

Pursuant to Article 89 of the Constitution of the Republic of Croatia I hereby issue the

DECISION

PROMULGATING THE ACT ON THE FINANCING OF POLITICAL ACTIVITIES,
ELECTION CAMPAIGNS AND REFERENDUMS

I hereby promulgate the Act on the Financing of Political Activities, Election Campaigns and Referendums, passed by the Croatian Parliament at its session on 23 March 2019.

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Zagreb, 23 March 2019

The President
of the Republic of Croatia
Kolinda Grabar-Kitarović, m.p.

ACT

ON THE FINANCING OF POLITICAL ACTIVITIES, ELECTION CAMPAIGNS AND
REFERENDUMS

PART ONE
INTRODUCTORY PROVISIONS

Subject matter and scope of the Act

Article 1

(1) This Act regulates the methods of financing political parties, independent Members of Parliament and national minority Members of Parliament proposed as candidates by voters or national minority associations, members of the representative bodies of self-government units elected from a list of a group of voters, independent lists or lists proposed by groups of voters, and candidates, referendum activities, the acquisition and use of funds, and supervision and audits.

(2) The provisions of this Act shall apply to the regular annual financing of political parties, independent Members of Parliament and independent councillors, and to the financing of election campaigns of political parties, independent lists or lists of groups of voters and candidates in elections for President of the Republic of Croatia, for Members of the Croatian Parliament, for members of the European Parliament, for municipal prefects, city mayors, county prefects and their deputies, and for members of the representative bodies of self-government units.

(3) For the purposes of this Act, financing shall mean the acquisition of funds and the provision of services or products free of charge with a view to supporting and promoting the political activities of political parties, independent Members of Parliament, independent councillors, independent lists or lists of groups of voters and candidates, as well as the use of such funds, products and services for the purposes of such political activities, in compliance with this Act.

(4) For the purposes of this Act, financing shall also mean the acquisition of funds and the provision of services or products free of charge with a view to supporting and promoting referendum activities, as well as the use of such funds, products and services for referendum activities, in compliance with this Act.

Definitions

Article 2

For the purposes of this Act, the following terms shall have the following meanings:

1. „independent Member of Parliament“ means a Member of Parliament elected from an independent list and a national minority Member of Parliament elected from a list proposed by voters or national minority associations;

2. „independent councillor“ means a member of a representative body of a local or regional self-government unit elected from a list proposed by a group of voters;

3. „candidates“ means candidates for President of the Republic of Croatia, candidates for municipal prefects, city mayors and county prefects and candidates for deputy municipal prefects, deputy mayors and deputy county prefects elected from among national minorities (regardless of whether they are proposed by a political party or by voters) and candidates for national minority Members of Parliament proposed by voters and national minority associations;

4. „election campaign“ means a set of activities undertaken by election campaign participants to publicly present themselves and to publicly present and explain their election programmes in order to convince voters to vote for them;

5. „own funds“

– of a political party means funds paid by the political party from its central account to a separate account dedicated to financing election campaign costs or to a separate account dedicated to financing election campaign costs of a candidate nominated by the political party;

– of an individual political party, in cases when two or more political parties propose a joint list of candidates, means funds paid by this political party from its central account to a separate account opened by one of the political parties proposing the joint list of candidates for the purpose of financing election campaign costs;

– of an independent list or of a list of a group of voters means private funds of natural persons listed as candidates on the independent list or the list of a group of voters;

– of a candidate for President of the Republic of Croatia means private funds of a physical person who is a candidate for President of the Republic of Croatia;

– of candidates for national minority Members of Parliament proposed by voters or national minority associations means private funds of natural persons – these candidates, and private funds of natural persons – alternate candidates standing for election together with these candidates;

– of candidates for municipal prefects, city mayors and county prefects means private funds of natural persons – these candidates, and private funds of natural persons – alternate candidates standing for election together with these candidates;

– of candidates for deputy municipal prefects, deputy mayors and deputy county prefects elected from among national minorities means private funds of natural persons – these candidates;

– of an organising committee for voters to express their view on the need to call a national or local referendum means private funds of natural persons who are members of the organising committee.

Income in the form of interest on term deposits and on sight deposits, in a separate account dedicated to financing election campaign costs or in a separate account dedicated to financing referendum activities shall also be deemed to be own funds of a political party, an independent list or a list of a group of voters or a candidate or of an organising committee;

6. „self-government unit“ means a local or regional self-government unit;

7. „membership fee“ or „membership contribution“ means a regular financial amount paid by a member of a political party to a political party in the manner and under the conditions laid down in the charter or other acts of the political party;

8. „voluntary contributions“ or „donations“ means occasional or regular payments through which natural or legal persons voluntarily give money or provide services or products free of charge to a political party, an independent Member of Parliament or an independent councillor for the purposes of their political work, or to a political party, an independent list, a list of a group of voters or to a candidate for the purposes of financing their election campaign, or to an organising committee for the purposes of financing referendum activities;

9. „bank“ means a bank operating in the Republic of Croatia;

10. „referendum activities“ means a set of activities undertaken by members of an organising committee for voters to express their view on the need to call a national or local referendum, which are intended to publicly present and explain the referendum question and convince voters to give their signatures and support the need to call a referendum and, if the referendum is called, to vote for their proposal;

11. „organising committee's representative“ means a member of an organising committee for voters to express their view on the need to call a national or local referendum who is authorised to represent the organising committee;

12. „Financial Control Information System“ means a computer programme through which political parties, independent Members of Parliament, independent councillors and persons authorised to represent independent lists, lead candidates on lists proposed by groups of voters, and candidates, as well as an organising committee's representative submit their financial reports and other required reports and data to competent authorities, and through which the required reports are published on the website of the State Electoral Commission;

13. „elected local and regional self-government officials“ means municipal prefects, city mayors and county prefects and their deputies, as well as members of representative bodies of local and regional self-government units;

14. „audit“ means an audit of financial operations and financial reports of political parties, independent Members of Parliament and independent councillors;

15. „general community purposes“ means cultural, scientific, educational, health, humanitarian, sports, religious, environmental and other general beneficial purposes for natural and legal persons;

16. „final election results“ means the election results published by the State Electoral Commission of the Republic of Croatia after all legal remedies for the protection of voters' rights have been exhausted or after the time limits for pursuing such remedies have expired.

Gender neutrality

Article 3

The terms used in this Act and regulations made under it in a gender-specific form, be it masculine or feminine, shall refer to both male and female genders alike.

PART TWO

FINANCING OF REGULAR POLITICAL ACTIVITIES DURING THE YEAR

Sources of funds used to finance regular political activities during the year

Article 4

(1) In order to pursue their political objectives, political parties may acquire revenue from the assets they own, membership fees or membership contributions, publishing activities, voluntary contributions (donations), the sale of promotional materials, the organisation of party events, and from other sources permitted by law.

(2) Revenues from the sources specified in paragraph 1 of this Article, other than revenues from membership fees or membership contributions and from the organisation of party events, may also be acquired by independent Members of Parliament and independent councillors.

(3) Political parties, independent Members of Parliament and independent councillors may be financed from the state budget and from the budgets of self-government units, in the manner and under the conditions laid down in this Act.

(4) Political parties, independent Members of Parliament and independent councillors may use the funds referred to in paragraphs 1, 2 and 3 of this Article solely for the purposes of pursuing the objectives set out in the work programme and financial plan referred to in Article 50 of this Act.

(5) It shall be prohibited to use the funds referred to in paragraphs 1, 2 and 3 of this Article for private purposes.

CHAPTER I REGULAR ANNUAL FINANCING FROM THE STATE BUDGET AND FROM THE BUDGETS OF SELF-GOVERNMENT UNITS

Budgetary appropriation of funds for regular annual financing

Article 5

(1) Funds required for the regular annual financing of political parties and independent Members of Parliament shall be provided for in the state budget of the Republic of Croatia, and shall amount to 0.075% of the tax revenues as stated in the previously published annual budget execution report.

(2) Funds required for the regular annual financing of political parties and independent councillors financed from the budgets of self-government units shall be provided by self-government units in an amount appropriated in the budget of the self-government unit concerned for each year for which the budget is adopted, with the annual amount per member of the representative body of a self-government unit not being less than:

- HRK 8 000.00 in the representative body of the City of Zagreb;
- HRK 5 000.00 in the representative body of a county or large city;
- HRK 3 500.00 in the representative body of a self-government unit with a population of more than 10 000 people;
- HRK 2 000.00 in the representative body of a self-government unit with a population of 3 001 to 10 000 people;
- HRK 1 000.00 in the representative body of a self-government unit with a population of up to 3 000 people.

Entitlement to regular annual financing from budgetary resources

Article 6

(1) Political parties which, according to the final election results, have won seats in the Croatian Parliament and independent Members of Parliament shall be entitled to regular annual financing from the state budget.

(2) Political parties which, according to the final election results, have won seats in the representative body of a self-government unit and independent councillors shall be entitled to regular annual financing from the budget of the self-government unit concerned.

Allocation of budget funds earmarked for regular annual financing

Article 7

(1) The funds specified in Article 5 of this Act shall be allocated by setting an equal amount thereof for each Member of the Croatian Parliament or each member of the representative body of a self-government unit, with each political party that has proposed a list being entitled to receive funding in proportion to the number of seats won in the Croatian Parliament or in the representative body of a self-government unit in accordance with the final results of the elections for Members of the Croatian Parliament or for members of the representative bodies of self-government units.

(2) If, according to the final election results, a Member of Parliament or a member of the representative body of a self-government unit who has been elected from a joint list proposed by two or more political parties is not a member of any of the political parties proposing the joint list, the funds for this Member of Parliament or this member of the representative body of a self-government unit shall be allocated to the political parties that proposed the joint list in accordance with their agreement, and if no such agreement has been concluded, in proportion to the number of seats won in the Croatian Parliament or the number of seats won in the representative body of a self-government unit.

(3) The agreement referred to in paragraph 2 of this Article shall be submitted to the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament or to the representative body of the self-government unit concerned.

(4) Should two or more political parties merge, the funds allocated in accordance with paragraph 1 of this Article shall belong to the political party that is the legal successor to the political parties that have ceased to exist as a result of such merger. The political party that is the legal successor shall send written notification of change in status (merger of political parties) to the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament or to the representative body of a self-government unit no later than 15 days after the change in status occurs.

(5) If any independent Member of Parliament or an independent councillor becomes a member of a political party represented in the Croatian Parliament or in the representative body of a self-government unit, the funds for the regular annual financing which are earmarked for this Member of Parliament or councillor in the state budget or in the budget of the self-government unit concerned shall belong to the political party whose member he has become, and shall be paid to the account of this political party until the expiry of his term of office, regardless of whether he leaves membership of this political party in that period. No later than 15 days of becoming a member of a political party, an independent Member of Parliament or an independent councillor must notify the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament or the representative body of the self-government unit concerned thereof in writing.

(6) In the case referred to in paragraph 5 of this Article, an independent Member of Parliament or an independent councillor must, within 60 days of becoming a member of a political party, close his separate account and transfer the funds remaining in that account to the account of the political party whose member he has become.

(7) By way of derogation from paragraph 5 of this Article, if, prior to becoming a member of a political party, an independent Member of Parliament or an independent councillor waives entitlement to regular annual financing from the state budget or from the budget of a self-government unit, the political party whose member he has become shall not be paid funds for this independent Member of Parliament or independent councillor in the budget year in which this independent Member of Parliament or this independent councillor is not entitled, in accordance with paragraph 5 of Article 8 of this Act, to financing from budgetary resources.

Waiver of entitlement to regular annual financing from budgetary resources

Article 8

(1) Independent Members of Parliament and independent councillors may waive entitlement to regular annual financing from the state budget or from the budget of a self-government unit by submitting a written statement to that effect to the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament or the representative body of the self-government concerned and to the State Electoral Commission and the State Audit Office.

(2) The written statement referred to in paragraph 1 of this Article shall be submitted to the State Electoral Commission and the State Audit Office by uploading it in the Financial Control Information System.

(3) In the case referred to in paragraph 1 of this Article, an independent Member of Parliament or an independent councillor who has opened a separate account dedicated to regular annual financing, but does not obtain revenues for regular annual financing from other sources permitted by law, shall, within 60 days of the submission of the statement referred to in paragraph 1 of this Article, close the separate account dedicated to the regular annual financing of his activities and shall distribute the remaining funds or the value of assets or the assets obtained through these funds in the manner laid down in Article 17 of this Act.

(4) If an independent Member of Parliament or an independent councillor referred to in paragraph 1 of this Article does not obtain revenues for regular annual financing from other sources permitted by law, he shall state this fact in the statement referred to in paragraph 1 of this Article.

(5) In the case referred to in paragraph 1 of this Article, an independent Member of Parliament or an independent councillor shall not be entitled to receive financing from budgetary resources until the end of the budget year in which he submits the statement and may not withdraw the statement for the budget year concerned; the funds allocated to that independent Member of Parliament or independent councillor for the budget year in question shall remain in the state budget or in the budget of the self-government unit concerned.

(6) If the term of office of an independent Member of Parliament or an independent councillor is suspended or terminates before expiry of the period for which he has been elected, the

statement given by that independent Member of Parliament or independent councillor as referred to in paragraph 1 of this Article shall not be binding on his alternate.

(7) The provisions of this Article shall apply *mutatis mutandis* to the alternate referred to in paragraph 6 of this Article who wishes to waive entitlement to regular annual financing from the state budget or from the budget of a self-government unit.

Compensation for under-represented sex

Article 9

(1) For each Member of Parliament or each member of the representative body of a self-government unit representing an under-represented sex, political parties, independent Members of Parliament or independent councillors shall be entitled to a compensation amounting to 10% of the amount envisaged for each Member of Parliament or member of the representative body of a self-government unit.

(2) Under-representation of sex, within the meaning of paragraph 1 of this Article, shall be deemed to exist where the representation of one sex in the Croatian Parliament or in the representative body of a self-government unit is less than 40%.

Decision on the allocation of budget funds and payments

Article 10

(1) A decision on the allocation of funds from the state budget as provided for in paragraph 1 of Article 7 of this Act shall be made by the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament. The allocated funds shall be transferred to the central account of the political party concerned or to a separate account of the independent Member of Parliament concerned as referred to in paragraph 1 of Article 13 of this Act, on a quarterly basis and in equal amounts; if the start or end date of a person's term of office does not coincide with the start or end of a quarter, the amount to be paid in that quarter shall be in proportion to the number of days of that person's term of office.

(2) Funds for regular annual financing of national minority Members of Parliament nominated by a political party shall be transferred to the central account of that political party.

(3) A decision on the allocation of funds from the budget of a self-government unit as provided for in paragraph 1 of Article 7 of this Act shall be made by the representative body of the self-government unit. The allocated funds shall be transferred to the giro account of the political party concerned or to a separate account of the independent councillor concerned as referred to in paragraph 1 of Article 13 of this Act, on a quarterly basis and in equal amounts; if the start or end date of a person's term of office does not coincide with the start or end of a quarter, the amount to be paid in that quarter shall be in proportion to the number of days of that person's term of office.

(4) The self-government unit shall submit the decision referred to in paragraph 3 of this Article to the State Electoral Commission no later than 15 days of entry into force of that decision, indicating the number and date of publishing of the official gazette in which the decision has been published.

(5) If an independent Member of Parliament or an independent councillor fails to open a separate account dedicated to regular annual financing or fails to submit to the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament or to the representative body of a self-government unit a written notification of the number of such account as provided for in paragraphs 1 and 2 of Article 13 of this Act, the competent national authority or the self-government unit shall not be required to pay funds for regular annual financing for the period during which such separate account was not open or a written notification of the number of such account was not submitted to the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament or to the representative body of the self-government unit.

Report on the amounts of funds allocated and paid

Article 11

(1) The Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament shall publish on the website of the Croatian Parliament, after the end of the financial year and no later than 1 March of the current year for the preceding year, a report on the amount of funds allocated and paid from the state budget for the regular annual financing of each political party represented in the Croatian Parliament and each independent Member of Parliament.

(2) The Ministry of Finance shall, no later than 15 February of the current year for the preceding year, submit to the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament data on the funds paid from the state budget for the regular annual financing of each political party represented in the Croatian Parliament and each independent Member of Parliament, specified in accordance with paragraph 4 of this Article.

(3) A self-government unit shall publish on its website, after the end of the financial year and no later than 1 March of the current year for the preceding year, a report on the amount of funds allocated and paid from the budget of the self-government unit for the regular annual financing of each political party represented in the representative body of the self-government unit and each independent councillor.

(4) The reports referred to in paragraphs 1 and 3 of this Article shall contain the following information:

- the name of the political party or the name of the independent Member of Parliament or independent councillor and the name of the independent list or list of a group of voters from which the independent Member of Parliament or independent councillor was elected;
- the total amount of funds allocated for each political party, independent Member of Parliament or independent councillor, according to the decisions on the allocation of funds for regular annual financing referred to in paragraphs 1 and 3 of Article 10 of this Act, and
- the total amount of funds paid from the state budget or the budget of a self-government unit for each political party, independent Member of Parliament or independent councillor for regular annual financing.

CHAPTER II
SEPARATE ACCOUNT DEDICATED TO THE REGULAR ANNUAL FINANCING OF
INDEPENDENT MEMBERS OF PARLIAMENT AND INDEPENDENT COUNCILLORS

Type of account

Article 12

A separate account dedicated to the regular annual financing of an independent Member of Parliament or independent councillor shall be a personal account intended for special purposes (for the regular financing of independent Members of Parliament or independent councillors) opened with a selected bank in such manner and according to such procedure as may be specified in the general rules of banking operations.

Opening of a separate account dedicated to regular annual financing

Article 13

(1) An independent Member of Parliament or an independent councillor shall open a separate account dedicated to the regular financing of his activities at the latest within 60 days of the beginning of his term of office.

(2) An independent Member of Parliament or an independent councillor shall submit to the Committee on the Constitution, Standing Orders and Political System of the Croatian Parliament or the representative body of a self-government unit and to the State Electoral Commission a written notification of the opening of the separate account referred to in paragraph 1 of this Article, containing details of the account, no later than eight days after the date of opening the account.

(3) The written notification referred to in paragraph 2 of this Article must also indicate the e-mail address for the service of documents related to the supervision of financing.

(4) The documents sent by the State Electoral Commission and other competent authorities to the e-mail address referred to in paragraph 3 of this Article shall be considered to be duly received, except for documents for which this Act provides that they are to be considered received when published on the website of the State Electoral Commission.

(5) Upon receipt of the written notification referred to in paragraph 2 of this Article, the State Electoral Commission shall issue to the independent Member of Parliament or independent councillor concerned a password for logging into the Financial Control Information System.

(6) Independent Members of Parliament and independent councillors who, in accordance with paragraph 1 of Article 8 of this Act, have waived their entitlement to regular annual financing from budgetary resources and do not finance their political activities for other sources permitted by law shall not be required to open a separate account referred to in paragraph 1 of this Article.

(7) Independent Members of Parliament and independent councillors who, after the expiry of their term of office, are re-elected as independent Members of Parliament or independent councillors shall not be required to open a new separate account dedicated to regular annual

financing in their new term of office, but shall use the same separate account they used in their previous term of office.

Payments and use of funds from a separate account dedicated to regular annual financing

Article 14

(1) Independent Members of Parliament and independent councillors shall carry out all transactions concerning the regular annual financing of their political activities through a separate account dedicated to the regular annual financing of their activities.

(2) A separate account dedicated to regular annual financing shall be intended solely for the receipt of payments of donations to support political activities of an independent Member of Parliament or independent councillor in the course of the year (excluding donations for election campaign financing) and for the receipt of budget payments for regular annual financing, and no other payments made to the account-holder on any other grounds (e.g. income from self-employment or employment, etc.) may be received on that account.

(3) Funds held in a separate account dedicated to regular annual financing may only be used in accordance with the financial plan and work programme and shall not be used to cover any private debts or for other private purposes of an independent Member of Parliament or independent councillor.

(4) Funds held on a separate account dedicated to regular annual financing are exempt from enforcement, except for enforcement concerning an obligation arising from the carrying out of political activities.

Offices of independent Members of Parliament and independent councillors

Article 15

(1) An independent Member of Parliament or an independent councillor may establish an office for the performance of administrative and professional tasks.

(2) An independent Member of Parliament or an independent councillor shall have the rights and obligations of an employer towards the staff of the office referred to in paragraph 1 of this Article.

Closure of a separate account dedicated to regular annual financing

Article 16

(1) Independent Members of Parliament and independent councillors who, after the expiry of their term of office, have not been re-elected as independent Members of Parliament or independent councillors or whose term of office has been terminated before the expiry of the period for which they were elected shall close their separate accounts dedicated to the regular annual financing of their activities within 90 days from the date of constitution of the new Croatian Parliament or of the representative body of a self-government unit, or from the date of termination of their term of office before the expiry of the period for which they were elected.

(2) During the period of suspension of his term of office, an independent Member of Parliament or an independent councillor shall not be required to close the separate account dedicated to the regular annual financing of his activities, but if he closes this separate account during the period of suspension of his term of office, he shall distribute the remaining funds or the value of assets or the assets obtained through these funds in the manner laid down in Article 17 of this Act.

(3) No later than eight days from the date of closure of a separate account dedicated to regular annual financing, independent Members of Parliament and independent councillors shall submit to the State Electoral Commission and to the State Audit Office a bank certificate confirming the closure of the account.

(4) Within the time limit specified in paragraph 3 of this Article, independent Members of Parliament and independent councillors shall enter data on the closure of the separate account into the Financial Control Information System.

(5) If, during the period of suspension of their term of office, independent Members of Parliament or independent councillors do not close their separate accounts dedicated to the regular financing of their activities, they may not use funds from that account during the period of suspension of their term of office.

Distribution of funds remaining in a separate account dedicated to regular annual financing

Article 17

(1) Independent Members of Parliament and independent councillors referred to in paragraph 1 of Article 16 of this Act shall, within the time limit specified in paragraph 1 of Article 16 of this Act, return to the state budget or to the budget of a self-government unit:

– any unspent funds received from the state budget or from the budget of the self-government unit for the regular annual financing of their activities; and

– the amount equal to the book value of any assets purchased by funds received from the state budget or from the budget of the self-government unit for the regular annual financing of their activities.

(2) By way of derogation from the provision of sub-paragraph 2 of paragraph 1 of this Article, independent Members of Parliament and independent councillors referred to in paragraph 1 of Article 16 of this Act may return any assets purchased by funds received from the state budget or from the budget of a self-government unit for the regular annual financing of their activities to, and put them at the disposal of, the Government of the Republic of Croatia or the relevant self-government unit.

(3) The book value of assets referred to in sub-paragraph 2 of paragraph 1 of this Article shall be determined in accordance with the legislation governing non-profit bookkeeping as a difference between the purchase value and value adjustment determined using the rates prescribed for calculating the depreciation of fixed assets in non-profit bookkeeping.

(4) Independent Members of Parliament and independent councillors referred to in paragraph 1 of Article 16 of this Act shall, within the time limit specified in paragraph 1 of Article 16 of

this Act, return any unspent funds received by way of donations to donors in proportion to their contribution or donate them for general community purposes.

(5) The share of funds for the financing of regular political activities received from budgets or by way of donations in the remaining unspent funds shall be determined in proportion to the sum paid.

(6) Where, as a result of death, the term of office of an independent Member of Parliament or independent councillor terminates before the expiry of the period for which he was elected, any funds left in his separate account dedicated to regular annual financing shall be paid into the state budget or into the budget of the relevant self-government unit, and the assets purchased by funds from that account shall be placed at the disposal of the Government of the Republic of Croatia or the self-government unit. Any unsettled costs shall be paid from the state budget or from the budget of the self-government unit, up to the amount of the funds paid or the value of assets that have been purchased by funds from that account and placed at the disposal of the Government of the Republic of Croatia or the self-government unit.

CHAPTER III VOLUNTARY CONTRIBUTIONS (DONATIONS) FOR FINANCING REGULAR POLITICAL ACTIVITIES DURING THE YEAR

Financing of regular annual political activities through donations

Article 18

(1) Natural and legal persons may make donations to political parties, independent Members of Parliament and independent councillors to finance their regular political activities during the year, on a one-time basis or multiple times during the calendar year.

(2) Pecuniary donations for the financing of regular political activities during the year shall be paid by the donor to the central account of a political party or the separate account of an independent Member of Parliament or independent councillor referred to in paragraph 1 of Article 13 of this Act.

(3) For a donation made by way of products or services (including donations made in other non-pecuniary forms, such as movable or immovable property, property rights, etc.), natural and legal persons shall issue a certificate specifying the market value of the donated product or service and stating that the donation has been made to a political party, independent Member of Parliament or independent councillor.

(4) Services referred to in paragraph 3 of this Article shall not be deemed to include voluntary work done by volunteers.

(5) Donations the value of which exceeds HRK 5 000.00 shall be subject to the conclusion of an agreement between the donor and the donee.

(6) Natural and legal persons making donations shall provide the donee with a declaration stating that they are not subject to any enforcement proceedings relating to their arrears to the state budget or to the budget of a self-government unit or to their employees. In the case referred to in paragraph 5 of this Article, this declaration shall be attached to the agreement.

(7) If a political party, independent Member of Parliament or independent councillor does not want to keep a donation which has been paid by a natural or legal person to the central account of that political party or to the separate account of that independent Member of Parliament or independent councillor, and for which no agreement has been concluded, they may refuse it by paying the amount of such donation to the state budget, no later than eight days from the date of payment of such donation.

(8) Political parties, independent Members of Parliament and independent councillors shall report to the State Audit Office and the State Electoral Commission any donation the value of which exceeds HRK 5 000.00 and for which no agreement has been concluded in accordance with paragraph 5 of this Article, and shall pay the amount of the value of such donation to the state budget no later than 15 days from the date of receipt of the donation.

Maximum amounts of donations made to finance regular annual political activities

Article 19

(1) The total value of donations made by a natural person to a political party, an independent Member of Parliament or an independent councillor for financing regular annual political activities shall not exceed HRK 30 000.00 in a single calendar year.

(2) The total value of donations for financing regular annual political activities made by a legal person in a single calendar year shall not exceed:

- HRK 200 000 when such donations are made to a political party;
- HRK 100 000 when such donations are made to an independent Member of Parliament;
- HRK 30 000 when such donations are made to an independent councillor.

(3) Political parties, independent Members of Parliament and independent councillors shall report to the State Audit Office and the State Electoral Commission any value of donations which exceeds the amounts referred to in paragraphs 1 and 2 of this Article and shall pay it into the state budget no later than 15 days from the date of receipt of payment.

Keeping records of donations, membership fees and membership contributions

Article 20

(1) Political parties, independent Members of Parliament and independent councillors shall keep records of, and issue receipts for, the donations received for financing regular annual political activities, and political parties shall also keep records of, and issue receipts for, the membership fees and membership contributions received.

(2) The method of keeping the records and issuing the receipts and the form of the records and receipts referred to in paragraph 1 of this Article shall be laid down by the Minister of Finance by way of an ordinance, subject to the prior consent of the State Electoral Commission.

Semi-annual report of donations

Article 21

(1) Political parties, independent Members of Parliament and independent councillors that have received donations in the first six months of the current year shall, at the latest by 15 July of the current year, submit to the State Electoral Commission, through the Financial Control Information System, a report on the donations received in support of their political activity in the course of the first six months of the current year (semi-annual report).

(2) A report on donations must contain details of the donor (personal or corporate name and address and personal identification number), the date when the donation was paid or when the product or service was provided free of charge, the amount of the donation paid or the market value of the donated product or service as specified in a certificate, and the type of each donation.

(3) Political parties, independent Members of Parliament and independent councillors that have not received donations in the first six months of the current year shall, within the time limit specified in paragraph 1 of this Article, submit to the State Electoral Commission, through the Financial Control Information System, a notification stating that they have not received any donation in the period in question.

(4) The State Electoral Commission shall publish on its website the report referred to in paragraph 1 of this Article and the notification referred to in paragraph 3 of this Article on the first working day after the date of their submission. The address details of a donor who is a natural person shall not be published.

(5) The publication referred to in paragraph 4 of this Article shall be available online until the publication of the annual financial statement for the calendar year to which the semi-annual report relates.

(6) The form of the report referred to in paragraph 1 of this Article and of the notification referred to in paragraph 3 of this Article, as well as the method of entering information in the Financial Control Information System, shall be laid down by the Minister of Finance by way of an ordinance, subject to the prior consent of the State Electoral Commission.

CHAPTER IV

Records of the political parties and independent councillors having representation in the representative bodies of self-government units

Article 22

(1) Records of the political parties represented in the representative bodies of self-government units and of independent councillors shall be kept by state administration offices in counties until such time as a single register of local and regional self-government units has been set up.

(2) Self-government units shall send to the state administration office in the county written notification of any change in data contained in the records, no later than eight days after the date the change occurred.

(3) The content and form of the records referred to in paragraph 1 of this Article and the manner in which they are to be kept shall be laid down by the Minister of Administration by way of an ordinance, subject to the prior consent of the State Electoral Commission.

PART THREE FINANCING OF ELECTION CAMPAIGNS

CHAPTER I SOURCES OF FUNDS USED TO FINANCE ELECTION CAMPAIGNS

Article 23

(1) Political parties, candidates and independent lists or lists of groups of voters may finance their election campaigns by their own funds and through donations made by natural and legal persons other than those specified in Article 46 of this Act.

(2) Political parties, candidates and independent lists or lists of groups of voters shall be entitled to recover the costs of their election campaigns from the state budget or from the budget of a self-government unit in the manner and under the conditions laid down in this Act.

Financing of an election campaign by own funds

Article 24

(1) Own funds that political parties, independent lists or lists of groups of voters and candidates plan to spend on an election campaign must be transferred to a separate account dedicated to financing the election campaign as referred to in Article 30 of this Act.

(2) Political parties, independent lists or lists of groups of voters and candidates may transfer own funds to the separate account dedicated to financing the election campaign until the date of closure of the account.

Financing of an election campaign through donations

Article 25

(1) Natural and legal persons may make donations to political parties, independent lists or lists of groups of voters and candidates to finance their election campaigns, on a one-time basis or multiple times during the calendar year.

(2) Pecuniary donations shall be paid by the donor to a separate account dedicated to financing the election campaign of a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate, referred to in Article 30 of this Act.

(3) For a donation made by way of products or services (including donations made in other non-pecuniary forms, such as movable or immovable property, property rights, etc.), natural and legal persons shall issue a certificate specifying the market value of the donated product

or service and stating that the donation has been made to a political party, an independent list, a list or a group of voters or a candidate.

(4) Services referred to in paragraph 3 of this Article shall not be deemed to include voluntary work done by volunteers.

(5) Donations the value of which exceeds HRK 5 000.00 shall be subject to the conclusion of an agreement between the donor and the donee.

(6) Natural and legal persons making a donation shall provide the donee with a declaration stating that they are not subject to any enforcement proceedings relating to their arrears to the state budget or to the budget of a self-government unit or to their employees. In the case referred to in paragraph 5 of this Article, this declaration shall be attached to the agreement.

(7) If a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate does not want to keep a donation which has been paid by a natural or legal person to their separate account dedicated to financing their election campaign, and for which no agreement has been concluded, they may refuse it by paying the amount of such donation to the state budget, no later than eight days from the date of payment of such donation.

(8) A political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate shall report to the State Electoral Office any donation the value of which exceeds HRK 5 000.00 and for which no agreement has been concluded in accordance with paragraph 5 of this Article, and shall pay the amount of the value of such donation to the state budget no later than 15 days from the date of receipt of the donation.

Time limit for collecting donations to finance an election campaign

Article 26

(1) Political parties, independent lists or lists of groups of voters and candidates may continue collecting donations until the end of an election campaign.

(2) A political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate shall immediately report to the State Electoral Commission any donation received after the end of an election campaign, and shall return such donation to the donor within 15 days from the date of receipt of the donation and, if such return is impossible or if the donation was received from an illicit source, they shall, within the same time limit, pay the amount of the value of the donation into the state budget.

Funds paid by political parties into the separate accounts of their candidates

Article 27

(1) Funds provided by a political party to finance the election campaigns of candidates for President of the Republic of Croatia, municipal prefect, city mayor and county prefect and candidates for deputy municipal prefect, deputy mayor and deputy county prefect elected

from among national minorities shall be paid by the political party nominating the candidate to the candidate's separate account referred to in paragraph 4 of Article 30 of this Act.

(2) The provisions of this Act relating to the maximum amounts of donations referred to in Article 29, the time limit for collecting donations referred to in paragraph 1 of Article 26, and the prohibition of financing by political parties as non-profit organisations referred to in subparagraph 6 of paragraph 1 of Article 46 of this Act shall not apply to the amount of funds paid by political parties into the separate accounts of their candidates in the case referred to in paragraph 1 of this Article nor to donations in the form of products or services provided by a political party nominating a candidate.

(3) Funds paid by a political party to its candidate to finance his election campaign and funds paid by the candidate to the political party after the election campaign in accordance with this Act shall be considered to be income from associated non-profit organisations.

Keeping records of donations made to finance an election campaign

Article 28

(1) Political parties, persons authorised to represent independent lists, lead candidates on lists proposed by groups of voters, and candidates shall keep records of, and issue receipts for, donations made to finance their election campaigns, and persons authorised to represent independent lists, lead candidates on lists proposed by groups of voters, and candidates shall also keep records of own funds paid to finance their election campaigns.

(2) The method of keeping the records and issuing the receipts and the form of the records and the receipt referred to in paragraph 1 of this Article shall be laid down by the Minister of Finance by way of an ordinance, subject to the prior consent of the State Electoral Commission.

Maximum amounts of donations made to finance an election campaign

Article 29

(1) The total value of donations made by a natural person to finance the costs of an election campaign shall not exceed HRK 30 000.00 in respect of:

- an individual political party, an individual independent list or an individual candidate for national minority Member of Parliament proposed by voters and national minority associations, in elections for members of the Croatian Parliament;
- an individual political party or an individual list of a group of voters, in elections for members of the European Parliament from the Republic of Croatia;
- an individual candidate in elections for President of the Republic of Croatia;
- an individual political party or an individual list of a group of voters, in elections for members of the representative bodies of local and regional self-government units, irrespective of the number of self-government units in which the political party or the list of a group of voters participates in elections;

– an individual candidate in elections for municipal prefects, city mayors, county prefects and their deputies;

– a political party that has opened a separate account on behalf of a joint list on the basis of an agreement between the political parties involved, in elections for members of the European Parliament from the Republic of Croatia, in elections for members of the Croatian Parliament, and in elections for members of the representative bodies of local and regional self-government units, irrespective of the number of self-government units in which the joint list participates in elections.

(2) The total value of donations made by a legal person to finance the costs of an election campaign shall not exceed HRK 200 000 in respect of:

– an individual political party, an individual independent list or an individual candidate for national minority Member of Parliament proposed by voters and national minority associations, in elections for members of the Croatian Parliament;

– an individual political party or an individual list of a group of voters, in elections for members of the European Parliament from the Republic of Croatia;

– an individual candidate in elections for President of the Republic of Croatia;

– an individual political party or an individual list of a group of voters, in elections for members of the representative bodies of local and regional self-government units, irrespective of the number of self-government units in which the political party or the list of a group of voters participates in elections;

– an individual candidate in elections for municipal prefects, city mayors, county prefects and their deputies;

– a political party that has opened a separate account on behalf of a joint list on the basis of an agreement between the political parties involved, in elections for members of the European Parliament from the Republic of Croatia, in elections for members of the Croatian Parliament, and in elections for members of the representative bodies of local and regional self-government units, irrespective of the number of self-government units in which the joint list participates in elections.

(3) Political parties, persons authorised to represent independent lists, lead candidates on lists proposed by groups of voters, and candidates shall report to the State Electoral Commission any value of donations which exceeds the amounts specified in this Article and shall pay it into the state budget no later than 15 days from the date of receipt of payment.

CHAPTER II

SPECIAL ACCOUNT DEDICATED TO FINANCING ELECTION CAMPAIGN COSTS

Obligation to open a separate account dedicated to financing an election campaign

Article 30

(1) A political party shall open a separate account dedicated to financing election campaign costs for each individual election in which it participates, as follows:

- elections for members of the Croatian Parliament (one separate account)
- elections for members of the European Parliament (one separate account)
- elections for members of the representative bodies of self-government units (one separate account for each self-government unit election in which it participates).

(2) When two or more political parties propose a joint list of candidates, a separate account dedicated to financing election campaign costs shall be opened by one of the political parties proposing the joint list, in accordance with an agreement concluded between the political parties involved, which shall be submitted to the State Electoral Commission. Funds that an individual political party is required to pay into the separate account dedicated to financing election campaign costs in accordance with the agreement concluded between the political parties involved shall not be regarded as donations made to, or revenue earned by, the political party that has opened the separate account dedicated to financing the election campaign.

(3) Political parties proposing a joint list may make loans to each other for the purpose of financing an election campaign on the basis of an agreement concluded between them, by making a payment into the separate account dedicated to financing the election campaign. A loan made by one political party to another on the basis of the agreement concluded between them and the repayment of the loan to the central account of the political party that made the loan shall not be regarded as a donation.

(4) A separate account dedicated to financing election campaign costs of an independent list, a list of a group of voters or a candidate shall be opened by the following persons authorised to represent independent lists, lead candidates on lists of groups of voters, and candidates:

- candidates for President of the Republic of Croatia, regardless of whether they have been proposed by political parties or by voters;
- lead candidates on lists of groups of voters in elections for members of the European Parliament;
- persons authorised to represent independent lists in elections for members of the Croatian Parliament;
- candidates for national minority Members of Parliament nominated by voters and national minority associations;
- candidates for municipal prefects, city mayors and county prefects, regardless of whether they have been proposed by political parties or by voters;
- candidates for deputy municipal prefects, deputy mayors and deputy county prefects elected from among national minorities, regardless of whether they have been proposed by political parties or by voters;

– lead candidates on lists of groups of voters in elections for members of the representative bodies of self-government units.

(5) The separate account referred to in paragraph 4 of this Article shall be a personal account intended for special purposes (for the financing of an election campaign), opened with a selected bank in the manner and under the procedure set out in the general rules of banking operations, and shall be used for the receipt of payments of donations to finance an election campaign and for all transactions relating to the financing of the election campaign, and no other payments made to the account-holder on any other grounds (e.g. income from self-employment or employment, etc.) may be received on that account, nor may the funds collected on that account by way of donations be used for purposes other than to cover the costs of the election campaign.

(6) Pecuniary donations for the financing of election campaigns may only be collected through the accounts referred to in paragraphs 1, 2 and 4 of this Article.

(7) Funds held on a separate account dedicated to financing an election campaign referred to in paragraphs 1, 2 and 4 of this Article are exempt from enforcement, except for enforcement to recover election campaign costs.

Deadline for opening a separate account dedicated to financing election campaign costs

Article 31

(1) Political parties, candidates, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, as well as persons intending to stand for election, shall open a separate account dedicated to financing election campaign costs no later than the date of submission of their candidature and not earlier than six months before the planned election day, with the date on which the election was held in the current electoral term being taken as the planned election day if no specific date has been set by law as election day.

(2) Within three days from the date of opening of a separate account dedicated to financing election campaign costs, political parties, candidates, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, as well as persons intending to stand for election shall submit a written notification of the opening of the account, indicating details of the account, to the State Electoral Commission, which shall, upon receipt of this written notification, issue them a password for logging into the Financial Control Information System.

(3) The written notification referred to in paragraph 2 of this Article must also indicate the e-mail address for the service of documents related to the supervision of financing.

(4) The documents sent by the State Electoral Commission and other competent authorities to the e-mail address referred to in paragraph 3 of this Article shall be considered to be duly received, except for documents for which this Act provides that they are to be considered received when published on the website of the State Electoral Commission.

Closure of a separate account dedicated to financing an election campaign

Article 32

(1) Political parties, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, and candidates shall be required to finalise all transactions pending on a separate account dedicated to financing an election campaign and close the account no later than 60 days after the expiry of the period provided for the reimbursement of election campaign costs as laid down in Article 45 of this Act.

(2) No later than eight days from the date of closure of a separate account dedicated to financing an election campaign, political parties, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, and candidates shall submit to the State Electoral Commission a bank certificate confirming the closure of the account.

(3) Within the time limit specified in paragraph 2 of this Article, political parties, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, and candidates shall enter data on the closure of the separate account into the Financial Control Information System.

Obligations in cases where a list of candidates or candidature is not submitted, is submitted out of time or is invalid, or where a submitted list of candidates or candidature is withdrawn

Article 33

(1) In cases where a list of candidates or candidature is not submitted, is submitted out of time or is invalid, or where a submitted list of candidates or candidature is withdrawn, the persons who have opened a separate account dedicated to financing an election campaign shall return any unspent funds remaining in the account to the payers in proportion to the amount they have paid, or donate them for general community purposes.

(2) The persons referred to in paragraph 1 of this Article shall close the separate account dedicated to financing an election campaign within 15 days of publication of consolidated lists or a consolidated list of properly proposed candidatures.

(3) The persons referred to in paragraph 1 of this Article shall prepare a financial statement reflecting the election campaign finances as of the day of closing the separate account dedicated to financing the election campaign, and shall submit it to the State Electoral Commission through the Financial Control Information System within 20 days of publication of consolidated lists or a consolidated list of properly proposed candidatures.

(4) No later than eight days from the date of closure of a separate account dedicated to financing an election campaign, the persons referred to in paragraph 1 of this Article shall submit to the State Electoral Commission a bank certificate confirming the closure of the account.

Distribution of unspent funds remaining in a separate account dedicated to financing election campaign costs of a political party

Article 34

If, after completion of all transactions in accordance with this Act, a separate account dedicated to financing an election campaign of a political party, as referred to in paragraphs 1 and 2 of Article 30 of this Act, still contains unspent funds (funds paid into the account by the political party, donations and reimbursements of election campaign costs), the political party must pay these funds, by the time the account is closed, to the central account of the political party, or to the central accounts of the political parties that have proposed a joint list in the proportion laid down in an agreement concluded between them, and such payment shall not be regarded as a donation. If no such agreement has been concluded, or if this issue is not regulated by an agreement, the funds in question shall be paid to the central account of the political party that opened the separate account dedicated to financing the election campaign.

Distribution of unspent funds remaining in a separate account dedicated to financing election campaign costs of an independent list, a list of a group of voters or a candidate

Article 35

(1) If, after completion of all transactions in accordance with this Act, a separate account dedicated to financing an election campaign of an independent list, a list of a group of voters or a candidate, as referred to in paragraph 4 Article 30 of this Act, still contains unspent funds (own funds, donations and reimbursements of election campaign costs), persons authorised to represent independent lists, lead candidates on lists of groups of voters, and candidates shall be required to do the following:

a) they shall return the remaining amount of own funds to the payers of own funds in proportion to the amount they have paid;

b) with regard to the remaining amount of donations and reimbursements of election campaign costs:

– candidates for President of the Republic of Croatia, candidates for national minority Members of Parliament, candidates for municipal prefects, city mayors and county prefects and candidates for deputy municipal prefects, deputy mayors and deputy county prefects elected from among national minorities, who have been nominated by a political party, shall pay the amount concerned to the central account of the political party that has nominated them;

– persons authorised to represent independent lists or lead candidates on lists of groups of voters whose lists have won seats in the Croatian Parliament or in the representative body of a self-government unit shall pay the amount concerned, in equal parts, to the separate accounts dedicated to the regular annual financing of the independent Members of Parliament or independent councillors elected from these lists;

– persons authorised to represent independent lists or lead candidates on lists of groups of voters whose lists have not won seats in the Croatian Parliament or in the representative body of a self-government unit, candidates for President of the Republic of Croatia who have been nominated by voters, candidates for national minority Members of Parliament nominated by voters and national minority associations, candidates for municipal prefects, city mayors and county prefects and candidates for deputy municipal prefects, deputy mayors and deputy county prefects elected from among national minorities, who have been nominated by voters, may donate the unspent funds remaining in their separate accounts dedicated to financing the

election campaign for general community purposes, and if these funds are not donated, they shall be returned to the payers in proportion to the amount they have paid.

(2) Payment of the unspent funds remaining in a separate account dedicated to financing an election campaign into the central account of a political party or into separate accounts dedicated to the regular annual financing of independent Members of Parliament or independent councillors referred to in sub-points 1 and 2 of point b) of paragraph 1 of this Article shall not be regarded as a donation.

CHAPTER III ELECTION CAMPAIGN COSTS

Article 36

Election campaign costs shall be the costs incurred to publicly present electoral participants and their election programmes and to call on voters to vote for them in particular elections, as well as other costs which are directly connected with an election campaign, from the date of opening a separate account dedicated to financing the election campaign until the date the account is closed.

Limitation of election campaign costs

Article 37

(1) Funds collected to finance an election campaign may only be used for the payment of election campaign costs.

(2) The funds referred to in paragraph 1 of this Article may not be used to defray the private expenses of a candidate or of persons included on a list of candidates, such as costs for personal clothing, debt repayment, private expenses of their family members, and other costs that are not directly connected with the election campaign for the office for which the candidate or the persons included on the list of candidates run.

(3) Funds from the state budget or from the budget of a self-government unit which candidates or persons on a candidate list use for their performance of their duties as officials of the Republic of Croatia or as elected officials in local and regional self-government may not be used for the election campaign purposes.

(4) The use of business premises, official vehicles and office equipment of governmental bodies and self-government units for election campaign purposes is prohibited, except for persons subject to special regulations concerning protected persons.

Limitation of the total amount of election campaign costs

Article 38

(1) The total amount of election campaign costs per candidate or per list of candidates shall not exceed the following amounts:

– HRK 8 000 000.00 in elections for President of the Republic of Croatia;

- HRK 1 500 000.00 within a single constituency in elections for members of the Croatian Parliament;
- HRK 4 000 000.00 in elections for members of the European Parliament;
- HRK 800 000.00 in elections for the mayor of the City of Zagreb;
- HRK 480 000.00 in elections for county prefects and mayors of large cities;
- HRK 200 000.00 in elections for city mayors and municipal prefects in self-government units with a population of more than 10 000 people
- HRK 80 000.00 in elections for city mayors and municipal prefects in self-government units with a population of 3 001 to 10 000 people;
- HRK 40 000.00 in elections for city mayors and municipal prefects in self-government units with a population of up to 3000 people.

(2) The amounts specified in sub-paragraphs 4, 5, 6, 7 and 8 of paragraph 1 of this Article with regard to elections for chief officials in self-government units shall also apply to elections for members of the representative bodies of those units.

(3) In elections for deputy municipality prefects, deputy city mayors and deputy county prefects elected from among national minorities, the total amount of election campaign costs shall not exceed 50% of the amount specified in paragraph 1 of this Article for elections of municipality prefects, city mayors and county prefects in the same units.

(4) The total amount of election campaign costs in elections for President of the Republic of Croatia, elections for municipality prefects, city mayors and county prefects, or elections for deputy municipality prefects, deputy city mayors and deputy county prefects elected from among national minorities may be increased by up to 20% of the total amount specified in sub-paragraphs 1, 4, 5, 6, 7 and 8 of paragraph 1 of this Article, or paragraph 3 of this Article for candidates advancing to the second round of elections. The total amount of election campaign costs may be further increased by the same percentage for every subsequent election round.

(5) If the total amount of the donations received to finance election campaign costs exceeds the amount of election campaign costs allowed under paragraph 1 of this Article, political parties, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, and candidates shall return the total value of donations that exceeds the allowed amount of election campaign costs to their payers, in proportion to the value of donations received no later than within the time limit prescribed for the submission of the election campaign financial statement referred to in Article 58 of this Act.

CHAPTER IV REPORT ON ELECTION CAMPAIGN DONATIONS, COSTS AND ADVERTISING IN THE MEDIA

Reports on election campaign donations and costs

Article 39

(1) Political parties, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, and candidates to whom funds for the financing of an election campaign have been paid to their separate accounts shall, within a period of seven days prior to the election date, submit to the State Electoral Commission, through the Financial Control Information System, a report on the donations received to finance their election campaign and a report on election campaign costs (expenses), with information updated as of the date of submission of the report.

(2) A report on donations shall contain information specifying each donor (personal or corporate name and address and personal identification number), the date when the donation was paid or when the product or service was provided free of charge, the amount of the donation paid or the market value of the donated product or service, as specified in the relevant certificate, and the type of each donation.

(3) A report on election campaign costs (expenses) shall contain information specifying the type of the cost, the name and address of the recipient, the date of payment, and the amount paid or, in the case of donations by way of products or services, the market value of the product or service, as specified in the relevant certificate.

(4) The State Electoral Commission shall publish on its website the reports referred to in paragraphs 2 and 3 of this Article on the first working day after the date of their submission. The address details of donors and recipients referred to in paragraphs 2 and 3 of this Article who are natural persons shall not be published.

(5) The publication referred to in paragraph 4 of this Article shall be available online until the publication of the financial statement of election campaign finances.

(6) The form of the reports referred to in paragraph 1 of this Article and the method of entering them in the Financial Control Information System shall be laid down by the Minister of Finance by way of an ordinance, subject to the prior consent of the State Electoral Commission.

Report on election campaign advertising in the media

Article 40

(1) Political parties, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, and candidates shall, within a period of seven days prior to the election date, submit to the State Electoral Commission, through the Financial Control Information System, a report on the price, and any discount granted thereon, of election campaign advertising in the media, containing the information specifying the name of the media service provider, the number and date of the invoice issued for the provided media services, the number of media services contracted and performed, the price without the discount, the discount expressed as a percentage of the price and the amount paid after the discount was applied.

(2) The State Electoral Commission shall publish on its website the report referred to in paragraph 1 of this Article on the first working day after the date of its submission.

(3) The form of the report referred to in paragraph 1 of this Article and the method of entering it in the Financial Control Information System shall be laid down by the Minister of Finance by way of an ordinance, subject to the prior consent of the State Electoral Commission.

Election campaign advertising rates

Article 41

(1) Operators providing media advertising services for election campaigns shall submit to the State Electoral Commission their schedules of rates charged for election campaign advertising and the contracts they have concluded with electoral participants in relation to their election campaigns, and shall publish them on their websites from the election campaign start date.

(2) The publication referred to in paragraph 1 of this Article shall be available online for 60 days from the date of announcement of the final election results.

CHAPTER V

REIMBURSEMENT OF ELECTION CAMPAIGN COSTS FROM THE STATE BUDGET OR FROM THE BUDGET OF A SELF-GOVERNMENT UNIT

Entitlement to reimbursement for election campaign costs

Article 42

(1) The following actors shall be entitled to reimbursement for election campaign costs from the state budget of the Republic of Croatia:

- candidates who obtain at least 10% of the valid votes in elections for President of the Republic of Croatia;
- political parties and lists proposed by groups of voters that obtain at least 5% of the valid votes in elections for members of the European Parliament;
- political parties and independent lists that obtain more than 5% of the valid votes from voters in their constituency in elections for members of the Croatian Parliament;
- political parties that nominated candidates for national minority Members of Parliament who became members of the Croatian Parliament, and candidates for national minority Members of Parliament nominated by voters and national minority associations, who became members of the Croatian Parliament;
- candidates for Members of Parliament belonging to national minorities that account for less than 1.5% of the population of the Republic of Croatia, who have not become members of the Croatian Parliament, but have obtained more than 15% of the valid votes from voters in their constituency, shall be entitled to 15% of the amount of the reimbursement to which an elected Member of Parliament is entitled.

(2) The following actors shall be entitled to reimbursement for election campaign costs from the budgets of self-government units:

– political parties and lists proposed by groups of voters that win at least one seat in a representative body in elections for members of the representative bodies of self-government units;

– candidates who, in elections for municipality prefects, city mayors, county prefects and their deputies, obtain at least 10% of the valid votes from the total number of voters who have voted;

– candidates who, at elections for deputy municipality prefects, deputy city mayors and deputy county prefects elected from among national minorities, obtain at least 10% of the valid votes from the total number of voters who have voted.

(3) The reimbursement for costs referred to in paragraph 1 of this Article shall be paid from the state budget of the Republic of Croatia, and the reimbursement for costs referred to in paragraph 2 of this Article shall be paid from the budget of self-government unit.

Decision on the level of reimbursement for election campaign costs

Article 43

(1) The level of the reimbursement for costs referred to in Article 42 of this Act shall be determined by the Government of the Republic of Croatia by a decision to be adopted no later than seven days after the date of publication of a decision calling the elections. The Government decision shall be published in the Official Gazette.

(2) A decision referred to in paragraph 1 of this Article concerning the level of reimbursement for election campaign costs in elections for municipality prefects, city mayors and county prefects and for deputy municipality prefects, deputy city mayors and deputy county prefects elected from among national minorities and elections for members of representative bodies of self-government units shall also apply to early elections and by-elections.

Payment of reimbursement for election campaign costs

Article 44

(1) Reimbursement for election campaign costs payable to a candidate, an independent list or a list of a group of voters shall be paid into a separate account of the candidate or of the person authorised to represent the independent list or list of a group of voters, opened for the purposes of financing election campaign costs.

(2) Reimbursement for election campaign costs payable to a political party shall be paid into a separate account of the political party, opened for the purposes of financing election campaign costs.

(3) Funds for the reimbursement of election campaign costs in elections for members of the Croatian Parliament shall be distributed among political parties, independent lists and candidates for national minority Members of Parliament nominated by voters and national minority associations in proportion to the number of seats they have won in the Croatian Parliament according to the final election results.

(4) Funds for the reimbursement of election campaign costs in elections for members of the European Parliament from the Republic of Croatia shall be distributed among political parties and lists of groups of voters in proportion to the number of seats they won in the European Parliament according to the final election results.

(5) Funds for the reimbursement of election campaign costs in elections for members of representative bodies of self-government units shall be distributed among political parties and lists of groups of voters in proportion to the number of seats won by each political party or list of a group of voters in the representative body according to the final election results.

(6) Funds for the reimbursement of election campaign costs in elections for President of the Republic of Croatia and in elections for municipality prefects, city mayors and county prefects and for deputy municipality prefects, deputy city mayors and deputy county prefects elected from among national minorities shall be distributed in proportion to votes received according to the final election results.

(7) Reimbursement for election campaign costs shall not be paid to political parties, independent lists or lists of groups of voters and candidates in an amount exceeding the election campaign costs actually incurred.

(8) Funds for the reimbursement of election campaign costs paid into a separate account of a person authorised to represent an independent list or of a lead candidate on a list of a group of voters or into a separate account of a candidate for county prefect, for city mayor or for municipal prefect shall be distributed among the candidates listed on the independent list or on the list of a group of voters or among the candidates for county prefect, city mayor or municipal prefect and the candidates for their deputies in accordance with an agreement concluded between them, and if no such agreement has been concluded, they shall be equally distributed.

(9) When two or more political parties propose a joint list of candidates, funds for the reimbursement of election campaign costs paid into a separate account opened by one of the political parties proposing the joint list in accordance with paragraph 2 of Article 30 of this Act shall be distributed among these political parties in accordance with an agreement concluded between them. If no such agreement has been concluded, funds for the reimbursement of election campaign costs shall be retained by the political party that has opened the separate account.

Deadline for payment of reimbursement for election campaign costs

Article 45

The reimbursement referred to in paragraphs 1 and 2 of Article 42 of this Act shall be paid within 15 days of the date of publication of the State Electoral Commission's report on the supervision of compliance with the provisions of this Act relating to election campaigns, as referred to in Article 61 of this Act.

PART FOUR PROHIBITION OF FINANCING AND PREFERENTIAL TREATMENT

Prohibition of financing

Article 46

(1) The financing of political parties, independent Members of Parliament, independent councillors, independent lists or lists of groups of voters, and candidates by the following entities is prohibited:

- foreign states, foreign political parties, foreign legal persons;
- foreign natural persons, other than nationals of other Member States of the European Union who are resident or on temporary stay in the Republic of Croatia in accordance with the Foreigners Act;
- state authorities, public enterprises, legal persons vested with public authority, companies and other legal persons in which the Republic of Croatia, according to the Register of State-Owned Assets, owns more than 5% of the shares or stocks, and public enterprises, legal persons vested with public authority, companies and other legal persons in which a self-government unit holds more than 5% of the shares or stocks, as well as public and other institutions founded by the Republic of Croatia or by a self-government unit or owned by the Republic of Croatia or by a self-government unit;
- trade unions and employers' associations;
- associations, trusts and foundations represented by central government officials or by elected officials of local or regional self-government;
- religious communities, humanitarian and other non-profit associations and organisations;
- natural and legal persons subject to any enforcement proceedings relating to their arrears to the state budget or to the budget of a self-government unit or to their employees;
- self-government units, except in the cases and in the manner provided for in this Act.

(2) Donations from unidentified (anonymous) sources are prohibited. A donation shall be regarded as coming from an unidentified (anonymous) source if the following details of the donor are not known at the time of payment: the first and last name and personal identification number in the case of a natural person or the name and unique identification number in the case of a legal person.

(3) It is prohibited to make donations, either in cash or in kind, through third parties (intermediaries).

(4) A political party, an independent Member of Parliament, an independent councillor, a person authorised to represent an independent list or a lead candidate on a list of a group of voters, and candidate shall immediately report any donation coming from an illicit source referred to in paragraphs 1, 2 and 3 of this Article to the State Audit Office and the State Electoral Commission, or to the State Electoral Commission in case of donations made to finance an election campaign, and shall pay the amount of the value of such donation into the state budget within 15 days of the date of receipt of payment.

(5) By way of derogation from sub-paragraph 1 of paragraph 1 of this Article, the prohibition to finance political parties, independent Members of Parliament, independent councillors, independent lists or lists of groups of voters and candidates (by foreign states, foreign political parties and foreign legal persons whose principal activity is the provision of education in developing and promoting democratic principles) shall not apply to the financing of educational programmes.

Prohibition of preferential treatment

Article 47

(1) When collecting donations to finance their activities, political parties, independent Members of Parliament, independent councillors, independent lists or lists of groups of voters and candidates shall not exert any political or other pressure on natural and legal persons.

(2) When collecting donations to finance their activities, political parties, independent Members of Parliament, independent councillors, independent lists or lists of groups of voters and candidates shall not promise to natural or legal persons any political or other favours, privileges or personal benefits of any kind in return.

PART FIVE SUPERVISION AND AUDIT

CHAPTER I SUPERVISION AND AUDIT OF FINANCIAL OPERATIONS AND FINANCIAL STATEMENTS OF POLITICAL PARTIES, INDEPENDENT MEMBERS OF PARLIAMENT AND INDEPENDENT COUNCILLORS

Authorities responsible for carrying out supervision and audits

Article 48

(1) The State Electoral Commission shall supervise entities that receive regular annual financing (political parties, independent Members of Parliament and independent councillors) by collecting and publishing their annual financial statements and other reports and by reviewing them for timely submission and completeness, and shall monitor the legality of the financing of these entities by checking the data submitted and by performing financial supervision upon a complaint or at its own discretion.

(2) The State Audit Office shall perform audits of political parties, independent Members of Parliament and independent councillors, and shall also carry out other tasks within its fields of competence. The State Audit Office shall perform audits under this Act in the manner laid down in the law governing the work of the State Audit Office.

(3) Supervision of the implementation of commitments charged to the budgets of self-government units referred to in paragraph 2 of Article 5, paragraph 3 of Article 10 and Article 45 as regards the payment of the reimbursement referred to in Article 42 paragraph 2 of this Act shall be carried out by the Ministry of Finance.

(4) Entities subject to supervision shall submit to the State Electoral Commission and other competent authorities an e-mail address for the service of documents related to supervision.

(5) The documents sent by the State Electoral Commission and other competent authorities to the e-mail address referred to in paragraph 4 of this Article shall be considered to be duly received, except for documents for which this Act provides that they are to be considered received when published on the website of the State Electoral Commission.

Cooperation between authorities responsible for carrying out supervision and audits with other bodies and legal persons

Article 49

(1) Authorities responsible for carrying out supervision and audits shall cooperate with each other within their respective powers.

(2) A bank with which a separate account for regular annual financing has been opened shall submit to the authorities referred to in paragraph 1 of this Article, at their written request, any information they require concerning this account and transactions made on it.

(3) Political parties, independent Members of Parliament and independent councillors shall submit to the State Electoral Commission and the State Audit Office, at their request, any documents they require.

Annual work programme and financial plan

Article 50

(1) Political parties, independent Members of Parliament and independent councillors shall, before the end of each year, adopt their annual work programme and financial plan for the following calendar year, irrespective of whether they use the double-entry or single-entry method of bookkeeping.

(2) Political parties, independent Members of Parliament and independent councillors that use the double-entry bookkeeping method shall prepare their financial plans for the following calendar year in accordance with the legislation governing the financial operations and accounting of non-profit organisations.

(3) Independent Members of Parliament and independent councillors shall also establish a work programme for their term of office at the beginning of their term of office.

Financial records

Article 51

(1) Political parties, independent Members of Parliament and independent councillors shall manage their financial operations and keep their accounts in accordance with the legislation governing the accounting of non-profit organisations, depending on the value of their assets and the amount of the revenue earned in the preceding year, regardless of the year in which the business operations started, unless otherwise provided for in this Act.

(2) If the value of their assets and the amount of their revenues do not exceed the levels for which double-entry bookkeeping is mandatory, political parties, independent Members of Parliament and independent councillors shall keep a cash journal, a book of receipts and expenses, a book of incoming invoices, a book of outgoing invoices and an inventory of fixed non-financial assets, in accordance with the legislation governing the financial operations and accounting of non-profit organisation using the cash-basis method.

(3) By way of derogation from paragraph 2 of this Article, political parties established in the current year, and independent Members of Parliament and independent councillors whose term of office starts in the current year shall manage their financial operations and keep their accounts (financial records) in accordance with the legislation governing the accounting of non-profit organisations, depending on the level of revenue identified in the financial plan for the current year.

(4) In addition to the financial records referred to in paragraph 2 of this Article, political parties, independent Members of Parliament and independent councillors shall also maintain a book of claims and liabilities.

(5) The form and content of the book of claims and liabilities referred to in paragraph 3 of this Article shall be laid down by the Minister of Finance by way of an ordinance.

Annual financial statements

Article 52

(1) Political parties, independent Members of Parliament and independent councillors shall prepare a financial statement for the reporting period from 1 January to 31 December (hereinafter: annual financial statement) in the manner which the legislation governing the accounting of non-profit organisations prescribes for non-profit organisations applying the double-entry or single-entry bookkeeping method, depending on the value of the assets and the amount of the revenue earned in the year preceding the year in respect of which the financial statement is prepared.

(2) Political parties, independent Members of Parliament and independent councillors shall submit their annual financial statements, together with the attachments specified in paragraph 3 of this Article, to the State Audit Office and the State Electoral Commission through the Financial Control Information System within 60 days of the date of expiry of the reporting period.

(3) Political parties, independent Members of Parliament and independent councillors shall submit through the Financial Control Information System the following documents together with the annual financial statement and as an integral part thereof:

– their annual work programmes and financial plans referred to in paragraph 1 of Article 50 of this Act, and independent Members of Parliament and independent councillors shall also submit their work programmes for their term of office as referred to in paragraph 2 of Article 50 of this Act;

– a report on donations received during the year with details on natural and legal persons that made the donations (personal or corporate name and address and personal identification

number), the date when the donation was paid or when the product or service was provided free of charge, the amount of the donation paid or the market value of the donated product or service as specified in a certificate, and the type of each donation.

(4) By way of derogation from paragraph 2 of this Article, if, after having ceased to exist in accordance with the provisions of the law governing the establishment of political parties, a political party is removed from the Register of Political Parties, this political party shall prepare its annual financial statement as of the date preceding the date of removal from the Register of Political Parties, and shall submit it to the State Audit Office and the State Electoral Commission through the Financial Control Information System within 60 days of the day on which a decision on removal from the Register becomes final.

(5) By way of derogation from paragraph 2 of this Article, in the case of a change in status of political parties, the political party whose status has been changed shall prepare its annual financial statement as of the date preceding the date on which the change in status occurred, in the manner which the legislation governing the accounting of non-profit organisations prescribes for cases when there is a change in status of a non-profit organisation, and shall submit it to the State Audit Office and the State Electoral Commission through the Financial Control Information System within 60 days of the date on which the change in status occurred.

(6) The annual financial statement referred to in paragraphs 4 and 5 of this Article shall be signed by the person who was responsible for the operations of the political party until the date preceding the date of its removal from the Register of Political Parties or the date on which the change in status occurred.

(7) By way of derogation from paragraph 2 of this Article, independent Members of Parliament and independent councillors who, after the expiry of their term of office, have not been re-elected as independent Members of Parliament or independent councillors or whose term of office has been terminated before the expiry of the period for which they were elected, and independent Members of Parliament and independent councillors who have waived their entitlement to financing from budgetary resources, as well as independent Members of Parliament and independent councillors referred to in paragraph 5 of Article 7 of this Act who have become members of a political party represented in the Croatian Parliament or in the representative body of a self-government unit shall prepare an annual financial statement as of the date preceding the date of closure of a separate account dedicated to the regular financing of their activities, and shall submit it to the State Electoral Commission and the State Audit Office through the Financial Control Information System at the latest within 30 days of the date of closure of a separate account dedicated to the regular financing of their activities.

(8) The obligation to prepare and submit the annual financial statement referred to in paragraph 7 of this Article shall also apply to independent Members of Parliament and independent councillors who have closed a separate account in the case of suspension of their term of office.

(9) The State Electoral Commission shall make it possible for the State Audit Office to download financial statements and their integral parts immediately after the data are entered into the Financial Control Information System.

(10) The manner in which the financial statements and the required attachments referred to in paragraph 3 of this Article are to be submitted through the Financial Control Information System shall be laid down by the Minister of Finance by way of an ordinance, subject to the prior consent of the State Electoral Commission.

Performance of audits

Article 53

(1) Audits of political parties, independent Members of Parliament and independent councillors shall be performed each calendar year for the preceding year.

(2) The State Audit Office shall not be obliged to perform an audit of political parties, independent Members of Parliament and independent councillors whose annual revenue and asset value, as given in annual financial statements, is less than HRK 100 000.00, but it may carry it out in accordance with its work plan and programme.

(3) Political parties, independent Members of Parliament and independent councillors referred to in paragraph 2 of this Article shall submit to the State Audit Office, at its request, any documents it requires.

Audit report

Article 54

(1) A report on audits performed on political parties, independent Members of Parliament and independent councillors shall be submitted by the State Audit Office to the Croatian Parliament before the end of each current year for the preceding year.

(2) A report on audits performed on political parties, independent Members of Parliament and independent councillors shall be published on the website of the State Audit Office.

Supervision report

Article 55

The State Audit Office shall publish on its website a report on the supervision of annual financial operations and annual financial statements of political parties, independent Members of Parliament and independent councillors.

CHAPTER II SUPERVISION OF ELECTION CAMPAIGN FINANCING

Authorities responsible for carrying out supervision

Article 56

(1) The State Electoral Commission, in cooperation with relevant electoral commissions, shall supervise the compliance with the provisions of this Act relating to election campaigns, financial accounts relating to the financing of election campaigns, the collection of donations,

election campaign costs, reporting on the financing of election campaign, and other activities related to the financing of election campaigns of political parties, independent lists or lists of groups of voters, and candidates.

(2) The State Electoral Commission shall supervise the financing of election campaigns from the date of opening separate accounts dedicated to financing election campaigns until the completion of transactions on these accounts.

(3) The State Electoral Commission shall issue mandatory instructions determining the modalities of the cooperation referred to in paragraph 1 of this Article.

Financial records

Article 57

(1) Persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, and candidates, who are obliged to open separate accounts dedicated to financing their election campaigns, shall, as from the date of opening such accounts, keep a cash journal, a book of receipts and expenses and an inventory of fixed non-financial assets. The book of receipts and expenses shall be kept using the cash-basis accounting method, in accordance with the legislation governing the financial operations and accounting of non-profit organisations.

(2) In addition to the financial records referred to in paragraph 1 of this Article, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, and candidates, who are obliged to open separate accounts dedicated to financing their election campaigns, shall also maintain a book of claims and liabilities.

(3) The form and content of the book of claims and liabilities referred to in paragraph 2 of this Article shall be laid down by the Minister of Finance by way of an ordinance.

Financial report on the financing of an election campaign

Article 58

(1) Political parties, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, and candidates shall prepare a financial report on the financing of the election campaign, containing information on the revenues received to finance the election campaign, the sources of financing, and the expenses incurred to finance the election campaign, and shall submit it, together with its integral parts referred to in paragraph 2 of this Article, to the State Electoral Commission through the Financial Control Information System within 30 days after the election day.

(2) A report on the donations received, a report on election campaign costs and a report on the price and discount received for advertising the campaign in the media shall be integral parts of the financial report referred to in paragraph 1 of this Article.

(3) The form of and the manner in which a financial report on the financing of an election campaign and its required integral parts referred to in paragraph 2 of this Article are to be submitted through the Financial Control Information System shall be laid down by the

Minister of Finance by way of an ordinance, subject to the prior consent of the State Electoral Commission.

Obligation to submit documents requested by a supervisory body

Article 59

Political parties, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters, and candidates shall, along with their financial report on the financing of the election campaign, submit to the State Electoral Commission, at its request, any documents it requires.

Performance of supervision

Article 60

(1) The supervision of the financing of an election campaign may be carried out in the following ways:

- by analysing financial records and regulations and general acts in accordance with which the supervised entity operates;
- by monitoring, collecting and inspecting accounting documents, financial records and financial statements (financial statement analysis)
- by performing on-site supervision of the supervised entity.

(2) A bank with which a separate account dedicated to financing an election campaign has been opened shall submit to the State Electoral Commission, at its written request, any information it requires concerning this account and transactions made on it.

(3) Political parties, persons authorised to represent independent lists, lead candidates on lists proposed by groups of voters, and candidates shall submit to the State Electoral Commission, at its request, any information it requires concerning the financing of their election campaigns.

(4) Operators providing media advertising services for election campaigns shall, during the election campaign period, provide the State Electoral Commission, at its request, with all contracts concluded with electoral participants.

(5) When conducting supervision on the basis of documents submitted by political parties, persons authorised to represent independent lists, lead candidates on lists proposed by groups of voters and candidates, the State Electoral Commission shall verify, through relevant authorities and departments, whether the amounts of funds spent correspond to the amounts of funds received, as presented in the financial statements, and whether the information contained in these statements is accurate.

Supervision report

Article 61

The State Electoral Commission's report on the supervision of compliance with the provisions of this Act relating to election campaigns shall be published on the website of the State Electoral Commission within 60 days from the date of announcement of the final election results.

CHAPTER III PUBLICATION AND RETENTION OF FINANCIAL STATEMENTS

Article 62

(1) Annual financial statements of political parties, independent Members of Parliament and independent councillors, including the prescribed attachments referred to in Article 52 of this Act, and financial reports on the financing of election campaigns of political parties, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters and candidates, including the prescribed integral parts of these reports specified in Article 58 of this Act, shall be public documents.

(2) The State Electoral Commission shall ensure that annual financial statements of political parties, independent Members of Parliament and independent councillors, including the prescribed attachments referred to in Article 52 of this Act, are published on its website on the first working day after the date they are submitted to the State Audit Office and the State Electoral Commission through the Financial Control Information System.

(3) The State Electoral Commission shall ensure that the financial reports on the financing of election campaigns of political parties, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters and candidates, including the prescribed integral parts of these reports specified in Article 58 of this Act, are published on its website on the first working day after the date they are submitted to the State Electoral Commission through the Financial Control Information System.

(4) Annual financial statements and financial reports on the financing of election campaigns, including the prescribed attachments and integral parts thereof, shall be permanently stored in the Financial Control Information System and shall be publicly available on the website of the State Electoral Commission in a machine-readable and open format readily searchable by various parameters.

(5) Information contained in attachments or integral parts of an annual financial statements or financial report on the financing of an election campaign that pertain to the addresses of donors who are natural persons and the addresses of recipients who are natural persons indicated in a report on election campaign costs shall not be published.

(6) Political parties, independent Members of Parliament and independent councillors shall permanently retain annual financial statements and the prescribed attachments thereto, in their original form.

(7) Political parties, persons authorised to represent independent lists or lead candidates on lists proposed by groups of voters and candidates shall permanently retain financial reports on the financing of their election campaigns, including the prescribed integral parts thereof, in their original form.

PART SIX
ADMINISTRATIVE SANCTIONS

Administrative sanctions for breach of the provisions of this Act relating to election campaign financing

Article 63

(1) The following administrative sanctions may be imposed in administrative proceedings on a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or an individual candidate for breach of the provisions of this Act relating to the limitation of election campaign costs and for the failure to provide the competent authority with information about donations and election campaign costs or with financial reports on the financing of the election campaign:

- 1) total loss of entitlement to reimbursement for election campaign costs
- 2) partial loss of entitlement to reimbursement for election campaign costs
- 3) suspension of payment of reimbursement for election campaign costs.

(2) The administrative sanction of total loss of entitlement to reimbursement for election campaign costs shall be imposed on a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or an individual candidate for:

– using election campaign funds for illicit purposes, i.e. contrary to paragraphs 1 and 2 of Article 37 of this Act, or for using state or local budget funds, business premises, official vehicles and office equipment of governmental bodies or self-government units in contravention of the prohibition laid down in paragraphs 3 and 4 of Article 37 of this Act.

(3) The administrative sanction of partial loss of entitlement to reimbursement for election campaign costs shall be imposed on a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or an individual candidate for:

– exceeding the maximum allowed amount of election campaign costs, as specified in paragraphs 1, 2, 3 and 4 of Article 38 of this Act,

– failing to return to the donors the total amount of donations exceeding the allowed amount of election campaign costs, as specified in paragraph 5 of Article 38 of this Act.

(4) In the case referred to in paragraph 3 of this Article, the sanction of partial loss of entitlement to reimbursement for election campaign costs shall consist of a reduction in the amount of the reimbursement for election campaign costs by an amount by which the allowed amount of election campaign costs has been exceeded. If the exceeding amount of election campaign costs is larger than the amount of the reimbursement for election campaign costs, the sanction of total loss of entitlement to reimbursement for election campaign costs shall be imposed.

(5) The administrative sanction of suspension of payment of reimbursement for election campaign costs shall be imposed on a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or an individual candidate for:

– failing to submit to the State Electoral Commission, within the prescribed time and in accordance with the prescribed content and manner, reports on donations and election campaign costs as required by Article 39 of this Act;

– failing to submit to the State Electoral Commission a financial report on the financing of the election campaign, including the prescribed integral parts of the report, within the prescribed time and in the prescribed manner in accordance with Article 58 of this Act.

(6) In the cases referred to in paragraph 5 of this Act, the payment of reimbursement for election campaign costs shall be suspended until the obligation concerned has been duly fulfilled and at the latest until the expiry of the deadline by which a separate account dedicated to financing the election campaign must be closed as referred to in Article 32 of this Act. The failure to duly fulfil the obligation by the expiry of the deadline by which a separate account must be closed shall result in the imposition of the sanction of total loss of entitlement to reimbursement for election campaign costs.

(7) A decision on total or partial loss of entitlement to reimbursement for election campaign costs under paragraphs 2, 3 and 4 of this Article or on the suspension of payment, or loss of entitlement to reimbursement for election campaign costs under paragraphs 5 and 6 of this Article shall be issued by the State Electoral Commission.

(8) A decision of the State Electoral Commission imposing an administrative sanction cannot be appealed against, but an administrative dispute may be initiated.

(9) Decisions of the State Electoral Commission referred to in paragraph 7 of this Article shall be published on the website of the State Electoral Commission.

(10) It is prohibited to pay a reimbursement for election campaign costs contrary to a decision of the State Electoral Commission imposing an administrative sanction referred to in paragraph 7 of this Article.

Administrative sanctions for breach of the provisions of this Act relating to regular annual financing

Article 64

(1) Payment of funds for regular annual financing from the state budget or from the budget of a self-government unit shall be suspended for a political party, an independent Member of Parliament or an independent councillor that fails to submit to the State Audit Office and the State Electoral Commission an annual financial statement, including the required attachments, in the manner and within the time set out in Article 52 of this Act.

(2) A decision suspending payment of funds for regular annual financing from the state budget as referred to in paragraph 1 of this Article shall be issued by the State Electoral Commission.

(3) A decision suspending payment of funds for regular annual financing from the budget of a self-government unit as referred to in paragraph 1 of this Article shall be issued by the State Electoral Commission.

(4) The suspension of payment shall last until the obligation concerned has been duly fulfilled and at the latest until the end of the budget year in which a political party, an independent Member of Parliament and an independent councillor are required to submit to the State Audit Office and the State Electoral Commission their financial statements for the preceding year. If the obligation is duly fulfilled no later than by the end of the budget year, the suspension of payment shall terminate on the date of fulfilment of the obligation, and the funds for regular annual financing shall be paid to the political party, independent Member of Parliament or independent councillor within any reduction. If the obligation is not duly fulfilled by the end of the budget year, the political party, independent Member of Parliament or independent councillor concerned shall not be entitled to payment of such part of the funds for regular annual financing for the budget year concerned as would otherwise be payable to them from the date of expiry of the deadline for submitting a financial statement until the end of the budget year (the remaining amount).

(5) A decision on loss of entitlement to payment of the remaining amount for regular annual financing from the state budget as referred to in paragraph 4 of this Article shall be issued by the State Electoral Commission.

(6) A decision on loss of entitlement to payment of the remaining amount for regular annual financing from the budget of a self-government unit as referred to in paragraph 4 of this Article shall be issued by the State Electoral Commission.

(7) It is prohibited to disburse funds for regular annual financing from the state budget or from the budget of a self-government unit contrary to a decision imposing an administrative sanction referred to in paragraphs 2, 3, 5 and 6 of this Article.

(8) A decision on loss of entitlement to payment shall be submitted to a political party, independent Member of Parliament or independent councillor and to the ministry responsible for finance and the self-government unit concerned electronically, and such submission shall be regarded as having been duly effected.

(9) If a decision on loss of entitlement to payment cannot be submitted to a political party, independent Member of Parliament or independent councillor electronically, it shall be published on the website of the State Electoral Commission. The decision shall be deemed to have been duly submitted to the political party, independent Member of Parliament or independent councillor after the expiry of the eighth day from the date of its publication on the website of the State Electoral Commission.

(10) Decisions of the State Electoral Commission referred to in paragraphs 2, 3, 5 and 6 of this Article cannot be appealed against, but an administrative dispute may be initiated.

(11) Decisions of the State Electoral Commission referred to in paragraphs 2, 3, 5 and 6 of this Article shall be published on the website of the State Electoral Commission.

PART SEVEN FINANCING OF REFERENDUM ACTIVITIES

Organising committee's representative

Article 65

Members of an organising committee for voters to express their view on the need to call a national or local referendum (hereinafter: the organising committee) shall appoint from among themselves one member to act as the organising committee's representative authorised to represent and act on behalf of the organising committee in activities related to the financing of referendum activities, and shall inform the State Electoral Commission thereof in writing no later than five days from the date of the decision on the appointment of the representative.

Sources of funds used to finance referendum activities

Article 66

The organising committee may finance referendum activities by own funds and through donations.

Financing by own funds

Article 67

(1) Own funds that members of the organising committee plan to spend on referendum activities must be transferred to a separate account dedicated to financing the referendum activities.

(2) Members of the organising committee may transfer own funds to the separate account dedicated to financing the referendum activities until the date of closure of the account.

Financing through donations

Article 68

(1) Referendum activities may be financed through donations made by natural and legal persons other than those specified in Article 81 of this Act.

(2) Donations for the financing of referendum activities shall be considered to be payments through which natural or legal persons voluntarily give money or provide services or products free of charge to the organising committee.

(3) Pecuniary donations for the financing of referendum activities may only be collected through a separate account dedicated to financing referendum activities.

(4) For a donation made by way of products or services (including donations made in other non-pecuniary forms, such as movable or immovable property, property rights, etc.), natural and legal persons shall issue a certificate specifying the market value of the donated product or service and stating that the donation has been made to the organising committee.

(5) Natural and legal persons making donations shall provide the organising committee with a declaration stating that they are not subject to any enforcement proceedings relating to their arrears to the budget or to their employees.

(6) Services referred to in paragraph 4 of this Article shall not be deemed to include voluntary work done by volunteers.

(7) Donations the value of which exceeds HRK 5 000.00 shall be subject to the conclusion of an agreement between the donor and the donee.

(8) If the organising committee's representative does not want to keep a donation which has been paid by a natural or legal person to his separate account dedicated to financing the referendum activities, and for which no agreement has been concluded, he may refuse the donation by paying the amount of such donation to the state budget, no later than eight days from the date of payment of such donation.

(9) The organising committee's representative shall report to the State Electoral Commission any donation the value of which exceeds HRK 5 000.00 and for which no agreement has been concluded in accordance with paragraph 7 of this Article, and shall pay the amount of the value of such donation to the state budget no later than 15 days from the date of receipt of the payment.

Keeping records of donations

Article 69

(1) The organising committee's representative shall keep records of the donations received and of the own funds transferred, and shall issue receipts for the donations received.

(2) The method of keeping the records and issuing the receipts and the form of the records and receipt referred to in paragraph 1 of this Article shall be laid down by the Minister of Finance by way of an ordinance, subject to the prior consent of the State Electoral Commission.

Maximum amounts of donations made to finance referendum activities

Article 70

(1) The total value of a donation made by a natural person to the organising committee for the purpose of financing referendum activities shall not exceed HRK 30 000.00 per referendum, be it national or local.

(2) The total value of donations made by a legal person to the organising committee for the purpose of financing referendum activities shall not exceed HRK 200 000.00 per national referendum, and HRK 30 000.00 per local referendum.

(3) The organising committee's representative shall report to the State Electoral Commission any value of donations which exceeds the amounts specified in this Article and shall pay it into the state budget no later than 15 days from the date of receipt of payment.

Time limit for collecting donations to finance referendum activities

Article 71

(1) Donations to finance referendum activities may be collected from the date of opening a separate account dedicated to financing the referendum activities until the expiry of the deadline for collecting signatures of voters to express their view on the need to call a referendum, and, if the referendum is called, from the date on which a decision on calling the referendum is published in the official gazette until the day of the referendum.

(2) The organising committee's representative shall immediately report to the State Electoral Commission any donation received outside the time limits specified in paragraph 1 of this Article, and shall return such donation to the donor within 15 days from the date of receipt of the donation and, if such return is impossible or if the donation was received from an illicit source, he shall, within the same time limit, pay the amount of the value of the donation into the state budget.

Separate account dedicated to financing referendum activities

Article 72

(1) A separate account dedicated to financing referendum activities shall be a personal account intended for special purposes (for the financing of referendum activities) opened with a selected bank in the manner and under the procedure set out in the general rules of banking operations, and shall be used for the receipt of payments of donations and own funds of members of the organising committee to finance referendum activities and for all transactions relating to the financing of referendum activities, and no other payments made to the account-holder on any other grounds (e.g. income from self-employment or employment, etc.) may be received on that account, nor may the funds held on that account be used for purposes other than to cover the costs of the referendum activities.

(2) Funds held on a separate account dedicated to financing referendum activities are exempt from enforcement, except for enforcement to recover the costs of the referendum activities.

Opening of a separate account dedicated to financing referendum activities

Article 73

(1) A separate account dedicated to financing referendum activities shall be opened by the organising committee's representative.

(2) The organising committee's representative shall open a separate account dedicated to financing referendum activities no later than by the start of the signature collection period determined in a decision to ask voters to express their view on the need to call a referendum and not earlier than six months before the signature collection period, following the publication of the above decision.

(3) Within three days from the date of opening of a separate account dedicated to financing referendum activities, the organising committee's representative shall submit to the State Electoral Commission a written notification of the opening of the account, indicating details of the account and the name and date of publication of the daily newspaper or other media in which the organising committee's decision to ask voters to express their view on the need to

call a referendum was published, including a copy of that decision, and the State Electoral Commission shall, upon receipt of this written notification, issue him a password for logging into the Financial Control Information System.

(4) The written notification referred to in paragraph 2 of this Article must also indicate the e-mail address for the service of documents related to the supervision of financing.

(5) The documents sent by the State Electoral Commission and other competent authorities to the e-mail address referred to in paragraph 4 of this Article shall be considered to be duly received.

Closure of a separate account dedicated to financing referendum activities

Article 74

(1) The organising committee's representative shall be required to finalise all transactions pending on a separate account and close the account no later than 30 days after the referendum or, if a referendum has not been called, no later than six months after the expiry of the deadline for collecting signatures of voters to express their view on the need to call a referendum.

(2) If, after completion of all transactions in accordance with this Act and, a separate account dedicated to financing referendum activities still contains unspent funds before it is closed, the organising committee's representative may donate the unspent funds for general community purposes, and if these funds are not donated, they shall be returned to the payers in proportion to the amount they have paid.

(3) No later than eight days from the date of closure of a separate account dedicated to financing referendum activities, the organising committee's representative shall submit to the State Electoral Commission a bank certificate confirming the closure of the account.

(4) Within the time limit specified in paragraph 3 of this Article, the organising committee's representative shall enter data on the closure of the separate account into the Financial Control Information System.

Limitation of costs of referendum activities

Article 75

(1) Funds collected to finance referendum activities may be used by the organising committee's representative solely for the financing of referendum activities.

(2) The funds referred to in paragraph 1 of this Article may not be used to defray the private expenses of members of the organising committee, their family members and other persons, such as costs for personal clothing, debt repayment and other costs that are not directly connected with referendum activities.

Limitation of the total amount of costs of referendum activities

Article 76

(1) The total amount of costs of referendum activities for a national referendum shall not exceed HRK 8 000 000.00.

(2) The total amount of costs of referendum activities for a local referendum shall not exceed:

– HRK 1 000 000.00 for a local referendum in the City of Zagreb;

– HRK 600 000.00 for a local referendum in a county or large city;

– HRK 250 000.00 for a local referendum in a local self-government unit with a population of more than 10 000 people;

– HRK 100 000.00 for a local referendum in a local self-government unit with a population of 3 001 to 10 000 people;

– HRK 50 000.00 for a local referendum in a local self-government unit with a population of up to 3 000 people.

(3) If the total amount of the donations received to finance the costs of referendum activities exceeds the amount of costs of referendum activities allowed under paragraphs 1 and 2 of this Article, the organising committee's representative shall return the total value of donations that exceeds the allowed amount to their payers, in proportion to the value of donations received no later than within the time limit prescribed for the closure of a separate account as referred to in Article 74 of this Act.

Report on donations, costs and advertising of referendum activities in the media

Article 77

(1) Within 15 days after the expiry of the deadline for collecting signatures of voters to express their view on the need to call a national or local referendum, the organising committee's representative shall submit to the State Electoral Commission, through the Financial Control Information System, a report on the donations received to finance referendum activities, a report on the costs (expenses) of referendum activities, and a report on the price, and any discount granted thereon, of media advertising for referendum activities, with information updated as of the date of submission of the report.

(2) A report on the donations received to finance referendum activities shall contain information specifying each donor (personal or corporate name and address and personal identification number), the date when the donation was paid or when the product or service was provided free of charge, the amount of the donation paid or the market value of the donated product or service, as specified in the relevant certificate or in an invoice which is not subject to payment, and the type of each donation.

(3) A report on the costs (expenses) of referendum activities shall contain information specifying the type of the cost, the name and address of the recipient, the date of payment, and the amount paid or, in the case of donations by way of products or services, the market value of the product or service as specified in the relevant certificate or in an invoice which is not subject to payment.

(4) A report on the price, and any discount granted thereon, of media advertising for referendum activities shall contain the information specifying the name of the media service provider, the number and date of the invoice issued for the provided media services, the number of media services contracted and performed, the price without the discount, the discount expressed as a percentage of the price and the amount paid after the discount was applied.

(5) The State Electoral Commission shall publish on its website the reports referred to in paragraph 1 of this Article on the first working day after the date they are submitted to the State Electoral Commission through the Financial Control Information System. The address details of donors and recipients referred to in paragraphs 2 and 3 of this Article who are natural persons shall not be published.

(6) The form of the reports referred to in paragraph 1 of this Article and the method of entering them in the Financial Control Information System shall be laid down by the Minister of Finance by way of an ordinance, subject to the prior consent of the State Electoral Commission.

Advertising rates

Article 78

Operators providing media advertising services for referendum activities shall submit to the State Electoral Commission their schedules of advertising rates, and shall publish them on their websites.

Financial report on the financing of referendum activities

Article 79

(1) A financial report on the financing of referendum activities shall be a public document.

(2) The organising committee's representative shall prepare a financial report on the financing of referendum activities, containing information on the revenues received to finance the referendum activities, the sources of financing, and the expenses incurred to finance the referendum activities, and shall submit it, together with its prescribed integral parts, to the State Electoral Commission through the Financial Control Information System within the time limit prescribed for the closure of a separate account as referred to in Article 74 of this Act.

(3) A report on the donations received to finance referendum activities, a report on the costs (expenses) of referendum activities, and a report on the price, and any discount granted thereon, of media advertising for referendum activities, with information updated as of the date of submission of the financial report, shall be integral parts of the financial report referred to in paragraph 1 of this Article.

(4) The State Electoral Commission shall ensure that financial reports on the financing of referendum activities, including the prescribed integral parts thereof, are published on its website on the first working day after the date they are submitted to the State Electoral Commission through the Financial Control Information System.

(5) Financial reports on the financing of referendum activities, including the prescribed integral parts thereof, shall be permanently stored in the Financial Control Information System and shall be publicly available on the website of the State Electoral Commission in a machine-readable and open format readily searchable by various parameters.

(6) Information contained in the integral parts of a financial report on the financing of referendum activities that pertain to the addresses of donors who are natural persons and the addresses of recipients who are natural persons indicated in a report on the costs of referendum activities shall not be published.

(7) The organising committee's representative shall permanently retain financial reports on the financing of referendum activities, including the prescribed integral parts thereof, in their original form.

(8) The form of the financial report on the financing of referendum activities, including the prescribed integral parts thereof referred to in paragraph 3 of this Article, and the method of entering it in the Financial Control Information System shall be laid down by the Minister of Finance by way of an ordinance, subject to the prior consent of the State Electoral Commission.

Obligation to submit documents requested by a supervisory body

Article 80

The organising committee's representative shall, along with the financial report on the financing of referendum activities, submit to the State Electoral Commission, at its request, any documents it requires.

Prohibition of financing referendum activities

Article 81

(1) The financing of referendum activities by the following entities is prohibited:

- foreign states, foreign political parties, foreign legal persons;
- foreign natural persons, other than nationals of other Member States of the European Union who are resident or on temporary stay in the Republic of Croatia in accordance with the Foreigners Act;
- state authorities, public enterprises, legal persons vested with public authority, companies and other legal persons in which the Republic of Croatia, according to the Register of State-Owned Assets, owns more than 5% of the shares or stocks, and public enterprises, legal persons vested with public authority, companies and other legal persons in which a self-government unit holds shares or stocks, as well as public and other institutions founded by the Republic of Croatia or by a self-government unit or owned by the Republic of Croatia or by a self-government unit;
- associations, if they use funds from the state budget or from the budget of a self-government unit for this purpose;

- trusts and foundations;
- religious communities and humanitarian organisations;
- natural and legal persons subject to any enforcement proceedings relating to their arrears to the budget or to their employees;
- self-government units;
- unidentified (anonymous) sources. A donation shall be regarded as coming from an unidentified (anonymous) source if the following details of the donor are not known at the time of payment: the first and last name and personal identification number in the case of a natural person or the name and unique identification number in the case of a legal person.

(2) It is prohibited to make donations, either in cash or in kind, through third parties (intermediaries).

(3) The organising committee's representative shall immediately report any donation coming from an illicit source referred to in paragraphs 1 and 2 of this Article to the State Electoral Commission, and shall pay the amount of the value of such donation into the state budget within 15 days of the date of receipt of payment.

Prohibition of preferential treatment

Article 82

When collecting donations to finance referendum activities, members of the organising committee shall not exert any political or other pressure on natural and legal persons or promise them political or any other favours, privileges or personal benefits of any kind in return.

Financial records

Article 83

(1) The organising committee's representative shall, as from the date of opening a separate account dedicated to financing referendum activities, keep a cash journal, a book of receipts and expenses and a book of incoming invoices, in accordance with the legislation governing single-entry bookkeeping in non-profit organisations.

(2) In addition to the financial records referred to in paragraph 1 of this Article, the organising committee's representative shall, as from the date of opening a separate account dedicated to financing referendum activities, also maintain a book of claims and liabilities.

(3) The form and content of the book of claims and liabilities referred to in paragraph 2 of this Article shall be laid down by the Minister of Finance by way of an ordinance.

Supervision of the financing of referendum activities

Article 84

(1) The State Electoral Commission, in cooperation with relevant electoral commissions, shall supervise the compliance with the provisions of this Act relating to the financing of referendum activities, financial accounts relating to the financing of referendum activities, the collection of donations, the costs of referendum activities, reporting on the financing of referendum activities, and other activities related to the financing of referendum activities. The State Electoral Commission shall supervise the financing of referendum activities as from the date of opening a separate account dedicated to financing referendum activities until the completion of transactions on that account.

(2) Operators providing media advertising services for referendum activities shall, during the referendum activities, provide the State Electoral Commission, at its request, with all contracts concluded with the organising committee.

(3) A bank with which a separate account dedicated to financing referendum activities has been opened shall submit to the State Electoral Commission, at its request, any information it requires concerning this account and transactions made on it.

(4) When conducting supervision on the basis of documents submitted by the organising committee's representative, the State Electoral Commission shall verify, through relevant authorities and departments, whether the amounts of funds spent correspond to the amounts of funds received, as presented in the financial reports, and whether the information contained in these reports is accurate.

(5) The State Electoral Commission shall issue mandatory instructions determining the modalities of the cooperation referred to in paragraph 1 of this Article.

Report on the supervision of referendum activity financing

Article 85

The State Electoral Commission's report on the supervision of compliance with the provisions of this Act relating to the financing of referendum activities shall be published on the website of the State Electoral Commission within 60 days from the date of submission of the financial report on the financing of referendum activities.

PART EIGHT REPORTING OBLIGATIONS AND THE MANAGEMENT OF THE FINANCIAL CONTROL INFORMATION SYSTEM

Article 86

(1) The State Electoral Commission shall issue instructions on the application of the provisions of this Act relating to the financial reporting on the financing of election campaigns and the financial reporting on the financing of referendum activities.

(2) The State Electoral Commission shall be responsible for operating, maintaining and managing the Financial Control Information System.

(3) The State Audit Office shall retrieve data from the Financial Control Information System for its purposes.

(4) The Ministry of Finance shall retrieve data from the Financial Control Information System for the purposes of supervising the implementation of commitments charged to the budgets of self-government units as provided for in this Act.

(5) Political parties, independent Members of Parliament, independent councillors, persons responsible for representing independent lists, lead candidates on lists proposed by groups of voters, candidates and the organising committee's representative shall enter data in the Financial Control Information System and shall be responsible for the accuracy of the data entered.

(6) The provisions of this Act and the legislation governing the protection of personal data shall apply to the processing of data contained in the Financial Control Information System.

(7) Personal data contained in the Financial Control Information System in accordance with this Act shall be processed for the purposes of supervising, auditing, and ensuring transparency of the financing of regular political activities, election campaigns and referendum activities.

(8) The method of retrieving data as provided for in paragraphs 3 and 4 of this Article shall be laid down by the Minister of Finance by way of an ordinance, subject to the prior consent of the State Electoral Commission.

PART NINE MISDEMEANOUR PROVISIONS

Article 87

(1) A fine for committing a misdemeanour shall be imposed on:

1. a political party, an independent Member of Parliament or an independent councillor that uses funds contrary to the provision of paragraph 4 of Article 4 of this Act;

2. an independent Member of Parliament or an independent councillor who, after having closed his separate account during the period of suspension of his term of office, fails to distribute the funds remaining in the account in the prescribed manner, in accordance with paragraph 2 of Article 16 of this Act;

3. an independent Member of Parliament or an independent councillor who, after not having closed his separate account during the period of suspension of his term of office, uses the funds held in that account during the period of suspension of his term of office in contravention of the prohibition laid down in paragraph 5 of Article 16 of this Act;

4. an independent Member of Parliament or an independent councillor who, after not being re-elected upon the expiry of his term of office or whose term of office has been terminated before the expiry of the period for which he was elected, fails to return the unspent funds, the amount equal to the book value of assets, or the assets within the prescribed time limit in accordance with paragraphs 1 and 4 of Article 17 of this Act;

5. a political party, an independent Member of Parliament or an independent councillor that fails to report and pay into the state budget the value of a donation which exceeds the amount

specified in paragraph 5 of Article 18 of this Act and for which no agreement has been concluded, in accordance with paragraph 8 of Article 18 of this Act;

6. a political party, an independent Member of Parliament or an independent councillor that fails to report and pay into the state budget the value of donations for financing regular annual political activities which exceed the amounts specified in paragraphs 1 and 2 of Article 19 of this Act, as required by paragraph 3 of Article 19 of this Act;

7. a political party that fails to keep records of, and issue receipts for, the membership fees or membership contributions and donations received for financing regular annual political activities, and an independent Member of Parliament or independent councillor who fails to keep records of, and issue receipts for, the donations received, as required by paragraph 1 of Article 20 of this Act;

8. a political party, an independent Member of Parliament or an independent councillor that fails to submit to the State Electoral Commission, within the prescribed time and in accordance with the prescribed content and manner, a report on the donations received in the first six months of the current year or a notification stating that no donation was received in the period in question, in accordance with paragraphs 1 and 3 of Article 21 of this Act;

9. a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that fails to report and pay into the state budget the value of a donation which exceeds the amount specified in paragraph 5 of Article 25 of this Act and for which no agreement has been concluded, in accordance with paragraph 8 of Article 25 of this Act;

10. a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that fails to return to the donor or pay into the state budget, within the prescribed time, any donation received after the end of an election campaign, in accordance with paragraph 2 of Article 26 of this Act;

11. a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that fails to keep records of, and issue receipts for, the donations received for financing an election campaign, and on a person authorised to represent independent lists, a lead candidate on a list of a group of voters or a candidate who fails to keep records of own funds paid to finance an election campaign, in accordance with paragraph 1 of Article 28 of this Act;

12. a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that fails to report and pay into the state budget the value of donations for financing election campaign costs which exceeds the amounts specified in paragraphs 1 and 2 of Article 29 of this Act, in accordance with paragraph 3 of Article 29 of this Act;

13. a political party that fails to open a separate account dedicated to financing election campaign costs, in accordance with paragraphs 1 and 2 of Article 30 of this Act;

14. a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate who fails to open a separate account dedicated to financing election campaign costs, in accordance with paragraph 4 of Article 30 of this Act;

15. a political party that fails to open a separate account dedicated to financing election campaign costs within the prescribed time, in accordance with paragraph 1 of Article 31 of this Act;

16. a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate who fails to open a separate account dedicated to financing election campaign costs within the prescribed time, in accordance with paragraph 1 of Article 31 of this Act;

17. persons who have opened a separate account dedicated to financing an election campaign, but who, in a situation where their candidature is not submitted or is submitted out of time or withdrawn, or when a submitted list of candidates or candidature is invalid, fail to distribute the funds remaining in that account in the prescribed manner, in accordance with paragraph 1 of Article 33 of this Act;

18. persons who have opened a separate account dedicated to financing an election campaign, but who, in a situation where their candidature is not submitted or is submitted out of time or withdrawn, or when a submitted list of candidates or candidature is invalid, fail to close the separate account dedicated to financing the election campaign within the prescribed time, in accordance with paragraph 2 of Article 33 of this Act;

19. persons who have opened a separate account dedicated to financing an election campaign, but who, in a situation where their candidature is not submitted or is submitted out of time or withdrawn, or when a submitted list of candidates or candidature is invalid, fail to submit to the State Electoral Commission, in the prescribed manner and within the prescribed time, a financial statement reflecting the election campaign finances, in accordance with paragraph 3 of Article 33 of this Act;

20. a political party that fails to distribute the unspent funds remaining in a separate account dedicated to financing an election campaign in accordance with Article 34 of this Act;

21. a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate who fails to distribute the unspent funds remaining in a separate account dedicated to financing an election campaign in accordance with paragraph 1 of Article 35 of this Act;

22. a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that uses election campaign funds for illicit purposes contrary to paragraph 1 of Article 37 of this Act or uses funds from the state budget or from the budget of a self-government unit or business premises, official vehicles and office equipment of governmental bodies or self-government units in contravention of the prohibition laid down in paragraphs 3 and 4 of Article 37 of this Act;

23. a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that exceeds the maximum allowed amount of election campaign costs, as specified in paragraphs 1, 2, 3 and 4 of Article 38 of this Act;

24. a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that fails to return to donors the total value of

donations that exceeds the maximum allowed amount of election campaign costs, in accordance with paragraph 5 of Article 38 of this Act;

25. a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that fails to submit to the State Electoral Commission, within the prescribed time and in accordance with the prescribed content and manner, reports on donations and election campaign costs in accordance with paragraphs 1, 2 and 3 of Article 39 of this Act;

26. a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that fails to submit to the State Electoral Commission a report on the price, and any discount granted thereon, of election campaign advertising in the media, in accordance with paragraph 1 of Article 40 of this Act;

27. a political party, an independent Member of Parliament, an independent councillor, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that fails to report, and pay into the state budget, a donation coming from an illicit source in accordance with paragraph 4 of Article 46 of this Act;

28. a political party, an independent Member of Parliament, an independent councillor, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that exerts political or other pressure on natural and legal persons when collecting donations to finance their activities, contrary to paragraph 1 of Article 47 of this Act;

29. a political party that fails to adopt its annual work programme and financial plan in accordance with paragraph 1 of Article 50 of this Act;

30. an independent Member of Parliament or an independent councillor who fails to adopt an annual work programme and financial plan in accordance with paragraph 1 of Article 50 of this Act or fails to establish a work programme for his term of office in accordance with paragraph 3 of Article 50 of this Act;

31. a political party, an independent Member of Parliament or an independent councillor that fails to submit to the State Audit Office and the State Electoral Commission an annual financial statement, including the prescribed attachments, within the prescribed time and in the prescribed manner in accordance with paragraphs 2, 4, 5, 7 and 8 of Article 52 of this Act;

32. a political party, a person authorised to represent an independent list or a lead candidate on a list of a group of voters or a candidate that fails to submit to the State Electoral Commission a financial report on the financing of the election campaign, including the prescribed integral parts thereof, within the prescribed time and in the prescribed manner in accordance with paragraph 1 of Article 58 of this Act;

33. members of the organising committee for failing to inform the State Electoral Commission about the appointment of the organising committee's representative, within the prescribed time and in the prescribed manner in accordance with Article 65 of this Act;

34. the organising committee's representative who fails to report and pay into the state budget the value of a donation which exceeds the amount specified in paragraph 7 of Article 68 of

this Act and for which no agreement has been concluded, as required by paragraph 9 of Article 68 of this Act;

35. the organising committee's representative who does not keep records of, and issue receipts for, the donations received, in accordance with paragraph 1 of Article 69 of this Act;

36. the organising committee's representative who fails to report and pay into the state budget the value of donations exceeding the amounts specified in paragraphs 1 and 2 of Article 70 of this Act, as required by paragraph 3 of Article 70 of this Act;

37. the organising committee's representative who fails to return to donors or pay into the state budget, within the prescribed time, the donations received outside the time limits specified in paragraph 1 of Article 71 of this Act, as required by paragraph 2 of Article 71 of this Act;

38. the organising committee's representative who fails to open a separate account dedicated to financing referendum activities or fails to open it within the prescribed time, as required by paragraphs 1 and 2 of Article 73 of this Act;

39. the organising committee's representative who uses the unspent funds remaining in a separate account dedicated to financing referendum activities contrary to paragraph 2 of Article 74 of this Act;

40. the organising committee's representative who uses funds collected to finance referendum activities for illicit purposes or contrary to paragraph 1 of Article 75 of this Act;

41. the organising committee's representative who exceeds the maximum allowed amount of costs of referendum activities specified in paragraphs 1 and 2 of Article 76 of this Act;

42. the organising committee's representative who fails to return to donors the total amount of donations which exceeds the maximum allowed amount of costs of referendum activities, in accordance with paragraph 3 of Article 76 of this Act;

43. the organising committee's representative who fails to submit to the State Electoral Commission, within the prescribed time and in accordance with the prescribed content and manner, a report on the donations received to finance referendum activities, a report on the costs (expenses) of referendum activities, and a report on the price, and any discount granted thereon, of media advertising for referendum activities, in accordance with paragraphs 1, 2, 3 and 4 of Article 77 of this Act;

44. the organising committee's representative who fails to submit to the State Electoral Commission, within the prescribed time and in the prescribed manner, a financial report on the financing of referendum activities, including the prescribed integral parts thereof, in accordance with paragraphs 2 and 3 of Article 79 of this Act;

45. the organising committee's representative who fails to report, and pay into the state budget, a donation coming from an illicit source, as required by paragraph 3 of Article 81 of this Act;

46. members of the organising committee who, when collecting donations, exert political or other pressure on natural and legal persons, thus acting contrary to Article 82 of this Act.

(2) A political party shall be fined a sum between HRK 10 000.00 and HRK 100 000.00 for committing a misdemeanour referred to in paragraph 1 of this Article.

(3) An independent Member of Parliament, an independent councillor, a person authorised to represent an independent list or a lead candidate on a list of a group of voters, a candidate and the organising committee's representative shall be fined a sum between HRK 2 000.00 and HRK 20 000.00 for committing a misdemeanour referred to in paragraph 1 of this Article.

Article 88

(1) A fine for committing a misdemeanour shall be imposed on:

– a natural or legal person who fails to issue a certificate for a donation in the form of products or services, or when the value of the donated products or services does not correspond to their market value, as stipulated in paragraph 3 of Article 18, paragraph 3 of Article 25 and paragraph 4 of Article 68 of this Act.

(2) A legal person shall be fined a sum between HRK 10 000.00 and HRK 50 000.00 for committing a misdemeanour referred to in paragraph 1 of this Article.

(3) A natural person shall be fined a sum between HRK 2 000.00 and HRK 20 000.00 for committing a misdemeanour referred to in paragraph 1 of this Article.

Article 89

A fine between HRK 30 000.00 and HRK 100 000.00 for committing a misdemeanour shall be imposed on:

– a self-government unit that fails to provide in its budget funds for the regular annual financing of political parties and independent councillors in accordance with paragraph 2 of Article 5 of this Act.

Article 90

(1) A fine between HRK 10 000.00 and HRK 50 000.00 for committing a misdemeanour shall be imposed on:

– a self-government unit that fails to regularly transfer the funds for the regular annual financing of political parties and independent councillors in accordance with paragraph 3 of Article 10 of this Act, and fails to reimburse election campaign costs within the prescribed time in accordance with Article 45 of this Act.

(2) A person authorised to represent and act on behalf of the self-government unit shall also be fined a sum between HRK 2 000.00 and HRK 10 000.00.

Article 91

(1) A fine between HRK 10 000.00 and HRK 50 000.00 for committing a misdemeanour shall be imposed on:

– a self-government unit that fails to send to the state administration office in the county, within the prescribed time and in the prescribed manner, a notification of any change in data contained in the records of the political parties and independent councillors represented in the representative bodies of the self-government unit, as required by paragraph 2 of Article 22 of this Act.

(2) A person authorised to represent and act on behalf of the self-government unit shall also be fined a sum between HRK 2 000.00 and HRK 10 000.00.

Article 92

(1) A fine between HRK 2 000.00 and HRK 20 000.00 for committing a misdemeanour shall be imposed on a person authorised to represent and act on behalf of a self-government unit, or the responsible person in the Croatian Parliament who approves the payment of a reimbursement for election campaign costs from the state budget or from the budget of a self-government unit, in contravention of the prohibition laid down in paragraph 10 of Article 63 of this Act.

(2) A fine between HRK 2 000.00 and HRK 20 000.00 for committing a misdemeanour shall be imposed on a person authorised to represent and act on behalf of a self-government unit, or the responsible person in the Croatian Parliament who approves the payment of funds for regular annual financing from the state budget or from the budget of a self-government unit, in contravention of the prohibition laid down in paragraph 7 of Article 64 of this Act.

Article 93

Property obtained by a political party, independent Member of Parliament, independent councillor, person authorised to represent an independent list or lead candidate on a list of a group of voters or candidate through the commission of a misdemeanour referred to in this Act shall be confiscated in accordance with the provisions of a general regulation governing misdemeanours.

Article 94

(1) For misdemeanours laid down in this Act, other than those referred to in Articles 89 and 90 of this Act, the authorised prosecutor shall be the State Attorney.

(2) The State Audit Office and the State Electoral Commission shall, within the scope of their competences, notify the State Attorney's Office of any identified breach of this Act and deliver to it all documents related to the case in question and all other facts and data which they possess or have acquired, with an indication of the source, and which are related to the case in question.

(3) For misdemeanours laid down in Articles 89 and 90 of this Act, the authorised prosecutor shall be the Ministry of Finance.

(4) First-instance misdemeanour proceedings for misdemeanours laid down in Articles 89 and 90 of this Act shall be conducted by the competent regional office of the Tax Administration of the Ministry of Finance.

TRANSITIONAL AND FINAL PROVISIONS

Article 95

(1) The Minister of Finance shall issue the ordinance referred to in paragraph 2 of Article 20, paragraph 6 of Article 21, paragraph 2 of Article 28, paragraph 6 of Article 39, paragraph 3 of Article 40, paragraph 5 of Article 51, paragraph 10 of Article 52, paragraph 3 of Article 57, paragraph 3 of Article 58, paragraph 2 of Article 69, paragraph 6 of Article 77, paragraph 8 of Article 79, paragraph 3 of Article 83 and paragraph 8 of Article 86 of this Act, aligned with the provisions of this Act, within 30 days from the date of entry into force of this Act.

(2) The Minister of Administration shall issue the ordinance referred to in paragraph 3 of Article 22 of this Act, aligned with the provisions of this Act, within 30 days from the date of entry into force of this Act.

(3) Pending the entry into force of the ordinances referred to in paragraphs 2 and 3 of this Article, the following ordinances shall remain in force: the Ordinance on the method of keeping records of, and issuing receipts for, voluntary contributions (donations) and membership fees and on reports on donations received to finance election campaigns, reports on costs (expenditure) of election campaigns and financial reports on the financing of election campaigns (Official Gazette 50/11, 93/11 and 55/13) and the Ordinance on the content, manner of keeping and form of records of political parties represented in the representative bodies of local and regional self-government units and members of the representative bodies of local and regional self-government units elected from a list of a group of voters (Official Gazette 90/13 and 96/13).

Article 96

Proceedings that were initiated before the entry into force of this Act and that have not been completed, shall be completed in accordance with the provisions of the Act on the Financing of Political Activities and Election Campaigns (Official Gazette 24/11, 61/11, 27/13, 48/13 – consolidated version, 2/14 – Decision of the Constitutional Court of the Republic of Croatia, 96/16 and 70/17).

Article 97

(1) Annual financial statements of political parties, independent Members of Parliament and independent councillors for 2018, including attachments thereto, shall be prepared, submitted to the State Audit Office and the State Electoral Commission and published in accordance with the provisions of the Act on the Financing of Political Activities and Election Campaigns (Official Gazette 24/11, 61/11, 27/13, 48/13 – consolidated version, 2/14 – Decision of the Constitutional Court of the Republic of Croatia, 96/16 and 70/17).

(2) The first annual financial statements, including attachments thereto, which are to be submitted to the State Audit Office and the State Electoral Commission in accordance with the provisions of this Act shall relate to the reporting period commencing on 1 January 2019.

Article 98

(1) An independent Member of Parliament or an independent councillor who opened a separate account dedicated to the regular annual financing of his activities before the entry into force of this Act, and who has become a member of a political party that is represented in the Croatian Parliament or in the representative body of a self-government unit may either continue to finance his regular activities through this account until the end of his current term of office in the Croatian Parliament or in the representative body of a self-government unit or close this separate account dedicated to regular annual financing within 30 days from the date of entry into force of this Act and transfer the funds remaining in that account to the account of the political party whose member he has become.

(2) Independent Members of Parliament and independent councillors referred to in paragraph 1 of this Article who continue to finance their regular activities through a separate account dedicated to regular annual financing shall be subject to all the provisions of this Act that are applicable to independent Members of Parliament or independent councillors.

Article 99

No later than 60 days from the date of entry into force of this Act, the State Electoral Commission shall provide political parties, independent Members of Parliament and independent councillors with a password for logging into the Financial Control Information System.

Article 100

Self-government units that have allocated in their 2019 budgets funds for the regular annual financing of political parties and independent councillors in an amount per member of the representative body lower than the amount specified in Article 5 of this Act shall, by 31 December of 2019, allocate in their budgets and pay to political parties and independent councillors the difference up to the amount specified in Article 5 of this Act.

Article 101

The Act on the Financing of Political Activities and Election Campaigns (Official Gazette 24/11, 61/11, 27/13, 48/13 – consolidated version, 2/14 – Decision of the Constitutional Court of the Republic of Croatia, 96/16 and 70/17) shall cease to have effect by virtue of the entry into force of this Act.

Article 102

This Act shall enter into force on the first day after the day of its publication in the Official Gazette.

Class: 022-03/18-01/234

Zagreb, 23 March 2019

THE CROATIAN PARLIAMENT

The President of the Croatian Parliament
Gordan Jandroković, m. p.

PROVISIONAL TRANSLATION