

LAW OF UKRAINE
on Political Parties in Ukraine¹

(Vidomosti Verkhovnoyi Rady Ukrainy (VVR), 2001, No.23, page 118)

Chapter I
GENERAL PROVISIONS

Article 1. Citizens' Right to Associate in Political Parties

The citizens' right to freedom of association in political parties to exercise and protect their rights and freedoms and satisfy their political, economic, social, cultural and other interests is established and guaranteed by the Constitution of Ukraine. This right can be restricted pursuant to the Constitution of Ukraine in the interests of national security, public order, health care or protection of rights and freedoms of other people as well as in other cases set forth in the Constitution of Ukraine.

No one shall be forced to join a political party or restricted in the right to voluntarily withdraw from a political party.

Partly affiliation or non-affiliation shall not be a reason for restrictions of the rights and freedoms or any benefits or privileges provided by the state.

Restrictions on membership in political parties shall only be imposed by the Constitution and laws of Ukraine.

Article 2. Definition of a political party

A “political party” shall mean a legally registered voluntary association of the citizens, that supports certain national social development program and seeks to contribute to the formation and expression of the political will of the citizens, as well as participates in elections and other political actions.

Article 3. Legal framework and regulation of political party activities

Political parties shall carry out their activities in accordance with the Constitution of Ukraine, this Law and other laws of Ukraine, as well as in accordance with their statutes approved according to procedures established by this Law.

Political parties in Ukraine shall be established and operate only with a nationwide status.

¹ This English translation of the Law is unofficial and includes all amendments to the Law made by January 20, 2016. The changes in the Law on Political Parties in Ukraine resulting from adoption of the Political Finance Reform Law, dated October 8, 2015, are highlighted in the text (bold).

Article 4. Guarantees of activities of political parties

Political parties are equal before the law.

The bodies of state power, the bodies of local self-governance and their officials shall not be allowed to demonstrate a biased attitude towards certain political parties, neither shall they be allowed to grant them privileges or facilitate activities of political parties unless otherwise provided by law.

Any interference of the bodies of state power, the bodies of local self-governance or their officials with the establishment and internal operations of political parties and their structural units shall be prohibited, except for the cases provided for by this Law.

Article 5. Restrictions on the establishment and activities of political parties

The establishment and activities of political parties shall be prohibited if their program goals or actions are aimed at:

- 1) liquidating the independence of Ukraine;
- 2) changing the constitutional order by forceful means;
- 3) violating the sovereignty and territorial integrity of Ukraine;
- 4) undermining the national security;
- 5) unlawful seizing the state power through actions;
- 6) inciting war, violence, interethnic, racial or religious hatred;
- 7) encroaching on human rights and freedoms;
- 8) encroaching on public health; or
- 9) propagandizing for communist and/or national socialist (Nazi) totalitarian regimes and their symbols.

Political parties shall not have paramilitary formations.

A political party shall be banned only by a court decision.

Chapter II

MEMBERSHIP AND ESTABLISHMENT OF POLITICAL PARTIES

Article 6. Membership in political parties and its restriction

Only Ukrainian citizen entitled to vote in elections shall have the right to be a member of political party.

Ukrainian citizen shall be a member of only one political party at a time.

The following persons shall not be allowed to be members of political parties:

- 1) judges;
- 2) public prosecutors;
- 3) employees of police;
- 4) employees of the Security Service of Ukraine;
- 5) military servicemen;
- 6) employees of the bodies in charge of revenue and duties;
- 7) employees of the State Penitentiary Service of Ukraine;
- 8) employees of the National Anti-Corruption Bureau of Ukraine.

The members of political parties shall suspend their membership while occupying the above posts or performing the above duties.

The procedure for joining a membership in political party, suspension or termination of a party membership shall be determined by the statute of political party.

A Ukrainian citizen shall have the right to suspend or terminate his/her membership in political party at any time by submitting a request to the respective statutory bodies of the political party. Membership in a political party shall be suspended or terminated on the date when such a request was submitted and shall not require any additional decisions. On the same day, holding any elected office at the political party shall be also terminated.

All political parties shall have fixed membership. Membership in political party shall be based only on application of the citizen of Ukraine submitted to the statutory body of political party, whereby he/she expresses his/her will to become a member of this party.

The procedures for fixing the membership in political party shall be governed by the party's statute.

No structural units of a political party shall be established or operate at the executive bodies, the bodies of judiciary or local self-government bodies, as well as in military units, state-owned companies, education institutions and other government-run institutions and organizations.

Article 7. Program of political party

A political party shall have a program. The program of political party shall set forth its goals and the ways to achieve them.

Article 8. Statute of political party

A political party shall have a statute. The statute of a political party shall contain the following information:

- 1) the name of political party;
- 2) a list of its statutory bodies, procedures for their establishment, their powers and the term for exercising those powers;
- 3) the procedures for joining the political party, suspension and termination of party membership;
- 4) the rights and obligations of the members of the political party, grounds for suspension or termination of membership in the political party;
- 5) the procedures for establishment and the general structure and powers of the regional, city and rayon organizations of political party and its primary cells;
- 6) the procedure for making changes to the statute and program of political party;
- 7) the procedure for convening and holding party congresses, conferences, meetings, other representative bodies of the political party;
- 8) the sources of material and financial support to political party and its local organizations, as well as the procedure for making expenses by political party;**
- 8¹) the procedure for performing internal party supervision (audit) of the incomes and expenses of political party and its local organizations, as well as the procedure for the establishment (appointment to office and removal from office), the scope and terms of powers of the bodies or party officials in charge of performing such supervision (audit);**
- 8²) the procedure for selection of the auditing company for carrying out external independent audit of the financial report on incomes, property, expenses and financial obligations of political party and its local organizations;**
- 9) the procedures for termination (self-dissolution), reorganization of the political party, as well as for the use of funds and other property remaining after its termination (self-dissolution);
- 10) the quotas establishing the minimum level of representation of sexes on the list of the candidates for the members of the Parliament put forward by political party in the nationwide election district, as well as on the list of the candidates to the local councils in the multi-member constituencies that should ensure at least 30% representation of either sexes among the candidates on the list in the list.

Article 9. Name and symbols of a political party

The name and symbols of a political party shall not coincide with those of any other registered political party.

The national symbols of Ukraine or other countries shall not be replicated in the symbols of political party.

Symbols of communist and/or national socialist (Nazi) totalitarian regimes shall not be used in the symbols of political party.

A political party shall have the right to the party symbols, which shall include the party anthem, flag, identity sign and motto. The symbols of political party shall be approved by the authorized statutory body of political party pursuant to the procedure provided for by the party's statute.

The decision on approval of the party symbols shall specify the type of the symbol approved (party anthem, flag, identity sign or motto), as well the description and image of the symbol(s).

A description of the party symbols shall include information on the colors used for the symbols, the scale and proportions of the symbol components.

An image of the party symbols shall include the full and shortened name of the party and shall not replicate:

state symbols of Ukraine;

other official symbols or signs used by the state bodies, the bodies of the Autonomous Republic of Crimea, the bodies of local self-governance, as well as state or other awards, stamps and signs of the respective bodies;

coats of arms, flags or names of other states;

the name or image of a natural person unless the person concerned or his/her heritors provided a written consent for use thereof, providing that such consent is certified in accordance with the laws, and except for the cases provided for by law;

or

other symbols or signs, the use of which is restricted by the law.

The symbols of political party shall differ from the images of the registered symbols of other parties and shall be a subject to the state registration pursuant to the procedure prescribed by the Law of Ukraine on State Registration of Legal Persons and Natural Persons Acting as Private Entrepreneurs.

The regional, city and rayon party organizations, primary cells of political party, as well as its other structural units provided for in the party charter, shall use the full name of the party with additions specifying their place in the organizational structure of political party.

Article 10. Establishment of political party

The decision to establish political party shall be made at its constituent congress (conference, meeting). Such a decision shall be supported with the signatures of at least ten thousand Ukrainian citizens who in accordance with the Constitution of Ukraine have the right to vote in elections, providing that the signatures are collected in two-thirds of all the rayons of at least two-thirds of all the oblasts of Ukraine, the cities of Kyiv and Sebastopol, and in no less than two-thirds of the rayons of the Autonomous Republic of Crimea.

The constituent convention (conference, meeting) of a political party shall approve the statute and program of the political party and elect its managing and controlling bodies.

A political party shall be established by the group of 100 the citizens of Ukraine.

The decision on establishment of political party shall be adopted by the constituent congress (conference, meeting) of political party and shall be documented by the minutes of the congress that shall be signed by the chairperson and secretary of the congress (conference, meeting).

The minutes of the constituent congress (conference, meeting) devoted to the establishment of political party shall include the following data:

- 1) the date and venue of the constituent congress (conference, meeting);
- 2) a decision on election of the chairperson and secretary of the congress (conference, meeting);
- 3) a decision on establishment of political party, as well as goals of political party;
- 4) a decision on the name or, if any, shortened name of political party;
- 5) a decision on approval of the party's statute and program;
- 6) a decision on election of the party leader, on the overall number of members of the governing and controlling agencies of political party as provided for by the approved party's statute, as well as the names of those members;
- 7) a decision to start collecting the signatures of the citizens of Ukraine in support of decision on the establishment of political party; and
- 8) a decision determining a person (persons) that shall have the right to represent the political party during its registration.

The list of the persons who participated in the constituent congress (conference, meeting) of political party shall be an integral part of the minutes.

The list of the persons who participated in the constituent congress (conference, meeting) of political party shall include the following data on each participant of the congress (conference, meeting): the first, second name and patronymic of the participant; passport data; and the registration number of a tax payer or the series and number of the passport (for the natural persons who based on their religious beliefs refused from receiving a registration number of a tax payer, informed on such refusal the competent controlling authority, and have the record in the passport that allows to make bank transactions based on the series and number of passport). The data on each person on the list shall be certified by his/her signature.

The oblast, city and rayon party organizations, as well as the primary cells of political party or other party's structural units provided for by the party statute shall be established in accordance with the procedure specified in the party statute.

A decision on establishment of the oblast, city and rayon party branch, as well as decision on the establishment of a primary cell or other structural unit of political party provided for by the party's statute, shall be adopted by the constituent meeting (conference) of the oblast, city, rayon party organization or party's primary cell or structural unit provided for by the party statute, shall be documented by the minutes of the meeting (conference) to be signed by the chairperson and secretary of a meeting (conference).

The minutes of the constituent meeting (conference) devoted to the establishment of the oblast, city or rayon party organization, primary cell or other structural unit of the party provided for by the party statute, shall include the following data:

- 1) the date and venue of the constituent meeting (conference);
- 2) a decision on election of the chairperson and secretary of the meeting (conference);
- 3) a decision on establishment of the oblast, city, rayon party organization, as well as the primary cell or other structural unit of political party provided for the party statute;
- 4) a decision on the name of the oblast, city, rayon party organization, the primary cell or other structural unit of political party provided for the party statute; and
- 5) a decision on election of the head of oblast, city, rayon party organization, the primary cell or other structural unit of political party provided for the party statute, on the overall number of members of the governing and controlling agencies of oblast, city, rayon party organization, the primary cell or other structural unit of political party provided for the party statute, as well as the names of those members.

The list of the persons who participated in the constituent meeting (conference) of the oblast, city, rayon party organization, the primary cell or other structural unit of political party provided for the party statute shall be an integral part of the minutes.

The list of the persons who participated in the constituent meeting (conference) of the oblast, city, rayon party organization, the primary cell or other structural unit of political party provided for the party statute shall include the following data on each participant of the meeting (conference): the first, second name and patronymic of the participant; passport data; and the registration number of a tax payer or the series and number of the passport (for the natural persons who based on their religious beliefs refused from receiving a registration number of a tax payer, informed on such refusal the competent controlling authority, and have the record in the passport that allows to make bank transactions based on the series and number of passport). The data on each person on the list shall be certified by his/her signature.

The political parties shall start their operations only after their registration. The activities of the unregistered political parties shall be prohibited.

Chapter III **REGISTRATION AND RIGHTS OF POLITICAL PARTIES**

Article 11. Registration of political party

The political parties and their oblast, city, rayon organizations, as well as the primary cells or other structural party units provided for by the party statute shall be registered in accordance with the procedure laid down in the Law of Ukraine on State Registration of Legal Persons and Natural Persons Acting as Private Entrepreneurs, following the review of the documents submitted for registration.

Once having been registered in accordance with the legally prescribed procedure, a political party shall obtain the status of a legal person.

The body in charge of registration of the legal persons, natural persons acting as private entrepreneurs and non-governmental organizations, shall be informed on the establishment of the oblast, city, rayon party organization or other structural unit of political party provided for by the party statute within 10 days following the establishment of the organization or unit.

The oblast, city and rayon party organizations, as well as other party's structural units provided for in the party statute shall be registered as legal persons (if such a status for the respective organization or unit is provided for in the party statute) or without status of a legal person.

Primary cells of political parties shall not have the status of legal persons and shall be registered by notification of the competent authority of their establishment.

The oblast, city and rayon party organizations, as well as other party's structural units provided for in the party statute shall be registered, and the primary cells of political party shall be legalized only after registration of the respective party.

Within six months following the date of its registration, the party, in accordance with the procedure set forth by this Law, shall ensure establishment and registration of the regional party organizations in most oblasts of Ukraine, the cities of Kyiv and Sebastopol, and Autonomous Republic of Crimea.

A political party shall annually inform the central executive body implementing public policy related to state registration (legalization) of the non-governmental organizations and other civic establishments on its oblast, city, rayon party

organizations, as well as on other party's structural units provided for in the party statute.

A political party shall ensure that the data of the Unified State Register of Legal Persons and Natural Persons Acting as Private Entrepreneurs on the party, its regional, city and rayon organizations, other party structural units provided for in the party statute, and primary cells, are changed in accordance with the procedure prescribed by the Law of Ukraine on State Registration of Legal Persons and Natural Persons Acting as Private Entrepreneurs within 10 days following the day when respective changes have been made.

The decisions pertaining to changes in the data of the Unified State Register of Legal Persons and Natural Persons Acting as Private Entrepreneurs on the party, its regional, city and rayon organizations, other party structural units provided for in the party statute, as well as on party's primary cells, shall be adopted in accordance with the procedures specified in the party statute and shall be documented by the minutes of the meeting of the respective authorized body of political party.

The list of the persons who participated in the meeting of the respective authorized body of political party shall be an integral part of the minutes and shall include the following data on each participant of the meeting: the first, second name and patronymic of the participant; passport data; and the registration number of a tax payer or the series and number of the passport (for the natural persons who based on their religious beliefs refused from receiving a registration number of a tax payer, informed on such refusal the competent controlling authority, and have the record in the passport that allows to make bank transactions based on the series and number of passport). The data on each person on the list shall be certified by his/her signature.

The central executive body implementing public policy related to state registration (legalization) of the non-governmental organizations and other civic establishments shall annually the list of the registered political parties and their legal addresses.

Article 12. Rights of political parties

The political parties shall have the right:

- 1) to carry out its activities without restrictions, within the limits established by the Constitution of Ukraine, this Law and other laws of Ukraine;
- 2) to participate in the presidential and parliamentary elections, elections to other state bodies, the bodies of the local self-governance and their officials pursuant to the procedures established by the respective laws of Ukraine;
- 3) to use public media, as well as to establish their own media as provided for by the respective laws of Ukraine;

4) to maintain international contacts with political parties, civil society organizations of other countries, international and intergovernmental organizations, as well as to establish (associate in) international associations provided for by this Law;

5) to provide ideological, organizational and material support to the youth, women and other associations of citizens and facilitate their establishment.

The political parties shall be guaranteed the freedom of opposition activities including:

the possibility of presenting and defending their positions on public and social issues;

the right to participate in the discussions, make public and substantiate their critical assessments of the decisions and actions of the public authorities by using public and private media in accordance with the procedures specified in the law;

the right to submit proposals to the bodies of state power and local self-governance bodies that shall be a subject to mandatory consideration by the respective bodies in accordance with the legally prescribed procedures.

Article 13. International activities of political parties

Political parties shall have the right to maintain contacts with political parties and civil society organizations of other countries, international and intergovernmental organizations, to enter cooperation agreements and to conduct other activities consistent with the laws and international treaties of Ukraine. Political parties shall not conclude any agreements that make them subordinated to or dependent on any foreign organization or political party.

Political parties shall be allowed to establish international associations or join such associations providing that the statutes of such associations provide for the establishment of solely the consultation and coordination bodies.

Chapter IV

FUNDS AND PROPERTY OF POLITICAL PARTIES

Article 14. Funds and other property of political parties

The state shall guarantee political parties the right to have funds and other property to achieve their statutory goals.

Political parties shall be non-profit organizations. To achieve their statutory goals, political parties shall be entitled to own, use and dispose of movable and immovable property, funds, equipment, and transport, the acquisition of which is not prohibited by the laws of Ukraine. Political parties shall be allowed to rent or use otherwise necessary property, be it either movable or immovable property.

Material and financial support to political parties shall be provided in the form of:

- 1) donations in support of political parties;**
- 2) public funding of statutory activities of political parties in accordance with the procedures established by this Law and other laws of Ukraine.**

A donation in support of political party shall mean the monetary funds or other property, benefits, allowances, services, loans (credits), intangible assets, any other intangible or non-monetary benefits including membership fees of the party members, sponsorship by the third parties of the events or other activities in support of political party, goods, works, services provided or received for free or at discounted price (at a price lower than the market value of identical or similar works, goods and services in the relevant market) that were received by the party or its registered local organization, by the person related to political party or its registered organization, by a candidate nominated by the party or its local organization for the presidential, parliamentary or local elections (through transferring the funds into the election fund account in the respective elections) or provided to the party, its registered local organization, the person related to the party or its local organization or to the candidate nominated by the party or its local organization for the parliamentary, presidential or local elections (through transferring the funds into the election fund account in the respective elections).

The National Agency for the Prevention of Corruption shall define the terms “related persons”, “sponsorship” and “third parties” used in this Law.

A political party, as well as its local organization that was registered as a legal person, shall be obliged to open accounts in the banks of Ukraine to which all the funds received by the political party or its local organization shall be transferred. The information on the banks in which the political party and its local organizations registered as legal persons have opened accounts, as well as bank details of such accounts shall be published on the website of the political party (if any) and in the statement of property, incomes, expenses and financial obligations of political party. The respective banking institutions shall inform the Accounting Chamber and the National Agency for Prevention of Corruption on the opening and closing of such accounts within three banking days in accordance with the procedure approved by the National Bank of Ukraine in coordination with the National Agency for the Prevention of Corruption.

A political party, its local organization that was registered as a legal person shall open bank accounts only in the national currency of Ukraine.

Monetary donations in support of political party or its local organization registered as a legal person shall be made through the bank transactions.

To identify the Ukrainian citizen who makes a monetary donation to political party without opening his/her bank account, the banking institution or the postal office to which the citizen turned to make his/her donation shall identify the first name, the second name and patronymic (if any) of the citizen concerned; his/her registered place of residence; tax payer's number or the number and series (if any) of the passport of the citizen of Ukraine (if the citizen refused to receive a tax payer's number); and the date and place of birth.

Article 15. Restrictions on donations to political parties²

Donations in support of political parties shall be prohibited if they are made by:

- 1) the bodies of state and local self-governance bodies;**
- 2) state-owned and local self-governance-owned companies, institutions and organizations as well as by the legal persons in which at least ten per cent of the authorized capital or voting rights are directly or indirectly owned by the state, local self-governance bodies, by non-residents, or in which the ultimate beneficiaries (owners or controllers) are the persons authorized to exercised the functions of the state or local self-governance as specified in the Law of Ukraine on Prevention of Corruption;**
- 3) foreign states, foreign legal persons, foreign citizens or stateless persons as well as legal persons in which ultimate beneficiaries (owners or controllers) are the foreign citizens or stateless persons;**
- 4) unregistered civil society organizations, charitable and religious associations (organizations);**
- 5) Ukrainian citizens under 18 years of age, Ukrainian citizens recognized legally incapacitated by the court of law, as well as anonymous persons or persons using pseudonyms;**
- 6) other political parties;**
- 7) natural and legal persons who entered public procurement contracts in accordance with the Law on Public Procurement (during the period of the contract implementation and during one year following the contract's termination unless a total amount received under such contract during the period of the contract implementation and two years following its termination does not exceed ten per cent of the total amount of incomes of the natural or legal person over the respective period); and**
- 8) natural and legal persons who have tax debts;**

² The provisions of Article 15 pertaining to introduction of the annual public funding of political parties, reimbursement of the party expenses on election campaigning and pertaining to restrictions on the value of donations to political parties from the natural and legal persons shall enter legal force on July 1, 2016.

The overall value of donation(s) made in support of political party by Ukrainian citizen over one year shall not exceed four hundred minimum monthly salaries, providing that the amount of the minimum monthly salary shall be established as of January 1 of the year when donation was made.

The overall value of donation(s) made in support of political party by the legal person over one year shall not exceed eight hundred minimum monthly salaries, providing that the amount of the minimum monthly salary shall be established as of January 1 of the year when donation was made.

If a natural or legal person has or may have a decisive influence on operations of one or more legal persons (in particular, if such natural or legal person is an ultimate beneficiary (owner or controller) of a legal person), donations from such a natural or legal person and legal persons being under control shall be regarded as donations from one person and shall be limited by the total amount of donations established by this Article. The National Agency for Prevention of Corruption shall define the terms "decisive influence" and "ultimate beneficiary (owner or controller)" used herein and in the laws governing the elections.

The value of donations in the form of works, goods or services shall be established based on the market value of identical or similar works, goods or services in the respective market. The methodology of evaluating the donations shall be a subject to approval by the National Agency for Prevention of Corruption in coordination with the central executive body in charge of development and implementation of the public financial policy.

In addition to the payment document for making a monetary donation in support of political party, a donor shall also submit to the bank a written statement confirming the absence of the circumstances specified in Parts 1-3 of this Article and serve the grounds for the bank's refusal from accepting the payment document. The statement template shall be a subject to approval by the National Agency for Prevention of Corruption. The bank shall not accept the payment document without such a statement.

A political party, its local organization, the manager of the election fund of the party, party's local organization or party/local party organization candidate in elections shall refuse from receiving a donation from a person which pursuant to this Law is prohibited from making donations to political parties or if the value of donation(s) from a person or group of persons exceeds the legally established maximum. Such a refusal shall be made within three days following the date when the authorized person of political party, party's local organization or election fund manager have become aware of the respective fact. Based on the payment document and statement of refusal from donation or part of donation signed by the party leader, the head of local party organization or by the candidate nominated by the party or party organization for the respective elections, a banking institution that opened bank account at which the donation was transferred, shall return a donation

or its respective part to the donor or to the State Budget of Ukraine (if it was impossible to return donation to the donor). The procedure for returning a donation or its part to a donor based on the grounds provided for by this Article shall be a subject to approval by the National Bank of Ukraine.

Article 16. Exercising ownership rights with respect to property owned by political party

The ownership rights with respect to the property and funds owned by political party shall be exercised pursuant to the procedures set forth in the legislation or party statute.

Article 17. Party financial reports³

The political parties and their local organizations shall keep accounting records in accordance with the legally prescribed procedures and shall undergo an annual internal financial audit of their activities. In addition, they shall undergo an external independent financial audit in the cases provided for by this Law.

An annual internal financial audit of activities of a party and its local organization registered as a legal person shall be performed by the unit (official) of the party/local party organization in charge of intra-party financial control (audit) of the incomes and expenses of, respectively, party or local party organization.

A political party that was an electoral subject in the parliamentary or presidential elections, or participated in the regular or pre-term local elections, as well as the party which receives public funding, shall be obliged to undergo external independent financial audit of report on property, incomes, expenses and financial obligations during a year following the year when such elections were held or following the year when the public funds were received.

An external independent financial audit specified in Part 3 of this Article shall be performed by an auditing firm that meets the following criteria:

1) the auditing firm is included on the Register of auditing firms and auditors;

³ The provisions of Article 17 pertaining to introduction of the annual public funding of political parties, reimbursement of the party expenses on election campaigning and pertaining to restrictions on the value of donations to political parties from the natural and legal persons shall enter legal force on July 1, 2016. The provisions related to submission of the reports on property, incomes, expenses and financial obligations by political parties shall enter legal force on January 1, 2016.

- 2) the auditing firm has an expertise in auditing business entities, in particular, it performed at least two audits or provided other auditing services to business entities over the past three years;
- 3) the auditing firm employs at least ten full-time staff members who are directly involved in auditing services provision and work under full-time employment contracts;
- 4) at least three employees of the firm have official audit qualification certificates needed to perform audits in the territory of Ukraine;
- 5) an annual income of the auditing firm over the past three years was at least three million *hryvnia*; and
- 6) the auditing firm has entered into a third party liability insurance contract (for indemnification of losses caused by professional activities) to the amount of at least ten million *hryvnia*. The insurance contract shall cover the entire period of auditing services provision.

Political parties and their local organizations shall provide all the information and documents needed to perform external independent financial audit of the party, needed for such audit.

A political party shall be entitled to enter into an audit agreement with one and the same auditing firm not more than three years in a row.

No later than on the 40th day following the end of each quarter, a political party shall submit to the National Agency for Prevention of Corruption a hard copy (signed by the party's head and bearing the party's seal) and electronic copy of the party's financial report on property, incomes, expenses and financial obligations for the respective quarter and publish such a report in full on its official website (if any) within the same term. The report shall specify full name and place of residence of a natural person. Other information on the natural person shall not be made public.

A template for the party's financial report on the property, incomes, expenses and financial obligations shall be a subject to approval by the National Agency for Prevention of Corruption based on the requirement of this Law.

The party's report on the property, incomes, expenses and financial obligations shall present the information on:

- 1) property of the party and all its local organizations registered as legal persons, the estimated value of such property by the end of a respective reporting quarter. This information shall include data on both moveable and immovable property, securities, intangible and monetary assets. The information on moveable and immovable property shall be included into the report if the political party or its local organization regardless of whether the property is owned or just used. The information in moveable property (except for vehicles) shall be included into the report if the value of such property

exceeds fifty minimum monthly salaries, providing that the amount of the minimum monthly salary is established on January 1 of the reporting year;

2) the date and value (amount) of each donation made in support of the party, its local organization registered as legal person, as well as to the election fund of the party, its local organization and to election fund of the party, its local organization or candidate from the party or its local organization in the national or local elections (if the respective elections were held); the name and location of the legal person that made a donation, the registration number of that legal person in the Unified state register of enterprises and organizations of Ukraine; the first name, the second name and patronymic (if any) of each natural person who made a donation; the place of residence and tax payer's registration number of that natural person (except for the persons who based on their religious beliefs refused from receiving a registration number of a tax payer, informed on such refusal the competent controlling authority, and have the record in the passport that allows to make bank transactions based on the series and number of passport);

3) the amount of funds received from the State Budget of Ukraine over the reporting period, allocated to funding of the statutory activities of political party and, separately, for reimbursement of expenses on election campaigning (in case when the party concerned received such funding);

4) the date of every payment from the accounts of the party and its local organizations registered as legal persons, as well as payment from the election fund of the party, party's local organization or candidate of the party or party's local organization for the respective national or local elections (if the elections were held); the names of all the recipients of those payments, with indication of the data specified in the paragraph 2 of this Part of the Article with respect to the persons who make donations to political parties); the purposes to be covered by each payment and the amount of each payment; and

5) the date on which the financial obligation of the party or its local organization registered as legal person has emerged; the date when such obligation will be executed; the value of such obligation by the end of the reporting period; the name of the person in whose favor the financial obligation will be executed (with indication of the data specified in the paragraph 2 of this Part of the Article with respect to the persons who make donations to political parties).

The information specified in Part 9 of this Article shall be presented in the party's report on property, incomes, expenses and financial obligations as a progressive total by the end of the reporting period, separately for the party, its local organization registered as legal person, or candidate in the respective elections (if the elections were held).

Opinions based on the party's annual internal audit and external independent financial audit (in the cases provided for by this Law) shall be attached to the

party's report on property, incomes, expenses and financial obligations covering the fourth quarter of the year, and shall be the integral part of the report itself.

The copies of all the documents proving the information presented in the report (including copies of the payment documents and bank statements on transactions) shall be attached to the party's report on property, incomes, expenses and financial obligations.

Within ten days following the day of submission to the National Agency for Prevention of Corruption of the party's report on property, incomes, expenses and financial obligations, the submitted report shall be published in full in an open data format on the official website of the National Agency for Prevention of Corruption. The report shall be available on the website for at least five years. The published report shall specify the full name and place of residence of a natural person. Any other information on the natural person shall not be presented in the published report.

The National Agency for Prevention of Corruption shall analyze the party's report on property, incomes, expenses and financial obligations, as well as draft and approve an opinion thereon within two months following the date when the report was received. The results of the analysis shall be published on the official website of the National Agency for Prevention of Corruption within five days following the date when the opinion was approved.

The analysis of the party's report on property, incomes, expenses and financial obligation shall seek to provide the answers to the following: whether the report and data therein comply with reporting standards and laws, whether the report was submitted in time and the information presented is complete and reliable, as well as whether any violations of laws governing the funding of political parties and election campaigns were violated.

If while analyzing party's report on property, incomes, expenses and financial obligations or while checking the information on alleged violations of the laws governing party and campaign finance, any signs of a violations serving the grounds for the criminal, administrative or other liability are detected, the National Agency for Prevention of Corruption within five days following the date when the signs of violations were revealed shall notify in written the agencies (officials) tasked to bring the offenders to liability and shall send to the respective agencies (officials) the evidence of detected violations, or ensure that the offenders are brought to account, acting within the scope of its powers, or make such information public on its website.

Chapter IV-1⁴

⁴ The provisions of the Chapter IV-1 pertaining to introduction of the annual public funding of political parties, reimbursement of the party expenses on election campaigning and pertaining to restrictions on the value of donations to political parties from the natural and legal persons shall

PUBLIC FUNDING OF POLITICAL PARTIES

Article 17-1. Forms of public funding of political parties

The State Budget funds shall be allocated to:

- 1) funding of the the statutory activities of political parties not related relate to their participation in presidential, parliamentary or local elections, including remuneration of the members of the statutory bodies of the party and its local organizations pursuant to the procedure specified in the legislation;**
- 2) the reimbursement of the party expenses on election campaigning in the regular or pre-term parliamentary elections.**

If the State Budget is divided into the general and special funds, the expenses provided for by Part 1 of this Article shall be covered from the general fund of the State Budget.

Article 17-2. Annual amount of public funding of statutory activities of political parties

The total annual amount of the public funding of statutory activities of all the political parties which pursuant to this Law are entitled to such funding shall be equal to two percent of the minimum monthly salary as established on January 1 of the year preceding the year when the State Budget funds are allocated multiplied by the number of voters who voted in the nationwide multi-member constituency in the most recent regular or pre-term parliamentary elections. The total number of voters who voted in the nationwide multi-member constituency shall be established based on the protocol of the Central Election Commission on the results of the most recent regular or pre-term parliamentary elections in the nationwide multi-member constituency.

Article 17-3. Grounds and procedures for obtaining right to public funding of statutory activities of political party

A political party shall have the right to public funding of its statutory activities if in the recent regular or pre-term parliamentary elections its list of candidates in the nationwide multi-member constituency received no less than two percent of the votes who voted for all party lists of candidates in the nationwide multi-member constituency.

To receive funds from the State Budget of Ukraine allocated to public funding of the statutory activities of the political party, the party shall open a separate account in the national currency of Ukraine in the Ukrainian banking

enter legal force on July 1, 2016. The provisions related to submission of the reports on property, incomes, expenses and financial obligations by political parties shall enter legal force on January 1, 2016.

institution. The funds received by political party for funding of its statutory activities shall be transferred only at such a separate bank account. No other funds, except for the State Budget funds allocated to funding of the statutory activities of the political party shall be transferred to such account.

The decision on transferring the funds of the State Budget allocated to public funding of statutory activities of political party or decision on refusal of such allocation shall be adopted pursuant to this Law by the National Agency for Prevention of Corruption based on the results of the most recent regular or pre-term parliamentary elections in the nationwide multi-member constituency. Either decision shall be adopted in a five-day term following the day of official publication of the election results, providing that by the day when the decision was adopted the head or other authorized representative of political party submitted a statement of the Ukrainian bank confirming the opening of the separate party's bank account in the national currency of Ukraine. Any political party shall be entitled to file with the National Agency for Prevention of Corruption a statement of refusal of public funding of its statutory activities.

The Central Election Commission shall submit to the National Agency for Prevention of Corruption and to the central executive body in charge of development and implementation of the public financial policy a copy of its protocol on the results of the regular or pre-term parliamentary elections in the nationwide multi-member election constituency. Such a copy shall be submitted on the day of official publication of the results of the regular or pre-term parliamentary elections.

The National Agency for Prevention of Corruption shall adopt a decision on refusal to provide public funding of the statutory activities of political party if the party in question is not entitled to public funding of its statutory activities or based on the grounds specified in Article 17-8 of this Law.

The decision of the National Agency for Prevention of Corruption on refusal to provide public funding of the statutory activities of political party shall be motivated and specify the list of grounds for refusal. Such a decision can be challenged at court within the terms and pursuant to the procedures specified in the Code of Administrative Adjudication of Ukraine.

Article 17-4. Reimbursement of party's expenses on election campaigning in the parliamentary elections

A political party shall be entitled to reimbursement of its campaign expenses in the parliamentary elections on condition that it participated in distribution of the mandates between the parties in the most recent regular or pre-term parliamentary elections.

The party's expenses on election campaigning in the parliamentary elections shall be reimbursed in the amount of actual expenses. However, the total amount of reimbursement to any political party shall not exceed the campaign

spending limit for political parties whose candidates were registered in the nationwide multi-member constituency provided for by the Parliamentary Election Law.

No later than in sixty days following the official publication of the election results, the Central Election Commission, based on the party's final financial report on the receipt and use of the election fund submitted in accordance with the requirements of the Parliamentary Election Law, shall adopt a decision on reimbursement of campaign expenses to political party or a decision on refusal of such reimbursement.

The party's expenses on election campaigning shall not be reimbursed if the Central Election Commission, the National Agency for Prevention of Corruption or court establishes, in accordance with the legally prescribed procedure, that no party's pre-election financial report on the receipt and use of the election funds was submitted in a timely manner, or if the pre-election and final reports are incomplete or contain deliberately false information.

No later than in five days following the adoption of the decision on reimbursement of expenses on election campaigning or on refusal of such reimbursement, the Central Election Commission shall inform on the adopted decision the political party affected by that decision.

The decision of the Central Election Commission on refusal of reimbursement of expenses on election campaigning to political parties can be challenged at court within the terms and pursuant to the procedure provided for by the Code of Administrative Adjudication of Ukraine.

The funds for reimbursement to political parties of the expenses on election campaigning shall be envisaged in the Law on State Budget of Ukraine for the year following the year when the parliamentary elections were held. The funds allocated to reimbursement of the parties' expenses on election campaigning shall be managed by the Central Election Commission.

To receive reimbursement of the expenses on election campaigning, a political party shall open a separate account in the national currency of Ukraine with the Ukrainian bank.

Within thirty days following the date when the Law on State Budget of Ukraine that allocated funding for reimbursement of the parties' expenses on election campaigning entered a legal force, and based on the on the respective decision of the Central Election Commission, the funds for reimbursement of the parties' expenses on election campaigning shall be transferred by the Central Election Commission to a separate bank account of political party.

Article 17-5. Procedures for allocation and distribution of funding of statutory activities of political parties between parties

The funds allocated from the State Budget for funding of statutory activities of political parties shall be distributed between the eligible parties by the National Agency for Prevention of Corruption as follows:

1) 10 per cent of the total annual amount of funding of the statutory activities of political parties provided for by Article 17-2 of this Law shall be equally divided between those political parties, which are eligible to such funding in accordance with this Law and, based on the results of the most recent regular or pre-term parliamentary elections, ensured that the number of representatives of one sex among the elected Members of Parliament who assumed their offices does not exceed two-thirds of the total number of the Members of Parliament who were elected from that party;

2) 100 per cent of the total annual amount of funding of the statutory activities of political parties provided for by Article 17-2 of this Law shall be divided between the political parties which are eligible to such funding in accordance with this Law in proportion to the number of valid votes cast in support of the party lists of such parties in the nationwide multi-member constituency in the parliamentary elections.

If no party which qualifies for annual public funding of its statutory activities pursuant to this Law complies with the requirements of the Paragraph 1 of Part 1 of this Article, the State Budget funds provided for by the Paragraph 1 of Part 1 of this Law shall not be allocated from the State Budget of Ukraine, on which the National Agency for Prevention of Corruption shall adopt the respective decision.

The political parties specified in Article 17-3 of this Law shall have the right to public funding of their statutory activities starting from the day following the day when the first plenary meeting of the newly elected *Verkhovna Rada* was held.

The right to public funding of the statutory activities of political party shall cease on the day when the first plenary meeting of the newly elected *Verkhovna Rada* was held, except for the case when the party, based on the parliamentary election results, received that right again.

The National Agency for Prevention of Corruption shall ensure that the State Budget funds allocated for funding of the statutory activities of political parties are transferred on a quarterly basis to the separate banking accounts of the respective political parties specified in Article 17-3 hereof.

In the beginning of each quarter of the respective year, 25 per cent of the total amount of the annual funding of the statutory activities allocated from the State Budget to each eligible party shall be transferred to the above mentioned separate accounts of political parties.

The funding of statutory activities of political parties during the first year of the newly elected Verkhovna Rada in powers shall start from January 1. The funds to which the parties are entitled to shall be transferred to the eligible parties to cover the period from the next day following the day when the first plenary meeting of the newly elected *Verkhovna Rada* was held.

Article 17-6. Grounds and procedures for return of public funding of statutory activities of political parties

A political party shall be required to spend the funds allocated to fund its statutory activities during one calendar year starting from the day when the respective funds were initially transferred to the party's separate bank account specified in Article 17-3 of this Law.

If by the end of the calendar year the funds received during that year to fund the statutory activities of political party were not used by the party, the political party shall be required to return the unused funds to the State Budget.

Article 17-7. Suspension of public funding of statutory activities of political party

The public funding of statutory activities of political party shall be suspended based on the decision of the National Agency for Prevention of Corruption in the following cases:

- 1) if the party failed to submit the report on property, incomes, expenses and financial obligations by the deadline prescribed by this Law; or**
- 2) if the party's report on property, incomes, expenses and financial obligations was prepared with gross violations of the legally prescribed requirements or contains untruthful information on party's property, incomes or expenses amounting to twenty minimum monthly salaries as established on January 1 of the respective calendar year.**

The National Agency for Prevention of Corruption shall adopt a decision to suspend public funding of the statutory activities of the political party in question until the date when the circumstances based on which the public funding of statutory activities of the political party were suspended are eliminated by the political party.

If the party eliminated the circumstances based on which the public funding of its statutory activities was suspended, the National Agency for Prevention of Corruption no later than in five days following the day when it received the corrected report on party's property, incomes, expenses and financial obligations shall decide on whether the public funding of the statutory activities of the party in question be restarted. The public funding of the statutory activities of political party shall be restarted from the beginning of the quarter following the quarter when the decision to restart public funding of the statutory activities of political parties was adopted.

The funds not received by a party as a result of suspension of public funding shall not be subject to reimbursement or return to the political party in question.

Article 17-8. Termination of public funding of statutory activities of political party

The public funding of the statutory activities of political party shall be terminated based on the following grounds:

- 1) if the criminal law measures provided by the Criminal Code of Ukraine were used against political party pursuant to the procedure established by law;**
- 2) if during one year the party repeatedly committed one of the following offences: if the party failed to submit to the National Agency for Prevention of Corruption by the legally established deadline a report on property, incomes, expenses and financial obligations; if the party submitted to the National Agency for Prevention of Corruption report on property, incomes, expenses and financial obligations prepared with gross violations of the legally prescribed requirements or the report that contains untruthful information on party's property, incomes or expenses amounting to twenty minimum monthly salaries as established on January 1 of the respective calendar year; if the party intentionally received a donation from a prohibited source or in amount exceeding the legally established maximum;**
- 3) in the case of reorganization (except for merger with other political parties or acquisition of/by other political parties), termination (self-dissolution) of political party;**
- 4) in the case of prohibition of political party or cancellation of its certificate of registration pursuant to the procedure prescribed by the law;**
- 5) if a court, based on a lawsuit filed by the National Agency for Prevention of Corruption or by the Accounting Chamber, established the fact that the State Budget funds allocated to funding of the statutory activities of political party were used to fund the party's election campaigning in the parliamentary, presidential or local elections, or for the purposes other than those related to carrying out party's statutory activities;**
- 6) if the funds received for funding of the statutory activities of political party were not used during one year starting from the date when the respective funds were initially transferred to the party's separate bank account;**
- 7) if the party repeatedly, during the same year, transferred to a separate account opened at the banking institution of Ukraine for transferring the State Budget funds allocated to public funding of the statutory activities of political party the funds forbidden from being transferred to such bank account pursuant to this Law; or**
- 8) if the party submitted a statement of refusal from public funding to the National Agency for Prevention of Corruption.**

A decision on termination of the public funding of statutory activities of political party shall be adopted by the National Agency for Prevention of Corruption based on the documents specified in Part 3 of this Article no later than on the fifth day when the respective documents were received.

The circumstances referred to in Paragraphs 1, 4 and 5 of Part 1 of this Article shall be established by a court judgement that entered a legal force. The circumstances referred to in Paragraphs 2, 6, 7 and 8 of Part 1 of this Article shall be established by the National Agency for Prevention of Corruption. The circumstances referred to in Paragraph 3 of Part 1 of this Article shall be established by the central executive bodies in charge of implementing the public policy related to the state registration of civic associations and other civic establishments. Within five days following the establishment of the respective circumstances, the body that established them shall be obliged to file with the National Agency for Prevention of Corruption a copy of the document that established the respective circumstances, providing that a copy shall be certified by the body which prepared the document.

If a party which pursuant to this Law has the right to public funding of its statutory activities was reorganized through merger or acquisition by/with other political parties, the political party succeeding the reorganized party shall be entitled to public funding of its statutory activities in amount that was provided to the political party which activities were terminated due to merger or acquisition.

Article 17-9. Public control of proper use of funds allocated from State Budget of Ukraine for funding of statutory activities of political party

The public control of the proper use of the funds allocated from the State Budget of Ukraine for funding of statutory activities of political parties shall be exercised by the Accounting Chamber and National Agency for Prevention of Corruption.

If the Accounting Chamber or the National Agency for Prevention of Corruption reveals any signs that the State Budget funds allocated to funding of the statutory activities of political party were used to fund the party's election campaigning in the parliamentary, presidential or local elections, or for the purposes other than those related to carrying out party's statutory activities, it shall without delays turn to the court with a lawsuit seeking to establish the respective facts.

Chapter V

PUBLIC CONTROL OF POLITICAL PARTIES

Article 18. Bodies entitled to exercise public control of activities of political parties

Public control of activities of political parties shall be exercised by:

1) the central executive body in charge of implementing the public policy related to the state registration of the civic associations and other civic establishments, which shall supervise a political party's compliance with the Constitution, the laws of Ukraine and party's statute, except for the cases when exercising such a control is vested in the scope of powers and authorities of the other bodies of state;

2) the Central Election Commission, the District Election Commissions and the Territorial Election Commissions (in local elections), which shall supervise observance by the political parties of the established procedures for participation in electoral process and, within the powers determined by law, shall control the timely submission to the respective election commissions of pre-election and final financial reports in the receipt and use of the election funds in the respective elections, as well as the correctness and accuracy of the data included into those reports;

3) the Accounting Chamber, which shall supervise proper use of the State Budget funds allocated to fund the statutory activities of political parties by the respective political parties; and

4) the National Agency for Prevention of Corruption, which shall supervise the observance of restrictions related to funding of political parties, election campaigning and campaigning in the national and local referendums, the legitimate and proper use of the State Budget funds allocated to funding of the statutory activities of political parties, timeliness of submission of the reports on the property, incomes, expenses and financial obligations of political parties, as well as reports on the receipt and use of election funds in the national and local elections, the completeness and reliability of such reports, and compliance of the financial reports with the legally prescribed requirements.

The political parties shall be obliged to provide to the controlling agencies all the requested documents and explanations. The decisions of the controlling agencies shall be a subject to a legal challenge pursuant to the procedures established by the law.

Article 19. Measures to be applied to political parties

If the parties violate the Constitution of Ukraine, this and other laws of Ukraine, the following measures can be taken against them:

- 1) announcement of warning to prevent further illegal activities; and
- 2) prohibition of political party.

Suspension or termination of the public funding of the statutory activities of political parties in accordance with the procedure established by this Law shall not serve the grounds for taking the measures specified in the Part 1 of this Article.

Article 20. Announcement of warning to prevent further illegal activities

In the case when the governing bodies of political party made a public statement on intent to perform actions which according to the laws of Ukraine might result in legal liability, the respective controlling public agencies shall issue the orders on prohibition of the illegal activities from being carried out.

If the actions or inaction of political party do not entail any sanctions pursuant to the laws, the respective public controlling agencies shall issue the orders on abstaining/terminating from/of committing the violations.

The political party leadership shall be obliged without delays to stop the violations of the laws of Ukraine that constituted the grounds for announcement of warning to political party, and within five days shall inform the body that announced a warning on the taken measures.

Article 21. Prohibition of political party

Based on administrative lawsuit of the central executive body in charge of implementing the public policy related to the state registration of the civic associations and other civic establishments, a court shall be entitled to prohibit a political party in the case when it violated the requirements to the establishment and operation of political parties set forth in the Constitution and laws of Ukraine.

Prohibition of political party shall result in termination of all party's activities, dissolution of its governing bodies, the regional, city, rayon organizations, its primary cells and other structural units provided for by the party statute, termination of membership in political party, as well as in adoption by the central executive body in charge of implementing the public policy related to the state registration of the civic associations and other civic establishments and its local branches the decisions on termination of political party and its structural units.

If the court decision on prohibition of political party fails to establish a commission for termination of political party (termination committee of political party) and its structural units registered as legal persons, the decision on termination of political party and its structural units shall appoint the head of the party's governing body or the person entitled to take legal actions on behalf of political party without additional authorization to the post of the head of the termination committee of the party or its structural unit, unless otherwise is provided for by the court decision.

Article 22. Liability of public officials and citizens for violation of laws on political parties

The public officials and the citizens who committed the following offences of this Law:

- 1) establishment, organizing the operations and participation in the activities of unregistered political parties;
- 2) restriction of the rights and prosecution of the citizens in relation to their participation/failure to participate in the activities of political parties;
- 3) unjustified refusal to register political party;
- 4) creating an advantage to a political party or illegal restriction of the rights of political party or its members;
- 5) violations of the law while using the political party's symbols;
- 6) causing material or other damage to political party;
- 7) establishment of paramilitary groups;
- 8) participation in the activities of the prohibited political party or any other violation of the law; -

shall be brought to the disciplinary, administrative, civil or criminal liability in accordance with the laws of Ukraine.

Article 23. Termination of political party

The political parties shall terminate their operations through the reorganization, termination (self-dissolution), prohibition of their activities or cancellation if the registration certificate pursuant to this and other laws of Ukraine.

A decision on reorganization or self-dissolution of political party shall be adopted by the party's congress (conference) in accordance with the procedure specified in the party's statute. Simultaneously with such a decision, the party's congress (conference) shall also adopt a decision allocating the property and funds of political party to its statutory or charitable activities.

A decision on reorganization or termination (self-dissolution) of political party shall not be cancelled by political party itself after the date when the entry on party's termination was made to the Unified State Register of Legal Persons, Natural Persons Acting as Private Entrepreneurs and Civic Establishments.

Article 24. Cancellation of registration certificate

If a party failed to comply with the requirements of Part 7 of Article 11 of this Law, or if the untruthful data were uncovered in the party's registration documents within three years following the party's registration, or if a party failed to nominate any candidates in the presidential or parliamentary elections during ten consecutive

years, the body that adopted a decision to register the political party shall turn to the court with a lawsuit seeking to cancel party's registration certificate. No other grounds for cancellation of the party's registration certificate shall be allowed.

The court decision on cancellation of the party's registration certificate shall result in termination of activities of political party, dissolution of its governing bodies, regional, city, rayon organizations, primary cells and other structural units provided for by the party statute, termination of membership in political party, as well as in adoption by the central executive body in charge of implementing the public policy related to the state registration of the civic associations and other civic establishments and its local branches the decisions on termination of political party and its structural units.

If the court decision on cancellation of a party's registration certificate fails to establish a commission for termination of political party (termination committee of political party) and its structural units registered as legal persons, the decision on termination of political party and its structural units shall appoint the head of the party's governing body or the person entitled to take legal actions on behalf of political party without additional authorization to the post of the head of the termination committee of the party or its structural unit, unless otherwise is provided for by the court decision.

Chapter VI **FINAL PROVISIONS**

1. This Law shall enter into force on the date of its official publication.
2. The adoption of this Law shall not result in the re-registration of political parties.
3. No later than in one year after the nearest parliamentary elections following the entry of this Law into legal force are held, the political parties shall be required to take all necessary measures needed for enforcement of this Law, to make the required amendments to their statutory documents and to submit them to the Ministry of Justice of Ukraine.
4. The Cabinet of Ministers of Ukraine shall within the scope of its powers adopt the decisions resulting from this Law and shall submit the proposals for harmonization of the legislation with this Law.

President of Ukraine

L.KUCHMA

Kyiv, 5 April 2001
No. 2365-III