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Source: <http://www.legilux.public.lu/leg/a/archives/2007/0237/a237.pdf> and
<http://www.legilux.public.lu/rgl/2011/A/4326/A.html> (Accessed: August 2012)

4385



MEMORIAL

Official Journal of the Grand Duchy of Luxembourg

COLLECTION OF LEGISLATION

A — No. 237

December 28th 2007

FINANCING OF POLITICAL PARTIES

Law dated December 21st 2007 supporting the regulation on the financing of political parties. . . . page 4386

(as amended by the The Law of December 16th 2011 on the amendment of the law of December 21st 2007 on the regulation of political parties' funding, with effect at 1 January 2012)

We, Henri, Grand Duke of Luxembourg, Duke of Nassau,
Our State Council;
By means of the Chamber of Deputies' assent;

Considering the Chamber of Deputies' Decision of December 20, 2007, and the Great State Council's of December 21, 2007, on not taking place a second vote;

We have ordered and order the following:

First Chapter – Definitions

Art.1. In view of enforcing this law, we understand by

- “political party”, the association of natural persons, having or not the capacity of legal entities, that compete, by observing the fundamental principles of democracy, for the universal vote and for the will of the people in a manner determined in its statutes or platform;
- “members of a political party”, any national regional, local or sectoral entity of a political party as well as any body contributing to the action of the said by means of training, studying and research and management of assets, irrespective of the legal structure.

Chapter II – Public financing of political parties

Art. 2. The political parties that

- presented a full list in the four constituencies during the legislative elections and a full list in the unique national constituency during European elections and
- obtained at least two percent from the total votes both in the four constituencies for national elections as a national average and in the unique national constituency for European elections

are entitled, apart from the contribution that they have been allocated in enforcing Chapter IX of the law amended on February 18, 2003, to an annual contribution from the state budget, determined as follows:

1. lump sum of 100,000 Euros ;
2. an additional amount of 11,500 Euros for each percentage point from the additional votes received during the national elections ;
3. an additional amount of 11,500 Euros for each percentage point from the additional votes received during the European elections.

In granting the additional amount, each percentage point from the additional votes received shall be taken into account until the second position behind the comma.

The contribution, determined as per the previous paragraphs, cannot exceed 75 percent of the global revenue of the central structure of a political party. It is for the respective political party to demonstrate the burden of proof.

If a political party no longer meets the terms stipulated in paragraph 1, it shall lose the benefit of public financing starting with the subsequent financial year.

Art. 3. The official results of the elections proclaimed by the president of the main offices or of the main office of the constituency represent the basis for computing the contribution.

The changing of a party’s designation during a legislative period does not affect in any way the granting of the contribution.

In case of the dissolution of a political party, the contribution is ceased starting with the first day of the month following the dissolution.

In case of an alliance of several political parties into one structure, the contribution is paid into an account of the said structure. The internal allocation shall be the responsibility of the structure.

Art. 4. The funds of the political parties coming from public financing as per the provisions of this law may only be affected by expenditures such as the ones defined in article 13, paragraph 2 in this law and directly related to the objectives defined in the statutes.

Art. 5. The contribution, as it is set in article 2, is paid in monthly instalments of one twelfth.

The payment is made based on the data available data on the first day of the month for which the contribution is paid and it is made automatically unless a political party intends to waive this right.

Art. 6. In order to benefit from a public financing, the political party must submit with the Prime Minister, Minister of State:

1. its statutes, a list of its party leaders at the national level, as well as all amendments brought to the statutes and changes of the leaders;
2. a list of its donors and of the donations as per article 9 ;
3. its accounts and balance sheets as per article 14.

A copy of such documents shall be simultaneously submitted by the political party to the President of the Chamber of Deputies. These data may be freely consulted by any interested person, at parliamentary administration. The accounts and balance sheets of the political parties are published on the Chamber of Deputies' webpage.

Art. 7. Non-compliance with the obligations stipulated in the previous article entails the suspension of the payments until the remedy of the situation. This can also include the non-compliance of article 15.

Financial aids improperly used shall be returned to the State Treasury. In case of convictions according to article 17, the concerned political party must pay the State Treasury the triple value of the amounts illegally used.

Chapter III – *Donations to political parties*

Art. 8. Only the natural persons are authorized to make donations to political parties and to their members. We understand a donation to a political party in the sense of this law to be any voluntary act to grant a party an exact economic advantage and computable in cash.

The donations coming from a legal entity are not allowed. The same is applicable to donations made by associations, groups or bodies that do not have a legal personality. Anonymous donations are forbidden.

Art. 9. The identity of the natural persons who make a donation, irrespective of the form of the donation, to political parties and to their members is registered by the beneficiary.

Any member of a party must declare to the competent national body the donors and the donations received by the party, regardless of its statutory autonomy.

Political parties shall keep a record of donors indicating the annual donations in cash and the evaluation of gifts in kind exceeding euro 250.

The statement of yearly donations in cash and in kind exceeding euro 250 shall be presented annually, jointly with the accounts and balances, to the Prime Minister, the Minister of State and a copy to the President of the Chamber of Deputies, according to the provisions of article 6.

Art. 10. Payments made personally by representatives to their political party or its components from their remuneration or allowances received as political representatives shall not be considered as donations, on condition that they do not exceed the amounts established by the political parties or their members in their internal regulations. Payments exceeding such amounts are considered donations.

Chapter IV – *Bookkeeping of the political parties*

Art. 11. Every central structure of a political party is obliged to keep accounting records that cover all their revenue and expenditures, as well as the assets and liabilities' status.

Every entity established at the level of constituencies, every local section and sectoral organization of a party must present annually to the political party to which it belongs a financial statement, validated by the general assembly after being the object of an audit control.

Notwithstanding the legal autonomy, every member of a party without exception must declare to the competent national body the donations that it received.

Art. 12. The central structure of a political party is obliged to approve every year, before July 1, its accounts for the previous accounting year. The accounting year starts on January 1 and ends on December 31 of every year. The accounts approved by the political party bear all revenues and expenditures as well as its assets and liabilities' status. The accounts, as well as the list of donors, are sent to the Court of Accounts to be checked and audited, within the month that follows their approval by the competent authority of the political party.

Art. 13. The revenues account includes :

1. the contributions of the members;
2. the contributions of the elected representatives;
3. the donations or legacies ;
4. the revenues from movable or immovable assets ;
5. the revenues from events and publications ;
6. the various services with a pecuniary value or that could be expressed as bearing pecuniary value;
7. various revenues;
8. contributions paid by members of the party ;

9. public donations.

The expenditures account includes:

1. operating expenses;
2. expenses with training, studying and research ;
3. expenses regarding events and publications ;
4. electoral expenses;
5. contributions to the international organizations and associations ;
6. amounts granted to other members of the party ;
7. expenses regarding the movable and immovable assets ;
8. various expenses.

A grand duchy regulation may set a uniform accounting plan, stating the form of the accounts and balances and determining the bookkeeping methods.

Art. 14. The accounts and balances approved as per articles 11, 12 and 13 are submitted on the month that follows their approval by the competent authority of the political party to the Prime Minister, Minister of State and to the President of the Chamber of Deputies that sends them along with the list of donors to the Court of Accounts to be verified and audited.

Art. 15. The political parties are obliged to communicate to the Court of Accounts all documents or any information that the latter deems necessary to carry out its mission.

Art. 16. The Court of Accounts sends its observations until December 31 of the year following the audited year, its report on the observance of the provisions of articles 2, paragraphs 3, 6, 8, 9, 10, 11, 12 and 13 in this law, along with, if applicable, the responses of the respective political parties, to the President of the Chamber of Deputies, that informs the Office of the Chamber of Deputies and the presidents of the political parties. The President of the Chamber of Deputies sends the report to the Prime Minister, Minister of State. The political party sends, as the same time, a copy of the said documents to the President of the Chamber of Deputies. This data can be consulted freely by any interested person in the Donors of the Chamber of Deputies that publishes the data on its webpage.

Art. 17. False statements related to article 6 lines 2 and 3 as well as the breach of the provisions of articles 8 and 9 line 3 shall be sanctioned according to the provisions of articles 496-1, 496-2 and 496-3 of the Criminal Code.
Article 23 lines (2) and (3) of the Criminal procedure code shall be applied.

Chapter V – *Right to action for annulment of political parties*

Art. 18. At the end of the enforcement of this law, the political parties have a right to an action for annulment before the Administrative Court.

Chapter VI – *Transitional and final provisions*

Art.19 The submission to the Prime Minister, Minister of State, of the statements and of the list of leaders at the central level of the party must be made within the three months following the entry into force of this law.

Art. 20. This law enters into force January 1, 2008.

We request and order that this law be introduced in the Memorial so that it is executed and observed by whomever it may concern.

Luxembourg Palace, December 21, 2007.

Prime Minister,
Minister of State,
Jean-Claude Junker

Parl. doc. 5700 ; ord. sess. 2007-2008