sup> Granting of State Budget Financing**

(1) In order to receive State budget financing, a political organisation (party) shall open a separate account in a credit institution registered in Latvia and within 20 days following the day of the announcement of the voting results, lodge a submission in writing to the Corruption Prevention and Combating Bureau, indicating the name, registration number and account number of the political organisation (party). Submissions after the time period referred to shall not be accepted.

(2) Within 20 days following the expiry of the time period referred to in Paragraph one of this Section the Corruption Prevention and Combating Bureau shall examine the submissions received and take a decision regarding the granting of State budget financing or a substantiated refusal to grant State budget financing.

(3) State budget financing shall be transferred to the account indicated by the political organisation (party).

*[10 June 2010]*

## **Section 7.<sup>3</sup> Refusal to Grant State Budget Financing and Interruption or Suspension of Disbursement of State Budget Financing**

(1) The Corruption Prevention and Combating Bureau shall take a decision on refusal to grant State budget financing to a political organisation (party), which complies with the condition in Section 7.<sup>1</sup>, Paragraph one of this Law, if, when examining a submission it is determined that in the last four years:

1) the political organisation (party) has been punished for exceeding the amount of pre-election expenses by more than 10 per cent and the decision has come into effect;

2) the political organisation (party) has been punished for transactions or gifts (donations) received not indicated in the annual report or declaration of income and expenses of elections, the total amount of which exceeds 100 minimum monthly salaries, and the decision has come into effect;

3) in accordance with the Criminal Law the political organisation (party) has had a coercive measure applied and the court adjudication has come into effect.

(2) If violations by the political organisation (party) referred to in Paragraph one of this Section are determined, the decision regarding the application of a punishment has come into effect or the coercive measure has been applied after the decision has been taken on granting of State budget financing, the Corruption Prevention and Combating Bureau shall take a decision on suspension of the disbursement of State budget financing.

(3) A decision on suspension of the disbursement of State budget financing shall also be taken if a political organisation (party) terminates its operations or if the operations thereof are prohibited by the court adjudication that has come into effect.

(4) The Corruption Prevention and Combating Bureau shall take a decision on suspension of the disbursement of State budget financing, if:

1) the operations of a political organisation (party) are suspended – for the period of the suspension of the operations of the political organisation (party);

2) the political organisation (party) has not submitted its annual report or declaration of income and expenses of elections for the previous year – for the next calendar year;

3) violation of the provisions of Section 7.<sup>4</sup> of this Law is determined and the decision regarding the application of a punishment has come into effect – for one year.

(5) A political organisation (party) may appeal the decision referred to in Paragraphs one, two, three and four of this Section in court in accordance with the procedures determined by the Administrative Procedure Law. Appeal of the decision shall not suspend the operation thereof.

[10 June 2010]

#### **Section 7.<sup>4</sup> Spending of the State Budget Financing**

(1) A political organisation (party) shall spend the State budget financing for the provision of political and economic activity thereof and is entitled to spend it for:

1) premise hire, including the organisation of meetings, and services related to premise hire, including public utility services;

2) communication and Internet services;

3) work remuneration and other payments to natural persons connected with the operations of the relevant political organisation (party) or the operations of the association of the relevant political organisation (party);

4) sworn auditor services;

5) research work, polls and consultations;

6) the organisation of educational events intended for inhabitants, including public events, seminars, charity events, and the publication and distribution of books, informative materials, excluding the ensuring of catering services;

7) political campaigns.

(2) Payments for the measures referred to in Paragraph one of this Section shall be performed using cash payment settlements from the account referred to in Section 7.<sup>2</sup>, Paragraph one of this Law.

(3) Upon a request of the Corruption Prevention and Combating Bureau the political organisation (party) shall submit documents justifying the spending of the State budget financing thereto.

[10 June 2010; 29 November 2012]

#### **Section 7.<sup>5</sup> State Budget Financing in the Event of the Reorganisation, Liquidation and Establishment of Political Organisations (Parties) and the Associations Thereof**

(1) If an association of political organisations (parties), which receives State budget financing, is liquidated, the political organisations (parties) which form the association of the relevant political organisations (parties) at the time of liquidation, shall subsequently receive State budget financing, proportionate to the number of members elected to the *Saeima*.

(2) If a political organisation (party) stands down from an association of political organisations (parties) which receives State budget financing, or a political organisation (party) forming the association of political organisations (parties) is liquidated, but the relevant association of the political organisations (parties) continues to operate, the relevant association of the political organisations (parties) shall continue to receive State budget financing.

(3) If two or more political organisations (parties) which receive State budget financing, unite following the *Saeima* elections, by establishing an association of political organisations (parties), the political organisations (parties) forming it shall continue to receive State budget financing after merging.

(4) If one or several political organisations (parties) which receive State budget financing join another political organisation (party) after the *Saeima* elections, the State budget financing

shall not be pooled. The political organisation (party) to which other political organisations (parties) have joined shall continue to receive the budget financing granted before the merging.

(5) If two or more political organisations (parties) which receive State budget financing, merge after the *Saeima* elections, establishing a new political organisation (party), after merging it shall receive the State budget financing, which was previously received by political organisations (parties) that have merged. The new political organisation (party) shall receive State budget financing, if the violations referred to in Section 7.<sup>3</sup>, Paragraph one of this Law have not been detected in relation to the political organisations (parties), which formed it by merging.

(5<sup>1</sup>) If two or more political organisations (parties) that have established an association of political organisations (parties), which receives State budget financing, merge after the *Saeima* elections, establishing a new political organisation (party), it shall receive State budget financing after the merging, which was previously received by the association of political organisations (parties). The new political organisation (party) shall receive State budget financing, if the association of political organisations (parties) that received the State budget financing has been liquidated and the violations referred to in Section 7.<sup>3</sup>, Paragraph one of this Law have not been detected in relation to the political organisations (parties) forming the association of political organisations (parties), which establish a new political organisation (party) by merging, and in relation to the association of political organisations (parties), the political organisations (parties) in the composition of which merged establishing a new political organisation (party).

(6) If a political organisation (party) which receives State budget financing, splits, establishing new political organisations (parties), none of the newly-established political organisations (parties) shall receive State budget financing.

(7) If one or several new political organisations (parties) split from a political organisation (party) which receives State budget financing, the political organisation (party) from which the newly established political organisations (parties) have split shall continue to receive State budget financing in the full amount.

[10 June 2010; 29 November 2012]

## **Section 8. Annual Declaration of Financial Activities**

[17 July 2008]

### **Section 8.<sup>1</sup> Declaration of Expenses during the Pre-election Period and the Statement regarding the Planned Election Expenses**

[17 July 2008]

### **Section 8.<sup>2</sup> Declaration of Income and Expenses of Elections**

(1) The political organisations (parties) which have submitted their lists of candidates for the election to the *Saeima*, local government councils (parish councils) or the European Parliament, shall submit to the Corruption Prevention and Combating Bureau a declaration of income and expenses of elections signed by the board of the relevant political organisation (party) or authorised person thereof in accordance with the procedures specified by the Cabinet within 30 days after the election of the *Saeima*, local government councils (parish councils) or the European Parliament.

(2) The declaration of income and expenses of elections shall disclose all the revenues and expenses which have been incurred over the period from the 120<sup>th</sup> day before the elections up to the election day, regardless of the date when a document attesting the transaction has been written out (invoice, contract or other document), the payment regarding the following is received or performed:

- 1) for the placement of advertisements:
    - a) on public television,
    - b) on public radio,
    - c) on commercial television,
    - d) on commercial radio,
    - e) in newspapers, magazines, bulletins and other periodicals registered in accordance with the procedure determined by law, produced by print technology and widely circulated throughout the whole territory of the State,
    - f) in newspapers, magazines, bulletins and other periodicals registered in accordance with the procedure determined by law, produced by print technology and for which the largest part of circulation is being distributed in the territory of a single republic city or district,
    - g) on the Internet, except for the homepage of the political organisation (party),
    - h) in premises and public places (in public squares, small public gardens, on streets, bridges and in other similar places) regardless of the possession of the property;
  - 2) using mail services (including electronic mail) for the distribution of pre-election canvassing materials;
  - 3) for the preparation of advertising materials of all types (video materials, audio materials, posters, etc.) for distribution in the manner indicated in Clauses 1 and 2 of this Paragraph;
  - 4) for the planning, preparation and organisation of the election campaign;
  - 5) paying salaries to the persons involved in the election campaign and making other payments to natural persons, with the exception of the cases provided for in Clause 8 of this Paragraph;
  - 6) renting moveable and immovable property for the needs of the election campaign;
  - 7) publishing newspapers, magazines, bulletins, books and other publications produced in print technology for the needs of the election campaign;
  - 8) financing, sponsoring charity events, paying benefits and making gifts (donations);
- and

9) covering other expenses arising from the election campaign, which shall be disclosed as separate types;

(2<sup>1</sup>) If the *Saeima* is recalled or dissolved the expenses referred to in Paragraph two of this Section which have arisen over the time period from the day of announcement of the elections up to the day of the elections shall be indicated in the declaration of income and expenses of elections referred to in Paragraph two of this Section, regardless of the date when a document attesting the transaction has been written out (invoice, contract or other document), payment received or performed.

(3) The Corruption Prevention and Combating Bureau shall perform an audit of declarations of income and expenses of elections and shall, within six months from the closing date of the period for submitting the declarations, inform at once the public regarding all breaches of the provisions for the financing of political organisations (parties) identified in all those declarations submitted, as well as regarding the measures carried out for the prevention thereof.

[12 February 2004; 22 December 2004; 17 July 2008; 16 June 2011; 29 November 2012]

## **Section 8.<sup>3</sup> Procedures for Submission of the Declaration of Financial Activities**

The Cabinet shall specify the type of the form the declaration of income and expenses of elections and the procedures of completion thereof.

[17 July 2008]



## Section 8.<sup>4</sup> Restrictions for the Amount of Pre-election Expenses

(1) A political organisation (party) or an association of political organisations (parties) which has submitted the list of candidates thereof for election to the *Saeima* in five electoral districts, in pre-election expenses may spend an amount that does not exceed the monthly average gross work remuneration for the year before last published by the Central Statistical Bureau which is approximated to lats applying a coefficient 0.0004 per voter at the previous election of the *Saeima*. Should a political organisation (party) or an association of political organisations (parties) submit the list of candidates thereof only in some electoral districts, it is allowed to spend in pre-election expenses an amount that does not exceed the monthly average gross work remuneration for the year before last published by the Central Statistical Bureau which is approximated to lats applying a coefficient 0.0004 per voter in the relevant electoral district at the previous elections of the *Saeima*.

(2) A political organisation (party) or association of political organisations (parties) registered or unregistered, which has submitted its list of candidates for a local government council (parish council) elections, is allowed to spend in pre-election expenses of the relevant council (parish council) an amount that does not exceed the monthly average gross work remuneration for the year before last published by the Central Statistical Bureau which is approximated to lats applying a coefficient 0.0004 per voter at the previous elections of the relevant local government council (parish council). Should the political organisation (party) or a registered or unregistered association of political organisations (parties) submit the lists of candidates thereof for the elections of several councils (parish councils) of local governments, in pre-election expenses in total for all these councils (parish councils) it is allowed to spend an amount that does not exceed the monthly average gross work remuneration for the year before last published by the Central Statistical Bureau which is approximated to lats applying a coefficient 0.0004 per voter of the relevant local government council (parish council) at the previous elections of the council (parish council).

(2<sup>1</sup>) If the *Saeima* elections take place in the case provided for in Section 14 or 48 of the Constitution a political organisation (party) or the association of political organisations (parties) which has submitted its list of candidates for election to the *Saeima* in five electoral districts may use for its pre-election expenses the amount that does not exceed the monthly average gross work remuneration for the year before last published by the Central Statistical Bureau which is approximated to lats applying a coefficient 0.0003 per voter at the previous elections of the *Saeima*. Should the political organisation (party) or association of political organisations (parties) submit a list of candidates thereof in separate electoral districts only, in pre-election expenses it is allowed to spend an amount that does not exceed the monthly average gross work remuneration for the year before last published by the Central Statistics Bureau which is approximated to lats applying a coefficient 0.0003 per voter of the relevant electoral district at the previous elections of the *Saeima*.

(3) A political organisation (a party) or an association of political organisations (parties), which has submitted a list of candidates thereof for the elections to the European Parliament, is allowed to spend in pre-election expenses an amount that does not exceed the monthly average gross work remuneration for the year before last published by the Central Statistical Bureau which is approximated to lats applying a coefficient 0.0003 per voter at the previous elections of the *Saeima*.

(4) If a list of candidates is submitted by a registered or unregistered association of political organisations (parties), the expenses borne for the purpose by the political organisations (parties) that have formed such association, shall also be considered as pre-election expenses thereof.

(4<sup>1</sup>) If a separate candidate has performed individual pre-election canvassing campaign, then the funds spent on this campaign shall be included in the pre-election expenses of the political

organisation (party) from whose submitted list of candidates this person is standing in the relevant elections.

(5) Within the meaning of this Section all expenses of a political organisation (party) or an association of political organisations (parties) which are determined in Section 8.<sup>2</sup>, Paragraph two of this Law over the time period from the 120<sup>th</sup> day before the elections up to the date of the elections, regardless of the date when a document attesting the transaction has been written out (invoice, contract or other document), payment received or performed. In cases where the *Saeima* is recalled or dissolved, pre-election expenses within the meaning of this Section shall be considered to be all the expenses of a political organisation (party) or association of political organisations (parties) determined in Section 8.<sup>2</sup>, Paragraph two of this Law over the time period from the day of announcement of the elections up to the day of the elections, regardless of the date when a document attesting the transaction has been written out (invoice, contract or other document), payment received or performed.

(6) The restrictions referred to in Paragraphs one, two and three of this Section shall not apply to expenses referred to in Section 8.<sup>2</sup>, Paragraph two, Clauses 2, 3, 4, 5, 6, 7 and 9 of this Law.

(7) Each year the Corruption Prevention and Combating Bureau shall publish in its Internet homepage an informative notification in which the amount of the sum referred to in Paragraph one, two and three of this Section which can be used for pre-election expenses per one voter shall be indicated.

[12 February 2004; 22 December 2004; 17 July 2008; 25 September 2008; 10 June 2010; 16 June 2011; 29 November 2012]

## **Section 8.<sup>5</sup> Annual Report**

(1) A political organisation (party) shall prepare annual report regarding each reporting year in accordance with the Law on Accounting and other regulatory enactments.

(2) A political organisation (party) shall, not later than by 31 March each year, submit the annual report to the Corruption Prevention and Combating Bureau according to the procedures specified by the regulatory enactments, but to the State Revenue Service – a copy of such report.

(2<sup>1</sup>) In submitting the annual report of a political organisation (party) to the Corruption Prevention and Combating Bureau, a list shall be appended thereto, indicating as follows:

1) the name and registration number of the associations of which the relevant political organisation (party) is a member;

2) the name and registration number of the foundations whose founder is the relevant political organisation (party);

3) the name and registration number of the associations and foundations to which or for the ensuring of events organised by which the political organisation (party) has given (donated) as well as the amount of the gift (donation).

(2<sup>2</sup>) In submitting the annual report of a political organisation (party) to the Corruption Prevention and Combating Bureau, the political organisations (parties), which have been granted State budget financing, shall append a report on spending of the State budget financing in the accounting year, indicating the remainder of money at the beginning and end of the accounting year, money income and money payments for the types of expenditure specified in Section 7.<sup>4</sup>, Paragraph one of this Law.

(3) The Corruption Prevention and Combating Bureau shall, after receipt of the annual report of a political organisation (party), publish the information provided therein pursuant to the requirements referred to in Section 9, Paragraph three of this Law.

(4) The Corruption Prevention and Combating Bureau shall, within the framework of the competence thereof, inspect annual reports and until 1 April of the next year inform society concurrently regarding the disclosed violations of financing regulations of political

organisations (parties) or associations thereof, as well as regarding measures performed for the elimination thereof.

[17 July 2008; 10 June 2010; 29 November 2012]

## **Section 9. Transparency of Financial and Economic Activities**

(1) The financial and economic activities of political organisations (parties) shall be transparent and publicly available.

(2) Any person shall have the right to apply to the Corruption Prevention and Combating Bureau and to the relevant political organisation (party) for familiarisation with the annual report, the annual declaration of financial activities, the declaration of expenses during the pre-election period, the statement regarding the planned election expenses and the declaration of income and expenses of elections thereof.

(3) The declarations and statement referred to in Paragraph two of this Section shall be published in the newspaper *Latvijas Vēstnesis* [the official Gazette of the Government of Latvia] and on the Internet according to the procedures specified by the Cabinet not later than 10 days after the submission thereof.

[6 June 2002; 12 February 2004; 17 July 2008]

## **Section 9.<sup>1</sup> Provisions Regarding Accounting Records**

Political organisations (parties) shall maintain accounting records in accordance with the regulatory enactments in force.

[12 February 2004]

## **Section 10. Liability for the Failure to Comply with this Law**

(1) If a political organisation (party) fails to submit the annual report or a declaration of election income and expenses until the term specified by the Law or these documents fail to disclose information specified by the Law, or they contain false information, or if the provisions of Section 2, Paragraph one; Section 3, Paragraphs one, two and three; Section 4, Paragraphs two and three; Section 6, Paragraphs two, five and six; Section 7, Paragraphs one and three and of Sections 8.<sup>4</sup> and 9.<sup>1</sup> of this Law be breached, the political organisation (party) shall be administratively held liable in accordance with the procedures determined by law.

(1<sup>1</sup>) If the Corruption Prevention and Combating Bureau identifies a violation of the provisions of Section 4, Paragraph one of this Law, the Head of the Corruption Prevention and Combating Bureau has a duty to charge the relevant political organisation (party) to repay the illegally acquired financial assets to the payer within 30 days, but to return the property to the giver thereof. If the political organisation (party) fails to repay the illegally acquired financial assets to the payer or to return the property to the giver thereof within 30 days after the time of the notification of the relevant decision, the Head of the Bureau for the Prevention and Combating of Corruption has the duty to charge the relevant political organisation (party) to include the illegally acquired financial assets into the State budget within 30 days, and to transfer the property to the State property. Upon a motivated request from the relevant political organisation (party) the Head of the Corruption Prevention and Combating Bureau may divide the repayment of the financial assets into periods or extend the period of repayment of financial assets, but not longer than for 90 days.

(2) If the Corruption Prevention and Combating Bureau identifies a violation of the provisions of Section 2, Paragraphs one and three; Section 3, Paragraph one; Section 4, Paragraph two; Section 6, Paragraphs one, two, three, five and six and Section 7, Paragraphs one and three of this Law, the Head of the Bureau for the Prevention and Combating of Corruption has the duty to charge the relevant political organisation (party) to include the illegally acquired

financial assets into the State budget within 30 days, and to transfer the property to the State property in accordance with the procedures determined by the Cabinet. Upon a motivated request from the relevant political organisation (party) the Head of the Corruption Prevention and Combating Bureau may divide the repayment of the financial assets into periods or extend the period of repayment of financial assets, but not longer than for 90 days.

(2<sup>1</sup>) If the Corruption Prevention and Combating Bureau identifies a violation of provisions of Section 8.<sup>4</sup> of this Law, the Head of the Corruption Prevention and Combating Bureau has the duty to charge the relevant political organisation (party) to include the financial assets into the State budget within 30 days in such amount as refers to the amount of pre-election expenses exceeded. Upon a motivated request from the relevant political organisation (party) the Head of the Corruption Prevention and Combating Bureau may divide the transfer of the financial assets into periods or extend the period for transfer of financial assets, but not longer than for 90 days.

(3) If the Corruption Prevention and Combating Bureau identifies a received gift (donation) which has not been disclosed in the annual report of the political organisation (party) and in the information regarding the gifts (donations) received, the Head of the Corruption Prevention and Combating Bureau has the duty to charge the relevant political organisation (party) to include the illegally acquired financial assets into the State budget within 30 days and to transfer the property to the State property in accordance with the procedures determined by the Cabinet. Upon a motivated request from the relevant political organisation (party) the Head of the Corruption Prevention and Combating Bureau may divide the repayment of the financial assets into periods or extend the period of repayment of financial assets, but not longer than for 90 days.

(3<sup>1</sup>) If the Corruption Prevention and Combating Bureau identifies a violation of the provisions of Section 7.<sup>4</sup> of this Law, the Head thereof has the duty to charge the relevant political organisation (party) to include the illegally spent State financial assets into the State budget within 30 days. Upon a motivated request from the relevant political organisation (party) the Head of the Corruption Prevention and Combating Bureau may divide the payment of the financial assets into periods or extend the period for the repayment of financial assets, but not longer than for 90 days.

(4) If the Corruption Prevention and Combating Bureau identifies that a political organisation has repeatedly failed to submit the declaration of income and expenses of elections referred to in Section 8.<sup>2</sup> of this Law or the annual report, the Head of the Corruption Prevention and Combating Bureau has a duty to issue a warning to the board of the relevant political organisation (party) in writing within a period of two weeks.

(5) If a political organisation (party) fails to fulfil the obligation determined in Paragraphs 1.<sup>1</sup>, two, 2.<sup>1</sup> and three of this Section within the term period determined by the Corruption Prevention and Combating Bureau or within a month after forwarding of a warning fails to submit the declaration of income and expenses of elections referred to in this Law or the annual report, the Head of the Corruption Prevention and Combating Bureau has a duty to initiate suspension of the activity of the relevant political organisation (party) through court within a month.

(6) If the political organisation (party) fails to comply with the court judgment on suspension of activity or fails to prevent the breach of law in the period appointed by the court, the Head of the Corruption Prevention and Combating Bureau has the duty to initiate termination of the activity of the relevant political organisation (party) through court.

(7) The Head of the Corruption Prevention and Combating Bureau may take a decision referred to in Paragraph 1.<sup>1</sup> of this Section regarding the repayment of acquired financial assets to the payer thereof and return of the property to the giver thereof, as well as decisions referred to in Paragraphs two, three and 3.<sup>1</sup> regarding the inclusion of financial assets into the State budget and transfer of the property to the State property not later than within four years from the day of commitment of the violation. The decision referred to in Paragraph 2.<sup>1</sup> of this

Section regarding the inclusion of financial assets to the State budget and return of the property to the State property, the Head of the Corruption Prevention and Combating Bureau may take not later than within four years from the day of submission of a declaration of income and expenses of elections to the Corruption Prevention and Combating Bureau.

*[12 February 2004; 18 May 2006; 17 July 2008; 10 June 2010; 29 November 2012 / See Paragraph 22 of the Transitional Provisions]*

### **Section 11. Audit of Financial and Economic Activities**

(1) If the turnover of assets of a political organisation (party) exceeds 10 minimum monthly salaries per calendar year, the financial and economic activities of such political organisation (party) for the relevant year shall be audited by a sworn auditor; his or her opinion shall be attached to the annual report that is submitted to the Corruption Prevention and Combating Bureau.

(2) The audit provided for in Paragraph one of this Section shall be financed from the funds of the relevant political organisation (party).

*[6 June 2002; 12 February 2004; 17 July 2008]*

### **Section 12. Liability for the Implementation of this Law**

*[12 February 2004]*

### **Section 13. Control and Monitoring over the Implementation of the Law**

The Corruption Prevention and Combating Bureau shall perform the control and monitoring over the implementation of this Law.

*[6 June 2002]*

### **Section 14. Other Provisions**

In determining the amount of the membership fee, joining fee and gifts (donations) referred to in Sections 3 and 4 of this Law, as well as the amount of turnover of assets referred to in Section 11 per calendar year, by minimum monthly salary is meant the amount of the minimum monthly salary which was determined on 1 January of the relevant calendar year.

*[17 July 2008]*

### **Transitional Provisions**

1. Not later than by 1 September 1995 all the political organisations (parties) registered in Latvia shall submit to the Ministry of Justice and the State Revenue Service a declaration of financial activities of the relevant political organisation (party) which shall indicate the amount of financial assets at the disposal of the relevant political organisation (party) on the date of coming into force of this Law. Such declaration shall disclose the sources from which the referred to financial assets have been received.

2. The State Revenue Service shall perform the functions determined for the Corruption Prevention and Combating Bureau until the date, when these functions are transferred to the Corruption Prevention and Combating Bureau in accordance with the procedures and terms set forth by the Corruption Prevention and Combating Bureau Law.

*[6 June 2002]*

3. In this Law the terms “merchant”, “commercial company” and “capital company” shall also mean an undertaking and company.

*[6 June 2002]*

4. The Cabinet shall issue the Regulations provided for in Section 4, Paragraph three and in Sections 8.<sup>1</sup> and 8.<sup>2</sup> of this Law until 1 August 2002.

*[6 June 2002]*

5. Political organisations (parties) shall commence the fulfilment of the provisions of Section 4, Paragraph three of this Law on 15 August 2002.

*[6 June 2002]*

6. Not later than by 1 September 2002 the political organisations (parties) shall publish on the Internet the information regarding all gifts (donations) received over the time period from 1 January 2002 to 15 August 2002 in conformity with the provisions of Section 4, Paragraph three of this Law.

*[6 June 2002]*

7. Section 8.<sup>4</sup>, Paragraph three of this Law shall come into force on 1 January 2005.

*[12 February 2004]*

8. Section 8.<sup>5</sup> of this Law shall come into force concurrently with the corresponding amendments to the Law On Accounting.

*[12 February 2004]*

9. The political organisations (parties), which have submitted lists of candidates for the elections to the European Parliament provided for on 12 June 2004, shall indicate all the expenses that they have incurred over the period from the 90<sup>th</sup> day to the 50<sup>th</sup> day before the elections within the declaration of expenses during the pre-election period determined by Section 8.<sup>1</sup> of this Law. The political organisations (parties), which have submitted lists of candidates for the elections to the European Parliament provided for on 12 June 2004, shall specify all the expenses incurred over the period from the 90<sup>th</sup> day before elections to the day of the elections within the declaration of income and expenses of elections determined by Section 8.<sup>2</sup> of this Law, as well as the expenses that will be incurred when paying invoices for the activities referred to in Section 8.<sup>1</sup>, Paragraph two of this Law after the elections.

*[12 February 2004]*

10. A political organisation (party) which has submitted lists of candidates for the elections to the *Saeima* provided for on 7 October 2006 and has violated the requirements referred to in Section 8.<sup>4</sup> of this Law, in accordance with Section 10, Paragraph 2.<sup>1</sup> of this Law shall include the financial assets into the State budget in such amount as refers to the exceeded amount of pre-election expenses as follows:

1) if the political organisation (party) has not exceeded the permissible amount of pre-election expenses until the day Section 10, Paragraph 2.<sup>1</sup> of this Law comes into force, it shall include in the State budget such financial assets which conform to the total amount of pre-election expenses exceeded;

2) if the political organisation (party) has already exceeded the permissible amount of pre-election expenses until the day Section 10, Paragraph 2.<sup>1</sup> of this Law comes into force, it shall include in the State budget such financial assets which conform to such amount of exceeded permissible pre-election expenses which have been incurred after the coming into force of Section 10, Paragraph 2.<sup>1</sup> of this Law.

*[18 May 2006]*

11. Instead of the coefficient referred to in Section 8.<sup>4</sup>, Paragraph three of this Law a coefficient 0.00015 shall be applied for the elections of the European Parliament planned in 2009.

*[17 July 2008]*

12. A political organisation (party) which have submitted the lists of candidates for the election to the both, the European Parliament elections planned in 2009 and the local government council planned in 2009, shall submit to the Corruption Prevention and Combating Bureau one joint declaration of income and expenses of elections in accordance with the requirements of regulatory enactments.

*[17 July 2008]*

13. If a political organisation (party) has submitted the lists of candidates for the election to both, the European Parliament planned in 2009 and the local government council planned in 2009, restrictions for the amount of pre-election expenses shall be applied not separately for the elections of the European Parliament and the elections of local government council but for such elections in the whole. The sum which does not exceed the sum of amounts referred to in Section 8.<sup>4</sup>, Paragraph two and three of this Law (Paragraph 11 of Transitional Provisions) can be used in total for the elections of the European Parliament and local government council.

*[17 July 2008]*

14. The liability for the violations referred to in Paragraph 13 of these Transitional Provisions shall come into force in accordance with the procedures referred to in Section 10, Paragraph 2.<sup>1</sup> of this Law.

*[17 July 2008]*

15. The Cabinet shall, until 31 December 2008, issue the Regulation referred to in Section 4, Paragraph three, Section 8.<sup>3</sup> and Section 9, Paragraph three of this Law. Until the day of coming into force of the relevant Cabinet Regulation, but not longer than until 31 December 2008, Cabinet Regulation No. 196 of 22 March 2005, Regulation Regarding Annual Declarations of Financial Activities of Political Organisations (Parties), Declarations of Expenses During the Pre-election Period, Statements Regarding the Planned Election Expenses, Declarations of Income and Expenses of Elections and Reports Regarding Gifts (Donations), shall be applied, in so far as it is not in contradiction with this Law.

*[17 July 2008]*

16. Non-observance of the procedures for filling in and submission of an annual declaration of financial activities, the declaration of expenses during the pre-election period or the declaration of income and expenses of elections, provision of false information in the declaration, non-observance of the procedures for submission of the statement regarding the planned election expenses or non-observance of the regulations for publishing of the report regarding received or non-received gifts (donations), as well as the exceeding of restrictions for the amount of pre-election expenses shall be evaluated and examined pursuant to the requirements of this Law on the day of commitment of a breach.

*[17 July 2008]*

17. The Cabinet shall, until 1 May 2009, develop the amendments to this Law regarding partial financing of political organisations (parties) from the State budget resources.

*[17 July 2008]*

18. Disbursement of the State budget financing determined in Sections 7.<sup>1</sup>, 7.<sup>2</sup>, 7.<sup>3</sup>, 7.<sup>4</sup> and 7.<sup>5</sup> of this Law shall commence from 2012 and shall be granted for the remaining term of office of the elected *Saeima*, also including in this time period the last quarter of the calendar year in which the term of office of the relevant *Saeima* expires. In order to receive State budget financing, a political organisation (party) shall open the account referred to in Section 7.<sup>2</sup>, Paragraph one of this Law and lodge the submission referred to in Section 7.<sup>2</sup>, Paragraph one of this Law to the Corruption Prevention and Combating Bureau until 1 November 2011.

[10 June 2010]

19. The Cabinet shall, until 1 October 2010, issue the Regulations referred to in Section 4, Paragraph three of this Law, which regulate the information to be indicated in the report of political organisation (party) regarding gifts (donations) received, and the procedures for the submission thereof, as well as the procedures by which information shall be published regarding the gifts (donations) received by political organisations (parties), and the content of this information. Until the day of the coming into force of the relevant Cabinet Regulation, but not longer than until 1 October 2010, Cabinet Regulation No.129 of 10 February 2009, *Procedures for the Publication of Annual Reports of Political Organisations (Parties), Declarations of Income and Expenses of Elections and Reports Regarding Gifts (Donations)*, shall be applicable, in so far as it is not in contradiction with this Law.

[10 June 2010]

20. The Cabinet shall, until 31 March 2013, issue the regulations referred to in Section 2, Paragraph five of this Law. Until the day of coming into force of the relevant Cabinet regulations, but not longer than until 31 March 2013 Cabinet Regulation No. 1054 of 16 November 2010, *Procedures by which a Person shall Submit Information to the Corruption Prevention and Combating Bureau Regarding his or her Income, Money Provisions and Properties*, shall be applied insofar as they are not in contradiction with this Law.

[29 November 2012]

21. Amendment to Section 4, Paragraph four of this Law regarding replacement of the number “30” with the number “60” shall not be applicable to such gifts (donations), which have been made prior to the day of coming into force of this amendment. In relation to such gifts (donations) the wording of Section 4, Paragraph four of this Law, which was in force on the day of making of the relevant gift (donation), shall be applied.

[29 November 2012]

22. Amendments to Section 10, Paragraph 1.<sup>1</sup> of this Law regarding deletion of the number and words “Section 2, Paragraph three” and the words and number “and Section 6, Paragraph one”, as well as amendments to Section 10, Paragraph two of this Law regarding supplementation thereof with the words “and three” after the number and words “Section 2, Paragraph one” and with the word “one” after the number and word “Section 6” shall not be applicable to such decisions of the Head of the Corruption Prevention and Combating Bureau (regardless of the entering into effect thereof), which have been taken prior to the day of coming into force of these amendments. In such case Section 10, Paragraphs 1.<sup>1</sup> and two shall be applicable in the wording, which was in force on the day when the relevant decision was taken.

[29 November 2012]



This Law has been adopted by the *Saeima* on 19 July 1995.

Acting for the President,  
the Chair of the *Saeima*

A. Gorbunovs

Rīga, 2 August 1995