



**TRANSPARENCY  
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Die Koalition gegen Korruption.

**Position Paper by Transparency International Germany**  
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***Third Evaluation Round Theme II “Transparency of party funding”***

Transparency International Germany (TI-G) is pleased to present to the GRECO Evaluation Team (GET) its views on Germany’s record in providing rules against corruption in the funding of political parties and electoral campaigns. While the overall situation, especially law enforcement, and the transparency obligations of party funding in Germany are satisfactory, the transparency obligations still display gaps identified below.

**Abstract**

1. Transparency:
  - a) Parties regularly, e.g. in each parliamentary circle, should publish reports on political funding which also include information on income and spending of parliamentary parties (both on the federal and the state level) and global subvention paid to the foundations affiliated to political parties.
  - b) The threshold for donations which need to be declared should be significantly lowered from € 10.000 to € 2.000.
  - c) If donations are given for a specific purpose, this purpose should also be made transparent in parties’ annual reports.
  
2. Supervision:
  - a) An independent institution with unlimited access to parties’ accounts would be most suitable to supervise the transparency of party funding on Germany.
  - b) Files on activities of the President of the Bundestag (the institution currently in charge of supervision) should be accessible under the Freedom of Information Act.
  
3. Sanctions:
  - a) The threshold under which violations of existing transparency rules are not sanctioned should be fixed at € 1.000.
  - b) If parties themselves admit violations of transparency obligations, limited sanctions should apply.
  - c) The loss of the passive right to vote should be introduced as a further sanction for party politicians violating transparency obligations.

**Transparency**

Whereas German parties render public their income and expenditure on the federal and state level (and at least for some local organisations as well), the accounts of both parliamentary

parties and political affiliated – which receive monies from a so-called “global budget” that can be used, if not in a partisan way, then at least to indirectly support the affiliated parties – are hardly accessible (the former are published as parliamentary papers, the latter are dispersed over several titles in the budget). For this reason, TI Germany supports an integrated report on political finance to be published at least once in each parliamentary cycle.

It would furthermore be appropriate to lower the threshold for donations which have to be declared since € 2.000 can, at least on the local level, buy considerable political influence. It is the local level where the bulk of political corruption occurs in Germany, even more so since local politicians are not considered as office-holders in the legal sense and are thus, as opposed to ministers on the state level, allowed to accept donations.

Since, in Germany, it is lawful to give donations for a specific purpose, it seems appropriate to make sure this purpose is published just as the amount of the donation itself.

### **Supervision**

Recent cases of political corruption in Germany illustrate that mere self-regulation as exerted by the President of the Bundestag is not sufficient to provide transparency in matters of party funding. For this reason, TI Germany supports an independent institution with supervisory powers. The chairman of this institution should be qualified to exercise the functions of a judge.

On a more short-term level, citizens’ access to party accounts could be significantly improved by providing access to files kept by the President of the Bundestag referring to his investigations into potential violations of the rules of party funding (cp. §23a, sec. 7, PartG).

### **Sanctions**

In Germany, the question of which sums accepted in violation of existing legal stipulations can be regarded as bagatelle is still not settled. TI Germany has reason to assume that many party treasurers favour high threshold (there is talk of € 10.000). However, this is, in TI’s view, significantly too high. TI therefore supports a threshold of € 1.000.

Currently, there are no financial incentives in the German Party Law for self-indictment. However, such incentives would make sense. TI therefore argues for reduced financial sanctions, e.g. € 1,50 for each Euro which is wrongly declared (instead of € 2) and € 2 for each Euro which is illegally accepted (instead of €3).

TI Germany claims that the loss of the passive right to vote would be an appropriate sanction for severe breaches of the legal framework for party and election funding.

### **Additional information**

The above-mentioned rules concerning funding of political parties do not regulate at all direct donations to candidates and/or members of parliament. Members of the federal parliament have to declare individual donations above 5,000 Euros (per donor and year) to the president of the German federal parliament. Donations above 10,000 Euros (per donor and year) have to be published by the president of the German federal parliament (cp. §4 Code of Conduct, Federal Parliament, “Verhaltensregeln für Mitglieder des Deutschen Bundestages”). Some

parties have party-internal regulations re. the acceptance of individual donations by part members. Transparency Germany recommends the prohibition of individual donations (with exceptions for non-party candidates) to close this potential loophole.

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