

# LAW ON FINANCING OF POLITICAL ENTITIES AND ELECTION CAMPAIGNS

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## I. GENERAL PROVISIONS

Subject

### Article 1

This Law shall govern the manner of acquisition and securing of financial assets for regular operation and election campaigns of political entities, the prohibitions and restrictions on usage of state-owned assets, funds and public authorities during the course of campaigns as well as control, supervision and auditing of financing and financial operations of political entities, in order to achieve lawfulness and transparency of their operations.

### Political Entity and Election Campaign

#### Article 2

Political entities, in terms of this Law, are: political parties, coalitions, groups of voters and candidates for the election of the President of Montenegro.

***A political party is an organisation of citizens registered with the Register of Political Parties maintained by a competent authority, in accordance with the law governing establishment and operation of political parties.***

***Coalitions are models of associations of political entities with a purpose of joint participation in election campaigns, which arrange their mutual relations by a contract verified in accordance with the law governing the verification of signatures, manuscripts and transcripts.***

***Groups of voters are models of associations of voters for joint participation in elections, who arrange their mutual relations, including the appointment of a responsible person, by a contract verified in accordance with the law governing the verification of signatures, manuscripts and transcripts.***

***A candidate for the election of the President of Montenegro is a natural person nominated during the elections for the President of Montenegro, in accordance with the law governing the election of the President of Montenegro.***

An election campaign is a set of activities of a political entity from the day of opening the elections until the day of publishing of the final election results, ***which refer to: public presentation and promotion of candidates, promotion and description of election programmes with an aim to convince the voters to vote for the candidate of a political entity or the electoral list submitted by a political entity.***

***Regular operation is a set of activities of a political entity in regard to the election campaign.***

### Use of gender sensitive language

#### Article 3

***All expressions used in this Law in regard to natural persons in masculine gender shall imply the same expressions in feminine gender.***

## **Sources of Financing**

### **Article 4**

Political entities may acquire funds for regular operation and election campaigns from public and private sources, in accordance with this Law.

## **Control of Financing**

### **Article 5**

Control of financing of political entities and election campaigns shall be performed by the Agency for Prevention of Corruption (hereinafter referred to as: the Agency) established in accordance with a special Law.

***The Agency shall create a report on the results of the control which will be delivered to the controlled entity and mandatorily published on the Agency's webpage.***

## **Public Sources**

### **Article 6**

Public sources, in terms of this Law, are the funds allocated from the Budget of Montenegro and budgets of local self-governing units (hereinafter referred to as: the budgetary assets).

## **Private Sources**

### **Article 7**

Private sources, in terms of this Law, are: membership fees, contributions, income from legacies and loans from banks and other financial institutions in Montenegro.

Membership fee is an amount of money that a member of a political party pays regularly, in the manner and under conditions determined by Articles of Association or other act of the political party, which shall not exceed, at a monthly level, the amount of 10% of the average monthly net salary in Montenegro.

Contributions are:

- payments made by natural persons and legal entities, companies and entrepreneurs voluntarily in favour of a political entity;
- provision of services or products to a political entity without compensation or under conditions whereby the entity is placed in a privileged position compared to other consumers, as well as loans from banks and other financial institutions and organizations under more favourable conditions in regard to market conditions, as well as writing-off parts of debts (hereinafter referred to as: non-financial contributions).

A contribution shall be considered as accepted if it has not been returned to the contributor within 15 days from when it was received.

The management body of a legal entity or a commercial entity referred to in paragraph 4 of this Article shall make a decision on the contribution and submit it to the recipient of the contribution.

Volunteer work for the needs of a political entity, which requires no special qualifications, shall not be considered as a service referred to in paragraph 4 of this Article.

Non-financial contributions shall be calculated at a market value and will be reported as income.

The method of calculating and reporting of non-financial contributions shall be determined by the rules of the Agency.

Legacy is a gift which consists of money or movable goods of artistic, cultural or historical value or real estate that is given to a political entity to be freely used.

Loans from banks and other financial institutions in Montenegro refer to credits, loans and other bank services and other financial institutions, in accordance with the law.

Private sources referred to in paragraph 1 of this Article may be raised exclusively through a specific bank account.

## **Article 8**

***It is forbidden for a political party to acquire ownership or stocks of a commercial entity. A political entity shall not make revenues from promotional or commercial activities.***

## **Use of Budgetary Assets**

### **Article 9**

Budgetary assets may be used to finance:

- 1) regular operations of political entities;
- 2) costs of election campaigns for the election of Members of Parliament and councillors and election of the President of Montenegro.

Budgetary assets referred to in paragraph 1 item 1 of this Article shall not include the funds for financing of the employees of associations of MPs and for payment of business premises for the needs of political entities.

***Budgetary assets shall not be used for personal needs of candidates of political entities.***

***The funds for financing the employees of associations of MPs and business premises for associations of MPs shall be provided by the Parliament of Montenegro (hereinafter referred to as: the Parliament).***

***Business premises for regular operation of parliamentary political entities shall be provided by the competent authority in charge of state-owned real estates.***

***The funds for business premises for the needs of councillor associations shall be provided by the assemblies of local self-governing units, or the competent authority in charge of state owned real-estates.***

## **Right to Budgetary Assets**

### **Article 10**

A political entity which participates in the elections and wins at least one MP seat or a councillor seat shall be entitled to budgetary assets referred to in Article 9 paragraph 1 item 1 of this Law.

An entity that had submitted a verified and proclaimed electoral list or the nomination for the election for the President of Montenegro shall be entitled to budgetary assets referred to in Article 9, paragraph 1, item 2 of this Law.

## **Usage of Funds from Private Sources**

### **Article 11**

A political entity may use funds from private sources for financing of the regular operations and costs of the election campaign, in accordance with this Law.

## **II. FINANCING OF REGULAR OPERATIONS OF POLITICAL ENTITIES**

### **Article 12**

Costs of regular operations of political entities are the costs ***referring to conducting of regular operations***, and refer to: costs for salaries of employees and costs for hiring experts and associates; payroll taxes and social security contributions; administrative and office-related costs, including the costs of renting of working premises, utility costs, costs of transportation, costs of organization of meetings and events, costs of promotion and goals of the political entities between elections, costs of international activities of political entities, costs of organizing trainings for the members and associates of political entities, costs of public opinion polls, costs of procurement and maintenance of equipment, bank fees and similar ***expenditures*** characteristic for regular operation of political entities.

## **Allocation of Budgetary Assets**

### **Article 13**

Budgetary assets for financing of the regular operation of the political entities in the Parliament shall amount to 0.5% of total planned budgetary assets, after deduction of the capital budgetary assets and the budget for the state funds (current budget), for the year for which the budget is adopted.

Budgetary assets for financing of the regular operation of the political entities in the municipal assemblies, assemblies of the Capital and the Old Royal Capital (hereinafter referred to as: municipal assembly) shall amount to 1.1% of the total planned budgetary assets, after deduction of the capital budgetary assets (current budget), for the year for which the budget of the municipality, the Capital and the Old Royal Capital (hereinafter referred to as: the municipality) is adopted.

Exceptionally, for the municipalities with a budget of less than five million euros, the budgetary assets for financing of the regular operation of the political entities in the municipal assemblies shall range from 1.1% to 3% of the total planned budgetary assets, after deduction of the capital budgetary assets (current budget), for the year for which the budget of the municipality is adopted.

20% of the funds referred to in paragraphs 1, 2 and 3 of this Article shall be distributed in equal amounts to political entities **that win seats** in the Parliament, and municipal assemblies respectively, and the remaining 60% of funds in proportion to the total number of MP and councillor seats they have at the time of distribution, **while remaining 20% shall be distributed in equal amounts to political entities in the Parliament or municipal assemblies, in proportion to the number of elected representatives of the less represented gender.**

***In the case of merging of two or more parties, in accordance with the Law on Political Parties, the budgetary assets allocated in accordance with paragraph 4 of this Article shall belong to the political party registered as a legal successor of the merged parties in the Register of Political Parties.***

Funds referred to in paragraph 4 of this Article awarded to a political entity which participated in the elections as a coalition or a group of voters shall be distributed in accordance with the agreement and the Articles of Association of these political entities.

If an MP or MPs, a councillor or councillors, following the inauguration of the representative body to which they have been elected, leave or change their membership in a political entity, the financial assets distributed in accordance with paragraph 4 of this Article shall remain with the political entity to which the MP or the councillor belonged at the moment of inauguration of the representative body.

The state administration body in charge of financial affairs (hereinafter referred to as: the Ministry) and the competent local administration body in charge of financial affairs (hereinafter referred to as: the local administration body) shall transfer the funds referred to in paragraph 4 of this Article to political entities on a monthly basis, by the fifth day of the month for the previous month.

***The amount of funds referred to in paragraph 4 of this Article, as well as the amount of outstanding funds for financing the regular operation of political entities, shall be published by the Ministry or the local self-governing authority on its website, until the fifth of the month for the previous month.***

The Ministry and the local administration body shall suspend the payment of funds referred to in paragraph 4 of this Article to a political entity, if the consolidated financial statement for the previous year has not been submitted within the period prescribed under Article 48 of this Law.

### ***Allocation of budget funds for regular financing of women's organisations within political parties***

#### ***Article 14***

***The budget funds for the financing of regular activities of women's organisations within political entities in the Parliament shall amount to 0.05 % of the planned total budget funds, exclusive of the capital budget funds and state funds' budget (current budget), for the year the budget refers to.***

***The budget funds for the financing of regular activities of women's organisations within political entities in the municipal assembly shall amount to 0.11 per cent of the planned total budget funds, exclusive of the capital budget funds (current budget), for the year that the budget of the municipality refers to.***

***Exceptionally, in the municipalities whose budget is lower than five million euro, the budget funds for the financing of regular activities of women's organisations within***

**political entities in the municipal assembly shall amount from 0.11 to 0.3 % of the planned total budget funds, exclusive of the capital budget funds (current budget), for the year the budget refers to.**

**The funds referred to in paragraphs 1, 2 and 3 of this Article shall be allocated in equal amounts to the political entities in the Parliament or municipal assemblies for the activities of women's organisations.**

**The funds referred to in paragraph 4 of this Article which is granted to the political entity which participated in the election as part of a coalition or a group of citizens shall be allocated in line with the agreement i.e. founding document of such political entity.**

**The funds referred to in paragraphs 1, 2 and 3 of this Article shall be intended solely to finance women's organisations within political entities and may be used only in line with the women's organisation's statute.**

**The Ministry or local administration authority shall execute monthly transfers of the funds referred to in paragraph 4 of this Article to the political entity, before the fifth day of the month for the previous month, to the sub-account held by the women's organisation.**

**The amount of funds referred to in paragraph 4 of this Article, as well as the amount of outstanding funds for financing the regular operation of women's organisations in political entities, shall be published by the Ministry or local administration authority on its website, until the fifth of the month for the previous month.**

**The Ministry or local administration authority shall discontinue the payment of funds referred to in paragraph 4 of this Article to the political entity if it fails to submit the annual consolidated financial statement for the previous year, including the special report on the manner and purpose for which the funds referred to herein were spent, within the deadline specified in Article 48 of this Law.**

## **Financing from Private Sources**

### **Article 15**

The amount of funds from private sources which are raised by the political entity for regular operation in the current calendar year may amount up to 100% of the funds belonging to it from the budgetary assets, in accordance with Article 13 paragraph 4 of this Law.

A political entity that is not entitled to budgetary assets may raise funds from private sources in the amount of up to 10% of total funds referred to in Article 13 paragraph 1 of this Law.

A political entity shall submit to the Agency the decision on the amount of membership fee for the current year, by the end of January of the current year at the latest, and the Agency shall publish it on its website within seven days from the day of receipt.

For the financing of a political entity, a natural person may pay a maximum of **5,000** euros, while a legal entity may pay a maximum of **20,000** euros per annum.

**The funds from paragraph 4 of this Article shall not exceed the total amount of funds that political entities are allowed to use for regular operation and financing of election campaign costs.**

The Decision on the amount of budgetary assets referred to in paragraph 1 of this Article shall be adopted by the Ministry and local administration body respectively, not later than by 31 January

of the current year and shall be published on their website no later than seven days from the day of adoption of the decision.

### **III. FINANCING OF THE ELECTION CAMPAIGN FOR THE ELECTION OF MEMBERS OF PARLIAMENT AND COUNCILLORS**

#### **Costs of the Election Campaign**

##### **Article 16**

***Election campaign costs are costs incurred by a political entity resulting from an election campaign conducted on the territory in which elections have been called, and which*** relate to: campaign rallies, commercials and promotional material, media presentations, advertisements and publications, public opinion polls, engagement of authorized representatives of the political entities in extended composition of the bodies in charge of conducting elections, utility costs and general administration, as well as transportation costs in the period of the election campaign.

***When two or more political entities submit a joint list, the total costs incurred by that political entity shall also include the costs of all individual political entities that submitted the list, from the start of the campaign to the date when the list is submitted.***

***The political entity shall submit a report on media advertising during the election campaign to the Agency within seven days before the Election Day.***

***The report referred to in paragraph 3 of this Article shall contain information on the price and received discounted price for media advertising of the political entity, with precisely indicated and categorised information on the name of the entity providing media advertising services, the number and date of the invoice for provided media advertising services, the number of contracted and provided media advertising services, the price without a discount, the discount expressed as a percentage and the discounted amount paid.***

***The form of the report referred to in paragraph 4 of this Article shall be defined by the Agency, published on its website and sent to political entities.***

Entities offering services of media advertising of the election campaign shall submit the price list for the services of media advertising to the Agency, within ten days following the election call.

***Entities that do not submit the price list for election advertising to the Agency in accordance with the deadline referred to in paragraph 6 of this Article shall be prohibited from providing media advertising services during the election campaign.***

***The price for all services provided to political entities shall be nominally set in the price list submitted to the Agency.***

***The price list referred to in paragraph 6 of this article shall not be changed during the election campaign.***

***Entities providing media advertising services during an election campaign shall submit contracts they have concluded with political entities in connection with the election campaign to the Agency within five days from the date of contract conclusion.***

***The Agency shall publish the price list and contracts referred to in paragraphs 6 and 10 of this Article on its website within five days from the day of their receipt.***

Costs of the election campaign of a political entity must not exceed the amount referred to in **Article 20 paragraph 1** of this Law.

### ***Financing of the Election Campaign with Funds from a Regular Account***

#### ***Article 17***

***A political entity keeping funds on its regular account may decide to use the funds raised for regular operation of the political entity for the election campaign, based on a specific decision submitted to the Agency.***

***The funds referred to in paragraph 1 of this Article shall be paid to a separate account for financing of the election campaign referred to in Article 24 paragraph 1 of this Law.***

***The political entity may deposit its own funds to a separate account for financing of the election campaign until the day the separate account is closed.***

***The funds paid into a separate account for financing of the election campaign may be used only for this purpose.***

***The funds from the separate account for financing of the election campaign may not be subject of enforcement in accordance with the law governing enforcement and security, except for payment of costs for the election campaign.***

***If, after settling all liabilities, some unspent funds remain in the separate account for financing of the election campaign, the political entity shall transfer the funds to its regular account by the time the separate account is closed.***

### ***Limitation of the Total Amount of Election Campaign Costs***

#### ***Article 18***

***The funds from the separate account raised to finance the election campaign may be used solely for covering the costs of the election campaign.***

***The political entity whose electoral list has been verified by the decision of the competent Election Commission shall not spend the funds from the separate account referred to in Article 24, paragraph 1 of this Law in the amount exceeding the maximum allowed amount set by this Law.***

***Within three days from the date of the electoral list verification, the Agency shall adopt a decision on the amount of funds that the political entity may spend to finance the campaign for election of MPs and councillors, as well as to finance the election campaign of the candidate for the election of the President of Montenegro.***

### ***Limitation of Election Campaign Costs***

#### ***Article 19***



***The funds from the separate account referred to in Article 24, paragraph 1 of this Law, which are collected to finance the election campaign, may be used solely for covering the election campaign costs.***

***The funds referred to in paragraph 1 of this Article shall not be used to cover personal expenses of political entities, or of a candidate from the electoral list submitted by that political entity and his family members.***

***The costs referred to in paragraph 2 of this Article shall include the expenses for personal clothing, household items, repayment of personal and family members' debts, and other expenses not directly related to the election campaign.***

## **Allocation of Budgetary Assets**

### **Article 20**

Budgetary assets for financing of the costs of the election campaign referred to in Article 16 paragraph 1 of this Law shall be provided for in the year in which regular elections are held in the amount of 0.25% of the total planned budgetary assets, after deduction of the capital budgetary assets and budgetary assets of state funds (current budget), for the year for which the budget is adopted.

20% of the funds referred to in paragraph 1 of this Article shall be distributed in equal amounts to the political entities, within eight days from the expiry of deadline for submission of the electoral lists.

80% of the funds referred to in paragraph 1 of this Article shall be distributed to the political entities that won seats, in proportion to the number of seats awarded.

The funds referred to in paragraph 3 of this Article shall be distributed within ten days from the day when the political entities submit to the Agency the reports on funds raised and spent for the election campaign with the supporting documents referred to in Article 50 of this Law.

## **Manner of Transfer of Budgetary assets**

### **Article 21**

Ministry and local administration body respectively shall transfer the funds referred to in Article 20 paragraph 3 of this Law to the political entities, upon receipt of notification from the competent Election Commission on the number of seats awarded and notification from the Agency on the fulfilment of the conditions referred to in Article 20, paragraph 4 of this Law.

The Act on transfer of funds referred to in paragraph 1 of this Article, with corresponding documentation, shall be published on the websites of the Ministry and the local administration body, within seven days from the day of its adoption.

## **Extraordinary Elections**

### **Article 22**

In case of holding of extraordinary elections, the funds necessary to finance the costs of the election campaign shall be determined and distributed from the current budgetary reserve in accordance with Article 20 of this Law.

## **Funds from Private Sources**

### **Article 23**

Political entities may raise funds for financing of the election campaign costs from private sources only during the election campaign.

Amount of funds from private sources raised by the political entity for the financing of the costs of the election campaign for the election of MPs or councillors shall not exceed the thirty-fold amount of funds belonging to it in terms of Article 20 paragraph 2 of this Law.

## **Mandatory Opening of a Separate Bank Account**

### **Article 24**

For the purpose of raising funds to finance the election campaign costs, the political entity shall open a separate bank account with an institution authorized for payment operations, ***not later than*** the day following the day of confirmation of the election list, and shall inform the Agency thereof within three days from the day it opened the account ***and that account shall not be used for other purposes.***

Exceptionally from paragraph 1 of this article, in the event that the political entity launches the election campaign before confirming the election list, it shall open the account referred to in paragraph 1 of this article before launching the election campaign.

All funds intended for the financing of election campaign shall be paid into the account referred to in paragraph 1 of this Article and all payments of election campaign costs shall be carried out by the political entity via that account, ***until the separate account is closed.***

When two or more political entities (***hereinafter referred to as: the coalition***) submit a joint list, funds intended for financing of the election campaign of these political entities shall be paid into the account referred to in paragraph 1 of this Article of one of the political entities that submitted the joint list, which shall be determined by the agreement of these political entities, of which they shall inform the Agency ***within three days from the day of opening the account.***

***Funds paid by an individual political entity, member of the coalition referred to in paragraph 4 of this Article, on the basis of a concluded mutual agreement, shall not be considered as contributions or income of the political entity that opened the bank account.***

***For the purpose of financing the election campaign of a political entity group of voters, a bank account shall be opened by a natural person whom they designate by agreement, based on a mutual agreement concluded by the members of the group of voters, which shall be then submitted to the Agency within three days from the day of opening the account.***

***The political entity referred to in paragraph 4 of this Article, which is designated by agreement, or the natural person referred to in paragraph 6 of this Article, designated on***

***the basis of a mutual agreement, that opened a special bank account referred to in paragraph 1 of this Article, shall be responsible for submitting reports and for compliance with prescribed obligations, prohibitions and restrictions for the political entity participating in the election campaign.***

If the funds for financing of the election campaign raised from private sources exceed the amount referred to in Article 23 paragraph 2 of this Law, surplus funds shall be transferred to the permanent bank account of the political entity or political entities, in accordance with the mutual agreement.

If the total amount of funds on the permanent bank account of the political entity exceeds the amount referred to in Article 15 paragraphs 1 and 2 of this Law, funds shall be refunded to the Budget of Montenegro and local self-governing budget, respectively.

### **Obligation to close the separate bank account**

#### **Article 25**

Political entity shall close the separate gyro account referred to in article 24 of this Law within 90 days from the day final election results are announced, and shall inform the Agency thereof within three days from the day it closed the separate bank account ***and provide proof of its closure.***

***If the entity responsible for keeping the funds does not pay those funds to the separate account by the time the account is closed, it shall pay the same amount to the political entity's regular account.***

### ***Obligations in Case of Discontinued Submission, Withdrawal, Rejection or Refusal of the Electoral List***

#### **Article 26**

***In the case referred to in Article 24 paragraph 2 of this Law that a political entity launches the election campaign and opens a separate bank account to finance the election campaign before its electoral list is verified, it shall return the unspent funds to the payers in proportion to the amount paid or pay them to the national budget, if it discontinues submission of the electoral list, withdraws the electoral list, the competent election commission makes a decision on rejection of the electoral list submitted by it or if the competent electoral commission issues a decision refusing to verify the electoral list it has submitted.***

***The political entity referred to in paragraph 1 of this Article shall close the separate account for financing of the election campaign within 15 days from the day the competent election commission publishes the summary election list and submit a certificate of closure of this account to the Agency within five days from the day of its closure.***

***The political entity referred to in paragraph 1 of this Article shall prepare a report on financing of the election campaign by the day of closing the separate account referred to in Article 25 of this Law and submit it to the Agency within 20 days from the day the competent election commission publishes the summary electoral list.***

### **Responsible Person**

## Article 27

Political entity shall designate a person responsible for appropriate spending of funds and submission of reports (hereinafter referred to as: the responsible person).

***Responsible person of the political entity group of voters, designated by mutual agreement, or responsible person in the political entity coalition, designated by agreement, shall be responsible for submitting the report and complying with the obligations, prohibitions and restrictions prescribed by this Law for the political entity participating in the election campaign.***

Signature of the responsible person shall be deposited with an institution authorized for payment operations.

Political entity shall inform the Agency within three days from the day of designation of the person referred to in paragraph 1 of this Article, and of any changes relating to the status of that person.

## IV. FINANCING OF THE ELECTION CAMPAIGN OF A CANDIDATE FOR THE ELECTION OF THE PRESIDENT OF MONTENEGRO

### Allocation of Budgetary assets

## Article 28

Budgetary assets for financing of one part of election campaign costs referred to in Article 16 paragraph 1 of this Law, for the candidate for the election of the President of Montenegro shall be provided in the amount of 0.07% of the total planned budgetary assets after deduction of the capital budgetary assets and the budgetary assets of the state funds (current budget), for the year for which the budget is adopted.

In case of holding of just one round of elections, the funds referred to in paragraph 1 of this Article shall be distributed in the following manner:

- 1) 20% to all candidates whose candidacy has been verified, in equal amounts, within 10 days from the day of verification of the list of candidates;
- 2) 80% to the candidates who win more than 3% of votes, in proportion with the percentage of the votes won.

In case of holding of two rounds of elections, the funds referred to in paragraph 1 of this Article shall be distributed in the following manner:

- 1) 20% to all candidates whose candidacy has been verified, in equal amounts, within 10 days from the day of verification of the list of candidates;
- 2) 40% to all candidates who win more than 3% of votes, in proportion with the percentage of the votes won;
- 3) 40% to both candidates, in proportion with the percentage of the votes won.

Distribution of funds referred to in paragraph 2, Item 2 and Paragraph 3, Items 2 and 3 of this Article shall be carried out following the publication of final election results, within seven days from the day of submission of the report on funds raised and spent for the election campaign with the supporting documents referred to in Article 50 of this Law to the Agency.

In case of holding of the extraordinary elections, the funds for covering the costs of the election campaign shall be established and distributed in accordance with paragraphs 1, 2, 3 and 4 of this Article.

## Funds from Private Sources

### Article 29

Political entities may raise funds from private sources only during the election campaign.

The amount of funds from private sources that a candidate raises to finance the election campaign shall not exceed total amount of funds referred to in Article 28 paragraph 1 of this Law.

The total value of the payment and contribution of a natural person or an entrepreneur for financing of the election campaign shall not exceed the amount of **5,000** euros, and the total value of the payment and contribution of a legal entity or company for financing of the election campaign shall not exceed **20,000** euros.

### Mandatory Opening of a Separate Bank Account

#### Article 30

For the purpose of raising funds to finance the election campaign costs, the candidate shall open a separate bank account with an institution authorized for payment operations on the day following the day of confirmation of the candidacy, i.e. confirmation of the list of candidates, and shall inform the Agency thereof within three days from the day it opened the account, and such account shall not be used for any other purposes.

***Notwithstanding paragraph 1 of this Article, in the event that the candidate launches the election campaign before the nomination is verified, or before the list of candidates is verified, they shall open the account referred to in paragraph 1 of this Article before the election campaign begins.***

All funds intended for the financing of election campaign shall be paid into the account referred to in paragraph 1 of this Article and all payments of election campaign costs shall be carried out via that account.

If the funds for financing of the election campaign gathered from private sources exceed the amount referred to in Article 29, paragraph 2 of this Law, funds shall be refunded to the Budget of Montenegro.

Costs of the election campaign of a political entity shall not exceed the amount of funds referred to in Articles 28 and 29 of this Law.

### Obligation to close the separate bank account

#### Article 31

Candidate for the President of Montenegro shall close the separate gyro account referred to in article 30 of this Law within 90 days from the day final election results are published, and shall inform the Agency thereof within three days from the day it closed the separate bank account ***and provides proof of its closure.***

***If the entity responsible for keeping funds does not pay those funds to the separate account by the time the account is closed, it shall pay the same amount to the political entity's regular account.***

## **Responsible Person**

### **Article 32**

The candidate shall ***designate*** a person responsible for the appropriate spending of funds and submission of reports ***the following day after the verification of candidacy or list of candidates.***

Signature of the responsible person shall be deposited with an institution authorized for payment operations.

Candidate, i.e. the person submitting the proposal of a candidate shall inform the Agency thereof within three days from the day of designation of the person referred to in paragraph 1 of this Article, and of any changes relating to the status of that person.

## **V. PROHIBITIONS AND RESTRICTIONS**

### **Prohibition of Financing**

#### **Article 33**

The political entities are prohibited from receiving material and financial assistance and non-financial contributions from: other states, companies and legal entities outside the territory of Montenegro; natural persons and entrepreneurs who do not have the right to vote in Montenegro, anonymous donors, public institutions, legal entities and companies with a share of state-owned capital; trade unions; religious communities and organizations; non-governmental organizations; casinos, betting shops and other providers of games of chance.

A person who was convicted by a final judicial decision for a criminal offense with the elements of corruption and organized crime is prohibited from financing a political entity.

In the period from the day of calling until the day of holding of the elections, the natural and legal persons referred to in paragraphs 1 and 2 of this Article are prohibited from running media and public campaigns on behalf or for the needs of a political entity.

Political entities shall not take loans from natural persons.

Legal entities, companies and entrepreneurs and related natural persons which, based on a contract with the competent bodies and in accordance with the Law, performed activities of public interest or concluded a contract through the public procurement procedure, in the period of two years preceding the conclusion of the contract, for the duration of the business relationship, as well as two years after the termination of the business relationship shall not give contributions to the political entities.

Natural persons and legal entities, against which the tax authority initiated a procedure of forced collection of debt through the adoption of the decision on forced collection of tax, shall not make contributions to political entities.

Legal entity which failed to meet the outstanding obligations towards the employees within the past three months shall not give contributions to legal entities.

#### **Article 34**

***It is prohibited to promise or make conceivable any political or any other counter favour, privilege or personal benefit to a natural or legal person for the purpose of obtaining financial, material or non-financial support for a political entity.***

***It is prohibited to give or receive contributions in cash or in a form of products or services through third parties (intermediaries).***

***It is prohibited to conceal private sources of financing and amounts collected from private sources of financing.***

#### **Prohibition of Exerting Pressure**

#### **Article 35**

Political entities, legal and natural persons are prohibited from exerting any form of pressure on legal entities, companies and natural persons in the course of raising contributions or any other activity related to the election campaign and financing of political entities.

#### **Prohibition of Use of State Funds and Distribution of Advertising Materials and Collection of Support Signatures for Submission of Electoral List and Candidacy**

#### **Article 36**

It is prohibited to use the premises of state bodies, state administration bodies, local self-governing bodies, local administration bodies, public enterprises, public institutions and state funds and companies founded and/or owned in major part or partly by the state or local self-government unit, for the preparation and implementation of the campaigning activities, unless the same conditions are provided for all participants in the election process.

It is prohibited to distribute promotional materials ***and collect support signatures for submission of a political entity's electoral list and submission of a candidate's candidacy for the election of the President of Montenegro*** in the state bodies, state administration bodies, local self-government bodies, local administration bodies, public enterprises, public institutions and state funds and companies founded and/or owned in major part or partly by the state or a local self-government unit.

#### **Article 37**

Paid advertising of state bodies and local self-governing bodies, public companies, public institutions and state funds in Montenegro, which could in any way place into a favoured position the political entities or their representatives during the election campaign, is prohibited.

#### **Restriction of the Use of State Funds**

## Article 38

State and local budgetary spending units, except for the State Election Commission and the municipal election commissions, shall be prohibited from monthly spending higher than the average monthly spending in the previous six months from the day of calling of the elections until the day of holding of the elections, except in cases of emergency, in accordance with the Law.

Notwithstanding paragraph 1 of this Article, if the elections are held in the first half of the year, budgetary spending units shall be prohibited from monthly spending exceeding the amounts specified by monthly spending plans established by the Ministry or local administration body at the beginning of the fiscal year.

***The prohibition referred to in paragraph 1 of this Article shall also apply to legal entities exercising public authorisations or activities of public interest on the basis of a contract with the competent authority, as well as to business organisations owned by the state or local self-governing unit in accordance with the law governing prevention of corruption.***

***Notwithstanding paragraph 1 of this Article, monthly spending higher than the average monthly spending in the last six months of the previous year shall be prohibited for state institutions for social and child protection and for state and local authorities competent for agriculture.***

From the day of calling until the day of holding of the elections, as well as one month following the holding of the elections, all budgetary spending units, at the state and local level, shall post on their websites weekly analytical statements from all the accounts in their possession and submit them to the ***anti-corruption*** working body of the Parliament (hereinafter referred to as: the Committee) and to ***the Agency***.

### ***Prohibition of use of state-owned machinery and equipment***

## Article 39

***It is prohibited for business organisation founded or majority-owned by the state or a local self-government to give their machinery and equipment to third parties for use without special decision and without a compensation contract, within six months before the planned deadline for holding elections, and the planned deadline for holding elections being the date on which the elections were held in the current term of office, except in cases of the need to repair damage caused by natural disasters, fires or prevention of spreading of an infectious disease epidemic.***

***The business organisations referred to in paragraph 1 of this Article shall publish all their decisions, contracts and orders for the use of machinery and equipment outside their core business activity on their official website and submit them to the Agency and the Committee within three days from the day of their adoption.***

## Transparency of Social Welfare Payments

## Article 40



***The state and local budget spending units are prohibited from paying or providing one-off financial assistance, in accordance with the law governing the entitlements and activities of social and child protection, except in the case of the death of a family member, a serious illness that causes a permanent disability exceeding 50% or damage to a housing or property due to fire or natural disaster.***

***Local budget spending units are prohibited from monthly spending on social welfare benefits under the jurisdiction of the local government unit, in accordance with the law governing the entitlements and activities of social and child protection, exceeding 20% of the average monthly spending on these benefits in the third quarter of the previous budget year.***

***It is prohibited to use the current budget reserve at the national and local level to allocate social benefits in the year in which local or parliamentary elections are held, except in cases of war, emergency, epidemic or pandemic of infectious diseases.***

***In the case of extraordinary elections, the prohibition referred to in paragraph 3 of this Article shall be valid for six months from the day the elections are called.***

The ministry in charge of labour and social welfare shall collect the analytical statements containing data on the amounts and number of beneficiaries of all types of social welfare during the election campaign, as well as the data on types and beneficiaries of social welfare.

Municipalities shall collect the data on distribution of all forms of social welfare at the local level during the election campaign, including the data on types, amounts and beneficiaries of social welfare.

Data referred to in paragraphs 5 and 6 of this Article shall be published on the websites of the institutions collecting them, and shall be submitted on **a seven-day** basis to the Committee and the Agency.

***The Committee members and the authorized and responsible persons at the Agency shall take due care of protection of personal data contained in the provided data and documentation referred to in paragraphs 5 and 6 of this Article.***

## **Transparency of Budget Expenditures**

### **Article 41**

Every **week**, the Ministry shall publish on its website the statements from the State Treasury as well as the analytical statement on the use of funds from the budgetary reserve in the period from the day of calling until the day of holding of the elections.

Every **week**, the local administration body shall publish on the website of the municipality the statements from the local treasury as well as the analytical statement on the use of funds from the budgetary reserve in the period from the day of calling until the day of holding of the elections.

Data referred to in paragraphs 1 and 2 of this Article, **as well as all decisions on allocation and payment of funds**, shall be submitted on a **weekly** basis to the Committee and the Agency, while ensuring the protection of personal data.

***The Committee members and the authorized and responsible persons at the Agency shall take due care of protection of personal data contained in the provided data and documentation referred to in paragraphs 1 and 2 of this Article.***

## **Prohibition of Writing-Off of debts**

### **Article 42**

Legal entities founded, owned in major part or partly by the state or a local self- government unit, are prohibited from writing off debts of the citizens, including bills for electricity, water and for all types of public services in the period from the day of calling until the day of holding of the elections, as well as one month following the holding of the elections.

***In the year in which regular elections are held, and in the case of extraordinary elections in the period from the day they are called until two months after the final election results are pronounced, it is prohibited to introduce new or one-off electricity subsidies and subsidies for utilities provided by the companies founded by and/or fully or partially owned by the national or local governments.***

***From the day elections are called until two months after the final election results are pronounced, the competent national and local authorities are prohibited from writing off the liabilities on the basis of exemption from value added tax, other taxes and para-fiscal duties.***

## **Use of Official Cars**

### **Article 43**

Public officials are prohibited from using official cars in the period of the election campaign, except for the needs of official duties.

The prohibition referred to in paragraph 1 of this Article shall not apply to persons who have the status of protected persons.

All state bodies, state administration bodies, local self-government bodies, local administration bodies, public enterprises, public institutions and state funds and companies founded and/or owned in major part or partly by the state or local self-government unit shall publish weekly on their websites all issued travel orders for official cars, form the day of calling of the elections until the day of holding of the elections.

Travel orders referred to in paragraph 3 of this Article shall be submitted to the Agency weekly, and the Agency shall submit them immediately upon receipt to the Committee.

## **Employment and Hiring of Employees**

### **Article 44**

In the period from the day of calling until the day of holding of the elections, in exceptional cases for reasons of ensuring smooth and regular functioning of state bodies, state administration bodies, local self- government bodies, local administration bodies, public companies, public institutions and state funds, and based on a decision of the competent body of these entities, persons may be employed for a fixed-term as well as hired under a temporary service contract, only if it has been planned by the act on systematization and job descriptions.

Bodies and legal entities referred to in paragraph 1 of this Article shall submit all decisions on employment adopted in line with the laws governing labour relations, rights and obligations of civil servants and state employees and contractual relations, with the complete supporting documentation, to the Agency within three days from the day of adoption of the decision.

The Agency shall publish the submitted documents referred to in paragraph 2 of this Article on its web site within seven days from the day of submission.

Public officials, except for the MPs and councillors, and employees in state bodies, state administration bodies, local self-government bodies, local administration bodies, public companies, public institutions and state funds are prohibited from engaging, during working hours, in the activities of the election campaign.

#### **Article 45**

***The measures and restrictions referred to in Article 38 paragraph 5, Article 42, Article 43 paragraphs 3 and 4 and Article 44 paragraphs 1, 2 and 3 of this Law shall apply in the case of elections for the President of Montenegro, elections for MPs and elections for local councillors if there are at least 20% of voters in those elections out of the total number of voters entered in the voting register.***

***If elections for local councillors are held in one or more municipalities where there are fewer than 20% of voters out of the total number of voters entered in the voting register, measures and restrictions referred to in Article 38 paragraph 5, Article 40 paragraph 6, Article 41 paragraph 2, Article 42, Article 43 paragraphs 3 and 4 and Article 44 paragraphs 1, 2 and 3 of this Law shall apply only on the territory of those municipalities.***

#### **Article 46**

Method of performing control of application of provisions of Articles 33 to 45 of this Law shall be governed by a special act adopted by the Agency.

***The special act referred to in paragraph 1 of this Article shall govern regular, proactive checks of compliance with laws by state authorities, state administration authorities, local self-government authorities, local administration authorities, public institutions, state funds and companies that are wholly or partially owned by the state or a local self-government unit.***

***The entities referred to in paragraph 2 of this Article shall be selected for compliance audit based on risk involved, by means of a random selection system or based on some other criteria in accordance with the law or a separate act.***

***The analytical statements from articles 38, 40 and 41 of this Law shall provide accurate and complete information on the following categories at least: budget line, transaction number, recipient/payer, as well as the registration number for the legal entity (tax identification number - TIN), amount and date.***

***All acts, data and documents referred to in Articles 38, 39, 40, 41, 43 and 44 of this Law, submitted by the authorities and legal entities to the Agency, shall be published by the Agency on its website within three days from the date of their submission.***

## **VI. FINANCIAL OPERATIONS OF A POLITICAL ENTITY**

### **Taxation of Revenues of a Political Entity**

## **Article 47**

Revenues acquired by a political entity from membership fees and contributions shall not be subject to taxation.

Other revenues acquired by a political entity shall be taxed in accordance with the law.

## **Obligation of Keeping Accounting Records**

### **Article 48**

A political entity shall keep the accounting records of revenues, property and expenditures by origin (separately for assets from public and private sources), the amount and structure of revenues, property and expenditures, in accordance with the regulation of the Ministry, ***which it shall adopt within 60 days from the date of this Law coming into effect.***

A political party shall submit the statement of accounts and the consolidated financial statement to the administrative body in charge of keeping the single register of taxpayers, to the State Audit Institution and the Agency, not later than by 31 March of the current year for the previous year.

When submitting the statement referred to in paragraph 2 of this Article, the political entity shall submit to the State Audit Institution and the Agency the financial statements and reports on assets of all legal entities and companies it founded or in which it has an ownership share as supporting documents, ***and which shall include both the election campaign and regular operation.***

***The political entity shall present accurate and complete data in the report.***

Statement referred to in paragraph 2 of this Article shall be submitted in hard copy and in electronic form, on a form defined by the Ministry, ***within 60 days from the date of this Law coming into effect.***

The Agency shall publish documents referred to in paragraphs 2 and 3 of this Article on its website, within seven days from the day of receipt.

## **Internal Control of Financial Operations**

### **Article 49**

Political entity shall regulate the manner of performance of internal control over financial operation by its own acts.

Political entity shall designate a person responsible for financial operations, prescribe the manner of gaining insight of an entity member into revenues and expenditures of the entity and adopt a financial plan and program of work by the end of the current year for the following year.

## **VII. SUBMITTING AND PUBLISHING OF REPORTS**

### **Submitting Of Reports On Funds Spent On The Electoral Campaign**

## **Article 50**

Political entity shall prepare a report on the origin, the amount and structure of the funds from public and private sources raised and spent on the election campaign, and shall submit it to the Agency, with supporting documentation, within 30 days from the day of holding of the elections.

The report referred to in paragraph 1 of this Article shall be submitted in hard copy and electronic form, on a form established by the Agency.

If a joint election campaign is run for multiple elections held on the same day, a political entity shall submit an integrated report on the origin, amount and structure of the funds raised and spent to the Agency, within 30 days from the day of holding of the elections.

The reports referred to in paragraphs 1 and 3 of this Article shall show the total amount of funds raised, separately for budgetary assets and funds from private sources.

Along with the reports referred to in paragraphs 1 and 3 of this Article, a political entity shall submit bank statements that show all revenues and expenditures from these accounts, in the period from its opening until the day of filing of the report with the documentation.

## **Publishing of the Report**

### **Article 51**

The Agency shall publish on its website the reports referred to in Article 50 of this Law within seven days from the day of receipt.

## **Submission of the Report on Income and Property of the Candidate for the Election of the President of Montenegro**

### **Article 52**

Candidate for the election of the President of Montenegro shall submit to the Agency the report on incomes and property for himself/herself, spouse or partner and children if they live in the same household, within 15 days from the day of candidacy, ***in the manner and on the form defined by the Agency.***

Reports referred to in paragraph 1 of this Article shall be published on the website of the Agency within seven days from the day of receipt.

## **Disclosure of Names of Natural Persons and Legal Entities**

### **Article 53**

Political entity shall submit to the Agency a report on the contributions of legal and natural persons on a fifteen-day basis, during the election campaign.

The Agency shall prescribe the form and content of the reports referred to in paragraph 1 of this Article.

The Agency shall publish the report referred to in paragraph 1 of this Article on its website, within seven days from the day of receipt.

### **Submission of an interim report**

#### **Article 54**

Political entity shall submit to the Agency an interim report on the expenses of the election campaign five days before the Election Day.

The form and content of the report referred to in paragraph 1 of this Article shall be prescribed by the Agency.

The Agency shall publish on its website the report referred to in paragraph 1 of this Article, within 24 hours from the time of receipt.

## **VIII. SUPERVISION**

### **Implementing Bodies**

#### **Article 55**

Supervision over implementation of this Law shall be carried out by the Agency, within the competences determined under this Law.

***The State Audit Institution shall audit the consolidated financial statements of political entities based on the assessed risk and the criteria from the Guidelines on the Methodology of Performing Financial Audit and Regularity Audit.***

***Over a four-year period, the State Audit Institution shall audit the annual consolidated financial statements of all political entities with a parliamentary status at national and local levels.***

### **Procedure and Decision-making in Case of Violation of the Law**

#### **Article 56**

The procedure in which it is decided whether there is a violation of this Law and measures are pronounced in accordance with this Law shall be initiated by the Agency.

Procedure referred to in paragraph 1 of this Article may be initiated ex officio by the Agency, based on its own knowledge or upon a report by a natural or legal person.

***The Agency shall make the decision whether to initiate or not to initiate the procedure following the application by a natural or legal person.***

***The Agency shall inform the applicant in writing about its decision to initiate or not to initiate the procedure upon submission of application and to deliver it along with the explanation, within 15 days from the day of submission of the application.***

***The Agency shall guarantee the anonymity to the applicant referred to in paragraph 2 of this Article.***

The Agency shall prescribe the manner and procedure of reporting and deciding upon objections filed in the course of the election campaign based on the suspicion of existence of violation of this Law.

The Agency shall inform the political entity on initiation of the procedure referred to in paragraph 1 of this Article.

## **Establishment of Facts and Circumstances**

### **Article 57**

Procedure referred to in Article 56 of this Law shall be conducted by the Director of the Agency through a person authorized by the Agency (hereinafter referred to as: the authorized officer).

The authorized officer shall, ex officio, obtain the data and notifications on facts necessary for conducting the procedure and decision-making, of which the official records are kept by the competent state bodies, state administration and local administration and local self-government bodies, and public companies, companies, institutions or other natural and legal persons.

Bodies, legal and natural persons referred to in paragraph 2 of this Article shall, within the period of maximum 15 days and in the manner determined by the Agency, submit the requested data and notifications i.e. enable the insight into the requested documentation in accordance with the law.

If the bodies, legal and natural persons referred to in paragraph 2 of this Article fail to act within the deadline and in the manner referred to in paragraph 3 of this Article, they shall immediately inform the Agency about the eventual causes.

In case referred to in paragraph 4 of this Article, the Agency shall inform the body performing supervision over their work and submit a special report to the Parliament.

## **Implementation of Control and Supervision during the Election Campaign**

### **Article 58**

During the election campaign, political entities shall keep and update regularly the records of funds raised from private sources and costs of the election campaign.

In order to exercise control and supervision during the election campaign, the Agency shall regularly collect data on all the activities of political entities during the election campaign in relation to the funds spent on financing of the costs of the election campaign.

Upon request and within the deadline determined by the Agency, but not longer than three days, the political entity shall submit the data that the Agency needs in order to perform the affairs under its competence.

During the election campaign, the Agency shall perform control and supervision over the calculation of non-financial contributions, paid-for media advertising, and prohibition of financing of political entities or running campaigns on their behalf and other prohibitions and restrictions prescribed by the law.

Should the Agency, during the control or supervision, obtain data indicating irregularities or violation of the law, it shall submit a report or a motion with the competent body within 15 days from the day of detected irregularity or violation of the law.

Reports on exercised supervision during the election campaign and exercised control of financing of the election campaign of the political entities shall be adopted by the Agency and published on its website, 60 days following the day of proclamation of the final election results.

The method of performing control and supervision during the election campaign shall be governed in more detail by the Rulebook adopted by the Agency.

## **Application of Rules of the Administrative Procedure**

### **Article 59**

Provisions of the Law governing the Administrative Procedure shall apply accordingly to the procedure of establishment of violation of this Law.

### **Measures**

### **Article 60**

The Agency shall pronounce the measure of issuance of warning to the political entity if it finds shortcomings which can be remedied during the control.

Should the political entity fail to act upon the warning measure by the deadline defined in the decision, ***which shall not be shorter than ten and longer than 30 days***, or should the violation of this Law occur the shortcomings of which cannot be remedied, the Agency shall file a motion for initiation of the misdemeanour procedure before the competent court.

***For any violation of the provisions of this Law relating to the financing of election campaigns, the Agency may impose the measure of total or partial loss of the right to budgetary assets transfer for election campaign financing from Article 20 of this Law or the measure of suspension of budgetary assets transfer for election campaign financing on a political entity, in accordance with and in the manner specified by this Law.***

***Should the political entity fail to submit reports within set deadlines and in the prescribed manner, fail to open a bank account for the election campaign or fail to submit the decision on the appointment of a responsible person, the Agency shall impose the measure of suspension of budgetary assets transfer for financing the costs of the election campaign on the political entity.***

***Suspension of budgetary assets transfer for financing the costs of the election campaign from paragraph 4 of this Article shall last until the obligation is duly fulfilled, but no later than the deadline for closing the separate bank account for the election campaign from Article 25 of this Law expires.***

***If the obligation is not duly fulfilled by the deadline prescribed for closing the separate account referred to in Article 25 of this Law, the Agency shall impose a measure of complete loss of budgetary assets for financing the election campaign costs.***

***The Agency shall impose the measure of complete loss of the right to budgetary assets for election campaign financing on a political entity in case of conviction of the political entity for offences referred to in Articles 66 paragraph 1, 1, 6, 20, 29 and 40 of this Law.***

***The Agency shall impose the measure of a partial loss of allocated amount of budgetary assets for financing the costs of election campaign on a political entity, if that political entity exceeds the maximum amount allowed under Article 18 of this Law.***



**The measure of partial loss of budgetary assets for financing the election campaign costs shall be imposed in the amount exceeding the maximum allowed amount referred to in Article 18 of this Law.**

**If the amount exceeding the maximum amount is higher than the allocated amount of budgetary assets for financing the election campaign costs, the Agency will impose the measure of complete loss of budgetary assets for financing the election campaign costs on the political entity, which in accordance with Article 20 of this Law belong to that political entity.**

**For any violation of the provisions of this Law relating to the financing of regular operation of a political entity, the Agency may impose the measure of suspension of the transfer of budgetary assets for financing regular operation or the measure of loss of these assets on the political entity, in accordance and in the manner prescribed by this Law.**

**In case of failure to submit a report on financing of regular operation of the political entity, the Agency shall impose the measure of suspension of the budgetary assets transfer to finance regular operation on the political entity.**

**Temporary suspension of the transfer of budgetary assets for financing of regular operation to that political entity shall last until the due fulfilment of the obligation, but no longer than the end of the budgetary year in which the political entity is required to submit a report to the competent authority for the previous year.**

**If the obligation referred to in paragraph 12 of this Article is duly fulfilled no later than the end of the budgetary year, the temporary suspension of the transfer of funds referred to in paragraph 13 of this Article shall cease on the day of fulfilment, and the transfer of funds shall be paid to the political entity without any deductions.**

**If the obligation referred to in paragraph 12 of this Article is not duly fulfilled by the end of the budgetary year, the political entity shall lose the right to the transfer of budgetary funds for regular operation for that budgetary year, in the amount that belongs to it, in accordance with Article 13 of this Law, from the day the deadline for submitting the report expires until the end of the budgetary year.**

**The decision on the loss of the right referred to in paragraph 15 of this Article shall be made by the Agency.**

#### **Article 61**

**The decision of the Agency referred to in Article 60 of this Law shall be final and an administrative dispute may be initiated against it.**

**The Agency shall send then decision referred to in Article 60 of this Law to the Ministry, or local self-governing authority.**

#### **Consistent Application**

#### **Article 62**

**Funds raised contrary to this Law shall be seized in accordance with the Law on Misdemeanour Offenses.**

#### **Audit**

## **Article 63**

The State Audit Institution shall perform the audit of the consolidated financial statements, based on which it shall give the opinion and recommendations for the removal of irregularities and take other measures, in accordance with this Law and the law governing the rights, obligations and manner of operation of that institution.

## **IX. PENAL PROVISIONS**

### **Misdemeanour offenses**

## **Article 64**

A fine from 5,000 euros to 20,000 euros shall be imposed for a misdemeanour offense on a legal entity, if it:

- 1) fails to adopt the decision on contribution and fails to submit it to the recipient of the contribution (Article 7 paragraph 5)
- 2) pays more than 20,000 euros per annum for financing of the political entity (Article 15, paragraph 4);
- 3) provides services of media advertising of the election campaign and fails to submit to the Agency the price list of election advertising (Article 16 paragraph 6);
- 4) acts contrary to Article 16 paragraph 7 of this Law;
- 5) does not set a price for all provided services to political entities within the price list submitted to the Agency (Article 16 paragraph 8)
- 6) alters the price list from Article 16 paragraph 6 of this Law during the election campaign (Article 16 paragraph 9)
- 7) provides services of media advertising during the election campaign while failing to deliver to the Agency the agreements concluded with political entities regarding the election campaign no later than 5 days after concluding the contract; (Article 16 paragraph 10)
- 8) makes a payment or a contribution in the amount exceeding 20,000 euros for the financing of election campaign (Article 29 paragraph 3)
- 9) in the period from the day of calling until the day of holding of the elections, it runs a media and public campaign on behalf of or for the needs of political entities (Article 33 paragraph 3);
- 10) makes a contribution to a political entity and against which the tax authority initiated the procedure of forced collection by adoption of the conclusion on forced tax collection (Article 33 paragraph 6);
- 11) makes a contribution to a political entity, whereas it did not meet the outstanding obligations towards the employees for a period of three months (Article 33 paragraph 7);
- 12) makes financial, material or non-financial support to a political entity in exchange for any political or any other counter-service, privilege or personal benefit. (Article 34 paragraph 1)
- 13) makes a financial donation or a donation in form of a product or a service through third parties (intermediaries)
- 14) acts contrary to Article 38 paragraph 3 of this Law
- 15) in the period from the day of calling until the day of holding of the elections, as well as one month after the elections, arranges for debt write-off to citizens, including bills for electricity, water as well as bills for all types of public services (Article 42 paragraph 1);
- 16) fails to publish on a weekly basis on its website all issued travel orders for official cars, from the day of calling until the day of holding of the elections (Article 43 paragraph 3);

- 17) fails to submit to the Agency, weekly, travel orders referred to in Article 43 paragraph 3 of this Law (Article 43 paragraph 4);
- 18) in the period from the calling until the day of holding of the elections, employs a person for a fixed term or concludes a temporary service contract contrary to Article 44 paragraph 1 of this Law;
- 19) fails to submit all the decisions on employment adopted in line with the laws governing labour relations, rights and obligations of civil servants and state employees and contractual relations, with complete supporting documents, to the Agency within three days from the day of adoption of the decision (Article 44 paragraph 2);
- 20) fails to submit the requested data and notifications, i.e. fails to allow the insight into the requested documentation in accordance with the law within the deadline and in the manner determined by the Agency (Article 57 paragraph 3).
- 21) acts contrary to Article 57 paragraph 3 of this Law

For misdemeanour offenses referred to in paragraph 1 of this Article, the responsible person in a legal entity shall also be fined in an amount ranging from 500 to 2,000 euros.

### **Article 65**

A fine from 5,000 euros to 20,000 euros shall be imposed for a misdemeanour offense on a political entity, if:

- 1) it fails to submit to the Agency a report on media advertising of the election campaign no later than seven days before holding the elections (Article 16 paragraph 3)
- 2) it fails to submit a report from Article 16 paragraph 3 in accordance with the Article 16 paragraph 4 of this Law;
- 3) it does not transfer the funds to its regular account before closing the special account in case some funds were left on the special account for financing of election campaigns after all the obligations were settled (Article 17 paragraph 6);
- 4) it does not transfer the surplus funds for financing of an election campaign collected from private sources to a permanent bank account of a political entity or more political entities in line with a mutual agreement (Article 24 paragraph 8);
- 5) fails to return funds into the budget of Montenegro, and local self-governing budget respectively, in case that the total amount of funds on the permanent bank account exceeds the amount referred to in Article 15 paragraphs 1 and 2 of this Law (Article 24, paragraph 9);
- 6) it fails to return the unspent funds to the contributors proportional to the amount of the funds paid, or if it fails to pay such funds to the state budget, if it withdraws from submitting the election list, withdraws the election list, a competent election committee adopts a decision on rejecting the election list which was submitted or if the competent election committee adopts a decision to reject the proclamation of the election list submitted by the political entity (Article 26 paragraph 1);
- 7) it acts contrary to the Article 26 paragraph 2 of this Law;
- 8) it acts contrary to the Article 26 paragraph 3 of this Law;
- 9) fails to designate a person responsible for the appropriate spending of funds and submission of reports on the next day from the day of confirming the election list (Article 27, paragraph 1);
- 10) the signature of the responsible person is not deposited with an institution authorized for payment operations (Article 27 paragraph 3);
- 11) it fails, within three days from the designation of the person referred to in Article 27 paragraph 1 of this Law, to notify the Agency of any change relating to the status of that person (Article 27 paragraph 4);

- 12) uses the premises of state bodies, state administration bodies, local self-governing bodies, local administration bodies, public institutions, state funds and companies founded and/or owned in major part or partly by the state or a local self-governing units for preparation or realization of campaign activities, unless equal conditions are provided to all the participants in the election process (Article 36 paragraph 1);
- 13) distributes the promotional material and collects support in form of signatures for the election list and for submitting the candidacy for the candidate for the President of Montenegro in state bodies, state administration bodies, local self-governing bodies, local administration bodies, public institutions, state funds and companies founded and/or owned in major part or partly by the state or a local self-governing unit (Article 36 paragraph 2).

For the misdemeanour offense referred to in paragraph 1 of this Article, the responsible person in the political entity shall also be punished with a fine ranging from 500 to 2,000 euros.

### **Article 66**

A fine ranging from 10,000 to 20,000 euros shall be imposed for a misdemeanour offense on a political entity if:

- 1) it fails to raise funds from the private sources referred to in Article 7 paragraph 1 of this law through a corresponding bank account (Article 7 paragraph 11);
- 2) it acquires ownership or stocks of a commercial entity (Article 8 paragraph 1)
- 3) it acquires income from promotional or commercial activities (Article 8 paragraph 2)
- 4) it uses budgetary funds for personal needs of the candidates of a political entity (Article 9 paragraph 3)
- 5) it raises funds from private sources for the regular operation in the current calendar year in the amount exceeding 100% of funds belonging to it from the budgetary assets in accordance with Article 13 paragraph 4 of this Law (Article 15 paragraph 1);
- 6) it raises funds from private sources in the amount exceeding 10% of total funds referred to in Article 13 paragraph 1 of this Law if it is not entitled to budgetary assets (Article 15 paragraph 2);
- 7) it fails to submit to the Agency the decision on the amount of the membership fee for the current year, by the end of January of the current year at latest (Article 15 paragraph 3);
- 8) the funds from article 15 paragraph 4 of this Law exceed the total amount of funds which the political entities may use for regular operations and financing of the costs of election campaigns (Article 15 paragraph 5);
- 9) costs of election campaign exceed the amount of funds from Article 20 paragraph 1 of this Law (Article 16 paragraph 12)
- 10) funds from the regular account collected for regular operations are used for the election campaign contrary to the Article 17 paragraph 1 of this Law;
- 11) funds from Article 17 paragraph 1 are not paid to the special account for financing of the election campaign from Article 24 paragraph 1 of this Law (Article 17 paragraph 2);
- 12) own funds are not paid to a special account for financing of the election campaign in two days after closing the special account (Article 17 paragraph 2);
- 13) collected funds on a special account for financing of the election campaign are used contrary to the Article 17 paragraph 4 of this Law;
- 14) funds from the special account collected for financing of the election campaign are used contrary to the Article 18 paragraph 1 of this Law;

- 15) spends the funds from a special account from Article 24 paragraph 1 of this Law in an amount which exceeds the highest allowed amount established by this Law after the decisions of the competent election committee on confirming the election list of a political entity (Article 18 paragraph 2)
- 16) funds from the special account from Article 24 paragraph 1 of this Law collected for financing of the election campaign are used contrary to the Article 19 paragraph 1 of this Law;
- 17) funds from Article 19 paragraph 1 of this Law are used for settling the personal needs of a political entity , or the candidate on the election list whose submitter is the political entity and his/her family members (Article 19 paragraph 2);
- 18) collects funds for financing of the election campaign from private sources contrary to the Article 23 paragraph 1 of this Law;
- 19) it pays in an amount exceeding the thirty-fold amount of funds belonging to it in the sense of Article 20 paragraph 2 of this Law for financing of costs of the election campaign for the election of MPs and councillors (Article 23 paragraph 2);
- 20) it fails to open a separate bank account for the purpose of raising funds for financing of the election campaign with an institution authorized for payment operations, on the day following the day of confirmation of election lists (Article 24 paragraph 1);
- 21) it fails to inform the Agency within three days from the day it opened the separate bank account (article 24 paragraph 1)
- 22) it uses the separate bank account referred to in Article 24 paragraph 1 of this Law for other purposes (Article 24 paragraph 1);
- 23) it initiates the election campaign prior to confirming the election list and fails to open a separate account referred to in Article 24 paragraph 1 of this Law (Article 24 paragraph 2);
- 24) it fails to pay all the funds intended for the financing of election campaign into the account referred to in Article 24 paragraph 1 of this Law and fails to pay for all the costs of the campaign via that account (Article 24 paragraph 3);
- 25) it fails to close the separate bank account referred to in Article 24 of this Law within 90 days from the date of publication of the final election results (Article 25 paragraph 1);
- 26) within three days from the date of closing the separate bank account, it fails to notify the Agency (Article 25 paragraph 1);
- 27) within three days from the date of closing the separate bank account, it fails to provide proof to the Agency on closing the account (Article 25 paragraph 1);
- 28) it raises funds from private sources for financing of costs of the election campaign in the amount exceeding the total amount of funds referred to in Article 28 paragraph 1 of this Law (Article 29 paragraph 2);
- 29) it fails to open a separate bank account for the purpose of raising funds for financing of the election campaign with an institution authorized for payment operations, on the day following the day of confirmation of the candidacy, i.e. confirmation of the list of candidates (Article 30 paragraph 1);
- 30) within three days from the day of the opening of the separate bank account, it fails to notify the Agency (Article 30 paragraph 1);
- 31) it uses the special bank account from Article 30 paragraph 1 of this Law for other purposes (Article 30 paragraph 1)
- 32) initiates the election campaign before the candidacy is verified, or before the candidates list is established, and fails to open the account from Article 30 paragraph 1 of this Law before initiating the election campaign (Article 30 paragraph 2)
- 33) it fails to pay all the funds intended for the financing of election campaign into the account referred to in Article 30 paragraph 1 of this Law (Article 30 paragraph 3);

- 34) all payments for the election campaign are not executed from the account from Article 30 paragraph 1 of this Law (Article 30 paragraph 3)
- 35) the costs of the election campaign exceed the amount of funds referred to in Articles 28 and 29 of this Law (Article 30 paragraph 5);
- 36) a special bank account from Article 30 of this Law is not closed within 90 days from publishing of the final election results (Article 31 paragraph 1)
- 37) within three days from the date of closing the separate bank account, it fails to notify the Agency (Article 31 paragraph 1);
- 38) within three days from the date of closing the separate bank account, it fails to provide proof to the Agency on closing the account (Article 31 paragraph 1);
- 39) it receives material and financial assistance and non-financial contributions from: other states, companies and legal entities outside the territory of Montenegro, natural persons and entrepreneurs who do not have the right to vote in Montenegro, anonymous donors, public institutions, legal entities and companies with the share of state-owned capital, trade unions, religious communities and organizations, non-governmental organizations, casinos, betting shops or other providers of games of chance (Article 33 paragraph 1) ;
- 40) it takes loans from natural persons (Article 33 paragraph 4)
- 41) it promises or makes available any political or another counter-service, privilege or personal benefit to a natural or a legal person in order to acquire any financial, material or non-financial support (Article 34 paragraph 1)
- 42) it receives a donation in form of financial funds or products or services through third parties (intermediaries) (Article 34 paragraph 2);
- 43) it conceals private sources of funding and funds collected from private sources of funding (Article 34 paragraph 3);
- 44) it fails to keep accounting records of revenues, property and expenditures by origin, amount and structure of revenues, property and expenditures, in line with the provisions of the Ministry (Article 48, paragraph 1);
- 45) it fails to submit the statement of accounts and consolidated financial statement to the administrative body in charge of keeping a single register of taxpayers, the State Audit Institution and the Agency by 31 March of the current year for the previous year (Article 48 paragraph 2);
- 46) it fails to submit, as supporting documents, to the State Audit Institution and the Agency, the financial statements and reports on assets of all legal entities and companies it founded or in which it possesses an ownership share (Article 48 paragraph 3);
- 47) it fails to state correct and complete data in the report share (Article 48 paragraph 4);
- 48) it fails to govern by its acts the manner of performing the internal control of financial operation (Article 49 paragraph 1);
- 49) it fails to designate a person responsible for financial operations, fails to prescribe the manner of gaining insight by a member of the entity into incomes and expenditures of the entity and fails to adopt a financial plan and program of work by the end of the current year for the next year (Article 49 paragraph 2);
- 50) within 30 days from the day of holding of the elections, it fails to submit to the Agency the report on the origin, amount and structure of the funds from public and private sources raised and spent for election campaign with the supporting documents (Article 50 paragraph 1);
- 51) it fails to submit the report referred to in Article 39 paragraph 1 of this Law in hard copy and electronic form, using the form defined by the Agency (Article 50, paragraph 2);
- 52) it fails to submit along with the reports referred to in Article 39 paragraphs 1 and 3 of this Law the bank statements showing all revenues and expenditures from these accounts in

- the period from their opening up to the date of filing the statements with documentation (Article 50 paragraph 3);
- 53) it fails to submit the bank statements showing all income and expenditures on those accounts from the day of their opening to the day of submitting the report along with the documents together with the reports from article 50 paragraphs 1 and 3 of this Law (Article 50 paragraph 5);
  - 54) it fails to submit to the Agency a report on the contributions of legal and natural persons on a fifteen- day basis, during the election campaign (Article 53 paragraph 1);
  - 55) It fails to submit to the Agency the interim report of election campaign costs five days before the day of the elections. (Article 54 paragraph 1);
  - 56) It fails to maintain and fails to update regularly the records on collected funds from private sources and the costs of the election campaign during the election campaign (Article 58 paragraph 1);
  - 57) fails to submit the data which the Agency needs to conduct its duties upon a request and within the deadline set by the Agency, which must not be later than three days (Article 58 paragraph 3).

For the misdemeanour offense referred to in paragraph 1 of this Article, the responsible person in a political entity shall also be punished with a fine ranging from 500 to 2,000 euros.

#### **Article 67**

A fine ranging from 500 to 2,000 euros shall be imposed on the responsible person of the Agency, if it:

- 1) fails to create a record on the results of the control and deliver it the subject of the control and fails to publish it on the website of the Agency (Article 5 paragraph 2);
- 2) fails to publish on its website the decision on the amount of membership fee of a political entity for the current year, within seven days from the day of receipt of the decision (Article 15, paragraph 3);
- 3) does not process the form of the report from Article 16 paragraph 4 and does not publish it on its webpage and does not submit it to political entities (Article 16, paragraph 5);
- 4) fails to publish on its website the submitted price lists, and agreements referred to in Article 16 paragraphs 6 and 10 of this Law within five days from the day of submission (Article 16 paragraph 11);
- 5) fails to adopt a decision on the amount of funds which the political entity may spend for financing of an election campaign within three days from confirming the election list (Article 18 paragraph 3);
- 6) does not take care on protection of personal data submitted within the data and documents from Article 40 paragraphs 1 and 2 of this Law (Article 40 paragraph 8);
- 7) it fails to immediately submit to the Committee the travel orders referred to in Article 43 paragraph 3 of this Law which are delivered to the Agency on a weekly level (Article 43 paragraph 4);
- 8) it fails to publish the acts from article 44 paragraph 2 of this Law on its website within seven days from receiving them (Article 44 paragraph 3);
- 9) it fails to publish the acts, data and the documents from articles 38,39,40,41,43 and 44 of this law, submitted by authorities and legal entities, on its website within three days from receiving them (Article 46 paragraph 5);
- 10) it fails to publish all the documents from article 48 paragraphs 2 and 3 of this Law on its website within seven days from receiving them (Article 46 paragraph 6);

- 11) it fails to publish all the reports from article 50 of this Law on its website within seven days from receiving them (Article 51);
- 12) it fails to publish the reports from article 52 paragraph 1 of this Law on its website within seven days from receiving them (Article 52 paragraph 2);
- 13) it fails to publish the report from article 53 paragraph 1 of this Law on its website within seven days from receiving it (Article 53 paragraph 3);
- 14) it fails to publish the report from article 54 paragraph 1 of this Law on its website within 24 hours from receiving it (Article 54 paragraph 3);
- 15) does not adopt a decision on whether to initiate or not to initiate a procedure upon a report from a natural or a legal person (Article 56 paragraph 3);
- 16) it does not inform the submitting party in writing on the decision whether to initiate or not to initiate a procedure upon a submitted report within 15 days from when the report was submitted (Article 56 paragraph 4);

### **Article 68**

A fine ranging from 200 to 2 000 euros shall be imposed on the responsible person in a state body, state administration body, local self-governing body, local administration body, public enterprise, public institution, state fund and legal entity founded and/or owned in major part or partly by the state or a local self-governing unit, if it:

- 1) fails to provide the budgetary assets for financing of regular operation of the political entities in the Parliament of Montenegro in accordance with Article 13 paragraph 1 of this Law;
- 2) fails to provide the funds for financing of regular operation of the political entities in the municipal assemblies in accordance with Article 13 paragraph 2 of this Law;
- 3) fails to provide the funds for financing of regular operation of the political entities in the municipal assemblies in accordance with Article 13 paragraph 3 of this Law;
- 4) fails to transfer funds referred to in Article 13, paragraph 4 of this Law to the political entities on a monthly basis, by the fifth day of each month for the previous month (Article 13, paragraph 8);
- 5) fails to publish on its website, by the fifth day of each month, the amount of funds from article 13 paragraph 4 of this law, along with the amount of outstanding funds for financing the regular operations of political entities (Article 13 paragraph 9);
- 6) fails to suspend payment of funds referred to in Article 13 paragraph 4 of this Law to a political entity, if within the timeframe foreseen in Article 48 of this Law it fails to submit the consolidated financial statement for the previous year (Article 13 paragraph 8);
- 7) fails to provide the budgetary assets for financing the cost of regular operations of women's organizations within political entities in the Parliament in accordance with Article 14 paragraph 1 of this Law;
- 8) fails to provide the budgetary assets for financing the cost of regular operations of women's organizations within political entities in local assemblies in accordance with Article 14 paragraph 2 of this Law;
- 9) fails to provide the budgetary assets for financing the cost of regular operations of women's organizations within political entities in local assemblies in accordance with Article 14 paragraph 3 of this Law;
- 10) does not transfer the funds from article 14 paragraph 4 of this law on a monthly basis to a political entity, by the fifth day each month for the previous month to the sub-account of the women's organization; (Article 14 paragraph 7);



- 11) it does not publish on its website, by the fifth day each month for the previous month, the amount of funds from article 14 paragraph 8 of this law, along with the amount of outstanding amounts for financing of regular operations of women's organizations within political entities (Article 14 paragraph 8);
- 12) does not suspend the payment of funds from article 14 paragraph 4 of this law to a political entity, if within the deadline from article 48 of this law it does not submit an annual consolidated report for the previous year which contains a special report on manner and intention of expenditure of funds from article 14 of this law (Article 14 paragraph 9);
- 13) does not adopt a decision on the amount of budgetary funds from article 15 paragraph 1 of this law at latest by January 31<sup>st</sup>, of the current year which will be published on its website within seven days from the day of adopting the decision (Article 15 paragraph 6)
- 14) fails to secure budgetary funds for financing of the election campaign from article 16 paragraph 1 of this law for the election of MPs and councillors in accordance with the article 20 paragraph 1 of this law;
- 15) fails to distribute 20% of the funds referred to in Article 20, paragraph 1 of this Law in equal amounts to political entities, within eight days from the expiry of the deadline for submission of election lists (Article 20, paragraph 2);
- 16) fails to distribute 80% of the funds referred to in Article 20, paragraph 1 to the political entities in proportion with the number of seats awarded (Article 20, paragraph 3);
- 17) fails to distribute the funds referred to in Article 20 paragraph 3 of this Law within ten days from the day when the political entities submit to the Agency the reports on funds raised and spent on the election campaign with the supporting documentation referred to in Article 50 of this Law (Article 20, paragraph 4);
- 18) fails to transfer funds referred to in Article 20 paragraph 3 of this Law to the political entities, following the notification by the competent election commission on the number of seats awarded and notification of the Agency on meeting the conditions referred to in Article 20 paragraph 4 of this Law (Article 21 paragraph 1);
- 19) fails to publish on its website the act on the transfer of funds referred to in Article 21, paragraph 1 of this Law with the supporting documentation within seven days from the day of adoption (Article 21, paragraph 2);
- 20) fails to provide the budgetary assets for financing of the costs of the election campaign for the election of the President of Montenegro in accordance with Article 28 paragraph 1 of this Law;
- 21) fails to distribute the funds referred to in Article 28 paragraph 2 item 2 and paragraph 3 items 2 and 3 of this Article following the announcement of final results of the elections and within the deadline of 7 days from the day of submission of the report on funds raised and spent on the election campaign with the supporting documents referred to in Article 50 of this Law to the Agency (Article 28 paragraph 4);
- 22) conducts paid-for advertising in Montenegro which could in any way place into a more favourable position the political entities or their representatives during the election campaign (Article 37);
- 23) the monthly spending in the budgetary spending units at the state and local level exceeds the average monthly spending in the previous 6 months from the day of calling until the day of holding of the elections, except in cases of the state of emergency, in accordance with the law (Article 38 paragraph 1);
- 24) elections are held in the first half of the year and monthly spending in budgetary spending units exceeds the amount determined by the monthly spending plan defined by the Ministry or the local administration body at the beginning of the fiscal year (Article 38 paragraph 2);
- 25) the monthly spending in public enterprises, legal entities with public authorities, or with activities of public interest based on contracts with competent authorities and legal entities

- owned by the state, or local self-governing units in accordance with the law which regulates prevention of corruption is in excess of average monthly expenditure within the last six months from the day of calling the elections until the day of holding the elections except in the cases of the state of emergency in accordance with the law (Article 38 paragraph 3);
- 26) the monthly spending in public institutions for conducting tasks of social and children welfare and state and local authorities in charge of agriculture is larger than the average monthly expenditure in the last six months of the previous year (Article 38 paragraph 4);
  - 27) from the day of calling until the day of holding of the elections, as well as one month following the holding of the elections, it fails to publish on its website, on a weekly basis, the analytical cards from all the accounts in their possession (Article 38 paragraph 5);
  - 28) from the date of the announcement to the day of the elections, as well as one month after the elections, it fails to submit the analytical cards from all accounts held in their possession to the Committee and the Agency on a weekly basis (Article 38 paragraph 5);
  - 29) in the period of six months before the term planned for holding the elections, including the date planned for holding the elections as the date on which the elections were held in the current term, allows its mechanization and equipment at disposal to third parties without a separate decision and without a commission contract, exclusive of cases where damages were needed to be repaired due to a disaster, fire or prevention of spreading of contagious diseases. (Article 39 paragraph 1);
  - 30) fails to publish on its webpage and fails to submit to the Agency and the Committee all decisions, agreements and orders for using the mechanization out of regular activities within three days. (Article 39 paragraph 2);
  - 31) pays or allocates one-time material assistance contrary to the article 40 paragraph 1 of this Law.
  - 32) the monthly spending in regard to material payments for social welfare within the competence of a local self-governing unit, in accordance with the law which regulates the rights and conduction of social and children welfare activities is 20% larger than the average monthly expenditure for these payments in the third quarter of the previous budgetary year. (Article 40 paragraph 2)
  - 33) provides social contributions in the year in which local and parliamentary elections are held, from the current budgetary reserve from the state or the local level. (Article 40 paragraph 3)
  - 34) fails to publish on its webpage and fails to submit on a weekly basis to the Committee and the Agency the data from the Article 40 paragraphs 5 and 6 of this Law. (Article 40 paragraph 7)
  - 35) fails to publish on its webpage on a weekly basis the statements from the state treasury, and the analytic statement on spending from the budgetary reserve in the period from calling the elections to when the elections were held. (Article 41 paragraphs 1 and 2)
  - 36) fails to submit on a weekly basis to the Committee and the Agency the data from the Article 41 paragraphs 1 and 2 of this Law along with all the decisions regarding the allocation and payment of funds, (Article 41 paragraph 3)
  - 37) new or one-off subsidies for electricity and subsidies for paying the utility services in the year in which the regular elections are held, and in the case of premature elections in the period from when they are called until two months after the final results of the elections were proclaimed. (Article 42 paragraph 2)
  - 38) writes-off obligations regarding value added tax, other taxes and para-fiscal taxes in the period from calling the elections until two months after the final results of the elections were proclaimed. (Article 42 paragraph 3)

- 39) fails to publish on the website all issued travel orders for the management of official vehicles on a weekly basis, from the day of calling the elections until the day of holding the elections, (Article 43 paragraph 3)
- 40) fails to submit to the Agency, on a weekly basis, the travel orders referred to in Article 43, paragraph 3 of this Law, (Article 43 paragraph 4)
- 41) in the period from calling until the day of holding of the elections, employs a person for a fixed term, or concludes temporary service contract contrary to Article 44 paragraph 1 of this Law;
- 42) fails to submit all decisions on employment adopted in accordance with the laws governing the labour relations, rights and obligations of civil servants and state employees and contractual relations, with complete supporting documentation to the Agency within three days from the day of adoption of the decision (Article 44 paragraph 2);
- 43) fails to submit within the deadline and in the manner determined by the Agency the requested data and notifications, i.e. fails to provide insight into the requested documentation in line with the Law (Article 57 paragraph 3).

### **Article 69**

A fine ranging from 1,000 to 2,000 euros shall be imposed for the misdemeanour offense on a candidate for the presidential elections if he/she:

- 1) collects funds from private sources contrary to the Article 29, paragraph 1 of this Law;
- 2) fails to return the funds to the Budget of Montenegro if the funds for financing of the election campaign raised from private sources exceed the amount referred to in Article 29 paragraph 2 of this Law (Article 30 paragraph 3);
- 3) fails to designate a person responsible for purposeful spending of funds and submission of reports, on the next day after confirming the candidacy, or after determining list of candidates (Article 32 paragraph 1);
- 4) fails to deposit the signature of the responsible person with the institution authorized for payment operations (Article 32 paragraph 2);
- 5) fails to notify the Agency within three days from the day of designation of the person referred to in Article 32 paragraph 1 of this Law and of every change related to the status of that person (Article 32 paragraph 3);
- 6) fails to compile a report on origin, amount and structure of funds raised and spent from public and private sources for the election campaign and fails to submit it to the Agency with the supporting documentation, within 30 days from the day of holding of the elections (Article 50, paragraph 1);
- 7) fails to submit along with the reports referred to in Article 50 paragraphs 1 and 2 of this Law the bank statements showing all revenues and expenditures from these accounts, in the period from their opening until the day filing of the reports with the documentation (Article 50 paragraph 5);
- 8) fails to submit to the Agency the report on income and assets for him/herself, the spouse or partner and children if they live in a shared household, within 15 days from the day of candidacy (Article 52 paragraph 1).

### **Article 70**

A fine ranging from 500 to 2,000 euros shall be imposed for the misdemeanour offense on a natural person, if he/she:

- 1) on a monthly basis, pays the membership fee exceeding 10% of the average monthly net salary in Montenegro for the previous year (Article 7, paragraph 2);
- 2) pays more than 5,000 euros per annum for financing of a political entity (Article 15 paragraph 4);
- 3) makes the payment or contribution amounting to more than 5,000 euros for financing of the election campaign (Article 29 paragraph 3);
- 4) was convicted by a final court decision for a criminal offense with the elements of corruption and organized crime, and finances a political entity (Article 33 paragraph 2);
- 5) in the period from the day of calling until the day of holding of the elections, runs a media and public campaign on behalf of and for the needs of political entities (Article 33 paragraph 3);
- 6) makes a contribution to a political entity and is related to legal entities, companies and entrepreneurs who, on the basis of contracts with the competent authorities, in accordance with the law, performed activities of public interest or concluded the contract in the public procedure procurement, in the period of two years preceding the conclusion of the contract, for the duration of that business relationship, as well as two years after the termination of that business relationship (Article 33, paragraph 5);
- 7) makes a contribution to a political entity against which the tax authority initiated the procedure of forced tax collection by adoption of a conclusion on forced tax collection (Article 33 paragraph 6);
- 8) provides financial, material or non-financial support to a political entity for political or any other counter-service, privilege or personal benefit (Article 44 paragraph 4)
- 9) if it is engaged in election campaign activities during the working hours (Article 44 paragraph 4)
- 10) fails to submit, within the deadline and in the manner defined by the Agency, the requested data and notifications, i.e. does not allow for insight into the requested documentation in accordance with the law (Article 57 paragraph 3)
- 11).

For the misdemeanour offense referred to in paragraph 1 item 3 of this Article, an entrepreneur shall be punished with a fine ranging from 200 to 4,000 euros.

## **Statute of Limitations with Respect to Initiation of Misdemeanour Proceedings**

### **Article 71**

Misdemeanour proceedings for offences from articles 64 – 70 shall not be initiated if three years have elapsed from the day when the misdemeanour offense was committed.

Statute of limitations with respect to prosecution for misdemeanour shall take place in each case after the elapse of six years from the day when the misdemeanour offense from articles 64-70 were committed.

## **X. TRANSITIONAL AND FINAL PROVISIONS**

### **Secondary legislation for implementation of the law**

### **Article 72**

The State Election Commission and the Ministry shall adopt secondary legislation for implementation of this Law within 60 days from the day of entry into force of his Law.

The secondary legislation for implementation of this Law will be adopted by the Agency within 60 days from the day of entry into force of his Law.

Until the enactment of secondary legislation referred to in paragraphs 1 and 2 of this Article, the secondary legislation enacted based on the Law on Financing of Political Parties (Official Gazette of Montenegro 52/14, 76/15, 83/16 and 92/17) shall apply.

## **Harmonization of operations**

### **Article 73**

Political parties shall harmonize their operations with this Law within 90 days from the day of entry into force of this Law.

### **Article 74**

Accrued and outstanding funds from the Budget of Montenegro, or the Budget of the local self-government, which have not been transferred to political entities before the entry into force of this Law, shall be paid within 30 days from entry into force of this law by the Ministry, or the local self-government authority, under procedure defined by this law.

## **Delayed implementation**

### **Article 75**

The provision of the Article 13 paragraph 4 of this Law, will be applicable from January 1<sup>st</sup>, 2021.

## **Termination of Validity**

### **Article 76**

On the day of application of this Law, the Law on Financing of Political Parties (Official Gazette of Montenegro 52/14, 76/15, 83/16 and 92/17, exclusive of the provision of the Article 11, paragraph 4, which will be applicable from January 1<sup>st</sup>, 2021, ) shall cease to be applicable.

## **Entry into Force and Implementation**

### **Article 77**

This Law shall enter into force on the eighth day from the day of its publication in the Official Gazette of.