

Comments on draft amendment to Swedish law on political party and campaign finance, IFES and International IDEA

1. Neither the existing legislation, nor the proposed amendment, contains any requirements for the reporting of the *expenditure* of political parties. The only European countries that lack reporting requirements for party spending apart from Sweden are Belarus, Monaco and Switzerland (all these countries require no financial reporting by political parties at all). Swedish parliamentary parties have a very high level of dependency on public funds (around 60% according to the accounts published by Kammarkollegiet for 2015, which excludes items such as income from the European Parliament and funds received at a local level). Given this, there is a strong argument that tax payers' money spent by political parties should be publically accounted for. GRECO also recommended the introduction of expenditure reporting for Sweden, and the Council of Europe and OSCE Office for Democratic Institutions and Human Rights (ODIHR) have both recommended that European countries should use such requirements.¹
2. To improve transparency, we recommend that Kammarkollegiet publish information about political parties that have failed to submit financial reports.²
3. We recommend the Swedish parliament to consider the recommendation by GRECO to introduce separate reporting requirements in relation to election campaigns. Elections are held in September in Sweden, but the annual reporting deadline is not until 1 July the following year, which means that there is a delay of at least 8.5 months between the date of elections and information about how parties financed their campaigns becoming public. Such campaign finance reporting, used in nearly three quarters of European countries, could serve to increase public confidence in the Swedish political parties.
4. It should be considered if a restriction of political parties receiving foreign donations should be introduced (beyond the ban in the Penal Code [IN SWEDISH USE "brottsbalken"] against certain donations from foreign states), in line with the regulations in some 70% of European countries, including Finland, Iceland and Norway.
5. We recommend that reporting obligations should be extended to dedicated fundraising organisations. In an effort to close potential loopholes, it is good practice that such independent entities or so called 'third parties' are also regulated.
6. We welcome the extension of the political party reporting requirements beyond the level of national parliament or European Parliament to also include parties at the regional and local levels, as well as the simplified handling of donations and more detailed reporting provisions that are included in Articles 18-20 in the proposed law.
7. We welcome the introduction of different fines for late or inaccurate reporting for different types of political parties, given that the new legislation extends the reporting requirements also to local political parties.

¹ OSCE/ODIHR Guidelines on Political Party Regulation, paragraph 202; Council of Europe, Recommendation Rec(2003)4 of the Committee of Ministers to member states on common rules against corruption in the funding of political parties and electoral campaigns, Article 10; GRECO Third Evaluation, Compliance Report on Sweden

² Recommendation Rec(2003)4 of the Committee of Ministers of the Council of Europe to member states on common rules against corruption in the funding of political parties and electoral campaigns, Art 16 (adopted by the Committee of Ministers on 8 April 2003 at the 835th meeting of the Ministers' Deputies)