

# Reporting and disclosure of donations in the 27 EU member states

Source: IIIDEM project – 2021.

## International standards and good practice

Article 7-3<sup>1</sup> of the 2005 United Nations Convention against Corruption (UNCAC), calls for the need for transparency in the funding of election campaigns and political parties. Political finance transparency relates to two main types of regulations, namely reporting and disclosure requirements. These regulations entail the obligation for both political and electoral actors to submit and sometimes disclose information about contributions received and expenditures incurred to the political finance oversight body. These requirements may also oblige the regulatory body to publish reports and supporting documentation contained therein.

The OSCE-ODIHR/ Venice Commission Guidelines on Political Party Regulation stress the importance of private financing of both political parties and election campaigns as a form of political participation, but also point out that when reasonable limits on the total amount of contributions are imposed, “the receipt of donations should be transparent.”<sup>2</sup> When such limitations or bans exist, it is critical to have in place reporting and disclosure requirements of donations made to a political party or an election campaign.

## Transparency trends across the 27 EU member states

While all EU member states have adopted regulations regarding the reporting and disclosure of donations, the breadth and content vary from one country to another. When establishing reporting and disclosure threshold(s) for donations, member states usually have to consider whether all donations must be reported and disclosed together with the identity of donors, or only above a certain threshold, and whether to set the reporting and disclosure thresholds at the same level. The general trend indicates that while reporting thresholds to the political finance oversight body are rather low, higher threshold are usually envisaged for the disclosure of donations and the identity of donors to the general public (see table below).

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<sup>1</sup> United Nations Convention Against Corruption Article 7 (3): “Each State Party shall also consider taking appropriate legislative and administrative measures, (...) to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties.”

<sup>2</sup> Paragraph 209 of the OSCE/ODIHR / Venice Commission [Guidelines](#) on Political Party Regulation, 2nd edition, CDL-AD(2020)032

Country	Reporting threshold for donations	Disclosure threshold for donations
<b>Austria</b>	EUR 2,500 (Donations to political parties) EUR 3,500 (donations to presidential candidates)	EUR 2,500 (Donations to political parties) EUR 3,500 (donations to presidential candidates)
<b>Belgium</b>	EUR 125	EUR 125
<b>Bulgaria</b>	None	None
<b>Croatia</b>	None	None
<b>Cyprus</b>	EUR 500	EUR 500
<b>Czech Republic</b>	None	None
<b>Denmark</b>	EUR 2,700	EUR 2,700
<b>Estonia</b>	None	None
<b>Finland</b>	EUR 1,500	EUR 1,500
<b>France</b>	None	No publication of donations
<b>Germany</b>	EUR 500	EUR 10,000
<b>Greece</b>	None	No publication of donations
<b>Hungary</b>	None	EUR 1,500
<b>Ireland</b>	EUR 600 (donations to candidates) EUR 1,500 (donations to political parties)	EUR 600 (donations to candidates) EUR 1,500 (donations to political parties)
<b>Italy</b>	EUR 500	EUR 500
<b>Latvia</b>	None	None
<b>Lithuania</b>	None	EUR 12
<b>Luxembourg</b>	EUR 250	No publication of donations
<b>Malta</b>	EUR 500.	EUR 7,000
<b>Netherlands</b>	EUR 1,000	EUR 4,500.
<b>Poland</b>	None	None

<b>Portugal</b>	None	None
<b>Romania</b>	None	EUR 4,500
<b>Slovakia</b>	None	EUR 1,000
<b>Slovenia</b>	None	EUR 2,000
<b>Spain</b>	None. Campaign finance reports are not made public.	EUR 25,000
<b>Sweden</b>	EUR 215	No publication <i>of the identity of natural donors</i>
<b>Average</b>	<b>EUR 385</b>	<b>EUR 2,400</b>

The diversity of existing regulations across the EU member states shows the difficulty to reconcile two contradictory principles: transparency and protection of private information. The OSCE-ODIHR / Venice Commission Guidelines on Political Party Regulation<sup>3</sup> note that “Disclosure requirements for political financing are the main policy instruments for achieving such transparency (...). While transparency may be increased by requirements to report the identities of donors, legislation should also balance this requirement with exceptionally **pressing privacy concerns of individual donors (...)**”. There can be serious justifications for not publishing the amount and donor’s identity and the importance of protecting private data has to be assessed against the necessity to improve transparency. Indeed, contributions to political parties and candidates are a form of political support, and the disclosure of the donors’ identity might be seen as an indirect way to declare their political view(s).

Apart from a few examples, most European countries have set high disclosure thresholds, and in some cases, donors have the possibility to keep their name off if they so request (Netherlands) or only the identity of physical donors is not disclosed (Sweden). A few countries do not publish any information whatsoever as regards the identity of donors, i.e. France, Greece, Luxembourg, and Spain (for donations made to election campaigns). Although most member states publish some information pertaining to the donors’ identity, the vast majority apply disclosure thresholds that are higher than reporting thresholds. Only 6 countries have set the same reporting and disclosure thresholds of donations, i.e. Austria, Belgium, Cyprus, Denmark, Ireland and Italy. The other countries have put in place a two-layer system that obliges political parties and candidates to report donations above a (low) threshold but foresees the publication of donations solely above a (higher) threshold, ranging from EUR 12 in Lithuania to EUR 25,000 in Spain, with at times striking discrepancies between the two thresholds.

<sup>3</sup> OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR) / Venice Commission [Guidelines](#) on Political Party Regulation, 2nd edition, CDL-AD(2020)032

## **E-filing political finance databases**

While none of the existing systems is intended to be used to impose “off-the-peg” examples, it is worth stressing that the existence of online political finance databases enabling the reporting and publication of timely and reliable information in an accessible, readable and user-friendly fashion aims to enhance transparency. Online reporting and disclosure allows the oversight agency to easily categorize, sort and store the data and helps with the carrying out of control and compliance checks. It also allows the oversight body to filter the data and publish it on its website through a disclosure database.

A handful of countries, such as Estonia, Finland, Latvia or Lithuania, have set up databases that allow the reporting, uploading and publication of timely, comprehensive and online information regarding political party and election campaign accounts and notably information pertaining to the sources of financing including the amount and identity of the donors. The online disclosure of political finance data and information allows voters, civil society organisations and investigative journalists to get a more informed picture of political party and campaign finances. The accessibility and dissemination of this kind of open data information helps facilitate public scrutiny, puts pressure on political actors to comply with reporting and disclosure requirement and ultimately hold electoral and political stakeholders accountable in case of wrongdoing.

**Focus on Lithuania:** All election contestants are required to use the Political Parties and Political Campaign Financing Control Subsystem of the CEC Information System (VRK IS) to report their membership fees, donations, expenditure and campaign contracts within ten working days. All information is published on the CEC website. The VRK IS is browser-based, accessible only to authorized users via electronic identification and while the VRK IS is developed and maintained by private companies, the CEC owns the system, but not the servers on which it operates. The VRK IS is interconnected with other institutions’ databases, e.g. State Tax Inspectorate, register of legal entities and banks. That allows the system to automatically verify the legality of the donations/ permissibility of donors. It is a unified system that is used by both the oversight body and the regulated community. Therefore, if a treasurer wants to check the permissibility of a donor, s/he logs in to the electronic platform and can get an answer almost in real-time. The system is “color-coded”, i.e. yellow in case of “donations acceptable” and red for “donations not acceptable”. In case the donation is not acceptable, the party treasurer has to return it in 5 days. If the CEC does not have information about the donor’s identity, then the money is forfeited to the state budget.