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REGULATIONS OF PARLIAMENTARY CAMPAIGN FINANCE IN UKRAINE

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Regulations of Parliamentary Campaign Finance in Ukraine

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International Foundation for Electoral Systems



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Introduction

This report reviews current provisions in Ukrainian legislation that relates to parliamentary election campaign finance as of August 2012. Campaign finance, in this report, covers not only rules about donations, spending and formal reporting, but also regulations concerning issues such as vote buying and the use of administrative resources. Comparisons are also made to the regulatory framework in other Eastern European countries.¹

The primary campaigning actors in the legislation are political parties that have registered Member of Parliament (MP) candidates in the nationwide election district and MP candidates in single-mandate election districts (SMD). The rules often differ between these two types of actors. Through legislative changes in late 2011, the electoral system was changed from being fully proportional to electing 50 percent of the 450 MPs through a nationwide proportional representation (PR) system and 50 percent using a first-past-the-post SMD system.² Candidates nominated in the nationwide district are only allowed to campaign using money from campaign funds of the nominating political party; they are not allowed to raise their own funds or use their personal resources.

The following table highlights articles in the Law of Ukraine on Election of the People's Deputies of Ukraine relating to campaign finance that are of particular interest.

Figure 1: Key Campaign Finance Articles in the Law on Election of the People's Deputies of Ukraine

Article	Title	Issues Regulated
48	Electoral Funds of Parties and MP Candidates in Single-Mandate Election Districts	General rules regarding campaign bank accounts to be held by parties and SMD candidates
49	Managers of an Electoral Fund	The management of electoral funds, including reporting requirements
50	Formation of an Electoral Fund and Use of Its Resources	Permitted donations and usage of funds on the account
57	Declarations of Property, Income, Expenses and Financial Liabilities by MP Candidates	Submission of financial declarations together with candidate nomination
68	Forms and Means of Election Campaigning	Permitted funds to use in campaigns, state funding
69	Information Posters and Election Campaign Materials	Indirect state funding (poster production)
71	General Procedure for Using Mass Media	Equal access, free access to state media

¹ Unless otherwise stated, information about regulations in other countries is taken from the International IDEA database on political finance regulations, available at www.idea.int/political-finance.

² While only political parties can nominate lists of candidates in the nationwide districts, SMD MP candidates can be nominated by political parties or through "self-nomination" (§52.3 of the Law of Ukraine on Election of the People's Deputies of Ukraine).

72	Procedure for Using Electronic (Audiovisual) Mass Media	Equal access, free access to TV and radio
73	Procedure for Using Printed Mass Media	Equal access (not to party-owned media), free access to state newspapers
74	Restrictions on Conducting Election Campaigning	Restrictions on the use of administrative sources, gift giving and use of corporate resources

Criminal sanctions relating to campaign finance violations are included in Articles 157 and 159.1 of the Criminal Code, and sanctions against individuals making illegal donations are included in Article 212.15 of the Code of Administrative Offences. The Tax Code, the Political Parties Law and the Law on Civic Associations also have relevant provisions.³

Limits on Campaign Income

Bans on Donations

Permitted sources of campaign income are (\$50):

- The party's or candidate's own funds
- Donations from natural persons⁴

Donations from foreign citizens and those without citizenship are explicitly banned, as are anonymous donations. While not explicitly banned, donations from legal persons⁵ are presumably prohibited, as they are not included among permitted sources. This means donations from corporations, trade unions and civil society organizations (among others) are banned. Bans on corporate donations are rare in Europe (23 percent of European countries ban corporate donations to parties and 26 percent to candidates). In a recent Transparency International report, the organization concluded that, "[b]anning corporate money in political finance is one answer [to the problem of political corruption], but could be counterproductive if the result is to inhibit diversity of parties within a democracy, or drive donations under the table."⁶ Ban on trade union donations are slightly more common (33 percent of countries ban such donations to parties and 28 percent to candidates).⁷ The wording used also indicates SMD candi-

³ Unless otherwise stated, article references relate to the Law of Ukraine on Election of the People's Deputies of Ukraine.

⁴ Natural persons are defined as individuals.

⁵ Legal persons are defined as organizations, such as corporations, societies and state bodies, that are given legal personality by statute

⁶ Transparency International (2005) *Policy Position: Standards on Political Funding and Favours*. Policy position 1/2005, page 2. Accessed July 28, 2012. Available at http://www.transparency.ca/Reports/Readings/SR-P01policy_position_standards_political_funding_favours.pdf.

⁷ The Council of Europe recommends a limit or ban on donations from foreign sources as well as from entities under control of the state or which provides goods or services to the public administration. *Council of Europe Recommendation 2003(4)*, Article 5.

dates are not allowed to receive funds from political parties, even though parties are allowed to nominate SMD candidates.

However, it must be noted that, in accordance with the Political Parties Law (§15), political parties are also allowed to receive donations from sources other than those listed above that are outside of their election campaign accounts. Bans on donations to political parties outside of electoral funds are limited to state and foreign institutions, “benevolent and religious associations and organizations,” other political parties and anonymous donations. Neither the Political Parties Law nor the Law of Ukraine on Election of the People’s Deputies of Ukraine require political parties to stop receiving donations during an electoral period. Any funds in the parties’ regular accounts can then be considered “own funds,” and be transferred to parties’ electoral funds.

Similarly, financial transfers to an SMD candidate before the start of the electoral campaign from corporations (and even foreigners) are presumably allowed, and these will form part of the “own resources” from which a candidate can transfer unlimited funds to her or his election fund.

Limits on Donations

There are no global or European standards regarding donation limits, but the Council of Europe has recommended that member States “consider the possibility of introducing rules limiting the value of donations to political parties.”⁸ In Ukraine, the limit on campaign donations from eligible donors is 400 minimum monthly salaries to a political party and 20 minimum monthly salaries for SMD candidates. This is the equivalent of around USD \$50,000 and USD \$2,500, respectively, although if we take into account purchasing power parity, these limits translate into around I\$138,000 and I\$7,000,000, respectively.⁹

In comparison to other countries in Eastern Europe, these limits are high. Among countries in Figure 2 below, only Moldova and Russia have higher limits, although the exact value of the Russian limits are difficult to calculate. Note that some of the limits described below are annual, not specific to individual election campaigns.¹⁰

Figure 2: Donation Limits in Eastern European Countries

Country	Donation limit	Value in USD at PPP (I\$)
Albania	1 million ALL from legal and natural persons	I\$19,000
Belarus	Around BR 175,000 maximum donation to a Parliamentary campaign (natural person), around 500,000 (legal person)	I\$175 (natural person), I\$500 (legal person)
BiH	8 average net salaries (natural person), 15 (legal person) per calendar year	I\$8,500 (natural), I\$15,900 (legal)

⁸ *Council of Europe Recommendation 2003(4)*, Article 3bii.

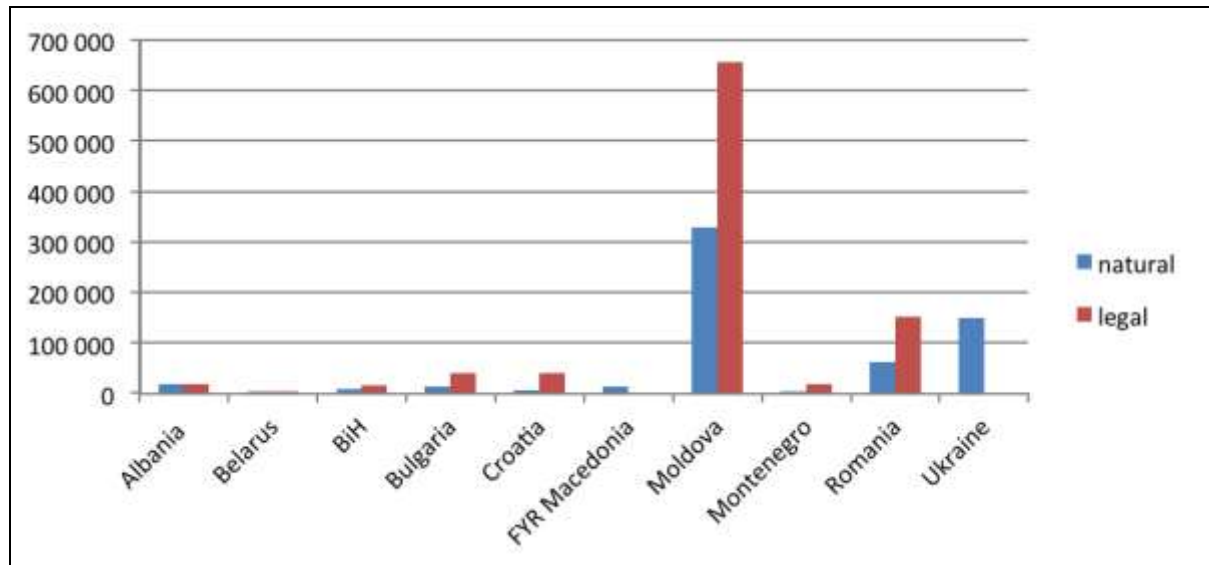
⁹ Purchasing Power Parity data taken from Alan Heston, Robert Summers and Bettina Aten, *Penn World Table Version 7.1*, Center for International Comparisons of Production, Income and Prices at the University of Pennsylvania, July 2012.

¹⁰ Data from the International IDEA political finance regulation database and from respective country evaluation reports by the Group of States Against Corruption (GRECO). The latter are available at http://www.coe.int/t/dghl/monitoring/greco/evaluations/round3/ReportsRound3_en.asp

Bulgaria	For parliamentary elections, limit is BGL 10,000 (natural person), BGL 30,000	13,000 (natural), I\$40,000 (legal)
Croatia	HRK 30,000 (natural person), 200,000 (legal person) per year	I\$6,900 (natural), I\$46,000 (legal)
FYR Macedonia	EUR 5,000 (natural persons) and 5 percent of total income preceding year (legal persons), applying equally to donations to parties and candidates	I\$13,200 (donations from natural persons to parties and candidates)
Moldova	Annual donation limit is 500 minimum salaries (natural person), 1,000 (legal person)	I\$328,000 (natural), I\$656,000 (legal)
Montenegro	EUR 2,000 (natural person), 10,000 (legal person) per year	I\$3,700 (natural), I\$18,000 (legal)
Romania	400 minimum salaries (natural person), 1,000 (legal persons) (limit applies for the year during which the election takes place)	I\$61,000 (natural), I\$152,000 (legal)
Russia	Defined in terms of percentage of total contributions	N/A

The figure below shows that, in comparison with the countries with available data, the donation limit for natural persons in Ukraine is very high (although dwarfed by that in Moldova).

Figure 3: Donation Limits in Eastern European Countries (In U.S. Dollars Purchasing Power Parity)



One of the largest loopholes in the Ukrainian system of campaign finance oversight arises from the fact that these limits do not apply to the own funds of parties and candidates. Political parties can therefore receive donations exceeding the above limits to their regular funds, and transfer these to their electoral funds as part of the parties' own funds.¹¹

Arguably, the limit of 20 minimum salaries as the maximum donation to an SMD candidate does apply during election campaigns, as long as the candidate cannot convincingly argue that funds received dur-

¹¹ The Law on Civic Associations Article 8 notes that Parliament sets limits for “special and general” donations to political parties, but this has not happened in practice.

ing the campaign was for non-campaign purposes, which would be the case for example concerning the candidates regular salary. However, the limit would not apply to any donations provided to the candidate *before* the opening of her/his electoral fund.

Another difficulty is that the law does not address the issue of in-kind donations. This is discussed further below, but it means *de facto* that there is no limit on the professional services, etc., that can be given to political parties or candidates, with some exceptions. The law bans selective discounts relating to media advertising (§71.5). However, the ban on candidates using corporate vehicles, premises and communication equipment at the place of her or his work (§74.21) could be taken to mean they are allowed to use such resources in relation to corporations where the candidate does *not* work, which would constitute in-kind donations from these corporations.

Public Funding

The Council of Europe recommends that European countries should provide public funding of political parties, as it (in the words of the Venice Commission) can function as “a potential means of preventing corruption, to support the important role played by political parties and to remove undue reliance on private donors.”¹² However, its recommendation is that this support “should be limited to reasonable contributions,” so as not to “interfere with the independence of political parties.”¹³

Direct Public Funding

There is no direct public funding of political parties in Ukraine. This is unusual; in Europe there are only six countries that currently do not use such support: Andorra, Belarus, Malta, Moldova, Switzerland and Ukraine. Out of these, Andorra and Malta both have a population of fewer than 500,000 people. In many European countries, including in Eastern Europe, political parties now receive a majority of their funding from public sources. An analysis of the Group of States against Corruption (GRECO) country evaluations show that public funds account for 80 percent or more of total party income in Croatia, Greece, Belgium, Poland, Spain and Slovakia.

Should Ukraine decide to introduce direct public funding, it should carefully consider the eligibility criteria and allocation formulas used to ensure that the support favors political pluralism without leading to fragmentation of the political party system. The most suitable system of allocation is likely to see part of the funds distributed equally and part in proportion to proven popular support. The Organization for Security and Cooperation of Europe (OSCE) has recommended that any “system for determining the proportional (or equitable) distribution of state support (whether financial or in-kind) must be objective, fair and reasonable.”¹⁴

¹² OSCE’s Office for Democratic Institutions and Human Rights (ODIHR) and Venice Commission (2010) *Guidelines on Political Party Regulation*, page 38.

¹³ Council of Europe *Recommendation 2003(4)*, Article 1.

¹⁴ OSCE/ODIHR and Venice Commission (2010) *Guidelines on Political Party Regulation*, page 38.

Indirect Public Funding

Several forms of indirect public funding are also available in Ukraine. Potentially, and the most important is equal access provided for TV, radio and newspapers, paid for by the state Budget of Ukraine (§71.3, §72.4, §73.1).

Election commissions are also responsible for producing informational posters for all political parties and SMD candidates in their respective areas (§69). For SMD candidates, each registered candidate should receive 2,000 copies of such posters, which include the candidate's biography and election program.

Space should be made available for the placement of campaign materials. Political parties are also partially tax exempt in accordance with the Tax Code, and donations to political parties, although not to election campaigns, are tax-deductible for the donor up to a certain limit.¹⁵

This indirect support is in line with European practice, as around 90 percent of European countries provide indirect support in some form. Some forms of indirect support provided in Ukraine goes beyond that in most European countries, but then there is no direct (financial) support provided to political parties in Ukraine.

Limits on Campaign Spending

The United Nations Human Rights Committee stated in its General Comment Number 25 that:

“Reasonable limitations on campaign expenditure may be justified where this is necessary to ensure that the free choice of voters is not undermined or the democratic process distorted by the disproportionate expenditure on behalf of any candidate or party. The results of genuine elections should be respected and implemented.” (Article 19)

Bans on Certain Types of Spending

The Law of Ukraine on Election of the People's Deputies of Ukraine includes significant information about what is and is not allowed in election campaigns.

Parties and candidates are not allowed to provide gifts during the election campaign. Exempted from this rule are items that bear an image related to the competitor and have a value of less than 3 percent of a minimum salary (around UAH 30 or USD \$4 or I\$10, if taking into account purchasing power parity).

¹⁵ According to the 2010 Tax Code (§157.3), parties are exempt from taxes on “funds or property obtained free of charge or in the form of grants or charity; passive income; funds or property obtained by said not-for-profit organizations from their core activities, including the provisions of paragraph 157.13 herein; subventions or subsidies from the state or local budgets, State special purpose funds or at the expense of technical or charity assistance, including humanitarian assistance, except for subsidies to regulate prices of paid services given to such not-for-profit organizations or via them to beneficiaries in line with law for the purpose of containing the prices.” Legal entities making donations to political parties and other not-for-profit organizations can deduct the amount of the donation from their taxes, as long as it does not exceed 4 percent of the entity's income during the preceding fiscal year Tax Code (§138.10.6.a).

Handing out gifts in combination with appeals to vote for a candidate or party (or the mentioning of the name of a candidate or party) is deemed “indirect bribery of voters” (§74.13).

It is also forbidden to include campaign materials in “informational television and radio programs (news reports)” (§74.16). This practice, often referred to internationally as “hidden advertising,” is commonly known in Ukraine as *jeansa*. Advertising in foreign media is also banned in election campaigns (§74.18).

Political parties and SMD candidates are otherwise permitted to incur campaign expenses from their respective electoral funds. All election materials must include the name of the person requesting the material, the establishment that produced them and the quantity produced (for printed campaign materials).

Third Party Spending

There are strict limits on campaign spending by so-called third parties (neither political parties nor candidates). Importantly, only political parties and candidates are allowed to purchase electoral advertising in broadcast media (§72.13). In addition, events such as “concerts, performances, sport competitions, demonstrations of films and television programs” and other public events in support of a political party or SMD candidate are only allowed if the cost for such arrangements are born by the electoral fund of the party or candidate in question (§68.7,8).

Actors not registered as electoral subjects are only allowed to engage in activities in which “no mention is made of parties that are electoral subjects, or MP candidates, or of any provisions of election programs” (§68.5). It is doubtful if this regulation is in compliance with the ruling of the European Court of Human Rights in the *Bowman v. United Kingdom* case.¹⁶ In this 1996 ruling, the court accepted the notion of spending limits for third parties in principle, but argued (in effect) that these limits must be proportional to limits set for political parties and candidates.

Limits on Spending

As with the issue of donation limits, there is no international consensus regarding spending limits, although the Council of Europe has recommended that “States should consider adopting measures to prevent excessive funding needs of political parties, such as, establishing limits on expenditure on electoral campaigns.”¹⁷ While most European countries do not limit the amounts that competitors can spend, most countries in Eastern Europe do apply such limitations, as is shown in the table below.¹⁸ There are no limits on campaign spending for either political parties or candidates in Ukraine.

¹⁶ The Representation of the People Act 1983 in the UK limited third-party spending to £5. Ms. Phyllis Bowman was an anti-abortionist campaigner who was charged under this law after publishing leaflets outlining the stand of various candidates on this issue. The case in the UK was dismissed on technical grounds but Ms. Bowman decided to take the case to the European Court of Human Rights. European Court of Human Rights case 141/1996/760/961.

¹⁷ Council of Europe Committee of Ministers *Recommendation 2003(4)*, Article 9.

¹⁸ Note that some countries not using quantitative spending limits do use qualitative limits such as banning or limiting certain forms of advertising.

Figure 4: Eastern and Central European Countries With and Without Spending Limits

Does have spending limits	Does not have spending limits
Albania	Estonia
Belarus (candidates only)	Serbia
Bosnia and Herzegovina	Ukraine
Bulgaria	
Croatia (candidates only)	
Latvia	
Lithuania	
FYR Macedonia	
Moldova	
Montenegro (political parties only)	
Romania	
Russia	

Using spending limits can be one way to reduce overall spending on the election campaigns, and to reduce the advantages of using the loopholes in the donation limits discussed above. However, capable and dedicated oversight is required to ensure that spending limits are adhered to. It can be argued that until effective disclosure and auditing procedures are functioning in Ukraine, the impact of spending limits is likely limited. Unless the enforcing agency is fully independent, biased enforcement of spending limits may damage political pluralism.

Abuse of Administrative Resources

Regional standards on abuse of administrative resources date back to the so-called “Copenhagen Document,” signed by the Commission on Security and Cooperation in Europe (CSCE) participating States in 1990. This document provides several rules regarding the issue, most potently the statement that there must be “a clear separation between the state and political parties; in particular, political parties will not be merged with the state.”¹⁹ More recently, OSCE has recommended that “[t]o allow for the effective regulation of the use of state resources, legislation should clearly define what is considered abuse.”²⁰ There are a number of regulations in the Law of Ukraine on Election of the People’s Deputies of Ukraine that relate to the use of administrative (state) resources in relation to election campaigns, aiming at the principle of neutrality.

The following regulations are included (§74):

- Executive bodies, state bodies of the Autonomous Republic of Crimea and of local self-government, as well as law enforcement agencies and courts are banned from participating in campaigns.
- The premises of these institutions cannot be rented for campaigning by competitors.

¹⁹ *Document of the Copenhagen Meeting of the Conference on the Human Dimension of the CSCE*. Article 5.4.

²⁰ OSCE/ODIHR and Venice Commission, *Guidelines on Political Party Regulation*, 2010. Article 208.

- Public servants and officials of the above bodies cannot participate in campaigning during working hours.
- Members of election commissions cannot participate in campaigns during their term of office.
- Campaign materials cannot be placed in the premises of the institutions mentioned above, and also not in state-owned and municipal enterprises, institutions and organizations.
- It is also prohibited to place campaign materials on public transport buildings and vehicles (presumably, this also means a ban on using the commercially available advertising spaces in train stations, etc.) as well as on cultural heritage objects.
- Candidates holding office in government institutions are banned from engaging functionaries and officials in such institutions in campaign activities.

If an election commission receives reports that a violation of the above rules have occurred, it shall “immediately address the relevant law enforcement bodies requesting that they verify the aforementioned report and respond in accordance with the Laws of Ukraine” (§74.25).

These regulations have not been entirely effective. Denys Kovryzhenko was cautious in his judgment that “...the abuse of state resources for political goals is not something rare in Ukraine.”²¹ OSCE election observation reports of the 2006 and 2007 elections also noted campaigning by public officials and the use of the state budget for indirect campaigning in favor of the incumbent.²²

Regulations Surrounding Electoral Funds

Political parties that nominate candidates in the nationwide parliamentary district and candidates in SMD districts are required to open electoral campaign bank accounts in the national currency. These accounts should be opened no later than 10 days after the nomination of candidates, and spending from the campaign account must stop the day before the election.²³ Political parties are allowed to use campaign accounts in the different districts connected to a central accumulation account.

All donations should be transferred to this account, and the transaction should include the identification of the donor (§50.4). Spending for campaigning shall only be made from these accounts (§68.7, 8).

Reporting Requirements

Reporting requirements exist for political parties after the elections and for candidates, both in SMD districts and in the nationwide district, at the time of their nomination and, for SMD candidates only, after the elections. However, the legislation contains limited information about the contents of these

²¹ Kovryzhenko (2010) page 1.

²² OSCE *Ukraine, Parliamentary Elections, March 26, 2006 Ukraine*. OSCE/ODIHR Election Observations Mission Final Report, p 13f and OSCE *Ukraine, Pre-term Parliamentary Elections, 30 September 2007*. OSCE/ODIHR Election Observation Mission Final Report, page 14.

²³ §48.1, §48.9. Any amounts remaining in the account shall be returned to the party (§50.11) or be transferred to the state budget for SMD candidates (§50.13).

reports, leaving most of the regulation to the implementing agency – the Central Election Commission (CEC).

Candidate Financial Declaration at the Time of Nomination

Parliamentary candidates have to submit a declaration including the “property, income, expenditures and financial liabilities for the year preceding the year in which the election process begins” at the time of nomination (§57.1). Failure to submit such a declaration shall lead the CEC to refuse to register the candidate (§60.1.2 and §54.1.7), though inaccuracies in this declaration cannot be grounds for such a refusal (§57.3). These reports should be made public by the CEC, apart from information of a “confidential nature,” although it is not specified what information this may relate to (§57.2).

This reporting requirement could have served to provide important transparency regarding donations to SMD candidates before the start of the election campaign, as discussed earlier, there are no qualitative or quantitative limits to donations before the candidates opens her or his electoral fund. However, since the reports submitted at the time of nomination need only include income “for the year preceding the year in which the election process begins,” any transactions taking place between the beginning of the election year and the opening of the electoral funds (January to August 2012) need not be included in the reports. Note also that the law does not specify when the CEC needs to publish these reports.

Post-election Reporting

Post-election reporting is (briefly) regulated in §49 of the Law of Ukraine on Election of the People’s Deputies of Ukraine. On July 25, 2012, the CEC adopted Resolution 123 regarding procedures for these reports.

SMD candidates – or more accurately, the manager of the SMD candidate’s electoral fund – shall submit a financial report to the CEC no later than the 10th day after voting, which should describe the “receipt and use of the resources of the electoral fund” (§49.6). Political parties – more precisely, the manager of the party accumulation account – have to submit similar reports relating to its electoral fund, although the deadline is 15 days after the election.²⁴ The CEC is required to publish political party reports, but not reports submitted by SMD candidates, on its website. There is no deadline by which the CEC is required to publish reports submitted by the political parties.

The law states that the CEC should provide forms for financial reporting no later than 80 days prior to voting. This means that these forms may be provided after the start of the official reporting period, potentially creating difficulties for those required to report. For the 2012 elections, the resolution including the forms was passed five days before the start of the official campaigns; it would be preferable for this to be done earlier in future elections.

The law assumes all donations should be through bank transfers, and all spending shall be “in cashless form” (§48.8), with all transactions passing through the competitor’s electoral fund. Reporting subse-

²⁴ Both these deadlines are in line with the OSCE recommendation that “[r]eports on campaign financing should be turned into the proper authorities within a timely deadline of no more than 30 days after the elections.” OSCE/ODIHR and Venice Commission, *Guidelines on Political Party Regulation*, 2010. Article 200.

quently relates exclusively to transactions relating to the electoral funds, and while this is a commendable approach in one sense, it completely misses the notion of *in-kind donations*. This includes items such as vehicles, office premises, professional services, etc., provided for free or at a reduced rate. It can be argued the legal provisions mean such donations are banned, but this is not a practicable solution. It would mean, for example, that an entertainer would be banned from participating in campaign events unless she or he is paid the regular rate. Also, banning in-kind donations goes against the recommendation by the OSCE/ Office for Democratic Institutions and Human Rights (ODIHR) that “[w]ith the exception of sources of funding which are banned by relevant legislation, all individuals should have the right to freely express their support of a political party of their choice through financial and in-kind contributions.”²⁵ In practice, the main impact of this lack of regulation of in-kind donations is that the financial reports submitted by political parties and candidates, even if otherwise complete, will only give a partial image of the financial flows in relation to the election campaigns.

Another difficulty with the reporting system is that any funds donated to the regular account of a political party, and subsequently transferred to the party’s electoral fund, will not be reflected in the post-election report other than as part of the “own funds” lump sum transfers. There are reporting requirements for political parties regarding their regular funds, but the regular financial reports need not be submitted to any institution, just published. It is not specified if the identity of donors should be revealed. Parties should also submit quarterly reports to tax authorities, but Denys Kovryzhenko has confirmed these should explicitly *not* include information about donors.²⁶

This means the system put in place for transparent financial donations to the electoral funds of political parties (and candidates) will fail to improve the current situation if donors decide to transfer funds to the respective political party, and there seems to be nothing hindering them from doing so.

CEC Resolution 123 provides additional information about the post-election reporting requirements for political parties and candidates and resolves some issues that are unclear in the legislation. For example, it states the financial reports should include itemized information about all expenditure (§2.5 and 6.6). It also specifies other information that should be included in the reports, including any donations that were returned to the contributor when found to be ineligible. However, the commission should, for future elections, consider providing information about the reporting requirements in more accessible formats.²⁷ Additionally, there seems to be no provision for electronic submission of the reports, which will create a significant burden on the CEC, given the hundreds of reports that will be due shortly after elections. The provided forms are also not optimal from the perspective of data capture into an electronic database, something that is advisable for the presentation of such a large amount of data.²⁸

²⁵ OSCE/ODIHR and Venice Commission, *Guidelines on Political Party Regulation*, 2010. Article 170.

²⁶ Kovryzhenko, Denys (2010) *Regulation of Political Parties in Ukraine. The Current state and Direction of Reforms*. Agency for Legislative Initiatives, Kiev, page 106.

²⁷ The guidance documents produced by the UK Electoral Commission can be seen as examples of easy-to-understand information materials on political finance reporting. See www.electoralcommission.org.uk

²⁸ See Ohman, Magnus (2011) *Using Databases to Enhance Transparency in Political Finance Disclosure*. IFES, Washington.

Review of Submitted Financial Reports

The financial reports submitted by political parties and SMD candidates after the elections shall be analyzed by the CEC. In case the commission detects any “signs of violations,” they should notify law-enforcement agencies, which will investigate in accordance with the law (§49.7).

It seems that no such analysis is anticipated for the reports submitted by candidates together with their nomination documents. In general, these regulations do not comply with the OSCE recommendation that “[t]he process for conducting such audits should be stated in relevant legislation... legislation should specify the process and procedures determining how and which party reports are selected for auditing.”²⁹

It should be noted that enforcement regulations do not vary significantly from those in use before the most recent legal changes. In relation to the previous system, GRECO noted that, “[a]ccording to the authorities, no irregularities in the use of electoral funds have so far been detected.”³⁰

Sanctions

There is a limited range of sanctions available in Ukraine in relation to campaign finance violations. For several types of violations, there seems to be no sanctions available at all. This includes the refusal by a political party or SMD candidate to submit a financial report after the elections.

There are several areas that are unclear. For example, gift giving can lead to a warning from the CEC (§61.1). While in the past it was explicitly stated that a candidate ignoring a warning and repeating such offences can have her or his nomination cancelled, this passage does not exist in the latest version of the law (§64.1.10 in the old version, cf §61.4 in the current version). It is unclear what beyond warnings can be applied in instances of repeat offences (see also §74.13).

This is different from the situation regarding media outlets. If they commit repeat offences (or a single gross offence) they can have their license suspended (§74.10).

In relation to vote buying, the Criminal Code provides for a fine of 300-500 tax-free minimum incomes (UAH 5,100-8,500 or \$ 635-1060) or imprisonment or restraint of liberty between two and three years (§157.1). Donors who break the rules on donations can be sanctioned to small fines (not more than around USD \$210) in accordance with the Code of Administrative Sanctions §212.15 However, such sanctions can only be imposed on natural persons, not, for example, on legal persons who make donations, nor on political parties who receive them. Under Article 159.1 of the Criminal Code of Ukraine, if the donor provides “significant” financial support to party or candidate (exceeding 400 minimum monthly salaries) she or he can be sanctioned by a fine of 100-300 tax-free minimum incomes (UAH 1,700-5,100 or USD \$210-635), public works up to two years, restriction of liberty up to two years or imprisonment up to 2 years. The same article provides the use of such “significant” financial support for campaigning by an MP candidate, the party’s authorized person or an MP candidate’s proxy results in

²⁹ OSCE/ODIHR and Venice Commission, *Guidelines on Political Party Regulation*, 2010. Article 214.

³⁰ GRECO (2011) *Evaluation Report on Ukraine on Transparency of Party Funding (Theme II)*. Third Evaluation Round, page 17.

the same sanctions. Article 212-15 of the Code of Administrative Offences provides liability for the receipt/provision of financial support not exceeding or equal to 400 minimum monthly salaries.

In sum, the array of sanctions available in cases of campaign finance violations in Ukraine do not comply with the recommendation of the Council of Europe that such violations should be subject to “effective, proportionate and dissuasive sanctions” (2003(4) §16). Apart from warnings, the CEC has no access to sanctioning tools; instead it must report any cases to law-enforcement agencies.

Enforcement of Sanctions

The following paragraph from the 2011 report by GRECO report is particularly worth noting:

“No cases of sanctions imposed on political parties or electoral subjects for breaching political financing regulations were reported by the authorities. They indicate that during the period 2006 to 2010, no violations concerning the formation and use of election funds or the use of funds allocated from the state budget to electoral subjects were found by the CEC or the AC [Accounting Chamber] and that no sanctions were imposed for violation of section 212-15 of the Code of Administrative Offences or section 159-1 of the Criminal Code.”³¹

The imposition of penalties is not helped by the absence of sanctions available to the enforcement agency (beyond warnings), nor by the brief statute of limitation regarding donations violating the regulations (as expressed in the Code of Administrative Offences). Such cases must be heard within two months of when the offence was committed (two months from when it was detected regarding ongoing offences). This means that any inaccurate donations detected through a review of submitted post-election reports may have passed this deadline by the time that the reports are submitted.

Recommendations for Reform

GRECO Recommendations and How These can be Implemented

In its 2011 report about political party finance in Ukraine, GRECO included nine recommendations. One of these related specifically to ongoing annual financial reports, but the other eight are relevant to parliamentary election campaigns. These recommendations, slightly abbreviated here, have comments added about how they could be implemented through legal reform and other changes.

1. To harmonize the provisions on campaign financing contained in the Law on Parliamentary Elections, the Law on Presidential Elections and the Law on Local Elections

This report is limited to the Ukrainian provisions relating to parliamentary elections. However, the GRECO report identifies several inconsistencies between the rules for ongoing party activities and different types of elections, and there is certainly a need for these to be harmonized. Key examples are the issues related to the second recommendation.

³¹ GRECO (2011) *Evaluation Report on Ukraine on Transparency of Party Funding (Theme II)*. Third Evaluation Round, page 19.

2. To find ways to ensure that transparency regulations of the election laws are not circumvented by indirect contributions to election funds, via parties' or candidates' "own funds," or by contributions which do not pass through the election funds, including funding by third parties and donations in-kind

There are several ways that this recommendation can be implemented. For political parties, these include:

- Donation bans should be the same for political party regular funds as for campaign finance donations, for example, concerning corporate donors.
- Quantitative donation limits in relation to election campaigns should be accompanied by similar annual donation limits to political parties.
- Limits can be set to the total value of "own funds" that a political party can transfer from its regular account to its electoral fund.
- Include the value of in-kind donations in the donation limits for private donors.
- Provide guidelines for the evaluation of in-kind donations and procedures for the reporting of such donations.

For candidates, the situation is more complicated. However, if candidates at the time of nomination have to report on their income not during the year preceding the election year, but instead for a 12-month period briefly before the start of nominations, the transparency of donations to candidates would increase. For example, an income report would be on their income for a 12-month period ending two weeks prior to allow for reconciliation of accounts.

3. (i) To require that in all elections the complete campaign accounts are made easily accessible to the public, within timeframes specified by law; and (ii) to explore ways of sharing campaign finance information with the public prior to the election (e.g. through interim reports)

Legislation should require the CEC to publish all received financial submissions on its website within two weeks of submission. All submitted reports should be published as they were submitted, including any errors or omissions, only excluding any information that, according to Ukrainian law, must be withheld for reasons of confidentiality (see §57.2). It is important the enforcing institution makes clear that the responsibility for any inaccuracies in the published reports lies with the submitter, and that the enforcing institution welcomes information about potential errors in these statements.

Given the length of the campaign period in the Ukraine (three months for parliamentary elections), it is reasonable to request political parties and candidates to submit an interim financial report covering the first half of the campaign period. Countries such as the UK and the U.S. – but also Armenia, Macedonia and Slovakia – require such pre-election financial reports. These reports, effectively consisting of bank statements and information about the receipt and use of in-kind donations, should be made available to the public within one week of submission.

At the moment, there is a gap in the legislation in that pre-election candidate financial reports and the post-election party reports are to be made public, but the same requirement is not mentioned for the

post-election candidate reports. While there is nothing banning the CEC from also publishing these reports, and it is hoped they will make the decision to do so for the 2012 elections to make law consistent.

4. To adopt a comprehensive and consistent legal framework for general party funding that would be in line with the transparency standards set by the election laws – promoting in particular recourse to the banking system in order to make party income more traceable

The current regulatory framework for ongoing political party finance leaves much to be desired. Political parties should be required to submit annual accounts in accordance with comprehensible guidelines, and these reports should be audited by an independent, capable institution. The reports should be made available to the public through the website of the responsible institution within one month of submission. Effective, proportionate and dissuasive sanctions should be available in relation to non-submission of reports or significant inaccuracies in such reports. As discussed, the unclear provisions regarding ongoing party finance has a detrimental effect on campaign finance transparency in Ukraine.

5. To clearly define and regulate donations – including indirect contributions such as donations in kind, to be evaluated at their market value –, loans and other permitted sources of political party funding and to ensure that membership fees are not used to circumvent the rules on donations

The current Ukrainian legislation is silent on the issue on in-kind donations. Legal reform should include a process through which such donations can be evaluated, recorded and reported accurately as part of the campaign finance declarations submitted by political parties and SMD candidates. Only then will Ukrainian legislation comply with the OSCE recommendation that “States should require political parties to keep records of all direct and in-kind contributions given to all political parties and candidates in the electoral period.”³² Membership fees should be included in the donation limits to avoid the use of excessive membership to circumvent such limits.

6. To introduce independent auditing of party and election campaign accounts by certified auditors

There are currently no requirements for regular party accounts to be reviewed in any manner, nor is there a requirement for the CEC to examine the financial declarations made by candidates at the time of their nomination. The only regulation in this regard is that post-election reports should be analyzed by the CEC. However, the provision that the commission should report “any signs of violations” to relevant law-enforcement bodies indicates that no in-depth audits are anticipated by the CEC.

Stricter provisions should be put in place that financial statements submitted by political parties and electoral candidates should be subject to audits carried out by certified auditors in accordance with Ukrainian and international auditing standards. Given the number of reports submitted, it will not be possible to audit all. The criteria for selecting which reports to audit should be clearly spelled out.³³

³² OSCE/ODIHR and Venice Commission, *Guidelines on Political Party Regulation*, 2010. Article 198.

³³ The priority criteria used by the UK Electoral Commission provide an interesting example, see http://www.electoralcommission.org.uk/_data/assets/pdf_file/0006/107097/Prioritising-Our-Regulatory-Activity-updated-May-2012.pdf

- 7. To ensure that an independent mechanism is in place for well-coordinated monitoring of the funding of political parties and election campaigns which is given the mandate, the authority, as well as the financial and personnel resources to effectively and proactively supervise such funding, to investigate alleged infringements of political financing regulations and, as appropriate, to impose sanctions**

The fact that no sanctions have yet been imposed on campaign finance violations in any Ukrainian election is a clear indication the current regulations are not being enforced. While the CEC may have the mandate, resources and financial and personnel resources needed, it has certainly not focused on “effectively and proactively” supervising campaign finance.

An open dialogue should be held, although it is unclear whether this responsibility should remain with the CEC or if another institution may be better placed to carry out these tasks. Simply moving the responsibility will, however, not lead to effective supervision.³⁴ It is crucially important that the monitoring of political party and campaign finance is carried out independently and is protected against any form of political interference.

- 8. To ensure that (i) all infringements of the existing and yet-to-be established rules on financing of political parties and election campaigns are clearly defined and made subject to an appropriate range of effective, proportionate and dissuasive sanctions; (ii) any party representatives and election candidates themselves are liable for infringements of party and campaign funding rules; and (iii) the limitation periods applicable to these offences are sufficiently long to allow the competent authorities to effectively supervise and investigate political funding**

There are some unclear provisions regarding violations and sanctions in the legislation. Legislation should, for example, specify what sanctions are to be applied if political parties or candidates ignore warnings from the CEC. It should also be considered if the implementing agency should be given the mandate to impose minor administrative sanctions (apart from the current warnings) without needing to go through law enforcement bodies. This could include smaller fines for the late submission of financial reports.

Further, the statute of limitation must be such that it is possible to initiate sanctioning cases regarding violations detected during the analysis of the post-election financial reports, even if these violations occurred during the beginning of the official campaign period. Six months should suffice for such cases, while the statutes of limitation of two years (10 years in aggravated cases) currently in existence for criminal cases is sufficient.

These recommendations were provided before the most recent legal changes to the Parliamentary Election Law. However, only recommendation three above was (partially) addressed by these changes. This was done by introducing financial reports by candidates at the time of their nomination and requiring

³⁴ In 2011, the responsibility for campaign finance oversight was moved from the respective CEC to another institution in Georgia and Serbia. In neither case can the move be seen as an unequivocal success.

that these reports and the post-election party reports (but not those by SMD candidates) be available to the public.

Additional Recommendations

- **The law should provide additional information about the required content of financial reports by political parties and candidates. Electronic submission of financial statements should be considered.**

While the detailed layout of the reporting structure should be developed by the implementing institution, the law should include more detail about the information to be included in the financial reports. This should include the issue of in-kind donations discussed earlier. To allow for the timely publication of these statements, a system for electronic submission should be considered, whereby political parties and candidates send their reports via e-mail to the implementing agency. Some countries in the region using such systems also require submission of signed hardcopies as a guarantee the submitted electronic reports have been duly submitted by the authorized persons.

- **The CEC should be required to provide reporting forms before the first date when political parties and SMD candidates are allowed to establish their electoral funds.**

The current legal provision allows for reporting forms to be issued after the start of the official campaign. Since political parties and candidates must be aware of what information to track in what format before they start their campaign, this is an unfortunate situation. Article 49.8 in the Law of Ukraine on Election of the People's Deputies of Ukraine should therefore be changed to increase the deadline of issuing these forms from 80 days to 120 days.

- **More effective activities to prevent and sanction abuse of administrative resources.**

While the legislation includes a series of bans relating to the abuse of administrative resources, the sanctions available in cases where these are violated (Criminal Code §364 and 365), are not entirely clear. They are also not enforced. The implementation of rules against the abuse of administrative resources should target senior staff who engage in such violations rather than low-level individuals who may be coerced into carrying out certain activities.

Selected Articles of the Law of Ukraine on Election of the People's Deputies of Ukraine

This unofficial translation was prepared by IFES' Ukraine Electoral Law Reform Program.

Article 48. Electoral Funds of Parties and MP Candidates in Single-Mandate Election Districts

1. A party whose MP candidates were registered in the nationwide election district, as well as an MP candidate in a single-mandate election district, shall open an electoral fund account no later than on the tenth day following the day of registration by the Central Election Commission.

The electoral fund of a party whose MP candidates were registered in a nationwide election district (hereinafter, the electoral fund of a party) shall have one accumulation account to which the funds for financing the election campaign of such electoral subject shall be transferred, as well as current accounts from which the expenditures relating to election campaigning shall be covered. Resources shall be transferred to the current accounts of a party's electoral fund exclusively from the accumulation account of its electoral fund. An accumulation account of a party's electoral fund shall be opened on the basis of a copy of the decision of the Central Election Commission on registration of the MP candidates included in the electoral list of a party. A current account of a party's electoral fund shall be opened on the basis of a banking institution's certificate on the opening of a party's accumulation account.

The electoral fund of an MP candidate in a single-mandate election district shall have one current account to which the funds for financing the election campaign shall be transferred. An accumulation account of the electoral fund shall be opened on the basis of a copy of the decision of the Central Election Commission on registration of the MP candidate in the single-mandate election district.

2. A party shall open the accumulation account of its electoral fund at a banking institution of Ukraine located in the city of Kyiv, which shall be chosen at its sole discretion. An MP candidate in a single-mandate election district shall open the current account of his or her electoral fund at a banking institution of Ukraine, which shall be chosen at his or her sole discretion, at the location of the district election commission. A party or an MP candidate in a single-mandate election district shall open the respective accounts of its/his/her electoral fund only in the national currency.

3. A party may open no more than one current account of its electoral fund in each single-mandate election district. One current account of a party's electoral fund may be used for several single-mandate election districts.

4. The procedure for opening and closing the accounts of electoral funds shall be approved no later than eighty-three days prior to the day of voting by the National Bank of Ukraine in coordination with the Central Election Commission.

5. The banking institutions' services relating to the opening and closing of the accounts of the electoral fund, as well as to the functioning thereof, shall be delivered free of charge. A banking institution shall neither accrue nor pay any interests on the funds maintained in the accounts of the electoral fund of a party.

6. No later than on the next business day following the day of opening of the accumulation or current account of the electoral fund of a party or MP candidate in a single-mandate election district, the banking institution shall notify the Central Election Commission in writing of the opening of the respective account and its details.

7. The information on the opening of the accumulation account of a party's electoral fund and their respective details shall be published a single time by the Central Election Commission in the newspapers *Holos Ukrainy* and *Uriadovyy Courier* and the information on the opening of the current account of the electoral fund of an MP candidate in a single-mandate election district and their respective details shall be published a single time by the Central Election Commission in regional or local printed mass media no later than on the fifth day following the day of the receipt of notification from the banking institution of the opening of the respective account of the electoral fund,

at the expense of the funds allocated for the preparation and conduct of the elections from the state Budget of Ukraine. Subsequent information on the details of the respective account of the electoral fund of a party or MP candidate in a single-mandate election district shall be published in printed mass media at the expense of the respective electoral fund.

8. The funds in the current accounts of the electoral fund shall be spent in a cashless form.

9. The spending of the funds from current accounts of the electoral fund shall be terminated at 18:00 on the last day prior to the day of voting.

10. Should a repeat election be called in a single-mandate election district, the spending of the funds from the electoral funds of MP candidates included on the ballot for the repeat election shall be renewed from the day of the adoption of the decision calling the repeat election.

11. Seizure of the funds in the accounts of an electoral fund shall not be allowed.

12. Closing of the accounts or termination of transactions in the accounts of the electoral fund before the deadline specified in Part nine of this Article shall not be allowed.

Article 49. Managers of an Electoral Fund

1. A party shall, from among the candidates included in its electoral list or from among its authorized persons in a nationwide election district specified in Part five of Article 75 of this Law, appoint no more than two managers of the accumulation account of the party's electoral fund. An MP candidate in a single-mandate election district may be the manager of the current account of his or her own electoral fund, or may appoint no more than one manager from among his or her proxies. The managers of the accumulation account of a party's electoral fund shall have the exclusive right to use the funds in the accumulation account of the electoral fund of a party, while the manager of the current account of the electoral fund of an MP candidate in a single-mandate election district shall have the exclusive right to use the funds in the current account of the electoral fund of the respective MP candidate.

2. A party shall, from among the candidates included in its electoral list or from among its authorized persons in the respective single-mandate district, appoint one manager for each current account of the party's electoral fund, who shall have the exclusive right to use the funds in the respective current account of the party's electoral fund.

3. The managers of the accumulation account of the electoral fund of a party shall keep the records of the receipt and distribution of the resources of the electoral fund between the current accounts. The manager of the current accounts of an electoral fund shall ensure observance of financial discipline, as well as purposeful use of the resources of the electoral fund.

4. A banking institution at which the accumulation or current account of an electoral fund has been opened shall, on a weekly basis or upon request of the manager of the resources of the respective electoral fund, provide the latter with information on the amounts and sources of donations transferred to the accounts of the electoral fund, as well as with information on the flow of resources and on the remaining resources.

5. The manager of the current account of an electoral fund shall keep records of the use of the funds in the respective current account of the electoral fund.

No later than on the seventh day following the day of voting, the manager of the current account of a party's electoral fund shall submit to the manager of the accumulation account of the party's electoral fund a financial report on the use of resources in the respective current account of the electoral fund.

6. The manager of the accumulation account of a party's electoral fund shall, no later than on the 15th day following the day of voting, submit to the Central Election Commission a financial report on the receipt and use of the resources of the electoral fund, which shall be made public on the official website of the Central Election Commission.

The manager of the current account of the electoral fund of an MP candidate in a single-mandate district shall, no later than on the 10th day following the day of voting, submit to the Central Election Commission a financial report on the receipt and use of the resources of the electoral fund.

7. The financial reports shall be analyzed by the Central Election Commission. Should any signs of violations of the requirements of this Law be discovered in the course of the analysis of the financial reports, the Central Election Commission shall report this fact to the relevant law-enforcement bodies, which shall hold an inquiry and react in accordance with the law.

8. The forms of the financial reports specified in Parts five and six of this Article shall be approved by the Central Election Commission no later than 80 days prior to the day of voting.

Article 50. Formation of an Electoral Fund and Use of Its Resources

1. The electoral fund of a party shall be formed from the party's own resources, as well as voluntary donations from natural persons.

The electoral fund of an MP candidate in a single-mandate election district shall be formed from his or her own resources, as well as voluntary donations from natural persons (hereinafter, "voluntary donations").

2. A voluntary donation to the electoral fund of one party shall not exceed four hundred minimum salaries, while a voluntary donation to the electoral fund of an MP candidate in a single-mandate election district shall not exceed twenty minimum salaries. There shall be no limit on the amount or number of transfers that parties or MP candidates in single-mandate election districts may make to their own electoral funds from their own resources.

3. Voluntary donations to the electoral fund shall not be made by:

- 1) Foreign citizens and individuals without citizenship
- 2) Anonymous donors (without indicating in the payment document the information specified by Part four of this Article)

4. A voluntary donation to an electoral fund in an amount not exceeding the limit established in Part two of this Article shall be accepted by a banking institution or a post office on condition of submission by the citizen of one of the documents specified in clauses 1 or 2 of Part three of Article 2 of this Law. The payment document shall necessarily contain the last name, first name, patronymic, date of birth, place and address of residence of the individual.

5. A voluntary donation shall be transferred by a banking institution or a post office to the accumulation account of the electoral fund of a party or to the current account of an MP candidate in a single-mandate election district no later than on the next business day following the day of the receipt of the respective payment document. The overall term for cashless transfer of the contribution to the respective account of the electoral fund shall not exceed two banking days.

6. The manager of the respective account of the electoral fund may refuse to accept a voluntary donation made by an individual, submitting an application to that effect to the banking institution in which the respective account of the electoral fund has been opened. Such voluntary donation shall be returned to the individual at the expense of his or her voluntary donation or, if such return is impossible, shall be transferred to the state Budget of Ukraine.

7. The manager of the respective electoral fund account shall reject a donation from a natural person who under this Law has no right to make a voluntary donation, within three days following the day when the manager becomes aware thereof. Based on the manager's application rejecting the donation for such a reason, the banking institution in which the respective account of the electoral fund has been opened shall transfer such voluntary donation to the state Budget of Ukraine.

8. A banking institution in which the accumulation account of a party's electoral fund has been opened shall transfer the funds from the accumulation account to the current accounts of the same electoral fund on the basis of an application by the manager of the accumulation account of the electoral fund.

9. Control of the receipt, accounting, and use of the funds of the electoral funds shall be exercised on a selective basis by the Central Election Commission in accordance with the procedures approved by the Central Election Commission jointly with the National Bank of Ukraine and a specially authorized central executive body in the area of telecommunications no later than 83 days prior to the day of voting.

10. No later than on the fifth day following the day of voting, the banking institution in which a current account of an electoral fund has been opened shall transfer the funds not used by the party to the accumulation account of the respective electoral fund.

11. Based on a decision of the governing body of a party, which shall be adopted within 10 days after the day of the official promulgation of the election results, the resources of the party's electoral fund that have not been used by the party shall be transferred from the accumulation account of the party's electoral fund to the party's current banking account within five days from the receipt of the party's respective decision by the banking institution. Should a party fail to adopt such a decision within that period, the unused funds of the party's electoral fund shall be transferred by the banking institution to the state Budget of Ukraine on the 15th day following the day of the official promulgation of the election results by the Central Election Commission.

12. Donations transferred to the accumulation account of a party's electoral fund later than one day prior to the day of voting shall be returned by the banking institution to the respective natural person at the expense of his or her voluntary donation or, if such return is impossible, shall be transferred to the state Budget of Ukraine.

13. Within three days of the official promulgation of the election results in a single-mandate election district, the resources of an electoral fund of an MP candidate in a single-mandate election district that have not been used by him or her shall be transferred by the banking institution to the state Budget of Ukraine.

14. In case of cancellation of the decision on the registration of an MP candidate in a single-mandate election district, any resources remaining in his or her electoral fund shall be transferred to the state Budget of Ukraine on the eighth day following the day of the publication of the respective decision.

15. Donations transferred to an electoral fund after the day of voting (or, if the MP candidate was included in the ballot paper for a repeat voting, after the day of the repeat voting) shall be returned by the banking institution to the respective natural person at the expense of his or her voluntary donation or, if such return is impossible, shall be transferred to the state Budget of Ukraine.

...

Article 57. Declarations of Property, Income, Expenses and Financial Liabilities by MP Candidates

1. A statement of property, income, expenditures and financial liabilities for the year preceding the year in which the election process begins shall be submitted by each MP candidate in the form specified by the Law of Ukraine On the Principles of Preventing and Combating Corruption in Ukraine.

2. After the registration of an MP candidate, information included in his or her statement shall be made public on the official website of the Central Election Commission, except for information of a confidential nature.

3. Errors and inaccuracies detected in the submitted statement shall be subject to correction and shall not be a reason for refusing to register the MP candidate.

...

Article 61. Warnings and Cancellation of Registration of MP Candidate(s)

1. The Central Election Commission may adopt a decision to issue a warning to a party whose MP candidates are included in the party's electoral list or to an individual MP candidate.

2. A warning shall be issued if:

- 1) A court has established, in the course of consideration of an election-related dispute pursuant to the procedure prescribed by the law, that an MP candidate, a party that has nominated MP candidates, a party's representative, authorized person, or official, an MP candidate's proxy, or any other person acting on behalf of an MP candidate or a party that is an electoral subject has bribed voters or members of election commissions

2) A court has established, in the course of consideration of an election-related dispute pursuant to the procedure prescribed by the law, the fact of indirect bribery during the election process – money handouts or distribution for free or on preferential terms of commodities (except items bearing the visual images of the name, symbol, or flag of a party, provided that the value of such items does not exceed three percent of the minimum salary), works, services, securities, loans, lottery tickets, or other material benefits to the voters, establishments, institutions, organizations, or members of election commissions by an organization whose founder, owner, or administrative body member is an MP candidate, a party that has nominated MP candidates, or an official of that party

3) A court has established, in the course of consideration of an election-related dispute pursuant to the procedure prescribed by law, that an MP candidate or a party has used resources other than their electoral fund to finance their election campaign

4) A court has established, in the course the consideration of an election-related dispute pursuant to the procedure prescribed by law, that an MP candidate holding a position (or more than one position) in a state executive body, a state body of the Autonomous Republic of Crimea, or a local self-government body, state or municipal enterprise, institution, establishment or organization, in military formations established according to the Laws of Ukraine, has used for the purpose of his or her election campaigning his or her subordinates, office transport, communication, equipment, premises, or other objects or resources at his or her place of employment (abuse of office)

5) A party or an MP candidate has violated restrictions related to election campaigning, including campaigning after midnight of the last Friday prior to the day of voting

3. A warning specified in Part one of this Article shall be published by the Central Election Commission in nationwide printed mass media and on the official website of the Central Election Commission.

...

Article 68. Forms and Means of Election Campaigning

1. Election campaigning shall mean carrying out any activity aimed at encouraging the voters to vote or not to vote for a particular MP candidate or party that is an electoral subject. Election campaigning may be performed by any means that do not contradict the Constitution of Ukraine and the Laws of Ukraine.

2. Election campaigning may be conducted in the following forms:

1) Holding meetings with citizens, other meetings with voters

2) Holding rallies, marches, demonstrations, picketing

3) Holding public debates, discussions, round tables, press conferences pertaining to provisions of the election programs and the political activities of the parties that are electoral subjects or the political activities of the MP candidates

4) Making public political advertisements, speeches, interviews, essays, video films, audio and video clips, other publications and notices in printed and audiovisual (electronic) mass media

5) Distributing election leaflets, posters and other printed campaigning materials or printed publications containing election campaigning materials

- 6) Placing printed campaigning materials or political advertisements on outdoor advertising media
- 7) Holding concerts, performances, sport competitions, showing films and television programs, or [staging] other public events with the support of a party that is an electoral subject or of an MP candidate, as well as making public the information on such support
- 8) Public appeals to vote or not to vote for a party that is an electoral subject or for an MP candidate, as well as public assessments of the activities of such parties or MP candidates
- 9) Other forms that do not contradict the Constitution of Ukraine and the Laws of Ukraine

3. Political advertising shall mean the placement or dissemination of election campaigning materials through advertising means. Political advertising shall also include the use of symbols or logos of parties that are electoral subjects, as well as announcements that a party which is an electoral subject or an MP candidate supports entertainment or other public events, or attracting public attention to participation of a party that is an electoral subject or a particular MP candidate in such events. Advertising for printed publications (newspapers, magazines, books) or other commodities or services involving the use of the last names or images (portraits) of MP candidates, names or symbols of parties that are electoral subjects shall also be deemed to be political advertising.

4. Official reports during the election campaign on actions taken by MP candidates holding positions in state executive bodies, state bodies of the Autonomous Republic of Crimea, or local self-government bodies, in connection with performance of their official (service) duties provided for by the Constitution of Ukraine or the Laws of Ukraine, shall not be deemed to be election campaigning if these reports are produced in accordance with the procedure prescribed by the *Law on the Procedure for Media Coverage of the Activities of state Executive Bodies and Bodies of Local Self-Government in Ukraine*. Such official reports must not contain any comments of a campaigning nature, video or audio recordings, or photographic illustrations of the activities of the aforementioned persons as MP candidates.

5. Activities specified in clauses 1 – 7 and 9 of Part two of this Article that are carried out by a party that is not an electoral subject with the intention of promoting its own activity or explaining its position shall not be deemed to be election campaigning if, in the course of such activities, no mention is made of parties that are electoral subjects, of MP candidates, or of any provisions of election programs.

6. Election campaigning shall be paid for from the resources of the state Budget of Ukraine allocated for support for election campaigning in accordance with this Law and from the electoral funds of parties and MP candidates in single-mandate election districts. MP candidates registered in the nationwide election district may carry out election campaigning only at the expense of the resources of the electoral fund of the party that nominated them. The use of those MP candidates' own funds or funds derived from other sources to carry out election campaigning, including on the voters' initiative, shall be prohibited.

7. Parties that have registered MP candidate(s) in the nationwide election district shall be provided with space in printed mass media with due observance of the principle of equal opportunities.

A party that has registered MP candidate(s) in the nationwide election district shall finance the events and materials of its election campaign, and any political advertising in its support, out of the funds of its own electoral fund.

Support by a party that has registered MP candidate(s) in the nationwide election district, on its own behalf, for concerts, performances, sport competitions, demonstration of films and television programs, or other public

events, and also the staging of the aforementioned public events in support of a party that has registered candidates in the nationwide district, shall be allowed only if such events are paid for out of the party's electoral fund.

8. MP candidates in single-mandate election districts shall be provided with space in printed mass media with due observance of the principle of equal opportunities.

An MP candidate in a single-mandate election district shall finance the events and materials of his or her election campaign, as well as any political advertising in his or her support, out of the MP candidate's own electoral fund.

Support by an MP candidate in a single-mandate election district for concerts, performances, sport competitions, demonstration of films and television programs, or other public events, and also the staging of the aforementioned events in support of an MP candidate, shall be allowed only if such events are paid for out of the MP candidate's own electoral fund.

9. Parties that have registered MP candidates in the nationwide election district and MP candidates in single-mandate election districts shall have the right to rent buildings and premises of all forms of ownership for the holding of meetings, rallies, debates, discussions, or other public events of election campaigning, on a contract basis, at the expense of their respective electoral funds.

10. If a building (premises) of any form of its ownership is provided on a contract basis to a party that has registered candidates in the nationwide election district, or to MP candidate in a single-mandate election district, for the holding of a pre-election public event or election campaign event, the owner (proprietor, user) of this building (premises) shall not refuse to allow any other party that has registered candidates in the nationwide district or an MP candidate in a single-mandate district to use the same building (premises) on the same terms. The aforementioned requirement shall not apply to premises owned or permanently used by a party that has registered candidates in the nationwide election district or to an MP candidate in a single-mandate election district.

state or municipally-owned buildings (premises) shall be provided for holding a pre-election public event or for election campaigning on a non-competitive basis.

12. No later than 80 days prior to the day of voting, local executive bodies and bodies of local self-government shall set up stands and public bulletin boards in places allocated for the placement of election campaign materials of parties that have registered MP candidates in the nationwide election district and MP candidates in the single-mandate election district, with due observance of the principle of equal opportunities.

Article 69. Information Posters and Election Campaign Materials

1. The Central Election Commission shall provide, at the expense of the funds of the state Budget of Ukraine allocated for the preparation and holding of the parliamentary election, no later than thirty-five days prior to the day of the election, for the production of information posters of the parties that have registered MP candidates in the nationwide election district. These posters must present the parties' election programs (containing no more than 7,800 printed characters) that they submitted at the point of registration of their MP candidates, the party's electoral list with indication of the last name, first name, patronymic, year of birth, position (occupation), place of employment and of residence, and party membership of the MP candidates it includes, as well as the photographs of the first five MP candidates. The form, size, and printing design of the information posters shall be established by the Central Election Commission.

The Central Election Commission shall coordinate the approval of the text and printing design of an information poster with the party's representative to the Central Election Commission.

2. A district election commission shall provide, at the expense of the funds of the state Budget of Ukraine allocated for the preparation and holding of the parliamentary election, no later than thirty-five days prior to the day of the election, for the production of information posters that were agreed upon with the MP candidates registered in the single-member districts, on the basis of two thousand copies per each MP candidate. The posters shall include the MP

candidate's biography, election program (containing no more than 3,900 printed characters) submitted by him or her at the point of registration, and photograph.

3. The Central Election Commission shall provide for the production of equal numbers of parties' information posters, on the basis of no less than two copies of each poster per each election precinct. The produced parties' information posters shall be delivered, in accordance with the procedure established by the Central Election Commission, to the respective election commissions.

4. The information posters shall be delivered to the respective election commissions no later than twenty days prior to the day of the election.

5. A party that has registered MP candidates in the nationwide election district, or an MP candidate registered in a single-member district, can, at its/his/her own discretion, produce election campaign materials at the expense and within the limits of the resources of the electoral fund. A party may produce printed matter for its election campaigning using equipment that it owns. Information included in these materials must comply with the requirements of the law.

6. A party that has registered MP candidates in the nationwide election district, or an MP candidate registered in a single-member district, shall submit to the Central Election Commission one copy of each printed election campaign matter produced at the expense of the party's electoral fund and using equipment that it owns, or, accordingly, produced at the expense of the MP candidate's electoral fund, no later than five days from the day of its production.

7. Printed election campaign matter shall contain information on the person or party ordering the publication of these materials, the printing entity, or an indication that the printing was done using equipment owned by the party, the number of copies, and information on the persons responsible for the publication.

8. Local executive bodies and local self-government bodies shall, no later than one hundred days prior to the day of the election, allocate areas in populous places for the placement of election campaign materials.

...

Article 71. General Procedure for Using Mass Media

1. Election campaigning through mass media of all forms of ownership shall be conducted with due observance of the principle of equal opportunities and under the procedure prescribed by this Law.

2. Election campaigning through mass media, including political advertisements, shall be conducted in forms and with observance of requirements and restrictions prescribed by this Article and Articles 68, 70, and 72 – 74 of this Law.

3. A party that has registered MP candidates in the nationwide election district, as well as an MP candidate in a single-mandate election district, shall have the right to use state-owned and municipal mass media on conditions provided for by this Law.

4. The Central Election Commission shall approve the procedures for providing air time and printed space at the expense of the funds of the state Budget of Ukraine allocated for support for election campaigning in accordance with this Law to parties that have registered MP candidates in the nationwide election district and to MP candidates no later than 80 days prior to the day of voting.

5. Election campaigning through mass media of all forms of ownership paid for out of the electoral funds of parties and MP candidates in single-mandate election districts shall be conducted on conditions of equal pay for a unit of air time or printed space.

6. Each mass media organization shall set the price per unit of printed space or air time to be used for election campaigning at the expense of election funds no later than one hundred days prior to the day of voting; the price shall not exceed the average price charged for commercial advertising (advertising which is disseminated with the purpose of generating profit) during the first three quarters of the year preceding the year of the election. Moreover, mass media shall be entitled to calculate separate rates per unit of printed space or air time for business days and days off and holidays as well as for periods of air time or printed space types differing in the size of the potential audience.

7. Mass media organizations registered after March 1 of the year preceding the year of a regular election of people's deputies of Ukraine shall set the prices per unit of printed space or air time on the basis of data collected over the entire period of their functioning, in accordance with the procedure provided for by Part six of this Article. The price rates established by such mass media shall not exceed the price rates applied, respectively, by newspaper *Holos Ukrainy* (for printed mass media) or by the National Television Company of Ukraine and the National Radio Company of Ukraine (for television and radio broadcasting entities).

8. Prices per unit of printed space and air time for conducting election campaigning shall not be changed during the election process. A media organization shall not be allowed to grant discounts, or introduce extra charges, to parties that have registered MP candidates in the nationwide election district or to MP candidates in single-mandate districts.

9. A mass media organization that has provided air time or printed space for election campaigning for a party that has registered MP candidates in the nationwide district or to an MP candidate shall not refuse to provide air time or printed space on the same terms to another party that has registered MP candidates in the nationwide district or an MP candidate. A mass media organization may refuse to provide air time or printed space to a party or MP candidate if the materials provided for distribution fail to comply with the requirements of Parts five or nine of Article 74 of this Law.

10. When making public the results of public opinion poll related to the election of MPs, mass media shall indicate the person or entity that commissioned the poll, the full name of the organization that conducted the poll, the time when the poll was conducted, the territory covered by the poll, the size and method of sampling, the polling method, the exact wording of the questions, and the possible statistical error.

11. The requirements prescribed by Parts five – nine of this Article shall not apply to printed mass media organizations founded (owned) by the parties that have registered MP candidates in the nationwide election district or by MP candidates in single-mandate election districts, as regards their own election campaigning.

Article 72. Procedure for Using Electronic (Audiovisual) Mass Media

1. No later than ninety days prior to the day of voting, television and radio broadcasting entities of all forms of ownership shall publish in the printed mass media their rates per one minute (second) of air time. Television and

radio broadcasting entities broadcasting on the nationwide channels shall publish such rates in the newspapers *Holos Ukrainy* and *Uriadovyy Courier*, while regional and local television and radio broadcasting entities shall publish their rates in the respective regional and local state-owned or municipal printed mass media.

2. Air time for conducting election campaigning shall be provided at the expense and within the limits of the funds of the state Budget of Ukraine allocated for preparation and conduct of the election, by the state-owned and municipal television and radio broadcasting entities between 19:00 and 22:00.

3. The broadcasting time (broadcasting schedule) of television and radio broadcasting entities that have licenses issued by the National Television and Radio Broadcasting Council of Ukraine for the right to use the nationwide broadcasting channels shall be adjusted (without changing the broadcasting volume) having regard to the time of broadcasting of the election campaigning programs at the expense of the funds of the state Budget of Ukraine allocated for preparation and conduct of the election, during the election process, so as to provide the regional state-owned and municipal television and radio broadcasting organizations with opportunities to broadcast such programs in respective regions.

4. Television and radio broadcasting entities shall provide each party that is an electoral subject with air time for election campaigning at the expense and within the limits of the funds of the state Budget of Ukraine allocated for the preparation and holding of the election, totaling no less than 60 minutes on a nationwide television channel and 60 minutes on a nationwide radio channel, and also 20 minutes for each one on the regional television channels and 20 minutes for each one on the regional radio channels in each of the regions. MP candidates registered in a single-member district shall each be provided with 20 minutes on the respective regional television channels and 20 minutes on the regional radio channels. The above time shall be provided to a party on each of the aforementioned channels in two equal parts of the total allocated time.

5. The preliminary air time schedule for broadcasting election campaign television/radio programs, with indication of the date and time of their broadcasting (without indicating specific participants in the programs), shall be compiled by state-owned or municipal nationwide and regional television and radio entities with which agreements have been concluded for the distribution, during the election process, of parties' campaign materials at the expense and within the limits of the funds of the state Budget of Ukraine allocated for the preparation and holding of the election. Such schedule shall be forwarded to the Central Election Commission not later than fifty-seven days prior to the day of the election.

6. The sequence in which the parties that are electoral subjects and the MP candidates registered in a single-member district will be provided with broadcasting time on radio and television within the framework of the schedule mentioned in part five of this Article shall be determined not later than fifty-three days prior to the day of the election by means of drawing of lots conducted by the Central Election Commission, with the participation of the parties' representatives to the Central Election Commission, the MP candidates registered in the single-member district, or authorized persons of the parties or proxies of the MP candidates registered in the single-member district.

7. The results of the drawing of lots conducted in accordance with part six of this Article and the air time schedule compiled on its basis, with indication of the election campaign television/radio programs and the specific date and time of their broadcasting at the expense of the funds of the state Budget of Ukraine allocated for the preparation and holding of the election, shall be published, accordingly, in the newspapers *Holos Ukrainy* and *Uriadovyy Courier*, local state-owned or municipal printed mass media, within three days from the day of their approval by the Central Election Commission.

8. Payment for the air time provided to a party or an MP candidate registered in a single-member district shall be made by the Central Election Commission in accordance with the cost sheets approved by them, within the limits of the funds of the state Budget of Ukraine allocated for the preparation and holding of the election, and on the basis of agreements concluded between the Central Election Commission and the National Television Company of Ukraine, the National Radio Company of Ukraine, or a regional state-owned or municipal television or radio entity.

9. Within 20 minutes before and after a television/radio broadcast of a party's election campaign television/radio program, it shall be prohibited to comment on or evaluate in any form on the same broadcasting channel the content of the election campaign program or the actions of the party or of the MP candidates.

10. Election campaign programming shall be broadcast on the basis of an agreement concluded on behalf of a party, or an MP candidate in a single-mandate election district, between the manager of the current account of the respective electoral fund and the editorial board (publisher) of a printed media organization. Unless such an agreement is concluded and the fee for the airtime is paid to the account of the television and radio broadcasting organization, the provision of such airtime shall be prohibited.

11. Television and radio broadcasting entities shall make audio and video recordings of all programs containing election campaigning, and shall store such recordings for thirty days following the day of official promulgation of the election results.

12. Upon receipt of inquiries in writing from the Central Election Commission or National Television and Radio Broadcasting Council of Ukraine, television and radio broadcasting entities of all forms of ownership shall submit all information on the allocation of air time to a party or an MP candidate in a single-mandate election district for election campaigning and, if required, provide copies of the respective agreements, payment documents and programs recorded on tape or other information carriers.

13. During the election process, only the parties that have registered MP candidates in the nationwide election district and MP candidates in single-mandate election districts shall be entitled to be customers of political advertising to be aired by television and radio broadcasting entities. During the broadcast of a political advertisement, the broadcaster shall indicate the full name (or last name, first name and patronymic) of the customer in the form of a text message covering no less than fifteen percent of the screen area that shall be made in a color contrasting the background and shall be easily perceptible to the viewer.

Article 73. Procedure for Using Printed Mass Media

1. A party that has registered MP candidates in the nationwide district shall have the right to publish, at the expense and within the limits of the funds of the state Budget of Ukraine allocated for the preparation and holding of the election, in a printed format common to all of the parties, in the newspapers *Holos Ukrainy* and *Uriadovyy Courier*, as well as in one of the regional (local) state-owned or municipal printed mass media of each of the regions, its election program containing no more than seven thousand eight hundred printed characters. An MP candidate registered in a single-member district shall have the right to publish, at the expense and within the limits of the funds of the state Budget of Ukraine allocated for the preparation and holding of the election, in a printed format common to all of the MP candidates, in one of the regional (local) state-owned or municipal printed mass media, his or her election program containing no more than 3,900 printed characters.

Agreements with the editorial staffs of the above mass media organizations on the publication of the aforementioned materials shall be concluded, accordingly, by the Central Election Commission.

2. The editorial staffs of the newspapers *Holos Ukrainy* and *Uriadovyy Courier*, as well as the editorial staffs of the regional state-owned printed mass media with which agreements have been concluded on the publication of the election programs of the parties that are electoral subjects and of the MP candidates registered in a single-member district, shall notify these election commissions, not later than 55 days prior to the day of the parliamentary election, of the specific publication dates of the issues of the periodicals presenting the programs, with indication of the place where these programs will be posted in each of the issues (numbers of columns).
3. The sequence in which the election programs will be published, at the expense of the funds of the state Budget of Ukraine allocated for the preparation and holding of the election, in the mass media specified by Part one of this Article shall be established not later than 53 days prior to the day of the election by the Central Election Commission, by way of drawing lots, with the participation of, respectively, the parties' representatives to the Central Election Commission or authorized persons of parties, MP candidates, proxies of candidates in the respective single-mandate election district.
4. The results of the drawing of lots determining the sequence of publication of parties' (candidates') election programs shall be published, respectively, in the newspapers *Holos Ukrainy* and *Uriadovyy Courier* or in the regional (local) state-owned or municipal printed mass media within three days after their approval by the Central Election Commission.
5. Printed mass media of all forms of ownership shall publish, not later than 90 days prior to the day of voting, their prices per unit of printed space. Nationwide printed mass media shall publish that information in the newspapers *Holos Ukrainy* and *Uriadovyy Courier*; regional and local ones, in the respective regional and local state-owned or municipal printed mass media.
6. Parties that have registered MP candidates in the nationwide election district and MP candidates in single-mandate election districts may publish, at the expense of funds of their electoral funds, election campaigning materials in printed mass media of any forms of ownership that are published in Ukraine, except mass media specified in Part 18 of Article 74 of this Law.
7. Election campaign materials specified in Part six of this Article shall be published on the basis of an agreement concluded on behalf of a party that has registered MP candidates in the nationwide district, or an MP candidate in a single-mandate election district, between the manager of the current account of the respective electoral fund of the party or the MP candidate and the editorial board (publisher) of a printed media organization. Unless such an agreement is concluded and the fee for the publishing is paid to the account of the editorial board (publisher) of the printed media organization, publication of such materials shall be prohibited. This requirement shall not apply to media organizations the founder (owner) of which is a party that has registered MP candidates in the nationwide election district or an MP candidate in a single-mandate election district, as regards their own election campaigning.
8. Upon receipt of an inquiry in writing from the Central Election Commission or district election commissions, the editorial boards (publishers) of printed media organizations of all forms of ownership shall submit all information on the use of printed space for placing campaign materials and, if necessary, send them copies of respective agreements, payment documents, as well as the respective publications.

Article 74. Restrictions on Conducting Election Campaigning

1. Participation in election campaigning shall be prohibited to:

- 1) Foreigners and persons without citizenship, in particular through journalistic activities or in the form of participation in concerts, performances, sport competitions, and other public events conducted in support of a party that is an electoral subject or an MP candidate
- 2) Executive bodies, state bodies of the Autonomous Republic of Crimea, and bodies of local self-government, law enforcement agencies and courts
- 3) Public servants and officials of the bodies specified in clause 2 of this Part, during their working hours, unless the public servant or official is an MP candidate
- 4) Members of election commissions during their term of office in the respective election commissions

2. Election campaigning in military units (commands), penitentiary institutions, and pretrial detention centers shall be restricted. Visiting the military units (commands), penitentiary institutions, and pretrial detention centers by MP candidates, their proxies, or the parties' authorized persons shall be prohibited. Meetings of these persons with the voters shall be organized by the respective district election commission jointly with the military unit (command) commander or with the head of the penitentiary institution or pretrial detention center, with mandatory notification of all the authorized persons of the parties and MP candidates in the single-mandate district or their proxies in the respective single-mandate district no later than three days prior to the meeting.

3. The use of premises of state executive bodies, state bodies of the Autonomous Republic of Crimea, and bodies of local self-government for conducting election campaigning at the expense of the funds of the electoral funds of parties or MP candidates in a single-mandate election district shall be prohibited.

4. Placing election campaigning materials and political advertisements on the buildings and in the premises of state executive bodies, state bodies of the Autonomous Republic of Crimea, and bodies of local self-government, state-owned and municipal enterprises, institutions and organizations shall be prohibited.

5. It shall be prohibited to disseminate in any form any materials containing appeals to terminate the independence of Ukraine, change its constitutional order by violence, infringe upon the sovereignty or territorial integrity of the state, undermine its security, illegally seize state power; advocating war and violence; inciting inter-ethnic, racial, national, or religious hostility; or encroaching on human rights and freedoms or on the health of the population.

6. During the election process, media organizations, functionaries and officials and creative employees thereof shall be prohibited from appealing, in their materials and programs other than those based on agreements concluded in compliance with the requirements of Parts five and ten of Article 72 or Parts two and seven of Article 73 of this Law, to vote or not to vote for parties or MP candidates; disseminating information that bears signs of political advertising free of charge or which has been paid for from sources not specified by the law; and disseminating information with the purpose of encouraging voters to vote for or not to vote for a particular electoral subject. In the course of the election process, authors and hosts of television and radio programs registered as MP candidates shall be also prohibited from conducting their election campaigning in television or radio programs.

7. It shall be prohibited to place political advertisements in the same bloc with commercial or social advertisements.

8. It shall be prohibited to place political advertising carriers on the external surface and inside public transportation vehicles, including taxis; to place political advertisements in the premises and on the buildings of subway stations, bus and railway stations, ports and airports; and also to distribute election campaigning materials, including political advertisements, through television and radio broadcasting networks or other passenger information networks or information panels in the premises of subway stations and inside subway cars, bus and railway stations, ports and airports, as well as inside public transportation vehicles.

9. It shall be prohibited to spread deliberately false or libelous information about a party that is an electoral subject or about an MP candidate if its false or libelous nature has been established by a court.

10. If a court establishes, while hearing an election dispute, that a mass media organization has violated the requirements of this Law more than once or has violated them once, but grossly, the court shall pass a decision temporarily (till the end of the election process) suspending the license or imposing a temporary ban on the publication of the periodical.

11. The National Television and Radio Broadcasting Council of Ukraine shall, by its decision, stop the broadcasting in the territory of Ukraine, in particular by telecommunication operators, of foreign television channels whose activities violate the legal provision prohibiting citizens of foreign countries and persons without citizenship from conducting election campaigning through journalistic activities, or whose programs contain appeals to terminate the independence of Ukraine, change its constitutional order by violence, infringe upon the sovereignty or territorial integrity of the state, undermine its security, illegally seize state power; advocate war and violence; incite inter-ethnic, racial, national, or religious hostility; or encroach on human rights and freedoms or on the health of the population.

12. Parties that are electoral subjects and MP candidates shall have the right to address a media organization that has made public information which the party or the candidate considers to be false, demanding that their response be published. The media organization that made public the respective material shall, no later than three days after receiving the demand for response, but no later than on the last day prior to the day of voting, provide the party or the MP candidate affected by the disseminated false information with an opportunity to make public a response, by providing the same amount of air time, respectively, on television or radio, or by publishing in the printed mass medium the material provided by the party or MP candidate, which must be printed in the same font and be placed in the column "Response" in the same place of the periodical and be at least as large as the report being refuted. The response shall contain reference to the publication in the printed mass medium or to the program on television or radio and to the information being refuted. The response shall not contain any direct appeals to vote or note vote for particular parties or MP candidates. The response shall be made public without any appendices, commentaries, or abridgments, at the expense of mass media. No response to a response shall be provided.

13. While conducting election campaigning, it shall be prohibited to hand out money or distribute for free or on a preferential basis commodities (except items bearing the visual images of the name, symbol, or flag of a party, provided that the value of such items does not exceed three percent of the minimum salary), services, works, securities, loans, lottery tickets, other tangible assets to voters, establishments, institutions, or organizations. Such election campaigning or handing out money or distribution for free or on a preferential basis of commodities, services, works, securities, loans, lottery tickets, other tangible assets to voters, establishments, institutions, or organizations along with appeals or proposals to vote or not to vote for a particular party or MP candidate or along with mentioning the name of a party or an MP candidate shall be deemed to be indirect bribing of voters.

14. The Central Election Commission shall provide for placing in the nationwide mass media the information specified by this Part, clarifications regarding the ban on distributing commodities (except items bearing the visual im-

ages of the name, symbol, or flag of a party, provided that the value of such items does not exceed three percent of the minimum salary), services, works, securities, loans, lottery tickets, other tangible assets to voters, establishments, institutions, or organizations, as well as election commissions and their members (indirect bribery). The text of the clarification shall be approved by the Central Election Commission and shall be published once a week on the first page of the newspapers *Holos Ukrainy* and *Uriadovyy Courier* and broadcast on the first channels of the National Television Company of Ukraine and the National Radio Company of Ukraine, commencing in sixty days prior to the day of voting, at the expense of funds of the state Budget of Ukraine allocated for preparation and conduct of the election.

15. State-owned and municipal regional (local) television and radio broadcasting organizations shall not substitute their own programs for parties' election campaigning programs being broadcast on the nationwide broadcasting channels.

16. It shall be prohibited to include election campaigning materials of parties, including political advertisements, in informational television and radio programs (news reports). Election campaign materials shall be separated from other broadcasts and identified as such.

17. It shall be prohibited to interrupt programs covering parties' election programs with commercials advertising commodities, works, services, or with other reports.

18. It shall be prohibited to conduct election campaigning in foreign mass media operating in the territory of Ukraine as well as in mass media registered in Ukraine with a foreign ownership share exceeding 50 percent.

19. Mass media shall not be liable for the contents of election campaigning materials that were placed in accordance with agreements with customers, except in cases specified by:

1) Part five of this Article

2) Part nine of this Article, if the media organization was positively aware of the existence of a relevant court judgment

20. It shall be prohibited to place election campaigning materials, political advertisements, including reports on the course of the election process, on cultural heritage objects.

21. MP candidates shall not use corporate vehicles, means of communication, equipment, premises, other objects or resources at the place of his or her work, staff or production meetings, or corporate meetings for election campaigning, or to engage the following persons in his or her election campaign activity or use them for any kind of activity associated with election campaigning:

1) As regards MP candidates holding offices in state executive bodies or in other governmental bodies, state bodies of the Autonomous Republic of Crimea, local self-government bodies – functionaries and officials of state executive bodies or other governmental bodies, state bodies of the Autonomous Republic of Crimea, local self-government bodies (except individuals holding positions of an assistant advisor to an MP of Ukraine).

2) As regards MP candidates holding offices, including part-time work, at enterprises regardless of the form of ownership, type of activity or industry affiliation, at institutions, establishments, organizations, military units (commands) established under the Laws of Ukraine – his or her subordinates at the place of his or her work (during the business hours).

22. It shall be prohibited to publish and distribute printed election campaigning materials containing no information on the person requesting the publication of such materials, the establishment that published them, their circulation, and information on the individuals in charge of the issue.

23. From the time of termination of the election campaigning, pursuant to Part two of Article 70 of this Law, no one shall hold election campaign events, spread election campaigning materials in the mass media, show election campaign films or videos, distribute election leaflets, posters, other printed campaigning materials or printed periodicals containing election campaigning materials, public appeals to vote or not to vote for parties that are electoral subjects or for MP candidates in a single-mandate district, or public assessment of the activities of those parties or MP candidates. Circulation of election campaigning materials shall be stopped as of 24:00 on the last Friday prior to the day of voting by the respective units of the local executive bodies and local self-government bodies.

24. Interference with the exercise of the right to conduct election campaigning, as well as violation of the legally established procedure for conducting such campaigning, shall entail liability as provided by the Laws of Ukraine.

25. If the Central Election Commission or a district election commission receives an application or other report concerning violations that suggest that a crime or an administrative offense may have been committed, the respective election commission shall immediately address the relevant law enforcement bodies requesting that they verify the aforementioned report and respond in accordance with the Laws of Ukraine.



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