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## **OPINION ON THE DRAFT LAW AMENDING THE LAW ON FINANCING POLITICAL ACTIVITIES**

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### **SERBIA**

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This Opinion has benefited from contributions made by Mr. Septimius Parvu, International Electoral Expert.

Based on an English translation of the Draft Law provided by the National Assembly of the Republic of Serbia.

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## EXECUTIVE SUMMARY AND KEY RECOMMENDATIONS

On 13 March 2026, ODIHR was requested to provide a legal review of the Draft Law on Amendments to the Law on the Financing of Political Activities (Draft Law). The Draft Law addresses several recommendations contained in ODIHR election observation final reports, as well as the 2024 Urgent Opinion on Draft Amendments to Several Pieces of Election-related Legislation of Serbia, and the 2022 Venice Commission and ODIHR Joint Opinion on the Constitutional and Legal Framework Governing the Functioning of Democratic Institutions - Electoral Law and Electoral Administration.

In preparation for this Opinion, ODIHR consulted national stakeholders, and the views expressed during these meetings have been reflected in the present document. The Draft Law was prepared by the Anti-Corruption Agency (APC) in co-operation with the Secretariat General of the National Assembly of the Republic of Serbia and the Ministry of Finance. To date, the Draft Law has not been submitted for public consultations. Nevertheless, ODIHR was informed by the Serbian authorities that the current stage constitutes a preliminary consultation, after which a revised draft will be submitted for public debate.

ODIHR reiterates its recommendation to initiate any further amendments, well in advance of the next elections, through an inclusive consultative process that includes relevant stakeholders, such as civil society organizations, and builds broad political consensus, still stands.

The amendments revising the Law on the Financing of Political Activities (LFPA) represent a positive step towards improving party and campaign finance legislative framework and have been prepared taking into account some previous ODIHR recommendations, as well as some proposals from civil society organizations. The amendments introduce regulation of third-party campaigning, lower donation limits for legal persons, establish campaign expenditure limits, set additional deadlines for handling and resolving disputes, and provide corresponding sanctions for violation of some of these new provisions. However, other ODIHR recommendations regarding the need to have an effective oversight mechanism, to establish a system of dissuasive sanctions, introduce incentives to encourage political parties to promote women's active political participation, adjust legal deadlines for distributing public funds to allow meaningful opportunities for campaigning and introduce safeguards against misuse of public funds remain only partially or not yet fully addressed. In addition, some of the new provisions in the Draft Law could benefit from further refinement to ensure full alignment with international standards and good practice.

More specifically, and in addition to what is stated above, ODIHR makes the following recommendations to further enhance or supplement the proposed amendments:

- To shorten the deadline for the repayment of loans and credits to enhance transparency in funding.
- To establish an overarching criterion in the Law on the Financing of Political Activities for access to public services and goods, to be reflected in specific regulations.
- To lower the donation threshold and the maximum contribution limits during electoral years for individuals.
- To introduce an aggregate threshold covering individuals and legal entities in which they are beneficiaries or controlling interests are held.

- To specify which entities qualify for exemption from the deposit requirement when public funds are used for campaigning and the relevant timeframe for determining representation.
- To further define the scope of third-party campaigners, lower the minimum thresholds for qualifying such activities, align restrictions on funding sources with existing regulations, and provide greater detail on registration and reporting procedures.
- To require that any campaign funds exceeding the applicable expenditure threshold be promptly returned to the donor.
- To reduce the threshold for campaign finance expenditure, and make violations subject to proportionate and dissuasive sanctions.
- To oblige all political entities to publish annual reports, with appropriate support provided to those entities that lack sufficient administrative capacity.
- To extend the interim reporting period towards the end of the electoral campaign to better capture spending in the final stages and to shorten the deadlines for the publication of both interim and final reports.
- To clarify how APC's reports may determine that taxpayers could become subject to tax control.
- To distinguish the respective roles, powers, and methodologies of the tax authorities and the APC in implementing tax control regulations, as well as to establish timelines for the implementation of such measures, as well as appropriate transparency mechanisms.
- To clearly define and systematically structure the APC's powers and responsibilities by consolidating them into a dedicated provision within the law.
- To establish uniform conditions for investigating violations, regardless of how proceedings are initiated and to shorten the time limits for adjudicating non-campaign-related complaints.
- To introduce an expedited and detailed appeals mechanism for all types of decisions concerning violations of the LFPA related to electoral campaigns.
- To specify the conditions under which warning measures may be applied, and consider introducing a requirement for the prompt publication of such warnings on the relevant website.
- To ensure that all infringements are subject to sanctions that are both proportionate and dissuasive.

***These and additional Recommendations are included throughout the text of this Opinion, highlighted in bold.***

***As part of its mandate to assist OSCE participating States in implementing their OSCE human dimension commitments, ODIHR reviews, upon request, draft and existing laws to assess their compliance with international human rights standards and OSCE commitments and provides concrete recommendations for improvement.***

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**ANNEX: Draft Law Amending the Law on Financing Political Activities**

## I. INTRODUCTION

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1. On 13 March 2026, the Secretariat General of the National Assembly of the Republic of Serbia submitted a request to the OSCE Office for Democratic Institutions and Human Rights (ODIHR) for a legal review of the Draft Law on Amendments to the Law on the Financing of Political Activities (Draft Law). The Draft Law, comprising 20 articles, was submitted to the National Assembly by the Anti-Corruption Agency (APC) with the stated aim of implementing ODIHR recommendations related to the financing of election campaigns. ODIHR was informed that the Draft Law was prepared in co-operation with the Ministry of Finance.
2. On 18 March 2026, ODIHR responded to the request, confirming its readiness to prepare a legal opinion on the Draft Law to assess its compliance with international human rights standards and OSCE human dimension commitments.
3. To clarify certain aspects of the Draft Law, ODIHR organized two videoconference meetings with stakeholders. One meeting was held with representatives of relevant institutions – the Secretariat of the National Assembly of Serbia, the APC and the Ministry of Finance – and the other with civil society organizations. The comments and remarks provided by the interlocutors have been taken into account in this Opinion.
4. The Draft Law has not yet been made public. ODIHR was informed by the Serbian authorities that this is a preliminary consultation process, and that a revised draft will be submitted for public consultation following this initial round of discussions. The Draft Law was shared with other stakeholders, including members of the Working Group for Improving the Electoral Process, which also included civil society organizations.<sup>1</sup> The Draft Law does not contain an explanatory note setting out the rationale for the proposed policy choices. However, ODIHR was informed by the Serbian authorities that the amendments are intended to address recommendations made by previous ODIHR election observation missions, and that an explanatory note will be prepared for the subsequent version of the Draft Law that will be made available for public consultation.
5. ODIHR has issued several Opinions on campaign finance legislation and the broader democratic framework of Serbia. On 6 March 2026, at the request of Serbian authorities, ODIHR issued an Opinion on Draft Amendments to Three Pieces of Serbia’s Election-Related Legislation, which did not include specific amendments to the legal framework on political finance.
6. On 15 April 2024, ODIHR issued an Urgent Opinion on Draft Amendments to Several Pieces of Election-related Legislation of Serbia. The amendments addressed a limited number of ODIHR recommendations from its Final Report on the observation of the 17 December 2023 parliamentary elections,<sup>2</sup> including those regarding waiving of the deposit requirement for receiving public campaign funding (Recommendation 15) and the prompt publication of decisions on campaign finance violations (Recommendation 17).<sup>3</sup> Recommendation 15 was based on the observation that the deposit required to access the first of the two instalments of public campaign funding could pose a financial barrier for new parties. Regarding

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<sup>1</sup> A Working Group, formed on 29 April 2024 by the National Assembly's Committee on Constitutional and Legislative Issues, which had the stated aim of urgently addressing the recommendations from ODIHR’s final report on the 17 December 2023 parliamentary elections, effectively stopped functioning soon after its formation due to dissatisfaction of its members from civil society and the political opposition with its working method which led to their withdrawal. The Working Group did not resume functioning.

<sup>2</sup> Available at: [ODIHR Final Report on the observation of the 17 December 2023 parliamentary elections](#).

<sup>3</sup> See the [2024 ODIHR Opinion](#).

Recommendation 15, the Opinion noted that the proposed amendments to Articles 21, 25 and 26 of the LFPA “provide the necessary legal changes to address recommendation No. 15” of the ODIHR EOM Final Report on Early Parliamentary Elections of 2023. The current Draft Law likewise includes amendments that reflect the scope of Recommendation 15.

7. Recommendation 17 concerns the prompt publication of APC decisions on violations of the Law on the Prevention of Corruption (LPC) during election campaigns, as well as any related appeals. The 2024 Opinion noted that the then-proposed amendments introduced several measures aimed at addressing this recommendation, but also highlighted the need for additional steps to ensure the timely publication on the APC website of first instance decisions issuing warnings to public officials under Article 50. The recommendations set out in the 2024 Opinion in relation to Recommendation 17 have not been implemented.
8. On 22 December 2022, ODIHR and the European Commission for Democracy Through Law (Venice Commission) issued a Joint Opinion on the Constitutional and Legal Framework Governing the Functioning of Democratic Institutions - Electoral Law and Electoral Administration.<sup>4</sup> The Opinion included recommendations aimed at strengthening the oversight mechanism through comprehensive control of private fundraising and campaign expenditures, introducing expenditure limits, clarifying mechanisms for tax audits, improving transparency and oversight mechanisms, providing for distribution of public funds before the start of the campaign and regulating third-party campaigning. The Opinion also recommended that “sections of the law on campaign finance should be reviewed to ensure clarity and removal of ambiguous formulations, in particular for the norms that impose obligations on contestants and oversight bodies.” The Draft Law addresses most of these issues, either partially or fully.
9. On 19 November 2024, ODIHR issued Informal Comments on Two Sets of Draft Amendments to the Law on Prevention of Corruption of the Republic of Serbia, which concluded that the amendments proposed by the Draft Laws constitute, to some extent, an improvement in addressing prior ODIHR recommendations to enhance the separation of state and party and the equality of opportunity for election contestants.<sup>5</sup> These amendments were not tabled in the Parliament.

## **II. SCOPE OF THE OPINION**

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10. The Opinion focuses solely on the Draft Amendments to the Law on the Financing of Political Activities (LFPA) and therefore should not be considered as a comprehensive analysis of the entire legislative framework regulating elections in Serbia. The review examines how the conclusions of ODIHR’s earlier opinions on political finance and the democratic framework (see section III.2), as well as the recommendations set out in its previous observation reports, have been addressed.<sup>6</sup> The review is based on international standards, norms and good practice, as well as relevant OSCE human dimension commitments. The comments should be read in conjunction with previous ODIHR reports and opinions.
11. The review is based on the unofficial English translation of the Draft Amendments provided by the Serbian authorities, and therefore, errors from translation may occur.

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<sup>4</sup> See the [2022 ODIHR and Venice Commission Joint Opinion on the Constitutional and Legal Framework Governing the Functioning of Democratic Institutions - Electoral Law and Electoral Administration](#).

<sup>5</sup> See the [2024 ODIHR Informal Comments](#).

<sup>6</sup> See the previous ODIHR [reports and opinions related to Serbia](#).

12. ODIHR welcomes the readiness of the Serbian authorities to follow up on electoral recommendations and stands ready to continue assisting the authorities to further improve the electoral process. In line with this view, this Opinion does not prevent ODIHR from formulating additional written or oral recommendations or comments on respective subject matters in Serbia in the future.<sup>7</sup>

### III. LEGAL ANALYSIS AND RECOMMENDATIONS

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#### 1. RELEVANT INTERNATIONAL HUMAN RIGHTS STANDARDS AND OSCE HUMAN DIMENSION COMMITMENTS

13. This Opinion analyses the proposed amendments submitted for review with regard to their compatibility with international standards, OSCE human dimension commitments and international good practice on the financing of political parties and election campaigns.
14. These obligations and standards are found mainly in the United Nations (UN) Convention Against Corruption, and the International Covenant on Civil and Political Rights (ICCPR) and the European Convention on Human Rights (ECHR), which both protect the right to freedom of association. Commitments on financing of political parties and election campaigns are stipulated by Article 7, paragraph 3 of the United Nations Convention against Corruption (UNCAC).<sup>8</sup> These are reinforced by the adoption of the 2025 Resolution 11/7 of the 11th Conference of State Parties (CoSP) to the UNCAC, which urges States Parties to enhance transparency and disclosure, prevent illicit funding, strengthen oversight, and increase the accountability of political stakeholders.<sup>9</sup> Finally, the right to free elections guaranteed by Article 3 of the First Protocol to the ECHR is also of relevance.
15. In addition, standards in this area can be found in the recommendations of the UN, the Council of Europe and the OSCE. These include General Comment 25 of the UN Human Rights Committee on the right to participate in public affairs, and the right of equal access to public service, as well as the Report of the UN Human Rights Council on best practices, experiences, challenges and ways to overcome them in the area of freedom of association.<sup>10</sup> Relevant Council of Europe documents include the Council of Europe Committee of Ministers' Recommendation Rec(2003)4 on Common Rules Against Corruption in the Funding of Political Parties and Electoral Campaigns, Parliamentary Assembly of the Council of Europe (PACE) Recommendation 1516 (2001) on Financing of political parties,<sup>11</sup> and PACE Resolution 1308 (2002) on Restrictions on political parties in the Council of Europe member states.<sup>12</sup>
16. Furthermore, the CEDAW is relevant to gender equality in political and public life, in particular its Articles 4 (on temporary special measures to enhance gender equality) and 7 (on eliminating discrimination against women in political and public life). The CEDAW

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<sup>7</sup> Paragraph 25 of the [1999 OSCE Istanbul Document](#) establishes that States commit "to follow up promptly the ODIHR's election assessment and recommendations".

<sup>8</sup> See the 2003 [United Nations Convention Against Corruption \(UNCAC\)](#).

<sup>9</sup> See the 2025 [Resolution 11/7 Preventing and combating corruption through enhancing transparency in the funding of political parties, candidatures for elected public office, and electoral campaigns](#).

<sup>10</sup> See the United Nations Human Rights Council, [Report of the Special Rapporteur](#) on the rights to freedom of peaceful assembly and of association (A/HRC/30/26), 2015.

<sup>11</sup> See [PACE Recommendation 1516 \(2001\)](#) on Financing of political parties.

<sup>12</sup> See [PACE Resolution 1308 \(2002\)](#) on Restrictions on political parties in the Council of Europe member states, adopted on 18 November 2002.

General Recommendations No. 23: Political and Public Life<sup>13</sup> and No. 40 on the Equal and Inclusive Representation of Women in Decision-making Systems are also of relevance.<sup>14</sup> In addition, Article 29 of the UN Convention on the Rights of Persons with Disabilities (hereinafter “CRPD”) also focuses on the participation of persons with disabilities in political and public life.<sup>15</sup>

17. Of particular importance are the ODIHR and Venice Commission Joint Guidelines on Political Party Regulation (2<sup>nd</sup> edition), adopted by ODIHR and the Venice Commission in December 2020 (hereafter: the Joint Guidelines).<sup>16</sup> These Guidelines offer comprehensive advice and expertise to legislators tasked with drafting or amending laws on political parties, with a view to facilitating their establishment, development and functioning in compliance with international human rights standards and OSCE human dimension commitments. Further relevant Venice Commission texts include the Guidelines and Report on the Financing of Political Parties, the Code of Good Practice in the field of Political Parties, the Guidelines and Explanatory Report on Legislation on Political Parties, the Code of Good Practice in Electoral Matters,<sup>17</sup> the Report on Funding of Associations, and the Comparative Report on thresholds and other features of electoral systems.<sup>18</sup> The ODIHR Opinions on draft and existing legislation on political parties and political finance may also serve as useful reference documents.<sup>19</sup>
18. According to the Joint Guidelines, the regulation of political party funding is essential to guarantee parties’ independence from undue influence created by donors and to ensure the opportunity for all parties to compete in accordance with the principle of equal opportunity and to provide for transparency in political finance.<sup>20</sup> The Guidelines further stress that legislation regulating political parties should attempt to achieve a balance between encouraging moderate contributions and limiting unduly large contributions.
19. Lastly, throughout this Opinion, reference is made to the final reports and recommendations from ODIHR election assessment activities in Serbia.

## 2. PROPOSED AMENDMENTS

### 2.1. Loans

20. Article 1 of the Draft Law amends paragraph 3 of the LFPA and introduces a new paragraph 4 to Article 3, regulating credits and loans. It provides that the annual limit for credits and

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<sup>13</sup> See the CEDAW Committee, [General Recommendation No. 23: Political and Public Life](#).

<sup>14</sup> See e.g., CEDAW Committee, [General recommendation No. 40 \(2024\) on the equal and inclusive representation of women in decision-making systems](#), 25 October 2024, para. 39 (d), which recommends introducing “codes of conduct, with an intersectional perspective, in parliament, government, regional and local councils and political parties, public service and private sector companies to eliminate all forms of gender-based violence against women and hate speech, with independent complaint mechanisms and confidential counselling and provide corresponding training to all officials and staff”.

<sup>15</sup> See the [UN Convention on the Rights of Persons with Disabilities](#), adopted on 13 December 2006 during the sixty-first session of the General Assembly by resolution A/RES/61/106. Serbia ratified the Convention on 31 July 2009.

<sup>16</sup> See the [2020 ODIHR and Venice Commission Joint Guidelines on Political Party Regulation](#) (Guidelines on Political Party Regulation).

<sup>17</sup> See the 2002 Code of Good Practice in Electoral Matters (Code of Good Practice) of the Council of Europe (CoE) European Commission for Democracy Through Law (Venice Commission).

<sup>18</sup> See [Venice Commission, CDL-AD\(2008\)037](#), Comparative Report on thresholds and other features of electoral systems which bar parties from access to Parliament.

<sup>19</sup> Available at: ODIHR [Legal reviews | Political Parties | LEGISLATIONLINE](#).

<sup>20</sup> See paragraph 159 of the [Joint Guidelines on Political Party Regulation](#).

loans for a political party may not exceed 25 per cent of the funds allocated for either its regular activities or its election campaign expenditure, depending on the purpose of the funds.

21. Paragraph 3 replaces the term “public sources” with “the budget of the Republic of Serbia”. In addition, to ensure clarity, **the provision could further specify that the maximum amount of funds (up to 25 per cent) is calculated based on the allocation of public funding for the year in which the loan or credit agreement is concluded.**
22. Paragraph 4 provides that loans taken to finance the regular work of political parties must be repaid within a maximum of three years, while loans for the election campaign purposes shall be returned by the deadline for submitting the final report on campaign expenditure. To enhance clarity, the provision could specify **that the three-year repayment period is calculated from the date the loan agreement is signed. Furthermore, to ensure the transparency of funding and prevent undue influence of political parties, consideration could be given to reducing the three-year deadline for the return of loans and credits.** While the LPFA allows loans to be obtained for both a political party’s regular activities and its election campaigns, it does not clearly specify whether funds borrowed for routine activities may be transferred to cover campaign expenses. **To enhance transparency and ensure compliance with differing repayment deadlines, the law should more explicitly state that loans or credits obtained for a party’s regular activities cannot be used for campaign purposes.**<sup>21</sup>

## 2.2. Allocation of services and goods from public services

23. Political parties may benefit from access to services and goods provided by state, regional or local authorities. Through **Article 2**, the Draft Law amends Article 6 of the LPFA, with the aim to clarify the procedure for allocating such services and goods from public sources. The amended Article 3 requires state authorities, autonomous provinces, and local self-government units, as well as organizations established by them, to adopt regulations governing the provision of goods and services to political parties and to publish these regulations on their websites within eight days of adoption. **The law could set a deadline for the adoption of these regulations following its entry into force.**
24. Current Article 6 (2) of the LPFA specifies that the goods and services should be ensured under similar conditions, but do not provide guidance on whether they may be provided free of charge or at a certain cost, nor do they specify whether pricing should reflect prevailing market conditions. Clearer regulation in this regard would enhance legal certainty, transparency, and the consistent application of the provision, reducing the risk of arbitrary or discriminatory use of public resources while ensuring a level playing field among political actors. **Consideration could be given to defining overarching criteria in the LPFA for access to public services and goods, to be reflected in the relevant regulations.** It is noted that indirect public support may also serve to promote greater equality for underrepresented or marginalized groups, such as women, youth and persons with disabilities, for instance by requiring minimum or equitable public media coverage requirements for women candidates.<sup>22</sup>

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<sup>21</sup> Paragraph 210 of the 2020 ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation states that “It is important that rules on transparency deal consistently with such resources, as well as with credits and debts, so as to avoid the circumvention of limits on private donations and the ensuing exercise of undue influence”.

<sup>22</sup> See e.g., ODIHR [Final Opinion on the Law on Political Parties of Mongolia](#) (2025), para. 89; [ODIHR Urgent Interim Opinion on the Draft Law of Albania on the Financing of Political Parties](#) (2026), para. 41. See also ODIHR-Venice Commission [2022 Mongolia Joint Opinion on the Draft Law on Political Parties](#), para. 99.

25. In addition, the law could require that decisions to provide goods or services of the relevant entities are published on the websites of the respective institutions.

### 2.3. Contributions by legal persons

26. Article 3 of the Draft Law reduces the maximum contribution that a legal entity may make to political parties under Article 10 of the LFPA from 30 to 10 average monthly salaries.<sup>23</sup> The 2022 Joint Opinion of ODIHR and the Venice Commission noted that “Although the amount allowed for legal persons has been considerably reduced in the last reform, from 200 to 30 net monthly salaries, it is still quite high, especially in election years when the limit is doubled”. The Joint Opinion further recommended “lowering the ceiling for donations from legal persons in line with the limits set in most Council of Europe member states”.<sup>24</sup> The proposed reduction is therefore a positive development and responds to previous ODIHR recommendations. On the other hand, the threshold for donations by individuals remains relatively high and is set at the same level as that for legal entities. In many countries, a distinction is made between these two types of contributors, with lower limits typically applying to individuals than to legal entities. In election years, these ceilings are doubled. **Consideration could be given to lowering the donation threshold for individuals, as well as the maximum thresholds for contributions limits during electoral years.**
27. The law does not address situations in which a network of affiliated companies may make donations that circumvent the threshold, nor does it cover cases where an individual donates both personally and through legal entities in which they are an owner, associate, or otherwise hold legal responsibilities or derive financial benefit, which can potentially circumvent the applicable thresholds. The Draft Law also does not require the identification and disclosure of beneficial ownership in relation to donations made by legal persons, which creates a risk that donation limits and prohibitions could be circumvented through indirect or non-transparent financing structures.<sup>25</sup> Such a requirement would facilitate effective verification of the permissibility of donations and strengthen safeguards against circumvention. ODIHR was informed during the meetings held in preparation of this Opinion that, donations are generally limited in practice and that such cases are unlikely to occur frequently, which is also supported by the annual statistics provided by APC.<sup>26</sup> Nevertheless, to reduce the risk of circumvention of the thresholds, **consideration could be given to introducing an aggregate threshold covering such cases, while requiring the identification and disclosure of beneficial ownership of legal persons making donations, in order to prevent the circumvention of limits by the fragmentation of donations across multiple legal persons controlled by the same individual.**

### 2.4. Distribution of funds from public sources and exceptions for submitting a deposit

28. Article 4 of the Draft Law amends paragraphs 1 and 6 of Article 21 of the LFPA, which regulate the distribution of public funding. These amendments should be read in conjunction with the changes to Article 25, paragraph 5, and Article 26. In response to ODIHR Recommendation 15 (*see Final report for the 2023 early parliamentary elections*), paragraph 1 is revised under Article 25, paragraph 5, to extend the allocation of the first instalment of

<sup>23</sup> The [average monthly salary](#) in January 2026 was RSD 118,429 (some EUR 1,000).

<sup>24</sup> See the 2022 ODIHR and Venice Commission [Joint Opinion on the Constitutional and Legal Framework Governing the Functioning of Democratic Institutions - Electoral Law and Electoral Administration](#), para. 93.

<sup>25</sup> See e.g., [ODIHR Urgent Interim Opinion on the Draft Law of Albania on the Financing of Political Parties](#) (2026), paras. 55-56. See also International IDEA, [Combating Corruption in Political Finance - Global Trends, Challenges and Solutions](#) (2025), Sub-Section 2.2.2.

<sup>26</sup> In 2023, [according to data published by the APC](#), individual contributions represented some 6.7% of the total income of political parties. See [reports on APC's website](#).

campaign expenditure funds also to political entities that submit candidate lists but are not represented in representative assemblies and are not required to submit a deposit.

29. A new paragraph 5 has been added to Article 25 in the Draft Law, providing that, by way of exception, political parties and groups of citizens that are not represented in the parliament, assemblies of autonomous regions or local self-government units are not required to submit an electoral deposit. ODIHR was informed by the Serbian authorities that this provision applies only to a party's current status. Accordingly, parties that enjoyed parliamentary or assembly representation in the past, but are no longer represented, are eligible for this exception. However, the wording of Article 25 does not provide sufficient clarity on what constitutes *representation* or the relevant timeline to which this status applies. This ambiguity may allow benefits to be extended to political parties that are spinoffs or successors of previously represented parties. Furthermore, the law does not address how the exemption applies to coalitions, particularly where some members may not meet the eligibility criteria.<sup>27</sup> The formulation "were not represented" lacks temporal precision, making it unclear whether it refers to the most recent electoral cycle or a longer period. **To avoid uncertainty and potential misuse, the provision should be clarified to specify which entities are eligible and the relevant timeframe for determining representation.**
30. The Draft Law does not address Recommendation 14 of the Final Report on the observation of the 17 December 2023 parliamentary elections, which calls for the establishment of additional mechanisms and incentives to encourage political parties to promote women's participation in political life, increase their visibility during electoral campaigns and advance their role in politics.<sup>28</sup> While noting that only a limited number of countries have enacted legislation linking gender equality with public party funding,<sup>29</sup> public funding may be a useful policy tool to encourage political parties to adopt more inclusive practices.<sup>30</sup> Measures linking gender equality and/or diversity target with political finance may take different forms, including financial incentives,<sup>31</sup> sanctions or reduced portion of public

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<sup>27</sup> See Transparency International [comments and suggestions LFPA, April 2024](#).

<sup>28</sup> It is noted that Article 48 of the [2021 Law on Gender Equality](#) requires political parties to adopt and publish every four years an action plan containing specific measures to encourage and promote gender equality and gender balance in their bodies and to ensure the active participation of the under-represented sex in the composition and work of these bodies.

<sup>29</sup> According to the International IDEA political finance database, just 17 per cent of countries worldwide link the provision of direct public funding to political parties to gender equality among candidates, see International IDEA Political Finance Database, [Question 36](#).

<sup>30</sup> See, for example, ODIHR [Final Opinion](#) on the Law of Montenegro on Financing of Political Entities and Election Campaigns, paras. 47-48; ODIHR-Venice Commission, [Joint Opinion on the Draft Law of Mongolia on Political Parties](#), CDL-AD(2022)013, para. 26.

<sup>31</sup> For instance, in Mongolia, Article 26.3.1 of the Law on Political Parties envisages at least 20 per cent of state financing for supporting political participation and training of social interest groups including women, elders, youth, and persons with disabilities; the Law further provides a financial incentive for parties that nominate women candidates beyond the gender quota mandated by the Parliamentary Elections Law and for any elected MPs with disabilities - a one-time bonus "in the subsequent year of the respective regular election" (Article 27.7). In Croatia, political parties receive an additional 10 per cent of the amount envisaged for each member of parliament for each woman elected (Article 9 of the [Act on the Financing of Political Activities, Election Promotion and Referendums](#)). See also e.g., International IDEA, Ohman, Magnus, [Gender-targeted Public Funding for Political Parties](#), 2018, p. 24.

funding,<sup>32</sup> and the earmarking of public funds specifically for gender equality purposes.<sup>33</sup> It is noted that CEDAW General Recommendation No. 40 specifically calls upon states to support the creation and strengthening of women’s sections in political parties, including through earmarked funds.<sup>34</sup> The General Recommendation further mandates “gender parity”, meaning 50:50, in decision-making bodies of political parties along with appropriate enforcement or sanction mechanisms or incentives to ensure implementation in practice.<sup>35</sup>

**The legal drafters could consider supplementing the Draft Law with additional performance-based incentives, such as linking a portion of public funding to measurable progress in women’s representation in party leadership structures, the setting-up or strengthening of a party women’s section, the adoption and implementation of internal gender equality action plans by political parties, and/or provide for the ear-marking of allocated public funding to pursue activities and initiatives to promote women’s political participation.**<sup>36</sup>

## 2.5. Third-party campaigning and restrictions for legal entities

31. Article 23a of the Draft Law introduces restrictions prohibiting business entities from carrying out promotional activities for political parties without a contract, and prohibiting political parties from publishing on their websites or social media networks the promotional activities conducted by other entities on their behalf. While such clarifications are welcome, as they help limit activities that could be used to circumvent financing rules, the drafting could be further improved for coherence. In particular, **paragraph 3 could be better linked to other provisions of the LFPA that regulate unlawful activities by political parties during election campaigns, ensuring greater legislative consistency and clarity.**

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<sup>32</sup> For instance, in France, Article 9-1 of the Law No. 88-227 of 11 March 1988 on the financial transparency of political life provides that “Where, for a political party or grouping, the difference between the number of candidates of each sex who declared that they were affiliated with that party or grouping, at the time of the last general renewal of the National Assembly, in accordance with the fifth paragraph of Article 9, exceeds 2% of the total number of such candidates, the amount of the first fraction allocated to it pursuant to Articles 8 and 9 shall be reduced by a percentage equal to 150% of that difference in relation to the total number of such applicants, but this reduction may not exceed the total amount of the first part of the aid”. In Ireland, Section 42 of the Electoral (Amendment) (Political Funding) Act 2012 provides that political parties must meet specified gender thresholds among their candidates (initially 30%, increasing to 40%), failing which they lose a portion of their public funding.

<sup>33</sup> For instance, in Finland, Sweden or Slovenia; see International IDEA, Ohman, Magnus, [Gender-targeted Public Funding for Political Parties](#), 2018, p. 24. If some public funding is earmarked to pursue activities and initiatives aimed at promoting gender equality and/or the participation of persons with disabilities and/or young people in political life, it is important that primary legislation provides for adequate reporting, oversight and enforcement mechanism; indeed, where reporting obligations are insufficiently detailed and enforcement is weak, earmarked funding risks being underutilized, misreported, or diverted to purposes unrelated to the promotion of women’s political participation; see, for example, ODIHR [Final Opinion](#) on the Law of Montenegro on Financing of Political Entities and Election Campaigns, para. 50; ODIHR-Venice Commission [2022 Joint Opinion](#), para. 26.

<sup>34</sup> See the CEDAW Committee, [General recommendation No. 40 \(2024\)](#) on the equal and inclusive representation of women in decision-making systems, para. 51 (e).

<sup>35</sup> See the CEDAW Committee, [General recommendation No. 40 \(2024\)](#) on the equal and inclusive representation of women in decision-making systems, para. 51 (d).

<sup>36</sup> To be effective, the applicable legislation should clearly define the eligible categories of expenditure and the objectives of the funding in order to ensure both legal certainty and effective targeting of the measure; these could include, for instance, capacity-building and training for women or young candidates, support for women’s political caucuses or youth groups or networks within parties, awareness-raising and outreach activities aimed at increasing women’s and youth participation, and measures addressing barriers such as violence against women in politics, while explicitly excluding the use of such funds for unrelated administrative or operational expenses; see, ODIHR [Final Opinion](#) on the Law of Montenegro on Financing of Political Entities and Election Campaigns, paras. 48-51.

32. Several new provisions in Article 23b establish a legal framework for the financing of third-party electoral campaigning, as previously recommended by ODIHR.<sup>37</sup> Third parties are an important component of political life and election campaigns, as they may significantly contribute to supporting or opposing candidates and political parties. Third parties should not be prohibited from engaging in such activities and should be allowed to fundraise and spend funds to express their political views although they should also be subject to reasonable and proportionate limitations.<sup>38</sup> Third-party activities should be appropriately regulated to ensure transparency and accountability, and to prevent them from undermining a level playing field in an opaque manner. In this regard, third parties “should be subjected to similar rules on donations and spending as political parties to avoid situations where third parties can be used to circumvent campaign finance regulations”.<sup>39</sup> The applicable legislation should set proportionate and reasonable limits to the amount that third parties can spend on promoting candidates or parties, ideally by applying existing ceilings for donations to political parties to these actors, as well. Imposing registration and strict reporting requirements for third-party contributions would also further enhance the effectiveness of campaign finance regulations.<sup>40</sup> This must be accompanied by a clear oversight mandate given to an institution with the necessary independence, powers and resources to effectively monitor compliance and enforce regulations, including as appropriately issuing sanctions or initiating sanctioning procedures.<sup>41</sup>
33. While the first two paragraphs establish that third party campaigning is permitted under the law and define what constitutes a third-party campaign, they do not clearly specify who may act as a third-party campaigner. Although certain prohibitions are set out in subsequent paragraphs, **the law would benefit from a more comprehensive definition of eligible third-party campaigners.** Furthermore, **the law could clarify the types of activities that may be considered part of a third-party campaign.** While such a list should not be overly prescriptive, it could serve as a non-exhaustive guide. The draft further states that a third-party campaigner is an entity not affiliated with a political party. However, this formulation lacks clarity regarding what constitutes “non-affiliation” in legal terms, which may lead to uncertainty in its application. In the Joint Guidelines on Political Party Regulation, “third parties” refer both to individuals and to organizations who are not legally tied to, or acting in co-ordination with, any candidate or political party but who nonetheless act with the aim of influencing the electoral result.<sup>42</sup> **To ensure clarity in the relationship between third-party campaigners and political entities, consideration could be given to further defining what constitutes non-affiliation.**
34. Paragraph 2 defines a third-party campaign as a paid activity exceeding one average monthly salary, (approximately EUR 1,000). While this individual threshold is not high in isolation, it may have a significant cumulative effect if multiple such activities are carried out in parallel. For example, a large number of campaigners operating just below the reporting threshold could still influence electoral competition and reduce overall transparency in

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<sup>37</sup> See [ODIHR, Republic of Serbia - Election Observation Mission Final Report - Early Parliamentary Elections, 17 December 2023](#), Recommendation 16. See also paragraphs 111-113 of the [2022 ODIHR and Venice Commission Joint Opinion on the Constitutional and Legal Framework Governing the Functioning of Democratic Institutions - Electoral Law and Electoral Administration](#).

<sup>38</sup> See ECtHR, [Bowman v. United Kingdom](#), no. 24839/94, 1998. See also [ODIHR Note on Third Party Regulations in the OSCE Region](#) (2020).

<sup>39</sup> See paragraph 256 of the [ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation](#).

<sup>40</sup> See Council of Europe, [Recommendation Rec\(2003\)4 of the Committee of Ministers](#) to member states on common rules against corruption in the funding of political parties and electoral campaigns. Article 6: Rules concerning donations to political parties, “should also apply, as appropriate, to all entities which are related, directly or indirectly, to a political party or are otherwise under the control of a political party.”

<sup>41</sup> [ODIHR Note on Third Party Regulations in the OSCE Region](#) (2020), pp. 35-36.

<sup>42</sup> See paragraph 218 of the [Joint Guidelines on Political Party Regulation](#).

political financing, as such expenditures would not be subject to disclosure requirements. **To reduce the risk of circumvention through multiple payments below the threshold and to enhance transparency of campaign income and spending, consideration could be given to lowering the minimum threshold applicable to third-party campaigns.**

35. Furthermore, the Draft Law refers to paid activities. In practice, however, third parties may also contribute through in-kind support. For example, an influencer might promote a political entity via streaming services that are not necessarily paid. **To capture a broader range of activities, consideration could be given to including in-kind contributions in the definition of third-party campaigning.**
36. Paragraph 4 prohibits certain entities from engaging in such activities including other states, foreign legal entities, foreign entrepreneurs or natural persons who do not have the right to vote in Serbia. By comparison, Article 12 of the LFPA provides a more comprehensive list of prohibitions on campaign financing, including for example, trade unions or the gambling industry. On the other hand, associations are not allowed to donate to a political party. The differing scope of regulated entities for donors and third-party campaigners may create opportunities for financing from sources that are otherwise prohibited, thereby weakening the coherence of the legal framework. To ensure legal clarity, **the Draft Law should be amended to align these provisions and ensure consistency across all relevant rules, including any related regulations that may establish additional prohibitions.**
37. Paragraph 6 sets the maximum limit for expenditure to 10 average monthly salaries for the campaign. While the formulation does not clearly indicate whether it applies only to a campaign targeting a specific competitor or to all campaigns, whether in favour or against different stakeholders, ODIHR was informed by Serbian authorities that the regulation is intended to set a spending limit for all activities. To avoid ambiguous interpretations, **the provision should be reformulated to clarify that this amount refers to the total expenditure permitted for a third-party campaigner during an election campaign.** In practice, a third-party campaigner may also make donations, which would be included in the overall amount spent by the individual or a legal entity. To better define the total value of contributions an individual or legal entity may make during an election campaign, **the law could also establish additional thresholds for such specific cases.**
38. The Draft Law does not prohibit third-party campaigners from receiving more funds than the expenditure limits or require them to return funds to donors in cases where contributions exceed permitted thresholds, which reduces the transparency of the financing and may create loopholes allowing the circumvention of donation or spending limits. **Consideration could be given to requiring that funds received for campaigning which exceed the expenditure threshold be returned to the donor in a timely manner.**
39. Paragraph 5 specifies that a campaigner may not enter into a contract independently, but only on behalf of a political entity. The Draft Law does not specify if and how the third party should inform the political entity if it acts in this capacity, nor does it define a specific type of contractual relations. The fact that a third-party campaigner may sponsor activities without the party's knowledge could create potential for abuse, whereby political parties remain unaware of such campaigns while costs are nevertheless incurred.<sup>43</sup> If the third-party expenditure is counted toward the total campaign spending limit, this may affect the transparency of the process. The law could therefore specify **how and when a campaigner must notify the relevant political entities of its intention to engage in such activities.**

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<sup>43</sup> See [the amendments introduced in 2024 by the German political finance](#) regulations that require those who advertise for a party to inform it of the contributions in due time, giving the party a possibility to reject the support.

40. Paragraph 7 exempts from these regulations the expression of views “on issues of public interest” by certain entities, including non-governmental organizations, religious organizations, the media and individuals. Any regulation on third parties should safeguard the fundamental principles of free speech and the right to take part in the conduct of public affairs.<sup>44</sup> It is worth noting that, in some cases, the regulations could be circumvented by entities that, while presenting themselves as acting in the public interest, in practice support a political entity’s electoral objectives. For example, organizations could promote a candidate’s political agenda, organize politically oriented events, or develop socially focused campaigns that indirectly endorse political competitors. Therefore, to ensure proper implementation of these principles, the concept of “public interest” could be more clearly defined in guidelines, including examples of activities that do or do not constitute campaigns requiring declaration.<sup>45</sup>
41. Paragraph 8 states that third-party campaigners are required to open a bank account before commencing their activities and to declare it to the APC within three days. The Draft Law could further specify, similarly to the regulations applicable to political parties, **that third parties may process income only through the declared bank account, and that violations of this requirement are subject to sanctions.**
42. Paragraph 9 provides that the APC is required to maintain records of the third-party campaigners. While this establishes a mechanism for tracking their activities, **the law could be further elaborated to enhance transparency.** In particular, the APC could be required to establish, publish and regularly update a register of third-party campaigners on its website.<sup>46</sup> To ensure greater clarity and predictability, **the law should also specify the types of records the APC maintains, the conditions under which they are kept, and which information is made publicly available.**
43. Third-party campaigners are required to submit interim reports five days before the election day and final reports within 30 days after the election. The law also provides that these reports are published on the Agency’s website on the next working day after receipt. While these deadlines are established, the Draft Law does not specify the reporting periods covered by each report. **To enhance transparency and better reflect pre-election campaign expenditures, reports should cover the full scope of third-party campaign activity, and the reporting cut-off date should be set as close as possible to election day.** This would provide the public and oversight bodies with a clearer and more comprehensive picture of relevant financial information.
44. The content of the reports is determined by a special act of the Director of the APC. As with political entities, detailed reporting requirements are welcome as they help prevent undue or hidden influence in elections. This special act should be adopted and made available well in advance of the first elections to which these regulations will apply. Furthermore, **the Agency could issue informal guidelines for entities acting as third-party campaigners, particularly given that this mechanism is newly introduced in Serbia.**
45. Regarding reporting obligations, the regulations should take into account the varying status of campaigners, who may be individuals or groups of individuals. While reporting requirements are important for ensuring transparency and accountability, they should not

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<sup>44</sup> See paragraph 221 of the [ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation](#) that underlines that “NGOs and other associations engaging in democracy promotion or general issue advocacy are not acting as third parties in the context of elections, and should not generally be treated in the same way as political parties and true electoral third parties, in particular in the area of access to resources and reporting obligations”. See also paragraph 255 of the [ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation](#).

<sup>45</sup> See [the Guidance for non-party campaigners issued by the UK Electoral Commission](#).

<sup>46</sup> See the [UK register of non – campaigners](#).

impose excessive administrative burdens, especially on third parties that may lack the capacity to manage complex procedures, such as individuals. **Furthermore, the law could clarify obligations related to the bank accounts after the end of a campaign and the conclusion of reporting.** It should also specify whether third parties are required to register separately for each election.

46. Given that third-party campaigners may support one or more competitors, political entities could also be required to report on the support they receive from such actors. Inclusion of this information would provide a more accurate picture of the total level of contributions to each political entity's campaign. It would also enable stakeholders to monitor campaign finance to identify any discrepancies between reports submitted by third parties and those submitted by political entities (see Article 29).
47. Paragraphs 11, 12 and 13 refer to reports that must be prepared by campaigners. However, all three paragraphs incorrectly cite paragraphs 1 and 4 of the Article, which do not address reporting requirements. These cross-references should be corrected for accuracy.
48. Article 43, paragraph 5 establishes sanctions for legal entities that violate the rules governing third parties. However, it does not provide for sanctions for individuals or groups of citizens acting as third parties. This gap may impact the effectiveness of transparency and oversight. **To enhance transparency and effectiveness of oversight, the law should be amended to extend the sanctions to cover all categories of third-party campaigners, including natural persons and groups of citizens.** In some cases, third-party campaigners may fail to comply with legal requirements and may not declare their activities. **To address this, the APC could consider developing a dedicated, proactive monitoring strategy to identify entities that may be in breach of the law.**

## 2.6. Expenditure limits

49. Article 7 of the Draft Law introduces a new Article 24a, which sets limits on campaign expenditures. The proposed ceilings are EUR 8 million for presidential and parliamentary elections, EUR 2 million for provincial assembly elections, EUR 1 million for city assembly elections and EUR 400,000 for elections for councillors in municipal and city assemblies. While the introduction of these limits is a positive development and responds to previous ODIHR recommendations, which noted that the absence of expenditure caps “is a shortcoming that jeopardises the objective of ensuring a level playing field”, the established value still appears to be too high.<sup>47</sup>
50. The introduction of such thresholds is an important step toward enhancing transparency and accountability. In line with international standards, expenditure limits should help ensure a level playing field and should not affect the genuine character of the elections.<sup>48</sup> However,

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<sup>47</sup> See the [2022 ODIHR and Venice Commission Joint Opinion on the Constitutional and Legal Framework Governing the Functioning of Democratic Institutions - Electoral Law and Electoral Administration](#).

<sup>48</sup> The adoption of these measures aligns with several international standards and good practice. According to article 9 of the [Committee of Ministers of the Council of Europe Rec \(2003\)4 on common rules against corruption in the funding of political parties and electoral campaigns](#) “States should consider adopting measures to prevent excessive funding needs of political parties, such as, establishing limits on expenditure on electoral campaigns”. Paragraph 248 of the [Joint Guidelines on Political Party Regulation of the Venice Commission and ODIHR](#) points out that “it is reasonable for a state to determine the criteria for electoral spending and a maximum spending limit for participants in elections, in order to achieve the legitimate aim of securing equity among candidates and political parties. The legitimate aim of such restrictions must, however, be balanced with the equally legitimate need to protect other rights, such as those of free association and expression”. Additionally, Article 19 of the [General Comment No. 25 of the United Nations Human Rights Committee](#), points out that “[...] reasonable limitations on campaign expenditure may be justified where this is necessary to ensure that the free choice of voters is not undermined, or the democratic process distorted by the disproportionate expenditure on behalf of any candidate or party”.

the proposed ceilings appear disproportionately high and may undermine these principles. Data published by the APC indicate that in 2023, all political parties together raised approximately RSD 555 million (some 4.7 EUR million representing about 20 per cent of total income) and spent some RSD 2 billion (EUR 17 million) on election campaigns. At the same time, available statistics highlight significant disparities in funding between leading competitors and smaller parties.<sup>49</sup> **To ensure a level playing field, the Draft Law should be further amended to lower the campaign expenditure ceilings. It could also clarify whether distinct rules apply when different types of elections are held simultaneously.**

51. Additionally, the maximum amounts are set in EUR, while the rest of the law uses the national currency. **To ensure consistency, the limits could instead be defined as the equivalent of a specified number of average monthly salaries, which can be indexed according to economic changes in the election year.**

### 2.7. Annual Report on the Financing of a Political Entity

52. Article 10 amends Article 28 (1) of the LPFA by requiring political entities to submit their annual financing reports in both printed and electronic formats, which is a positive addition. **To further improve transparency of reporting, the law could also require that documents be submitted in a machine-readable format,** enabling external stakeholders, including civil society organizations or journalists, to process and analyze the data more efficiently and in a user-friendly manner.<sup>50</sup>
53. Paragraph 3 introduces a requirement that annual reports be “accurate and complete”, which is a positive amendment and aligns with previous ODIHR recommendations. However, the law does not provide for any sanctions in case of non-compliance with these requirements. **To ensure the effectiveness of this provision, proportionate and dissuasive sanctions could be introduced.**<sup>51</sup>
54. According to the amendments in paragraph 4, political entities that receive less funding than the equivalent of one average monthly salary during the reporting year are exempt from publishing their report on their website. While it is understandable that such entities may have limited administrative capacity or may not maintain a website, **all political entities covered by the provision should still be required to ensure publication of their reports.** Alternatively, where a party lacks a website or sufficient capacity, **the responsibility for publication could be assigned to the APC.**

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<sup>35</sup> See the [2023 Annual report of APC](#) and [the APC database](#). For example, the Serbian Progressive Party spent some RSD of 1 billion in 2022 and 2023 (some EUR 8 million). In 2023, the following parties spent visibly less funds - the Serbian Social Party – RSD 276 million (some EUR 2,3 million) and the Freedom and Justice Party – some RSD 200 million (some EUR 1,7 million).

<sup>50</sup> In this sense, the paragraph 13 of the 2025 UNCAC COSP [Resolution 11/7 Preventing and combating corruption through enhancing transparency in the funding of political parties, candidatures for elected public office, and electoral campaigns](#) urges States “to ensure that the public has effective access to information and to promote and protect the freedom to seek, receive, publish and disseminate information [...], and to promote the active participation of individuals and groups outside the public sector, such as civil society, non-governmental organizations, and community-based organizations, and where applicable, electoral monitoring mechanisms, academia, the private sector and media in the prevention of and fight against corruption, to support efforts to promote transparency in the funding of political parties, candidatures for elected public office and electoral campaigns, where applicable, and in line with the Convention”.

<sup>51</sup> Paragraph 272 of the 2020 [ODIHR and Venice Commission Guidelines on Political Party Regulation](#) states that sanctions “should be applied against political parties found to be in violation of relevant laws and regulations and should be dissuasive in nature. Moreover, in addition to being enforceable, sanctions must at all times be objective, effective, and proportionate to the specific violation”.

## 2.8. Report on campaign expenses

55. Article 11 of the Draft Law amends several paragraphs of Article 29 of the LPFA, which regulate reports on election campaign expenditure. Paragraph 1 introduces the requirement to submit these reports to the APC in both written and electronic formats. As mentioned above, the law could further specify that reports be also provided in machine-readable formats. To strengthen enforcement, paragraphs 14 and 15 of Article 42 could be revised to clarify that the reports must not only be submitted, but also submitted in the required format.
56. Paragraph 3 shortens the cut-off period for interim reports from 15 to 10 days, thereby responding to a previous ODIHR recommendation (*See ODIHR Final Report for the 2024 local elections*). While this is a positive adjustment, it represents only a limited improvement in terms of capturing campaign financial activity closer to election day. This is particularly relevant where significant income and expenditure occur in the final days of the campaign.<sup>52</sup> **Therefore, the reporting period could be extended further towards the end of the electoral campaign to more accurately capture expenditures incurred in the final phase of the campaign.**
57. Paragraph 4 of the Draft Law provides that final reports covering the period up to the publication of the consolidated election results, must also include any remaining public funds, in accordance with Article 21 of the LFPA. ODIHR was informed by the Serbian authorities that this aims to capture in the reporting the second instalment of public funds (60 per cent) allocated for election campaigns. While this amendment may offer a more complete picture of the funds received by political parties, **it does not address previous recommendations to align the disbursement of the second instalment with reporting and oversight deadlines, which would help strengthen the integrity of spending.**<sup>53</sup>
58. According to paragraph 5, interim reports are published on the website within three days, and final reports within seven days of submission. Given the fast-paced nature of election campaigns and the importance of timely public access to this information, **consideration could be given to shortening these publication deadlines.**

## 2.9. Agency's Powers and Control of Financing

59. Article 12 of the Draft Law introduces a new paragraph 5 to Article 32 of LFPA. It provides that the Agency may request bank account statements for all registered political parties and groups of citizens participating in elections, as well as for those represented in elected bodies. Banks are required to provide the requested information within 15 days, or within 3 days during the campaign period. The new provision enhances clarity regarding the APC's powers and rights in the course of its oversight activities.

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<sup>52</sup> While interim reporting is not regulated as such, in Romania the oversight body publishes as a good practice weekly income and expenditure reports, including before the election day. See [an example for the 2025 presidential elections](#). According to the ODIHR 2022 Final report, the expenses that are part of the signed but unrealized contracts are not included in the interim reports. The right to information of voters during the campaign is an essential part of the electoral integrity and according to Paragraph 247 of the ODIHR and Venice Commission [Guidelines](#) on Political Party Regulation “[...] is important to protect the rights of voters, prevent corruption and keep the wider public informed. Voters must have relevant information as to the financial support given to political parties, as this influences decision-making and is a means of holding parties accountable.

<sup>53</sup> See the 2022 [ODIHR Final Report for the Presidential and Early Parliamentary Elections](#). The report noted that “the law does not condition the second disbursement to lawful financing of campaigns and does not prescribe the verification of campaign finance reports prior to the payment, thus failing to provide for safeguards against circumvention of the transparency and accountability requirements, contrary to international good practice”.

60. In its 2023 oversight report, the APC noted that “the processing of the submitted data was hampered by the fact that not all commercial banks adhered to the requested format for data submission”.<sup>54</sup>

## 2.10. Tax control

61. Article 13 of the Draft Law amends paragraph 1 of Article 36 of the LFPA, which regulates the implementation of the annual tax control plan, including oversight of contributors to the activities of political parties. Previously, ODIHR has noted in its 2022 Final observation report for the presidential and parliamentary elections that “The regulation does not ensure legal certainty and leaves room for discretionary and non-uniform implementation. Many opposition representatives alleged to the ODIHR EOM that the tax control provisions may have discouraged potential donors from supporting the opposition parties”.<sup>55</sup> Furthermore, the 2022 ODIHR and Venice Commission Opinion highlighted that the issue lies in the criteria used to select the subjects of audit and that without clear criteria, the “selection of donors lies within the discretion of the APC”.<sup>56</sup>
62. The amendment introduces additional criteria for selecting donors and providers of goods and services. Specifically, it provides that control measures apply to donors whose annual contributions reach at least 50 per cent of the value of 10 average monthly salaries (some EUR 5,000).
63. At the same time, paragraph 2 provides that the selection is to be made on the basis of the Agency’s report. However, the provision lacks clarity regarding its relationship with paragraph 1, specifically, how the criteria set out in the first paragraph are linked to the selection process described in paragraph 2. On the one hand, paragraph 2 refers to an oversight report, while paragraph 1 suggests that all stakeholders contributing above a certain threshold are subject to control. This may create two parallel control mechanisms without a clearly defined connection between them. **The law could be further clarified to explain how the APC’s report is used to determine which entities are subject to tax control.**
64. ODIHR was informed that the criteria for including entities in tax control activities are established by the tax authorities.<sup>57</sup> For greater clarity, **the law could better delineate the respective roles of the tax authorities and the Agency in implementing these provisions, as well as set out how the two institutions should cooperate in practice.** For example, it could be clarified that any red flags identified by the Agency during the reporting process may serve as a basis for initiating tax control procedures. **In any event, the relevant methodologies and a system of risk indicators (red flags) should be clearly defined in the legislation.**
65. The law does not prescribe a deadline for the tax control or the manner in which the control is implemented. While the manner of control could be established through other legislation

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<sup>54</sup> See the [2023 Annual report of APC](#).

<sup>55</sup> See the 2022 [ODIHR Final observation report, Presidential and Early Parliamentary Elections](#), p. 20.

<sup>56</sup> See paragraph 95 of the [2022 ODIHR and Venice Commission Joint Opinion on the Constitutional and Legal Framework Governing the Functioning of Democratic Institutions - Electoral Law and Electoral Administration](#). The 2020 Venice Commission and ODIHR Guidelines on Political Party Regulation state that “Financial regulation is an area that is often susceptible to discriminatory or biased treatment by regulatory bodies. To avoid this, legislation should clearly outline the different steps of the audit process. Audits should be non-discriminatory and objective in their application to all cases.”

<sup>57</sup> The 2022 [ODIHR Final observation report, Presidential and Early Parliamentary Elections](#) also described the lack of clarity of the oversight mechanism: “While the APC stated to the ODIHR EOM that the choice of the donors for the tax control is within the competence of the Tax Authority, according to the Tax Authority, the selection of donors shall be determined by the APC, on the basis of the verifications of financial reports. The Tax Authority informed the ODIHR EOM of its plans to develop guidelines for tax controls of donors to political entities.”

specific to the fiscal authorities, **the LFPA could regulate a time for the implementation of such actions, as well as transparency mechanisms.**

### 2.11. Complaints and investigation procedures

66. The APC exercises oversight over the activities of political parties and electoral competitors. It may initiate audits, issue warnings, and bring misdemeanour or criminal proceedings *ex officio* or upon complaints. Additionally, under Articles 50 and 78 of the Law on the Prevention of Corruption, the APC is empowered to decide on complaints alleging misuse of office or public resources. The 2022 ODIHR Final Report and the 2022 ODIHR and Venice Commission Joint Opinion identified certain inconsistencies between procedures under the LFPA and the Law on the Prevention of Corruption, particularly regarding deadlines and procedural rules. The latter recommended that the law “provides for clearer regulation of the APC's procedures”, including “clearly defined and expedited deadlines to respond to alleged violations and the obligation to resolve them by means of legally substantiated resolutions”.<sup>58</sup> **The APC's powers and responsibilities could be more clearly defined and structured by consolidating them in a dedicated article within the law.**
67. Article 14 of the Draft Law revises all paragraphs of Article 37 of the LPFA, which sets out the procedure for the Agency's oversight and investigation of irregularities. The amendments introduce additional deadlines and establish specific procedures for handling complaints related to electoral campaigns and the general activities of political parties. In addition to the specific provisions of the LPFA, the general rules on administrative procedure also apply to the handling of complaints and appeals.
68. The first paragraph clarifies that proceedings may be initiated by the Agency *ex officio* and based on a complaint by an individual or legal person. This replaces the previous formulation, which referred to proceedings being conducted “*ex officio* on the basis of”. The revised formulation provides greater clarity for initiating proceedings.
69. The second paragraph revises the list of stakeholders entitled to submit complaints during election campaigns by replacing “coalition of political parties or citizens' group that is a nominator of a proclaimed electoral list and/or a nominator of election candidate” with “a political entity that is the nominator of a proclaimed electoral list or the nominator of an election candidate.” This change streamlines the wording without affecting the substance of the procedure.
70. The third paragraph provides that the APC must inform the political entity that is the subject of a complaint and stipulates that, in cases related to election campaigns, this notification must be made within 24 hours of receipt of the complaint. While this expedited deadline supports timely investigation during electoral periods, **the law could establish clear deadlines for all types of proceedings.**
71. The fourth paragraph revises the rules on summoning representatives of political parties and complainants and adds more clarity to the formulation. While the LFPA currently provides that the APC may summon “the responsible person and/or the person on whose complaint the proceedings were initiated to obtain information”, the Draft Law instead stipulates that the Agency may summon the responsible person of the political entity, “as well as the person” who submitted a complaint. However, the law does not set any deadlines for carrying out such summons. **To ensure the prompt investigation of potential violations of the law, the regulations could establish a deadline for the summoning procedures.**

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<sup>58</sup> See paragraphs 101-104 of the [2022 ODIHR and Venice Commission Joint Opinion on the Constitutional and Legal Framework Governing the Functioning of Democratic Institutions - Electoral Law and Electoral Administration](#).

72. The fifth paragraph introduces different deadlines for the APC to issue decisions on established violations. For complaints related to election campaigns, the decision deadline is reduced from five to three days, counted from the receipt of confirmation that the political entity has been notified or from the expiry of the deadline for submitting the requested documents. This is a positive development that supports timely decision-making during electoral periods. For non-campaign-related complaints, however, a new 30-day deadline is introduced for issuing decisions, which is a lengthy period.<sup>59</sup> ODIHR was informed that priority is given to complaints submitted by external stakeholders, which justifies shorter deadlines in campaign-related cases to ensure prompt responses. **Nevertheless, consideration could be given to reducing the deadline for the non-campaign-related complaints as well.**
73. Deadlines are calculated from the date on which confirmation of notification to the political party is received. However, the law does not specifically define how this confirmation is to be provided, while the general regulations in administrative matters apply. The absence of or delays in issuing confirmation could result in unintended extensions of the overall timeline. By comparison, the LPC required the APC to decide on complaints concerning misuse of office or public resources within five days of receiving the complaint or initiating *ex officio* proceedings. To avoid uncertainty, **the regulations could more clearly define the method and timing of notification confirmation, as well as ensure that communication is carried out promptly.**
74. Paragraph 6 is newly introduced and establishes that, in cases initiated *ex officio* for violations of the law during an election campaign, the APC must issue a decision establishing whether a violation has occurred within 15 days from receipt of confirmation that the political entity has been notified. However, this different deadline does not appear fully justified, as it creates separate procedural regimes for potentially similar violations based solely on the manner in which the procedure was initiated. **To ensure greater consistency in investigative procedures, the deadline for *ex officio* cases could be reduced and aligned more closely with other applicable timeframes.**
75. According to paragraph 7, the Agency is required to publish decisions referred to in paragraphs 5 and 6 on its website on the first working day following their adoption, instead of within 24 hours, as provided under the current law. While this change does not generally affect overall transparency, the regulations could, in principle, **ensure that decisions adopted in the final days before elections are published promptly, and in any case, before the election day.**
76. Paragraph 8 provides that decisions referred to in paragraphs 5 and 6 are final and may be challenged before an administrative court. The law does not provide for an internal appeal mechanism within the APC and administrative disputes may be initiated in court.<sup>60</sup> According to the Draft Law, in cases concerning complaints submitted during the election campaign, the court is required to decide within 72 hours of receiving the defendant's response to the action, together with the case file. ODIHR was informed by the Serbian authorities that introducing an internal appeal stage could prolong the overall timeframe for resolving complaints. Under the general procedure, the defendant must submit the case file

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<sup>59</sup> The paragraph II. 3.3.g of the 2002 [Venice Commission Code of Good Practice in Electoral Matters](#) states that “[t]ime-limits for lodging and deciding appeals must be short (three to five days for each at first instance)”.

<sup>60</sup> By comparison, the Law on Prevention of Corruption (LPC) stipulates that decisions establishing violations (on conflict of interest cases) and imposing measures or discontinuing proceedings are issued by the Director of the Agency. An appeal may be lodged with the Agency's Board within 15 days of receipt of the decision, and the Board's decision is final, with the possibility of initiating an administrative dispute thereafter. Administrative disputes are handled according to the [2009 Law on Administrative Disputes](#).

to the court within a deadline set by the court, which may not exceed 30 days and provide observations on the claims set out in the lawsuit. In principle, the proposed deadline for the court's decision could provide for a prompt mechanism of appeal. **However, the law could prescribe a swift deadline for the APC to provide the acknowledgment of the appeal and the response to the action. Additionally, consideration could be given to introducing an expedited and clearly defined appeal mechanism for all types of proceedings concerning violations of the LFPA during the election campaign.**

77. For proceedings that are not submitted for decisions regarding complaints on election campaign violations, the standard rules of administrative procedure apply, which in practice may result in lengthy decision-making processes. The Draft Law does not establish a specific deadline for filing an appeal with the courts against any of the APC decisions; in such cases, the general deadline under the Law on Administrative Dispute (LAD) applies, which is 30 days from the date of notification of the decision.<sup>61</sup> Following the hearing, the court issues its decision immediately and “publishes the judgement together with the most important reasons”. In complex cases, the delivery of the decision can be extended by up to 15 days from the conclusion of the hearing. **The law could establish a specific deadline for the publication of court decisions in cases related to violations of the LPFA, especially for those related to the election campaign violations.**
78. If the APC identifies irregularities that may require the initiation of additional misdemeanour or criminal proceedings, the law does not specify deadlines within which the Agency must take such action. However, the applicable statutes of limitation for each type of proceeding apply. **To ensure the prompt investigation and sanctioning of potential violations, consideration could be given to impose deadlines for initiation of such proceedings by the APC.**

## 2.12. Warning measures

79. Article 15 of the Draft Law amends Article 39 of the LFPA, which governs warnings issued by the APC. Under this provision, the APC may issue a warning to political entities when, in the course of its oversight activities, it identifies deficiencies that can be remedied. Political entities are required to address these deficiencies within the deadline provided; failure to do so may result in the initiation of misdemeanour proceedings.
80. However, the Draft Law does not clearly define the types of deficiencies for which such warnings may be issued. This lack of clarity may allow the use of warnings in cases that could otherwise warrant sanctions under other provisions of the law. By comparison, the Law on Prevention of Corruption specifies in Article 83 that “a minor violation of the law is such a violation that did not affect the objective performance of a public function.”
81. ODIHR was informed by the Serbian authorities during a meeting held in preparation of this Opinion, that warnings are generally applied to minor violations that do not conflict with oversight activities. **Therefore, to enhance legal certainty and consistency, the law could more clearly define the circumstances in which a warning measure may be applied.**
82. The Draft Law does not set specific deadlines for political entities to remedy identified deficiencies. While it is understood that different situations may require different timeframes, the law could provide that such issues should, as a general rule, be addressed promptly. Additionally, the Draft Law introduces a new paragraph 3, which provides that if a political entity repeats a violation within one year of receiving a warning, misdemeanour proceedings shall be initiated.

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<sup>61</sup> See the [2009 Law on Administrative Disputes](#).

83. Article 39 does not prescribe that the warning measures be published on the website of the Agency. **To increase transparency, consideration could be given to publishing the warnings on the APC website promptly.**

### 2.13. Sanctions

84. Article 16 of the Draft Law amends Article 42 of the LFPA to incorporate the new provisions introduced by Article 3, paragraph 4. It also expands paragraph 1, item 10, to include sanctions for violations of Article 23a, paragraph 3 of the LFPA, which prohibits political parties from using electoral materials sourced from websites or social media. These amendments are welcome and in line with the newly introduced regulations.
85. Article 17 amends Article 43 of the LFPA by adding paragraphs 4 and 5, which establish fines ranging from RSD 200,000 to RSD 2,000,000 for legal entities that violate newly introduced provisions, specifically Article 23a, paragraph 1, which prohibits support to political parties without a contract. It also imposes sanctions for the violations of the regulations on third parties set out in Article 23b, but does not provide for sanctions applicable to other categories of third-party campaigners. **To ensure the integrity and transparency of the process, consideration could be given to including sanctions applicable to natural persons and other types of third parties that are not legal entities.**
86. Article 18 introduces a new Article 43a, which imposes sanctions for responsible persons within public authorities who violate Article 6 of the LFPA concerning the adoption and publication of regulations on the provision of goods and services to political parties. The sanctions do not apply to political competitors, and it is unclear why they are instead directed at persons within institutions. In any event, the prescribed fines of RSD 50,000 (approx. EUR 425) to 150,000 (approx. EUR 1,275) may not be dissuasive compared to the potential value of the violation<sup>62</sup> and/or the average gross salaries in Serbia.<sup>63</sup> This may undermine the dissuasive effect of the sanctioning regime. **To ensure the effectiveness of the legal framework, proportional and dissuasive sanctions should be introduced, ensuring that fines are calibrated as a multiple of the amount exceeding the applicable limits.**<sup>64</sup> Article 18 also provides for sanctions in relation to violations of the proposed Article 24a in the Draft Law, which sets campaign expenditure ceilings. However, in this case, the purpose and scope of the sanction are not clearly defined. **To improve effectiveness, the law could explicitly regulate sanctions for political entities that breach the expenditure limits set out in Article 24a.**
87. Article 19 of the Draft Law adds paragraph 5 to Article 48 of the LFPA, establishing that any request by the APC to administrative bodies to temporarily suspend transfers of public funds to political entities subject to criminal or misdemeanour proceedings must be published on the Agency's website. While this requirement enhances transparency, **the law could be improved by specifying a clear and prompt deadline for such publication.**

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<sup>62</sup> See the statement in the [ODIHR and the Venice Commission Joint Guidelines on Political Party Regulation](#), para. 273 "...sanctions must bear a relationship to the violation...". See also e.g., [ODIHR Urgent Interim Opinion on the Draft Law of Albania on the Financing of Political Parties](#) (2026), para. 108, which recommends that "fines for excessive donations be calibrated as a multiple of the amount exceeding the applicable limits".

<sup>63</sup> Average gross salaries and wages calculated for February 2026 amounted to RSD 160,067 RSD, while average net salaries and wages amounted to RSD 116,127; see [Earnings | Statistical Office of the Republic of Serbia](#).

<sup>64</sup> Article 16 of the [Committee of Ministers of the Council of Europe Rec \(2003\)4 on common rules against corruption in the funding of political parties and electoral campaigns](#) points out that "States should require the infringement of rules concerning the funding of political parties and electoral campaigns to be subject to effective, proportionate and dissuasive sanctions."

### 3. OUTSTANDING ODIHR RECOMMENDATIONS

88. The Draft Law aims to address several recommendations from ODIHR election observation reports and previous opinions. These include regulating third-party campaigning, introducing reasonable expenditure limits, lowering donation limits for legal entities, waiving deposit requirements for political parties and citizens groups not represented in the parliament, extending the period for interim reports closer to election day, ensuring an efficient oversight mechanism, and the transparency of the APC's activities. Addressing these recommendations is a positive development.
89. Several previous ODIHR recommendations remain unaddressed. These include the consolidation of an effective oversight mechanism, including proactive action by the APC. Such a mechanism should be underpinned by a system of dissuasive and proportionate sanctions. Further recommendations concern the introduction of additional incentives to enhance women's active participation in political life, adjustment of legal deadlines for distributing public funds to allow meaningful opportunities for campaigning and introduction of safeguards against misuse of public funds. While some provisions have been rephrased to improve clarity, the legal framework could be further revised to enhance precision and detail where necessary.
90. ODIHR reiterates the importance of adopting legislative amendments well in advance of the next elections. It also emphasizes that such amendments should be developed through a transparent, inclusive process, based on broad political consensus and meaningful consultation with multiple stakeholders, including civil society organizations and opposition parties at all stages of the lawmaking process.<sup>65</sup> While the Draft Law has not been made public yet, it is understood that public consultation will follow and that an explanatory note will be prepared for the subsequent version of the Draft Law that will be made available for public consultation (see para. 4 supra). In this respect, it is important that sufficient time should be provided to ensure that the consultation process is meaningful, allowing adequate time to stakeholders to prepare and submit recommendations on draft amendments, throughout the legislative process.<sup>66</sup> As an important element of good lawmaking, a consistent monitoring and evaluation system on the implementation of legislation should also be put in place that would efficiently evaluate the operation and effectiveness of the draft amendments, once adopted.<sup>67</sup>
91. In light of the above, ODIHR reiterates its call on the Serbian authorities to further consider and strengthen the electoral legal framework and its implementation in line with outstanding ODIHR and Venice Commission recommendations.

*[END OF TEXT]*

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65 See [ODIHR Guidelines on Democratic Lawmaking for Better Laws](#) (January 2024), in particular Principles 5, 6, 7 and 12, which underlined the importance of evidence-based, open, transparent, participatory and inclusive lawmaking process, offering meaningful opportunities to all interested stakeholders to provide input at all its stages. See also Venice Commission, [Updated Rule of Law Checklist](#), CDL-AD(2025)002, 16 December 2025, Part II.A.6.

66 See [ODIHR Guidelines on Democratic Lawmaking for Better Laws](#) (January 2024), paras. 169-170. See also ODIHR, [Assessment of the Legislative Process in Georgia](#) (30 January 2015), paras. 33-34. See also ODIHR, [Guidelines on the Protection of Human Rights Defenders](#) (2014), Section II, Sub-Section G on the Right to Participate in Public Affairs.

67 See [ODIHR Guidelines on Democratic Lawmaking for Better Laws](#) (January 2024), para. 23. See e.g., OECD, [International Practices on Ex Post Evaluation](#) (2010).

## **DRAFT LAW**

### **AMENDING THE LAW ON FINANCING POLITICAL ACTIVITIES**

#### **Article 1**

In the Law on Financing Political Activities ("Official Gazette of the RS", No. 14/22), in Article 3, paragraph 3, the words: "public sources" shall be replaced with the words: "budget of the Republic of Serbia", and the words "with a repayment period of up to three years" shall be deleted.

After paragraph 3, a new paragraph 4 shall be added, worded as follows:

"The repayment period for loans and credits referred to in paragraph 2 of this Article for financing regular work shall be no longer than three years, while the repayment period for loans and credits for covering election campaign costs shall be until the expiry of the deadline for submitting the final report on election campaign costs."

Former paragraph 4 shall become paragraph 5.

#### **Article 2**

Article 6, paragraph 3 shall be amended to read as follows:

"The authorities of the Republic of Serbia, autonomous provinces and local self-government units, as well as other organizations founded by them, shall regulate in more detail the provision of services and goods referred to in paragraph 1 of this Article by a special regulation, which shall be published on their website within eight days from the date of its adoption."

After paragraph 3, a paragraph 4 shall be added, worded as follows:

"The authorities and organizations referred to in paragraph 3 of this Article shall respond to a request from a political entity for the use of a service or good within five days from the date of receipt of the request, and during an election campaign within two working days from the date of receipt of the request, and in the event of the impossibility of providing the good or providing the service, they shall submit evidence of this to the political entity."

#### **Article 3**

In Article 10, paragraph 2, the number: "30" shall be replaced with the number: "ten".

#### **Article 4**

In Article 21, paragraph 1, after the words: "paragraph 3 of this Law", the full stop shall be deleted and the words: "or to a political party and a group of citizens who are not required to submit an electoral deposit in accordance with Article 25, paragraph 5 of this Law" shall be added.

In paragraph 6, after the wording: “If the nominators of the proclaimed electoral lists”, the words: “who are not exempt from the obligation to submit an electoral deposit in accordance with Article 25, paragraph 5 of this Law” shall be added.

#### Article 5

In Article 22, paragraph 3, after the words: “loans”, the full stop shall be deleted and the words: “in accordance with Article 3, paragraphs 2 and 3 of this law” shall be added.

#### Article 6

After Article 23, the titles of Articles 23a and 23b shall be added, worded as follows:

##### “Article 23a

A business entity may not, without a concluded contract for the provision of services to a political entity, carry out or enable the promotion of a political entity on its premises, at gatherings it organizes or through the means it uses for communication with the public, clients and business associates.

By way of exception to paragraph 1 of this Article, the activities undertaken by a business entity that is the founder of a media outlet within the framework of performing public information tasks shall not be considered the promotion of a political entity.

During the election campaign, political entities are prohibited from downloading and publishing on their websites and social networks the activities of legal and natural persons that they carry out for the promotion of, or against, a political entity, in the form of giving gifts, material and immaterial goods and providing services.

#### Conduct of election campaigns by third parties

##### Article 23b

A third party may conduct an election campaign under the conditions prescribed by this Law (hereinafter referred to as: third party campaign).

A third party campaign shall mean a paid activity whose value exceeds one average monthly salary in the Republic of Serbia, which is conducted during the election campaign by a third party, who is not affiliated with a political entity, and which aims to positively or negatively influence the election campaign of one or more political entities.

The conduct of a third party campaign by state bodies, bodies of an autonomous province and a unit of local self-government, public institutions, other legal entities founded and/or majority owned by the state, an autonomous province or a unit of local self-government is prohibited.

Third-party campaigning may not be conducted by: other states, foreign legal entities, foreign entrepreneurs and natural persons who do not have the right to vote in the Republic of Serbia.

A third party may not conclude a contract in its own name, and on behalf of a political entity, by which it would bear the costs or part of the costs of the election campaign of that political entity.

A third party may not spend more than 10 average monthly salaries in the Republic of Serbia on the campaign.

The expression of views on issues of public interest by non-governmental organizations, religious organizations, media or individuals shall not be considered a third-party campaign.

A third party that intends to conduct a campaign in accordance with paragraphs 1 and 2 of this Article shall open a special bank account before commencing its activities, of which it shall notify the Agency within three days from the date of opening the account.

The Agency shall keep records of third parties.

The third party shall submit to the Agency a preliminary report on the funds collected and spent during the election campaign five days before the election day, as well as a final report on the costs of the election campaign within 30 days of the election day.

The reports referred to in paragraph 1 of this Article shall be submitted to the Agency in electronic and written form and shall contain accurate and complete data on the origin, amount and structure of the funds collected and spent during the election campaign.

The content and manner of submitting the report referred to in paragraph 1 of this Article shall be regulated in more detail by a special act of the Director of the Agency.

The Agency shall publish the report referred to in paragraph 4 of this Article on its website on the following working day.“

#### Article 7

After Article 24, the Article title and the new Article 24a shall be added, worded as follows:

“Limitation of election campaign expenses

#### Article 24a

For the implementation of activities within the framework of the election campaign, a political entity may use funds collected from public and private sources in a total amount of up to:

- 1) eight million euros, in the elections for the President of the Republic and members of parliament;
- 2) two million euros, in the elections for members of the Assembly of an autonomous province;
- 3) one million euros, in the elections for councilors of a city assembly;
- 4) four hundred thousand euros, in the elections for councilors of a municipal assembly or a city municipality assembly.

By way of exception to paragraph 2 of this Article, if the elections for the President of the Republic are held in two election rounds, the total amount of funds collected from public and private sources that the nominators of candidates for the President of the Republic participating in the repeat vote may use for the implementation of activities within the framework of the entire election campaign is nine million euros.

The amounts referred to in paragraph 2 of this Article shall be determined according to the official middle exchange rate of the National Bank of Serbia on the day when the decision to call the elections entered into force.”.

#### Article 8

In Article 25, after paragraph 4, a paragraph 5 shall be added, worded as follows:

“By way of exception to the provisions of paragraphs 1-4 of this Article, political parties and groups of citizens that were not represented in the National Assembly, the Assembly of an autonomous province or the Assembly of a local self-government unit shall not be obliged to lodge an electoral deposit.”.

#### Article 9

In Article 26, after paragraph 3, a paragraph 4 shall be added, worded as follows:

“Political parties and groups of citizens exempt from the obligation to lodge an electoral deposit under Article 25, paragraph 5 of this Law, which do not win the number of votes referred to in paragraph 1 of this Article, shall return the funds received from public sources within 30 days from the date of adoption of the overall report on the election results.”.

#### Article 10

In Article 28, paragraph 1, after the words: “shall”, a comma shall be added and the wording: “in electronic and written form,”.

In paragraph 3, after the word “contains”, the words “accurate and complete” shall be added.

In paragraph 4, after the words: “of this article”, a comma and the words: “which, in the year for which they submit the report, achieved an inflow of funds that is greater than one average monthly salary,” shall be added.

#### Article 11

In Article 29, paragraph 1, after the words: “shall”, a comma is added and the wording: “in electronic and written form,”.

Paragraph 2 shall be amended to read as follows:

“The reports referred to in paragraph 1 of this article, which contain accurate and complete data on the origin, amount and structure of funds collected and spent from public and private sources, credits and loans, shall be submitted in the form and in the manner prescribed by the act referred to in paragraph 6 of this Article.”

In paragraph 3, the words: “up to 15 days” shall be replaced with the words: “up to ten days”.

In paragraph 4, after the words “election results”, the full stop shall be replaced with a comma and the wording added: “and shall include the remaining funds from public sources referred to in Article 21 of this Law.”.

#### Article 12

In Article 32, after paragraph 4, a new paragraph 5 shall be added, worded as follows:

“In the procedure for controlling the financing of political activities, the Agency shall request from banks on the territory of the Republic of Serbia statements on the accounts of all registered political parties and groups of citizens that participated in the election campaign, or that have representatives in representative bodies, and the banks shall submit the requested statements to the Agency within the deadlines referred to in paragraph 4 of this Article.”.

Former paragraph 5, which shall become paragraph 6, shall be amended to read as follows:

“With regard to the obligation to submit data referred to in paragraph 4 of this Article and the statement referred to in paragraph 5 of this Article, prohibitions and restrictions established by other regulations shall not apply.”.

#### Article 13

In Article 36, paragraph 1, after the words: “political entities”, the full stop shall be replaced with a comma and the words: “whose annual value is at least 50% of the maximum value of the contributions referred to in Article 10, paragraphs 1 and 2 of this Law.” shall be added.

#### Article 14

Article 37 shall be amended to read as follows:

#### Article 37

The procedure in which it is decided whether there is a violation of this Law and measures are imposed in accordance with this Law, shall be initiated and conducted by the Agency ex officio and based on a complaint by a natural or legal person.

The procedure in which it is decided whether there is a violation of this Law in an election campaign may be initiated ex officio, upon a complaint by a person referred to in paragraph 1 of this Article, as well as upon a complaint by a political entity that is the nominator of a proclaimed electoral list, or the nominator of election candidate.

The Agency shall notify the political entity against which the procedure has been initiated of the initiation of the procedure referred to in paragraphs 1 and 2 of this Article, provided that the Agency notifies the political entity against which the procedure has been initiated of the initiation of the procedure referred to in paragraph 2 of this Article within 24 hours of receiving the complaint.

The Agency may summon the responsible person of the political entity, as well as the person on the basis of whose complaint the procedure has been initiated, in order to obtain information, as well as to request the submission of necessary data in order to decide on the existence of a violation of this Law.

The Agency shall, in respect of a complaint relating to a violation of this Law during an election campaign, issue a decision determining whether or not such a violation has occurred within three days from the date of receipt of confirmation that the political entity has been notified of the complaint referred to in paragraph 2 of this Article. Where the submission of data has been requested, the decision shall be issued after the expiry of the time limit for the submission of data referred to in Article 32, paragraphs 3 and 4 of this Law. In respect of a complaint that does not

relate to a violation of this Law during an election campaign, the Agency shall issue the decision within 30 days from the date of receipt of confirmation that the political entity has been notified of the initiation of the procedure. Where the submission of data has been requested, the decision shall be issued after the expiry of the time limit for the submission of data referred to in Article 32 paragraphs 2 and 4 of this Law.

In the procedure initiated ex officio due to a violation of this Law in an election campaign, the Agency shall, within 15 days from the date of receipt of the confirmation that the political entity has been notified of the initiation of the procedure, issue a decision establishing whether or not there has been a violation of this Law in an election campaign.

The Agency shall publish the decisions referred to in paragraphs 5 and 6 of this Article on its website, on the first working day following their adoption.

The decisions issued by the Agency shall be final and an administrative dispute may be initiated against them.

Upon an action brought against a decision adopted by the Agency on the basis of a complaint submitted during an election campaign, the Administrative Court shall render its judgment within 72 hours from the receipt of the reply to the action together with the case file.”.

#### Article 15.

Article 39 shall be amended to read as follows:

#### “Article 39

The Agency shall issue a warning measure to the political entity where, in the course of supervisory procedure, it establishes deficiencies that may be remedied.

If the political entity fails to comply with the warning measure by the expiration of the deadline specified in the decision, the Agency shall submit a request for initiating misdemeanor proceedings for failure to comply with the warning measure.

If the political entity, within one year from the date of issuing the warning measure referred to in paragraph 1 of this Article, repeats the violation of this Law for which the warning measure was issued, the Agency shall submit a request for initiating misdemeanor proceedings.”.

#### Article 16

In Article 42, paragraph 1, item 1), the words: “paragraphs 2 and 3” shall be replaced with the words: “paragraphs 2-4.”.

Paragraph 1, item 10) shall be amended to read as follows:

“10) acts contrary to Article 23, paragraphs 8 and 9 and Article 23a, paragraph 3 of this Law;”.

#### Article 17

In Article 43, paragraph 1, at the end of item 3), the period shall be replaced with a semicolon.

In Article 1, after item 3), items 4) and 5) shall be added, worded as follows:

“4) if it acts contrary to Article 23a, paragraph 1 of this Law;”.

“5) if it acts contrary to Article 23b of this Law;”.

#### Article 18

After Article 43, a new Article 43a shall be added, worded as follows:

The responsible person in an authority of the Republic of Serbia, an autonomous provincial or local self-government unit, as well as other organizations founded by them shall be fined from 50,000 to 150,000 dinars for infringement:

- 1) if he acts contrary to Article 6, paragraphs 3 and 4 of this Law;
- 2) if he acts contrary to Article 24a of this Law.

#### Article 19

In Article 48, after paragraph 4, a paragraph 5 shall be added, worded as follows:

“The Agency’s request referred to in paragraph 1 of this Article shall be published on the Agency’s website.”.

#### Article 20

This Law shall enter into force on the eighth day following the date of its publication in the "Official Gazette of the Republic of Serbia".

## OVERVIEW OF THE AMENDED PROVISIONS IN THE LAW ON FINANCING POLITICAL ACTIVITIES

### Sources of financing of political entities

#### Article 3

Political entities shall be financed from public and private sources.

Political entities may borrow exclusively from banks and other financial organizations in the Republic of Serbia, which are supervised by the National Bank of Serbia (hereinafter: credits and loans).

The maximum amount of credits and loans that political entities may borrow from banks and other financial organizations, on an annual basis, may amount to up to 25% of the funds provided from ~~public sources~~ of the BUDGET OF THE REPUBLIC OF SERBIA for financing regular work or covering election campaign costs of political entities, depending on whether political entities borrow to finance regular work or covering election campaign costs, ~~with a repayment period of up to three years.~~

THE REPAYMENT PERIOD FOR LOANS AND CREDITS REFERRED TO IN PARAGRAPH 2 OF THIS ARTICLE FOR FINANCING REGULAR WORK SHALL BE NO LONGER THAN THREE YEARS, WHILE THE REPAYMENT PERIOD FOR LOANS AND CREDITS FOR COVERING ELECTION CAMPAIGN COSTS SHALL BE UNTIL THE EXPIRY OF THE DEADLINE FOR SUBMITTING THE FINAL REPORT ON ELECTION CAMPAIGN COSTS.

Political entities shall use funds from the sources referred to in paragraphs 1 and 2 of this Article to finance regular work expenses and election campaign expenses.

### Services and goods from public sources

#### Article 6

Services and goods from public sources are services and goods determined by special regulations, which are provided to political entities by the authorities of the Republic of Serbia, autonomous provinces and local self-government units, as well as other organizations whose founders they are.

The services and goods referred to in paragraph 1 of this Article shall be provided under equal conditions to all political entities.

~~The authorities of the Republic of Serbia, autonomous provinces and local self-government units, as well as other organizations whose founders they are, shall regulate in more detail the provision of services and goods referred to in paragraph 1 of this Article.~~

THE AUTHORITIES OF THE REPUBLIC OF SERBIA, AUTONOMOUS PROVINCES AND LOCAL SELF-GOVERNMENT UNITS, AS WELL AS OTHER ORGANIZATIONS FOUNDED BY THEM, SHALL REGULATE IN MORE DETAIL THE PROVISION OF SERVICES AND GOODS REFERRED TO IN PARAGRAPH 1 OF THIS

ARTICLE BY A SPECIAL REGULATION, WHICH SHALL BE PUBLISHED ON THEIR WEBSITE WITHIN EIGHT DAYS FROM THE DATE OF ITS ADOPTION.

THE AUTHORITIES AND ORGANIZATIONS REFERRED TO IN PARAGRAPH 3 OF THIS ARTICLE SHALL RESPOND TO A REQUEST FROM A POLITICAL ENTITY FOR THE USE OF A SERVICE OR GOOD WITHIN FIVE DAYS FROM THE DATE OF RECEIPT OF THE REQUEST, AND DURING AN ELECTION CAMPAIGN WITHIN TWO WORKING DAYS FROM THE DATE OF RECEIPT OF THE REQUEST, AND IN THE EVENT OF THE IMPOSSIBILITY OF PROVIDING THE GOOD OR PROVIDING THE SERVICE, THEY SHALL SUBMIT EVIDENCE OF THIS TO THE POLITICAL ENTITY.

1. Maximum Value of Contributions

2. Article 10

The maximum value of contributions on an annual basis that a natural person may make to political entities for regular work shall be a maximum of ten average monthly salaries.

The maximum value of contributions on an annual basis that a legal person may make to political entities for regular work shall be a maximum of ~~30~~ ten average monthly salaries.

A contribution whose annual value exceeds one average monthly salary shall be publicly announced.

A political entity shall publish the contribution referred to in paragraph 3 of this Article on its website within eight days from the day on which the value of the contribution exceeded the amount of one average monthly salary.

Distribution of funds from public sources

Article 21

The funds referred to in Article 20 of this Law in the amount of 40% shall be distributed in equal amounts to the nominators of the proclaimed electoral lists who, when submitting the electoral list, made a statement that they will use funds from public sources to cover the costs of the election campaign. These funds shall be paid within five days from the date of the decision establishing the collective electoral list, to the political entity that has lodged the electoral deposit within the period prescribed by Article 25, paragraph 3 of this Law, OR TO A POLITICAL PARTY AND A GROUP OF CITIZENS WHO ARE NOT REQUIRED TO SUBMIT AN ELECTORAL DEPOSIT IN ACCORDANCE WITH ARTICLE 25, PARAGRAPH 5 OF THIS LAW.

The remaining part of the funds referred to in Article 20 of this Law (60%) shall be allocated to the nominators of the electoral lists that have won seats, in proportion to the number of seats won, within five days from the date of the adoption of the overall report on the election results, regardless of whether they used funds from public sources to cover the costs of the election campaign.

In the case of holding elections under the majority electoral system, the funds referred to in Article 20 of this Law in the amount of 40% shall be distributed in equal amounts to the nominators of election candidates who, when submitting their candidacy, made a statement that they will use

funds from public sources to cover the costs of the election campaign. These funds shall be paid to the nominators of candidates within five days from the date of the adoption of the decision establishing the list of candidates, if they have lodged the electoral deposit within the period prescribed by Article 25, paragraph 3 of this Law.

In the event of holding elections referred to in paragraph 3 of this Article, the remaining part of the funds referred to in Article 20 of this Law (60%) shall be allocated to the nominator of the election candidate who won the seat, within five days from the date of adoption of the overall report on the election results, regardless of whether he used funds from public sources to cover the costs of the election campaign.

If the elections referred to in paragraph 3 of this Article are held in two election rounds, the remaining part of the funds referred to in Article 20 of this Law (60%) shall be allocated to the nominators of election candidates participating in the second election round, in proportion to the number of votes they won in the second election round, within five days from the date of adoption of the overall report on the election results in the second election round, regardless of whether they used funds from public sources to cover the costs of the election campaign.

If the nominators of electoral lists WHO ARE NOT EXEMPT FROM THE OBLIGATION TO LODGE AN ELECTORAL DEPOSIT IN ACCORDANCE WITH ARTICLE 25, PARAGRAPH 5 OF THIS LAW, or the nominators of candidates who have declared that they will use funds from public sources to cover the costs of the election campaign, do not file an electoral deposit within the period prescribed in Article 25, Paragraph 3 of this Law, the part of the funds allocated to those nominators of electoral lists, or the nominators of candidates, shall be transferred to the remaining part of the funds referred to in paragraphs 2 and 4 of this Article and shall be allocated to them in accordance with Article 25, Paragraph 4 of this Law.

Funds for the election campaign from public sources shall be distributed by the ministry responsible for finance, or the competent body of the autonomous province or local self-government unit.

Financing of election campaigns from private sources, loans and credits

#### Article 22

To finance election campaign costs, a political entity may raise funds from private sources.

In addition to regular work contributions, natural and legal persons may also contribute funds for election campaign costs in a calendar year in which elections are held, up to the maximum amount prescribed annually in Article 10, paragraphs 1 and 2 of this Law, regardless of the number of election campaigns in a calendar year.

To finance election campaign costs, a political entity may also use funds from credits and loans IN ACCORDANCE WITH ARTICLE 3, PARAGRAPHS 2 AND 3 OF THIS LAW.

Electoral deposit

## Article 25

A political entity that has declared its intention to use funds from public sources to cover the costs of an election campaign shall lodge an electoral deposit in the amount of the funds referred to in Article 21, paragraphs 1 and 3 of this Law, allocated to that political entity.

The election deposit referred to in paragraph 1 of this Article consists of depositing cash, a bank guarantee, government securities or placing a mortgage for the amount of the guarantee on the immovable property of the person providing the guarantee.

The election deposit funds referred to in paragraph 2 of this Article shall be delivered or deposited with the ministry responsible for finance, or the competent administrative body of the autonomous province or local self-government unit, within three days from the day of the announcement of all electoral lists, or the determination of the final list of candidates.

A political entity that has declared its intention to use funds from public sources to cover the costs of the election campaign and has not lodged an electoral deposit, within three days from the day of the announcement of all electoral lists, or the determination of the final list of candidates, has the right to funds from public sources to cover the costs of the election campaign, in the same amount that was allocated to the political entity that lodged an electoral deposit, if it wins at least 1% of valid votes in the elections, or at least 0.2% of valid votes if the political entity represents and advocates the interests of a national minority, within five days from the day of the adoption of the overall report on the election results.

**BY WAY OF EXCEPTION TO THE PROVISIONS OF PARAGRAPHS 1-4 OF THIS ARTICLE, POLITICAL PARTIES AND GROUPS OF CITIZENS THAT WERE NOT REPRESENTED IN THE NATIONAL ASSEMBLY, THE ASSEMBLY OF AN AUTONOMOUS PROVINCE OR THE ASSEMBLY OF A LOCAL SELF-GOVERNMENT UNIT SHALL NOT BE OBLIGED TO LODGE AN ELECTORAL DEPOSIT.**

### Return of funds

## Article 26

The electoral deposit shall be returned to the political entity if it wins at least 1% of valid votes in the elections, or at least 0.2% of valid votes if the political entity represents and advocates the interests of a national minority, within 30 days from the date of the adoption of the overall report on the election results.

A political entity that does not win the number of votes referred to in paragraph 1 of this Article shall return the funds received for which it lodged the electoral deposit, within 30 days from the date of the adoption of the overall report on the election results.

If the political entity fails to return the funds received for which it lodged the electoral deposit within the period referred to in paragraph 2 of this Article, the Republic of Serbia, an autonomous province or a unit of local self-government shall return these funds from the electoral deposit funds.

**POLITICAL PARTIES AND GROUPS OF CITIZENS EXEMPT FROM THE OBLIGATION TO LODGE AN ELECTORAL DEPOSIT UNDER ARTICLE 25, PARAGRAPH 5**

OF THIS LAW, WHICH DO NOT WIN THE NUMBER OF VOTES REFERRED TO IN PARAGRAPH 1 OF THIS ARTICLE, SHALL RETURN THE FUNDS RECEIVED FROM PUBLIC SOURCES WITHIN 30 DAYS FROM THE DATE OF ADOPTION OF THE OVERALL REPORT ON THE ELECTION RESULTS.

#### Annual Report on Financing of a Political Entity

##### Article 28

Political entities that have representatives in representative bodies and registered political parties shall submit to the Agency, IN ELECTRONIC AND WRITTEN FORM, an annual report on financing of a political entity, which also contains data on contributions and assets, with a previously obtained opinion of an authorized auditor licensed in accordance with the accounting and auditing regulations, by 30 April of the current year for the previous year.

Registered political parties and groups of citizens that, in the year for which they submit an annual financing report, have an inflow or outflow of funds on accounts whose amount does not exceed one average monthly salary are exempt from the obligation to submit an opinion from paragraph 1 of this Article.

The annual report on the financing of a political entity shall contain ACCURATE AND COMPLETE data on the origin, amount and structure of all funds collected and spent from public and private sources, credits and loans.

Political entities referred to in paragraph 1 of this Article, WHICH, IN THE YEAR FOR WHICH THEY SUBMIT THE REPORT, ACHIEVED AN INFLOW OF FUNDS THAT IS GREATER THAN ONE AVERAGE MONTHLY SALARY, shall publish the report on their website within eight days from the date of submission of the annual report on the financing of a political entity to the Agency.

The annual report on the financing of a political entity shall also be published on the Agency's website within seven days from the date of receipt of the duly submitted annual report on the financing of a political entity.

The content and method of submitting the annual report on the financing of a political entity shall be regulated in more detail by the Director of the Agency.

#### Report on election campaign expenses

##### Article 29

A political entity participating in an election campaign shall submit to the Agency, IN ELECTRONIC AND WRITTEN FORM, a preliminary report on election campaign expenses no later than seven days before voting day, as well as a final report on election campaign expenses, which shall be submitted within 30 days from the date of publication of the overall report on election results.

~~The reports referred to in paragraph 1 of this Article shall contain data on the origin, amount and structure of funds collected and spent from public and private sources, credits and loans.~~

THE REPORTS REFERRED TO IN PARAGRAPH 1 OF THIS ARTICLE, WHICH CONTAIN ACCURATE AND COMPLETE DATA ON THE ORIGIN, AMOUNT AND STRUCTURE OF FUNDS COLLECTED AND SPENT FROM PUBLIC AND PRIVATE SOURCES, CREDITS AND LOANS, SHALL BE SUBMITTED IN THE FORM AND IN THE MANNER PRESCRIBED BY THE ACT REFERRED TO IN PARAGRAPH 6 OF THIS ARTICLE.

The preliminary report on election campaign expenses shall cover the period from the date of calling the elections ~~until 15 days~~ UP TO TEN DAYS before the day set for voting.

The final report on election campaign expenses shall cover the period from the date of calling the elections until the date of publication of the overall report on election results, AND SHALL INCLUDE THE REMAINING FUNDS FROM PUBLIC SOURCES REFERRED TO IN ARTICLE 21 OF THIS LAW.

The preliminary report on election campaign expenses shall be published on the Agency's website within three days of the date of receipt of the duly submitted report in the prescribed form, and the final report on election campaign expenses shall be published on the Agency's website within seven days of the date of receipt of the duly submitted report in the prescribed form.

The content and manner of submitting the report referred to in paragraph 1 of this Article shall be regulated in more detail by the Director of the Agency.

The Director of the Agency shall adopt the act referred to in paragraph 6 of this Article within a period that ensures that the act enters into force no later than five days from the date of calling the elections.

Amendments and supplements to the act referred to in paragraph 6 of this Article may not be made during the election campaign.

#### Authority of the Agency and Control of Financing

##### Article 32

In carrying out the tasks prescribed by this Law, the Agency has the right to direct and unhindered access to the accounting records and documentation and financial reports of a political entity, as well as to engage appropriate experts and institutions. The Agency also has the right to direct and unhindered access to the accounting records and documentation of an endowment or foundation founded by a political party.

A political entity shall, upon request of the Agency, within a period determined by the Agency, which may not exceed 15 days, submit all documents and information that the Agency needs to carry out the tasks prescribed by this Law.

During an election campaign, a political entity shall, upon request and within a period determined by the Agency, which may not exceed three days, submit data that the Agency needs to carry out the tasks prescribed by this Law.

The authorities of the Republic of Serbia, autonomous provinces and local self-government units, banks, as well as legal and natural persons that finance political entities, or that

have performed a certain service on their behalf and for their account, shall, at the request of the Agency and within a period that cannot exceed 15 days from the date of receipt of the request, and during the election campaign it cannot exceed three days, to submit all data that the Agency needs to perform the tasks prescribed by this Law.

IN THE PROCEDURE FOR CONTROLLING THE FINANCING OF POLITICAL ACTIVITIES, THE AGENCY SHALL REQUEST FROM BANKS ON THE TERRITORY OF THE REPUBLIC OF SERBIA STATEMENTS ON THE ACCOUNTS OF ALL REGISTERED POLITICAL PARTIES AND GROUPS OF CITIZENS THAT PARTICIPATED IN THE ELECTION CAMPAIGN, OR THAT HAVE REPRESENTATIVES IN REPRESENTATIVE BODIES, AND THE BANKS SHALL SUBMIT THE REQUESTED STATEMENTS TO THE AGENCY WITHIN THE DEADLINES REFERRED TO IN PARAGRAPH 4 OF THIS ARTICLE.

~~With regard to the obligation to submit data set out in paragraph 4 of this Article, prohibitions and restrictions set out in other regulations shall not apply.~~

WITH REGARD TO THE OBLIGATION TO SUBMIT DATA REFERRED TO IN PARAGRAPH 4 OF THIS ARTICLE AND THE STATEMENT REFERRED TO IN PARAGRAPH 5 OF THIS ARTICLE, PROHIBITIONS AND RESTRICTIONS ESTABLISHED BY OTHER REGULATIONS SHALL NOT APPLY.

#### Article 36

The annual tax control plan, which is adopted in accordance with the law regulating tax procedure and tax administration, includes the control of providers of financial resources, i.e. goods and services to political entities, WHOSE ANNUAL VALUE IS AT LEAST 50% OF THE MAXIMUM VALUE OF THE CONTRIBUTIONS REFERRED TO IN ARTICLE 10, PARAGRAPHS 1 AND 2 OF THIS LAW.

The selection of the provider of financial resources, i.e. goods and services referred to in paragraph 1 of this Article, shall be made on the basis of the Agency's report.

#### Procedure

#### ~~Article 37~~

~~Proceedings to establish violation of this Law and to pronounce measures in accordance with this Law are launched and conducted by the Agency ex officio on the basis of a complaint lodged by a natural or legal person.~~

~~Proceedings to establish violation of this Law in the election campaign may be initiated ex officio, on the basis of a complaint lodged by a person/entity referred to in paragraph 1 of this article, as well on the basis of a complaint lodged by a political party, coalition of political parties or citizens' group that is a nominator of a proclaimed electoral list and/or a nominator of election candidate.~~

~~The Agency shall notify about the initiation of proceedings specified in paragraph 1 of this article the political entity against which the proceedings were initiated, and shall notify about the~~

~~initiation of proceedings specified in paragraph 2 of this article the political entity against which the proceedings were initiated within 24 hours of receiving the complaint.~~

~~The Agency may summon the responsible person and/or the person on whose complaint the proceedings were initiated to obtain information, as well as request submission of data necessary to decide on whether this Law has been violated.~~

~~Upon a complaint related to the violation of this Law in the election campaign, the Agency shall, within five days from the day of receipt of confirmation that the political entity has been notified of the complaint referred to in paragraph 2 of this article and, if data referred to in [Article 32](#), paragraph 3 and 4 of this Law were requested, after the deadline for their submission has expired, issue a decision establishing whether there has been a violation of this Law in the election campaign.~~

~~The Agency shall publish the decision referred to in paragraph 5 of this article on its website within 24 hours of its adoption.~~

#### ARTICLE 37

THE PROCEDURE IN WHICH IT IS DECIDED WHETHER THERE IS A VIOLATION OF THIS LAW AND MEASURES ARE IMPOSED IN ACCORDANCE WITH THIS LAW, SHALL BE INITIATED AND CONDUCTED BY THE AGENCY EX OFFICIO AND BASED ON A COMPLAINT BY A NATURAL OR LEGAL PERSON.

THE PROCEDURE IN WHICH IT IS DECIDED WHETHER THERE IS A VIOLATION OF THIS LAW IN AN ELECTION CAMPAIGN MAY BE INITIATED EX OFFICIO, UPON A COMPLAINT BY A PERSON REFERRED TO IN PARAGRAPH 1 OF THIS ARTICLE, AS WELL AS UPON A COMPLAINT BY A POLITICAL ENTITY THAT IS THE NOMINATOR OF A PROCLAIMED ELECTORAL LIST, OR THE NOMINATOR OF AN ELECTION CANDIDATE.

THE AGENCY SHALL NOTIFY THE POLITICAL ENTITY AGAINST WHICH THE PROCEDURE HAS BEEN INITIATED OF THE INITIATION OF THE PROCEDURE REFERRED TO IN PARAGRAPHS 1 AND 2 OF THIS ARTICLE, PROVIDED THAT THE AGENCY NOTIFIES THE POLITICAL ENTITY AGAINST WHICH THE PROCEDURE HAS BEEN INITIATED OF THE INITIATION OF THE PROCEDURE REFERRED TO IN PARAGRAPH 2 OF THIS ARTICLE, WITHIN 24 HOURS OF RECEIVING THE COMPLAINT.

THE AGENCY MAY SUMMON THE RESPONSIBLE PERSON OF THE POLITICAL ENTITY, AS WELL AS THE PERSON ON THE BASIS OF WHOSE COMPLAINT THE PROCEDURE HAS BEEN INITIATED, IN ORDER TO OBTAIN INFORMATION, AS WELL AS TO REQUEST THE SUBMISSION OF NECESSARY DATA IN ORDER TO DECIDE ON THE EXISTENCE OF A VIOLATION OF THIS LAW.

THE AGENCY SHALL, IN RESPECT OF A COMPLAINT RELATING TO A VIOLATION OF THIS LAW DURING AN ELECTION CAMPAIGN, ISSUE A DECISION DETERMINING WHETHER OR NOT SUCH A VIOLATION HAS OCCURRED WITHIN

THREE DAYS FROM THE DATE OF RECEIPT OF CONFIRMATION THAT THE POLITICAL ENTITY HAS BEEN NOTIFIED OF THE COMPLAINT REFERRED TO IN PARAGRAPH 2 OF THIS ARTICLE. WHERE THE SUBMISSION OF DATA HAS BEEN REQUESTED, THE DECISION SHALL BE ISSUED AFTER THE EXPIRY OF THE TIME LIMIT FOR THE SUBMISSION OF DATA REFERRED TO IN ARTICLE 32, PARAGRAPHS 3 AND 4 OF THIS LAW. IN RESPECT OF A COMPLAINT THAT DOES NOT RELATE TO A VIOLATION OF THIS LAW DURING AN ELECTION CAMPAIGN, THE AGENCY SHALL ISSUE THE DECISION WITHIN 30 DAYS FROM THE DATE OF RECEIPT OF CONFIRMATION THAT THE POLITICAL ENTITY HAS BEEN NOTIFIED OF THE INITIATION OF THE PROCEDURE. WHERE THE SUBMISSION OF DATA HAS BEEN REQUESTED, THE DECISION SHALL BE ISSUED AFTER THE EXPIRY OF THE TIME LIMIT FOR THE SUBMISSION OF DATA REFERRED TO IN ARTICLE 32 PARAGRAPHS 2 AND 4 OF THIS LAW.

IN THE PROCEDURE INITIATED EX OFFICIO DUE TO A VIOLATION OF THIS LAW IN AN ELECTION CAMPAIGN, THE AGENCY SHALL, WITHIN 15 DAYS FROM THE DATE OF RECEIPT OF THE CONFIRMATION THAT THE POLITICAL ENTITY HAS BEEN NOTIFIED OF THE INITIATION OF THE PROCEDURE, ISSUE A DECISION ESTABLISHING WHETHER OR NOT THERE HAS BEEN A VIOLATION OF THIS LAW IN AN ELECTION CAMPAIGN.

THE AGENCY SHALL PUBLISH THE DECISIONS REFERRED TO IN PARAGRAPHS 5 AND 6 OF THIS ARTICLE ON ITS WEBSITE, ON THE FIRST WORKING DAY FOLLOWING THEIR ADOPTION.

THE DECISIONS ISSUED BY THE AGENCY SHALL BE FINAL AND AN ADMINISTRATIVE DISPUTE MAY BE INITIATED AGAINST THEM.

UPON AN ACTION BROUGHT AGAINST A DECISION ADOPTED BY THE AGENCY ON THE BASIS OF A COMPLAINT SUBMITTED DURING AN ELECTION CAMPAIGN, THE ADMINISTRATIVE COURT SHALL RENDER ITS JUDGMENT WITHIN 72 HOURS FROM THE RECEIPT OF THE REPLY TO THE ACTION TOGETHER WITH THE CASE FILE.

Measure

~~Article 39~~

~~The Agency issues a warning measure to a political entity in case it identifies during control deficiencies that may be remedied.~~

~~If the political entity fails to act upon the warning measure before the deadline specified in the Agency's decision expires, the Agency shall initiate misdemeanor proceedings.~~

ARTICLE 39

THE AGENCY SHALL ISSUE A WARNING MEASURE TO THE POLITICAL ENTITY WHERE, IN THE COURSE OF SUPERVISORY PROCEDURE, IT ESTABLISHES DEFICIENCIES THAT MAY BE REMEDIED.

IF THE POLITICAL ENTITY FAILS TO COMPLY WITH THE WARNING MEASURE BY THE EXPIRATION OF THE DEADLINE SPECIFIED IN THE DECISION, THE AGENCY SHALL SUBMIT A REQUEST FOR INITIATING MISDEMEANOR PROCEEDINGS FOR FAILURE TO COMPLY WITH THE WARNING MEASURE.

IF THE POLITICAL ENTITY, WITHIN ONE YEAR FROM THE DATE OF ISSUING THE WARNING MEASURE REFERRED TO IN PARAGRAPH 1 OF THIS ARTICLE, REPEATS THE VIOLATION OF THIS LAW FOR WHICH THE WARNING MEASURE WAS ISSUED, THE AGENCY SHALL SUBMIT A REQUEST FOR INITIATING MISDEMEANOR PROCEEDINGS.

#### Article 42

A political party shall be fined from 200,000 to 2,000,000 dinars for a misdemeanor if:

- 1) it acts contrary to the provisions of Article 3, ~~paragraphs 2 and 3~~, paragraphs 2-4 of this Law;
- 2) it receives funds contrary to Article 8, paragraph 3 of this Law;
- 3) it acts contrary to Article 11. of this Law;
- 4) it acquires non-monetary funds contrary to Article 12, paragraphs 1 and 3 of this Law;
- 5) it acts contrary to the prohibition in Article 12, paragraph 4 of this Law;
- 6) it acts contrary to the prohibition in Article 13 of this Law;
- 7) it acquires income contrary to Article 14 of this Law;
- 8) it fails to return funds in accordance with Article 15 of this Law;
- 9) it uses funds contrary to Article 19 and 23 and Article 24, paragraphs 3 and 4 of this Law;
- ~~10) acts contrary to the provisions of Article 23, paragraphs 8 and 9 of this Law;~~
- 10) ACTS CONTRARY TO ARTICLE 23, PARAGRAPHS 8. AND 9. AND ARTICLE 23A, PARAGRAPH 3 OF THIS LAW.
- 11) fails to open a special account for financing election campaigns in accordance with Article 24 of this Law;
- 12) fails to keep records in accordance with Article 27 of this Law;
- 13) fails to act in accordance with Article 28, paragraph 1 of this Law;
- 14) fails to submit a preliminary report on election campaign expenses in accordance with Article 29 of this Law;
- 15) fails to submit the final report on election campaign expenses in accordance with Article 29 of this Law;
- 16) acts contrary to Article 30 of this Law;

17) fails to provide the Agency with access in accordance with Article 32, paragraph 1 of this Law;

18) fails to submit documents, information and data to the Agency in accordance with Article 32, paragraphs 2 and 3 of this Law;

19) fails to act in accordance with the imposed warning measure (Article 39, paragraph 2).

For the violations referred to in paragraph 1 of this Article, the responsible person in the political party or other political entity shall also be fined 50,000 to 150,000 dinars.

The funds obtained by committing the violations referred to in paragraph 1, items 2)-9) and 16) of this Article shall be confiscated.

#### Other violations

##### Article 43

A legal entity shall be fined from 200,000 to 2,000,000 dinars if:

1) it makes a contribution to a political entity contrary to Articles 9 and 10, Article 12, paragraphs 1, 3 and 5, and Article 22, paragraph 2 of this Law;

2) it fails to provide the Agency with access in accordance with Article 32, paragraph 1 of this Law;

3) it fails to provide data to the Agency in accordance with Article 32, paragraph 4 of this Law;

4) IF IT ACTS CONTRARY TO ARTICLE 23A, PARAGRAPH 1 OF THIS LAW.

5) IF IT ACTS CONTRARY TO ARTICLE 23B OF THIS LAW.

For the misdemeanor referred to in paragraph 1 of this Article, the responsible person in the legal entity shall also be fined from 50,000 to 150,000 dinars.

For the misdemeanor referred to in paragraph 1 of this Article, an entrepreneur shall be fined from 100,000 to 500,000 dinars.

For the misdemeanor referred to in paragraph 1 of this Article, a natural person shall be fined from 50,000 to 150,000 dinars.

The funds obtained by committing the misdemeanor referred to in paragraph 1, item 1) of this Article shall be confiscated.

#### Suspension of the transfer of funds from public sources

##### Article 48

After the initiation of criminal proceedings for a criminal offense under Article 40 of this Law or misdemeanor proceedings for a misdemeanor under Articles 41 and 42 of this Law, at the request of the Agency, the ministry responsible for finance, or the competent administrative body of the autonomous province, or the local self-government unit, shall issue a decision on the temporary

suspension of the transfer of funds from public sources to the political entity until a legally binding decision is made in the criminal or misdemeanor proceedings.

An appeal may be filed against the decision of the competent administrative body of the autonomous province, or the local self-government unit referred to in paragraph 1 of this Article to the competent body of the autonomous province, or the local self-government unit.

An administrative dispute may be initiated against the decision of the ministry referred to in paragraph 1 of this Article and the decision of the competent authority of the autonomous province, or local self-government unit referred to in paragraph 2 of this Article.

The Administrative Court shall decide within 30 days from the date of submission of the complaint in the administrative dispute referred to in paragraph 3 of this Article.

THE REQUEST OF THE AGENCY REFERRED TO IN PARAGRAPH 1 OF THIS ARTICLE SHALL BE PUBLISHED ON THE AGENCY'S WEBSITE.