

Financing of Political Parties and Election Campaigns

Law no. 19/2003 of 20 June
as amended by Decree-Law no. 287/2003 of 12 November
(Statement of Rectification no. 4/2004 of 9 January)
Law no. 64-A/2008 of 31 December¹ and
Law no. 55/2010 of 24 December²

CHAPTER I

General Provisions

Article 1

Object and scope

The present law governs the regime applicable to the financial resources of political parties and election campaigns.

CHAPTER II

Financing of political parties

Article 2

Sources of financing

The sources of financing of the activities of political parties comprise their own revenues and other revenues derived from private financing and from public grants.

Article 3

Own revenues

1 - The own revenues of political parties consist of:

- a) Membership fees and other contributions from members;
- b) The contributions of candidates and elected representatives on lists which each party or coalition presents or supports;³

¹ Under paragraph 2 of article 152 of Law no. 64-A/2008 of 31 December 31, the amendments enacted by this legislation *only take effect in the year in which the value of the IAS - indexante de apoios sociais (social support index), established by Law no. 53-B/2006 of 29 December, reaches the value of the guaranteed monthly minimum salary determined for the year 2008*. In accordance with paragraph 3 of article 152 of the same law, until such time as the convergence required under paragraph 2 of article 152 of Law no. 64-A/2008 of 31 December occurs, *the values of public grants, of the financing of public grants, of the financing of parties and electoral campaigns and of fines are maintained according to the values of 2008, under the terms of Law no. 19/2003 of 20 June*.

² Under article 5 of Law no. 55/2010 of 24 December, the rules introduced by the present law in respect of the calculation of the value of public grants for the financing of political parties and parliamentary groups shall enter into force on 1 January 2011.

- c) Public grants, under law;
- d) Proceeds derived from fundraising activities which they undertake;
- e) The income derived from their assets, specifically, leases, rentals or financial investments;⁴
- f) The proceeds of loans, under the general rules of the activity of the financial markets;
- g) The proceeds of inheritances or legacies;
- h) Donations from individuals, under the terms of article 7.

2 - The revenues referred to in the preceding paragraph, when in cash, shall be transacted by cheque or other banking mechanism which allows identification of the amount and its source and shall be deposited in bank accounts intended solely for this purpose, in which only deposits having this origin may be made.

3 - The provisions of the preceding paragraph do not apply in the case of amounts which are less than 25% of the *indexante de apoios sociais* (social support index), abbreviated as IAS and as established by Law no. 53-B/2006 of 29 December, provided that, over the course of a period of one year, they do not exceed 50 times the value of the IAS, without prejudice to article 12.⁵

4 - Contributions which are made in-kind are permitted, as are the assignment of goods on loan, which are considered according to their current market value and which shall be separately specified in the list referred to in point *b)* of paragraph 7 of article 12.

Article 4

Public Financing

The resources of public financing for the accomplishment of the parties' own ends are:

- a) Grants for the financing of political parties;
- b) Grants for election campaigns;
- c) Other grants according to the law.

Article 5⁶

Public grants for the financing of political parties

1 - Each party which has contested elections, albeit in coalition, and which obtains representation in the *Assembleia da República* (Assembly of the Republic) is granted, pursuant to the following paragraphs, an annual grant, provided that they apply to the *Presidente da Assembleia da República* (President of the Assembly of the Republic).

2 – This grant consists of a sum of money which is equivalent to the $\frac{1}{135}$ ^{1/} of the value of the IAS, for each vote obtained in the most recent election of members to the Assembly of the Republic.⁷

³ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *The contributions of elected representatives on lists which each party presents or supports.*

⁴ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *The income derived from their assets, specifically, financial investments.*

⁵ As amended by article 152 of Law no. 64-A/2008 of 31 December. Original text: *The provisions of the preceding paragraph do not apply in the case of amounts which are less than 25% of the national minimum monthly salary and provided that, over the course of a period of one year, they do not exceed 50 minimum monthly salaries, without prejudice to article 12.*

⁶ Under paragraph 1 of article 3 of Law no. 55/2010 of 24 December, *public grants for the financing of political parties and election campaigns, as well as the limits on campaign expenses stipulated by Law no 19/2003 of 20 June, as amended by the present law, are reduced by 10% until 31 December 2013.*

⁷ As amended by article 152 of Law no. 64-A/2008 of 31 December. Original text; *The grant consists of a sum of money equivalent to $\frac{1}{135}$ of the national monthly minimum salary for each vote obtained in the most recent election of members to the Assembly of the Republic.*

3 - In cases of electoral coalition, the grant payable to each of the parties comprising the coalition is equal to the grant which, pursuant to the preceding paragraph, corresponds to their electoral coalition, distributed proportionately to the number of Assembly members elected by each party, except where otherwise expressly specified in the coalition agreement.

4 - Each parliamentary group, single member representing a party and member not enrolled in a parliamentary group of the Assembly of the Republic is awarded a grant, on an annual basis, for member consultancy expenses and other operating expenses amounting to four times the annual IAS, and an additional half of its value, per Assembly member, to be paid monthly, in accordance with paragraph 6.⁸

5 - Parliamentary groups formed from parties that have competed in the election as a coalition are considered as a single parliamentary group for the purposes of the preceding paragraph⁹.

6 - The grants referred to above are paid on a monthly basis, as special appropriation entered for this purpose in the budget of the Assembly of the Republic.^{10 11}

7 - The grant provided for in the preceding paragraphs is also granted to the parties which, having stood for election to the Assembly of the Republic and having failed to achieve parliamentary representation, obtain in excess of 50 000 votes, provided that they apply to the President of the Assembly of the Republic.¹²

8 - The *Tribunal Constitucional* (Constitutional Court) has sole responsibility, under Article 23, for the oversight of public grants received by parliamentary groups or single member representatives of a party and members not enrolled in a parliamentary group or independent members in the National Assembly and the legislative assemblies of the autonomous regions, or through its intermediary, for the political and partisan activity in which they participate.^{13 14}

Article 6 **Fundraising**

1 - Revenues obtained from fundraising may not exceed, per party, 1500 times the value of the IAS and are to be registered pursuant to paragraph 7 of article 12.¹⁵

2 - The product of fundraising is considered as the amount resulting from the difference between revenue and expenditure incurred in each fundraising activity.¹⁶

⁸ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *The grant is paid on a monthly basis, as special appropriation entered for this purpose in the budget of the Assembly of the Republic.*

⁹ Added by article 1 of Law no. 55/2010 of 24 December.

¹⁰ Added by article 1 of Law no. 55/2010 of 24 December.

¹¹ The current wording of this article corresponds, with minor differences, to the wording of the previous paragraph 4 of article 5: *The grant is paid on a monthly basis, as special appropriation entered for this purpose in the budget of the Assembly of the Republic*

¹² Previous paragraph 5 of article 5 of the original version having become paragraph 7 of Article 1 of Law no. 55/2010 of 24 December

¹³ Added by article 1 of Law no. 55/2010 of 24 December

¹⁴ *Under paragraph 3 of article 3 of Law no. 55/2010 of 24 December*, the provisions of paragraph 8 of article 5 of Law no. 19/2003 of 20 June, introduced by the present law, is interpretative in nature,

¹⁵ The wording of paragraph 1 of article 6 was not amended by Law no. 55/2010 of 24 December. As amended by article 152 of Law no. 64-A/2008 of 31 December. Previous wording: *Revenues obtained from fundraising may not exceed, per party, 1500 national monthly minimum salaries IAS and are to be registered pursuant to paragraph 7 of article 12*

¹⁶ Added by article 1 of Law no. 55/2010 of 24 December.

3 - Initiatives which, in addition, involve the provision of goods and services shall be accounted separately, with record kept of revenues and expenses and of the respective result, pursuant to paragraph 7 of article 12.¹⁷

Article 7

Regime governing individual donations

1 - Donations of a financial nature made by identified individual persons are subject to an annual limit of 25 times the value of the IAS per donor and must be transacted by cheque or bank transfer.¹⁸

2 - Donations which are pecuniary in nature are to be deposited in bank accounts intended solely for that purpose and in which only deposits having this origin may be made.

3 - Notwithstanding the acts and own personal contributions of activist activity, donations in kind, and property transferred on loan, are considered, for the purposes of the limit specified in paragraph 1, at their current market value and are to be itemised on the list referred to in point *b*) of paragraph 3 of article. 12

4 - Acquisitions of goods from political parties at a value which clearly exceeds market value shall be considered donations and shall be subject to the regime set out in paragraph 1.

Article 8

Prohibited financing

1 - Political parties are prohibited from receiving anonymous donations and are prohibited from receiving gifts or loans of a monetary nature or in kind from national or foreign legal persons, except as provided for in the following paragraph.

2 - Political parties may contract loans from credit institutions and financial companies in accordance with the conditions set out in point *f*) of paragraph 1 of article 3.

3 - Political parties are specifically prohibited from:

- a*) Acquiring goods or services at prices which are below those practiced in the market;
- b*) Receiving payments in respect of goods or services which they provide at prices which are clearly above market value;
- c*) Receiving or accepting any indirect contribution or donation that result in the payment of costs which they incur by third parties.

Article 9

Expenses of political parties

1 - The payment of any expense of a political party is to be made by cheque or by means of other banking transactions which enable the identification of the amount and the entity receiving the payment, whereas the parties shall undertake all necessary bank reconciliations, in accordance with article 12.

2 - The provisions of the preceding paragraph shall not apply to payments which are of an amount which is less than the value of the IAS, provided that, over the period of one year, such amounts do not exceed 2% of the annual state grant, without prejudice to the application of Article 12.¹⁹

¹⁷ Added by article 1 of Law no. 55/2010 of 24 December.

¹⁸ As amended by article 152 of Law no. 64-A/2008 of 31 December. Original text: *Donations of a financial nature made by identified individual persons are subject to an annual limit of 25 monthly minimum salaries per donor and must be made by cheque or bank transfer.*

¹⁹ As amended by article 152 of Law no. 64-A/2008 of 31 December. Original text: *The provisions of the preceding paragraph shall not apply to payments which are of an amount which is less than one national monthly minimum*

Article 10 Benefits

1 - The parties are not subject to *IRC* (Corporate Income Tax) and also benefit, beyond that specified by special law, from exemption from the following taxes:

- a) Stamp duty;
- b) Tax on inheritance and donations²⁰;
- c) Municipal tax on onerous transfer of property, due on the acquisition of property to be used for their own activity and on transfers resulting from merger or demerger;²¹
- d) Municipal property tax on the taxable value of properties or parts of properties which they own or which are to be used for their activity;²²
- e) Other taxes on property referred to in paragraph 3 of article 104 of the Constitution;
- f) Vehicle tax due on vehicles which they acquire for their business;
- g) Value added tax on the acquisition and transfer of goods and services that have the aim of disseminating their political message or their own identity, through any media, print, audio-visual or multimedia, including those used as publicity materials and means of communication and transport, which exemption is effected by the exercise of the right to tax refunds;
- h) Value added tax on the transfers of goods and services in the course of special fundraising initiatives with sole benefit thereto, provided that such exemption does not distort competition.

2 - The acts listed in points c) and d) will be subject to taxation in the event that the asset is no longer used for partisan purposes.

3 - Political parties are exempt from justice fees and court costs.

Article 11

Suspension of benefits

1 - The benefits provided for in the preceding article are suspended in the following situations:

- a) The party fails to contest the general elections;
- b) The number of votes obtained by the lists of candidates submitted by the party in these elections is less than 50,000 votes, unless parliamentary representation is obtained;
- c) The party fails to fulfil its obligation to present accounts, in accordance with the present law.

2 – The suspension of the preceding paragraph ceases when the situations specified therein no longer exist.

Article 12

Accounting regime

1 - Political parties are required to keep organised accounts, so that it is possible to ascertain their financial position and verify compliance with the obligations set forth by the present law.

2 - The accounting of the parties is governed by principles which apply to the *Plano Oficial de Contas* (National Accounting Plan), *mutatis mutandis*.

salary, provided that, over the period of one year, such amounts do not exceed 2% of the annual state grant, without prejudice to the application of Article 12.

²⁰ Under paragraph 2 of article 28 of Decree-Law no. 287/2003 of 12 November, references to *Imposto sobre as Sucessões e Doações* (Tax on Inheritances and Donations) shall be considered as referring to *IMT - Imposto Municipal sobre as Transmissões Onerosas de Imóveis* (Municipal Tax on Real Estate Onerous Transfers).

²¹ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *Municipal conveyance tax (sisa) on property to be used for their own activity and on transfers resulting from merger or demerger*; Point repealed by paragraph 2 of article 31 of Decree-Law no. 287/2003 of 12 November.

²² As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *Municipal rates due on the taxable value of properties or parts of properties which they own or which are to be used for their activity*;

3 - Their specific accounting system has the following special requirements:

- a) An annual inventory of the party's assets in terms of real estate property subject to registration;
- b) A breakdown of revenues, which includes: ²³
 - i) Those covered by each of the points of article 3;
 - ii) Those covered by each of the points of article 4;
- c) A breakdown of expenditure, which includes: ²⁴
 - i) Personnel costs;
 - ii) Expenditure on the acquisition of goods and services;
 - iii) Contributions to electoral campaigns;
 - iv) Financial charges due on loans;
 - v) The costs incurred through the payment of the fines provided for in paragraphs 1 and 2 of article 29;
 - vi) Other costs related to the party's own activity;
- d) A breakdown of capital operations related to: ²⁵
 - i) Loans;
 - ii) Investments;
 - iii) Debtors and creditors.

4 - The national accounts of the parties are to include, in Annex thereto, the accounts of their regional, district or autonomous structures, allowing the calculation of the entirety of their income and expenses, whereas, alternatively, consolidated accounts may be presented.

5 - For the purposes of the preceding paragraph, the definition of personal responsibility for the fulfilment of the obligations established under the present law among the leadership of these structures and national leadership of the party is determined by the respective statutes.

6 - The accounting of election expenses and revenues is governed by the provisions of Chapter III.

7 - The breakdowns and annexes to the accounts of the parties are to comprise:

- a) Bank statements listing account transactions and credit card account statements ;
- b) Revenues arising from fundraising activities, with identification of the type of activity and date of conclusion;
- c) The real estate property of the parties, without prejudice to the provisions of point a) of paragraph 3.

8 - For the purposes of examination and inspection, as referred to in Articles 23 et seq., the accounts of parliamentary groups and single members representing the party in the Assembly of the Republic are likewise annexes to the national accounts of parties. ²⁶

9 - The accounts of the regional structures referred to in paragraph 4 shall include, for the purposes of examination and inspection, as referred to in paragraph 8 of article 5 and articles 23 et seq., those accounts

²³ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *b) A breakdown of revenues, which includes: Those covered by each of the points of article 3; Those covered by each of the points of article 4.*

²⁴ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *c) A breakdown of expenditure, which includes: Personnel costs; Expenditure on the acquisition of goods and services; Contributions to electoral campaigns; financial charges due on loans; Other costs related to the party's own activity.*

²⁵ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *d) A breakdown of capital operations related to: Loans; Investments; Debtors and Creditors.*

²⁶ Added by article 1 of Law no. 55/2010 of 24 December.

related to grants received directly or received through parliamentary groups or through the single member representing a party, of the legislative assemblies of the autonomous regions.²⁷

10 - For purposes of the necessary examination and inspection, members who are not part a parliamentary group of the Assembly of the Republic and independent members of the legislative assemblies of the autonomous regions shall present accounts of grants received to the Constitutional Court, under the terms of paragraph 8 of article 5 and articles 23 et seq. mutatis mutandis.²⁸

Article 13

Internal Oversight

1 - The statutes of the political parties are to make provision for bodies to provide oversight and internal control of their activity, as well as of the accounts related to election campaigns in which they participate, in order to ensure compliance with the provisions of the present law and electoral laws to which they are subject.

2 - The leadership of the decentralized structures of the political parties are obliged to provide regular information on their accounts to the national leadership and shall abide by their instructions, for the purposes of compliance with the present law, on penalty of being held responsible for resulting damages.

Article 14

Accounts

A breakdown of the revenues and expenditures of the political parties is to be provided in annual accounts which comply with the criteria set forth by Article 12.

Article 14-A²⁹

Tax Identification Number

1 - Parliamentary groups, where they exist, may have, if they see fit, their own tax identification number, and will also be subject to the fiscal rights and obligations established under law for political parties.

2 - The following have their own tax identification number:

- a) Coalitions of parties contesting any election;
- b) Groups of voting citizens contesting any election.

3 - The tax identification number referred to in the previous paragraph is assigned as soon as candidacy is accepted at the beginning of each campaign and expires upon the presentation of their accounts to the Constitutional Court.

CHAPTER III

Financing of election campaigns

Article 15

Regime and handling of revenue and expenditure

1 - Revenues and expenses of the election campaign are included in accounts which are restricted to the respective campaign and which obey the regime set forth under article 12.

²⁷ Added by article 1 of Law no. 55/2010 of 24 December.

²⁸ Added by article 1 of Law no. 55/2010 of 24 December.

²⁹ Added by article 2 of Law no. 55/2010 of 24 December.

2 - In election campaigns for the governing bodies of local authorities, the basis of the account is municipal, notwithstanding the existence of accounts for common and core costs.

3 - The accounts specified in the preceding paragraphs correspond to bank accounts specifically constituted for said purpose, where the revenues are deposited and in which all expenses related to the campaign are transacted.

4 – Within a period of 5 days following publication of the decree which determines the date of the elections, candidates, parties, coalitions and groups of voting citizens shall present their campaign budgets to the Constitutional Court in accordance with the provisions of the present law.

5 - Campaign budgets will be made available on the official website of the Constitutional Court from the day following their presentation.

Article 16

Campaign Revenues

1 - The activities of the election campaign may only be financed by:

- a) State grants;
- b) Contributions from political parties which present or support candidates for election to the Assembly of the Republic, to the European Parliament, to the *Assembleias Legislativas Regionais* (Regional Legislative Assemblies) and to local authorities, as well as to *Presidente da República* (President of the Republic);
- c) Donations from individual supporters of candidates for election to President of the Republic and supporters of groups of voting citizens of the governing bodies of local authorities;
- d) Proceeds of campaign fundraising.

2 - Parties may make advances on the accounts of the campaigns, specifically to settle costs pending receipt of state grants, which advances, as well as the contributions provided for under point *b)* of the preceding paragraph, are to be certified by documents issued by the competent managing bodies of the respective party.³⁰

3 - Revenues covered by points *c)* and *d)* of paragraph 1 may be obtained by means of fundraising, even in the context of a campaign conducted for the purpose, subject to a limit of 60 IAS per donor, and are to be transacted by cheque or other banking mechanisms that enable identification of the amount and origin.³¹

4 - The revenues referred to in the preceding paragraph, when related to the last day of campaigning, are to be deposited no later than on the third subsequent working day.³²

5 - The use of property comprising the assets of the political party as well as the collaboration of activists, sympathizers and supporters, are not considered as campaign revenues or as campaign expenses.³³

³⁰ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *The contributions of political parties are certified by documents issued by the competent management bodies, identifying those who provided them.*

³¹ As amended by article 1 of Law no. 55/2010 of 24 December. As Amended by article 152 of Law No 64-A/2008 of 31 December: *The donations provided for under points c) and d) of paragraph 1 may be obtained by means of fundraising and are limited to 60 times the value of the IAS per donor and are to be transacted by cheque or other banking mechanisms that enable identification of the amount and origin.* Original text: *The donations provided for under points c) and d) of paragraphs 1 may be obtained by means of fundraising and are limited to 60 monthly minimum salaries per donor and are to be transacted by cheque or other banking mechanisms that enable identification of the amount and origin*

³² Added by article 1 of Law no. 55/2010 of 24 December.

³³ Added by article 1 of Law no. 55/2010 of 24 December.

Article 17³⁴

Public grants for election campaigns

1 - Political parties which submit candidates for election to the Assembly of the Republic, to the European Parliament, to the Regional Legislative Assemblies and to local authorities, as well as groups of voting citizens of the governing bodies of local authorities and candidates for election of the President of the Republic are entitled to a state grant to cover the costs of election campaigns, in accordance with the provisions of the following paragraphs.

2 - Parties which contest elections to the European Parliament or at least 51% of the seats up for election in the Assembly of the Republic or to the Regional Legislative Assemblies and which obtain representation, as well as candidates to the Presidency of the Republic which obtain at least 5% of the vote, are entitled to a grant.

3 - In elections to local authorities, parties, coalitions and groups of voting citizens which simultaneously compete for election to two municipal governing bodies and which achieve representation of at least one directly elected person or at least 2% of the votes in each ballot are entitled to a grant.

4 - The total value of grants is equivalent to³⁵:

- a) 20 000 times the value of the IAS for elections to the Assembly of the Republic;
- b) 10 000 times the amount of the IAS for elections to the Presidency of the Republic and the European Parliament;
- c) 4000 times the value of the IAS for elections to the Regional Legislative Assemblies.

5 - In the case of local authority elections, the total grant is equivalent to 150% of the spending limit allowed for the municipality, in accordance with paragraph 2 of article 20.

6 - The grant is to be requested from the President of the Assembly of the Republic within a period of 15 days following the official declaration of election results, whereas in municipal elections, agents are required to identify the municipality or municipalities where the respective group of voting citizens, party or coalition has submitted candidates.

7 - The Assembly of the Republic shall advance, within a period of 15 days following submission of the request mentioned above, an amount equal to 50% of the estimated value of the grant.³⁶

8 – In the event that, subsequent to the advance referred to in the preceding paragraph, the remainder of the grant is not paid within 60 days following delivery of the application referred to in paragraph 6, late payment interest shall be applied at the statutory rate applicable to State debts.³⁷

³⁴ Under paragraph 1 of article 3 of Law no. 55/2010 of 24 December, *public grants for the financing of political parties and election campaigns, as well as the limits on campaign expenses stipulated under Law no. 19/2003 of 20 June, as amended by the present law, are reduced by 10% until 31 December 2013.*

³⁵ As amended by Article 152 of Law no. 64-A/2008 of 31 December. Original text: *The total value of grants is equivalent to 20 000, 10 000 and 4000 national monthly minimum salaries, applying respectively to elections to the Assembly of the Republic, elections to the Presidency of the Republic and elections to Regional Legislative Assemblies.*

³⁶ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *In the event that the grant is not paid within a period of 90 days following delivery of the application provided for under the preceding paragraph, late payment interest shall be applied at the statutory rate applicable to State debts.*

³⁷ Added by article 1 of Law no. 55/2010 of 24 December. The current wording of this article corresponds with some differences to the previous wording of paragraph 7 of Article 17: *In the event that the grant is not paid within a period of 90 days following delivery of the application referred to in the preceding paragraph, late payment interest shall be applied at the statutory rate applicable to State debts*

Article 18

Distribution of the grant

1 - The grant will be distributed as follows: 20% will be distributed equally between the parties and candidates who fulfil the requirements of paragraph 2 of the preceding article and the remaining 80% will be distributed in proportion to the electoral results obtained.

2 - In the case of elections to the Regional Legislative Assemblies, the grant will be divided between the two Autonomous Regions according to the number of members in each of their assemblies, and, within each Autonomous Region under the terms of the preceding paragraph.

3 - In the case of elections to local authorities, the grant will be distributed as follows: 25% will be distributed equally among the parties, coalitions and groups of voting citizens who fulfil the requirements of paragraph 3 of the previous article while the remaining 75% will be distributed in proportion to the electoral results obtained for the municipal assembly.

4 - The grant will not, in any case, exceed the actual value of expenses incurred.³⁸

5 - Any surplus resulting from fundraising activities, in respect of costs incurred, will revert in favour of the State.³⁹

Article 19

Election campaign expenses

1 - Election campaign expenses are considered as those expenses which are incurred by the candidates within a period of six months immediately preceding the date of the respective election and which have electoral purpose or benefit.

2 - Election campaign expenses are to be broken down according to category, with certifying documents supplied for each expense.

3 - The payment of campaign expenses is to be made using banking mechanisms, under the terms of article 9, with the exception of expenditures having an amount which is less than the value of the IAS, provided that, during this period, they do not exceed the total value of 2% of the limits established for campaign expenses.⁴⁰

Article 20⁴¹

Limit on election campaign expenses

1 - The maximum limits on allowable expenses which may be incurred for any national or regional election campaign are established as follows:

³⁸ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *The grant will not, in any case, exceed the value of expenses budgeted and actually incurred, with deduction of the amount reported as being derived from fundraising activities.*

³⁹ As amended by article 1 of Law no. 55/2010 of 24 December Original text: *The surplus resulting from application of the preceding paragraph shall be shared proportionally by the candidatures where such situation does not occur.*

⁴⁰ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *Payment of campaign expenses is to be made using banking mechanisms, under the terms of article 9, with the exception of expenditures having an amount which is less than the value of one national monthly minimum salary, provided that, during this period, they do not exceed the total value of 2% of the limits stipulated for campaign expenses*

⁴¹ Under the terms of paragraph 1 of article 31 of Law no. 55/2010 of 24 December, *public grants for the financing of political parties and election campaigns, as well as the limits on campaign expenses stipulated under Law no. 19/2003 of 20 June, with the wording as amended by the present law, are reduced by 10% until 31 December 2013.*

- a) 10 000 times the amount of IAS in the election campaign for President of the Republic, and a further 2500 times the value of the IAS in the case of a second round contest;⁴²
- b) 60 times the value of the IAS for each candidate presented in the electoral campaign for the Assembly of the Republic;⁴³
- c) 100 times the value of the IAS for each candidate presented in the election campaign for the Regional Legislative Assemblies;⁴⁴
- d) 300 times the value of the IAS for each candidate presented in the election campaign for the European Parliament;⁴⁵

2 The maximum limits on allowable expenses which may be incurred in election campaigns for local authorities are established as follows:

- a) 1350 times the value of the IAS in Lisbon and Porto;⁴⁶
- b) 900 times the value of the IAS in cities where there are 100 000 or more voters;⁴⁷
- c) 450 times the value of the IAS in municipalities where there are more than 50 000 and fewer than 100 000 voters;⁴⁸
- d) 300 times the value of the IAS in municipalities where there are more than 10 000 voters and up to 50 000 voters;⁴⁹
- e) 150 times the value of the IAS in municipalities where there are 10,000 or fewer voters.⁵⁰

3 - In case of candidatures submitted only to parish assemblies, the maximum allowable cost is one third of the value of the IAS per candidate⁵¹.

4 - The limits specified in the preceding paragraphs apply to political parties, coalitions or groups of voting citizens, according to the electoral law, as determined pursuant to each electoral law.

5 - To determine the values given in paragraph 1, political parties or coalitions are required to declare the number of candidates presented at each election to the Constitutional Court.

⁴² As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *10 000 national monthly minimum salaries in the election campaign for the President of the Republic, and a further 2500 national monthly minimum salaries in the case of a second round contest.*

⁴³ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *60 national monthly minimum salaries for each candidate presented in the electoral campaign for the Assembly of the Republic;*

⁴⁴ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *100 national monthly minimum salaries for each candidate presented in the election campaign for the Regional Legislative Assemblies;*

⁴⁵ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *300 national monthly minimum salaries for each candidate presented in the election campaign for the European Parliament;*

⁴⁶ As amended by article 152 of Law no. 64-A/2008 of 31 December. Original text: *1350 national minimum monthly salaries in Lisbon and Porto.*

⁴⁷ As amended by article 152 of Law no. 64-A/2008 of 31 December. Original text: *900 national minimum monthly salaries in cities where there are 100,000 or more voters.*

⁴⁸ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *450 national minimum monthly salaries in municipalities where there are more than 50,000 and fewer than 100 000 voters*

⁴⁹ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *300 national minimum monthly salaries in municipalities where there are more than 10 000 and up to 50 000 voters;*

⁵⁰ As amended by article 152 of Law no. 64-A/2008 of 31 December. Original text: *150 national monthly minimum salaries in municipalities where there are 10 000 or fewer voters*

⁵¹ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *In case of candidatures submitted only to parish assemblies, the maximum allowable cost is one third of the value of the IAS per candidate.*

Article 21

Financial agents

1 - For each campaign account a financial agent is appointed, who shall, in the scope thereof, be responsible for accepting the donations provided for under point c) of paragraph 1 of article 16, depositing all revenues and authorising and controlling campaign expenses.

2 - The national financial agent may appoint district, regional or local financial agents for all elections, which appointed agent will be responsible for the acts and omissions which in accordance with their remit are attributable to them in compliance with the provisions of the present law.⁵²

3 – Implementation of the option provided for under the preceding paragraph shall be mandatory in cases where candidatures are presented by groups of voting citizens to the governing bodies of local authorities.

4 - Within a period of 30 days following the deadline for the submission of candidacy lists to any election, the party, coalition, the group of citizens or the candidate to the President of the Republic shall arrange publication of the complete list of financial agents in a nationally circulated newspaper.⁵³

Article 22

Responsibility for accounts

1 - The financial agents are responsible for preparing and submitting the campaign accounts.

2 - Candidates to the President of the Republic, political parties or coalitions, the first candidate on each list or the first proposer of each group of voting citizen candidates at any election are, as appropriate, held jointly responsible with the financial agents.

CHAPTER IV

Examination and inspection

Article 23

Examination by the Constitutional Court

1 - The annual accounts of political parties and accounts of electoral campaigns are to be examined by the Constitutional Court, which shall rule on their legality and regularity.

2 - The rulings of the Constitutional Court in respect of the accounts referred to in the preceding paragraph, and the respective accounts with revenues and expenses properly specified will be published, free of charge, in 2J series of the *Diário da República* (Official Journal) and will be made available on the official website of the Constitutional Court.

⁵² As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *The national financial agent may appoint local financial agents for all elections, which appointed agents will be responsible for the acts and omissions which in accordance with their remit are attributable to them in compliance with the provisions of the present law.*

⁵³ As amended by article 1. of Law no. 55/2010 of 24 December. Original text: *Within a period of 30 days following the deadline for the submission of candidacy lists to any election, the party, coalition or the candidate to President of the Republic shall arrange publication of the complete list of national financial agents in two nationally circulated newspapers, whereas, in the case of local authority elections, the party, coalition or the group of citizens is required to publish the identification of the respective financial agent in a newspaper with local circulation.*

3 - For the purposes of this Article, the Constitutional Court may requisition or second qualified technicians from any public service or employ, under contract, the services of an audit company or auditor to conduct examinations or audits.

4 - The contracts referred to above may be awarded directly and their application will depend solely upon their approval by the Court.

5 - Without prejudice to the provisions of paragraph 3, the Constitutional Court may also come to be endowed with the technical and human resources necessary to carry out the own functions which they are charged.

Article 24

***Entidade das Contas e Financiamentos Políticos* (Supervising Body of Political Party Accounting and Funding)**

1 - The *Entidade das Contas e Financiamentos Políticos* (Supervising Body of Political Party Accounting and Funding) is an independent body which works with the Constitutional Court, providing it with technical assistance in the examination and auditing of the accounts of political parties and election campaigns.

2 - As part of the functions referred to in the preceding paragraph, the Supervising Body of Political Party Accounting and Funding is responsible for examining the procedures that the Constitutional Court reviews, as well as for verifying correspondence between reported expenditures and actual costs.

3 - The Supervising Body of Political Party Accounting and Funding exercises its remit in respect of political parties and election campaigns for the Assembly of the Republic, for the European Parliament, for Regional Legislative Assemblies, for local authorities and for the President of the Republic.

4 - The Supervising Body of Political Party Accounting and Funding may, at any time and upon its own initiative or upon the request of the Constitutional Court, perform examinations and audits of any kind or nature of determined acts, procedures and aspects of financial management, with respect to the accounts of political parties and to the accounts of election campaigns.

5 - Prior to the day of publication of the decree that sets a date for the elections, the Supervising Body of Political Party Accounting and Funding shall, following market consultation, publish a indicative list of the value of the principal campaign resources, including publications, billboards and resources required to stage rallies.

6 - The list referred to in the previous paragraph will be made available on the official website of the Constitutional Court on the day following its presentation and will serve as an aid to examination activities.

7 - The Supervising Body of Political Party Accounting and Funding may request necessary information and cooperation from any public or private entity.

8 - The law defines the mandate and status of the members of the Supervising Body of Political Party Accounting and Funding and establishes the rules related to its headquarters, organization and functioning.

Article 25

Composition of the Supervising Body of Political Party Accounting and Funding

1 - The Supervising Body of Political Party Accounting and Funding consists of a chairperson and two board members appointed by the Constitutional Court, at least one of which will be an auditor.

2 - The Supervising Body of Political Party Accounting and Funding may requisition or second qualified technicians from any public service or employ, under contract, the services of experts or qualified technicians not of the *Administração Pública* (Public Administration), persons with recognised experience and expertise in party activities and election campaigns, audit companies or auditors.

3 - The Contracts referred to above may be awarded directly and their application will depend solely upon their approval by the Constitutional Court.

Article 26

Assessment of the annual accounts of political parties

1 - Prior to the end of May, the parties shall submit the accounts of the previous year to the Constitutional Court for examination.

2 - The Constitutional Court shall rule on the legality and regularity of the accounts referred to in article 14, within a period of not more than six months following the date on which they were received.⁵⁴

3 - For the purposes of the preceding paragraph, the Constitutional Court may seek clarification from the political parties, and, in the event that any irregularity is found which can be remedied, will notify them to undertake to remedy them, according to the deadlines which are established.⁵⁵

4 - The period referred to in paragraph 2 shall be suspended until the expiry of the deadline established for the purposes of the preceding paragraph.⁵⁶

Article 27

Assessment of the accounts of election campaigns

1 - Within a period of not more than 90 days, in the case of local authority elections, and 60 days, in other cases, following full payment of the public grant, each candidature shall provide the Constitutional Court with itemised accounts of their election campaign, under the terms of the present law.⁵⁷

2 - In respect of local authority elections, each party or coalition contesting elections to the various local authorities shall submit itemised accounts as a single national candidature, without prejudice to paragraph 2 of article 15.

3 - The expenses incurred as a result of the candidatures and the election campaigns of coalitions of parties which contest elections for the governing bodies of the local authorities of one or more municipalities may be recorded in the global accounts to be provided by the parties that constitute them or by the coalitions of national scope in which they are included, according to the proportion of the respective candidates.

4 - The Constitutional Court shall examine, within a period of 90 days, the legality of the expenditure and revenues and the regularity of the accounts referred to in the preceding paragraph.

⁵⁴ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *The Constitutional Court shall rule on the legality and regularity of the accounts referred to in article 14, within a period of not more than six months following the date on which they were received, and may for such purpose require the political parties to provide clarifications, in which case the period shall be suspended until such clarifications are received.*

⁵⁵ Added by article 1 of Law no. 55/2010 of 24 December.

⁵⁶ Added by article 1 of Law no. 55/2010 of 24 December.

⁵⁷ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *Within a period of not more than 90 days following the official proclamation of the results, each candidature shall provide the Constitutional Court with itemised accounts of their election campaign, under the terms of the present law.*

5 - The Constitutional Court may, in the case of local authority elections, order the candidates to present, within a period of not more than 90 days, accounts which are local in scope.

6 - In the event that it finds any irregularity in the accounts, the Constitutional Court will order the candidature to present the accounts with proper regularity within a period of 15 days.

Article 28

Sanctions

1 - Without prejudice to any civil or criminal liability that may arise under the general terms of the law, persons in breach of the rules regarding the financing of political parties and election campaigns set forth in Chapters II and III will be subject to the penalties specified in the following articles and paragraphs.

2 - Leaders of political parties, individuals and directors of corporations who personally participate in allocating and obtaining prohibited financing shall be punished with imprisonment from 1 to 3 years.

3 - Financial agents, candidates to presidential elections or the first proposer of groups of voting citizens who do not respect the electoral campaign limits established under article 20, or who obtain revenues for the campaign which are prohibited or obtain such revenues in a manner not permitted under the present law shall be punished with imprisonment from 1 to 3 years.

4 - Leaders of political parties, individuals and directors of corporations that personally participate in committing the offence specified under the preceding paragraph will be subject to equal punishment.

5 - Repealed ⁵⁸

Article 29

Non-fulfilment of obligations imposed on the financing

1 - Political parties which fail to comply with the obligations set out under Chapter II shall be punished with a fine of not less than 10 times the value of the IAS and not more than 400 times the value of the IAS, whereas, in addition, the unlawfully received values will be forfeit in favour of the State.⁵⁹

2 - Leaders of political parties who personally participate in committing the offence specified in the preceding paragraph shall be punished with a fine of not less than 5 times the value of the IAS and not more than 200 times the value of the IAS.⁶⁰

3 - Individuals who are in breach of the provisions of articles 4 and 5 will be punished with a fine of not less than five times the value of the IAS and not more than 200 times the value of the IAS.⁶¹

⁵⁸ Repealed by point *a)* of article 4 of Law no. 55/2010 of 24 December. Original text: *The criminal proceeding depends on a complaint from the body established under article 24.*

⁵⁹ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *Political parties which fail to comply with the obligations set out in Chapter II shall be punished with a fine of not less than 10 national minimum monthly salaries and not more than 400 national minimum monthly salaries, whereas, in addition, the unlawfully received values will be forfeit in favour of the State.*

⁶⁰ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *Leaders of political parties who personally participate in committing the offence specified in the preceding paragraph shall be punished with a fine of not less than 5 national minimum monthly salaries and not more than 200 national minimum monthly salaries.*

⁶¹ As amended by article 152 of Law no. 64-A/2008 of 31 December. Original text: *Individuals who are in breach of the provisions of articles 4 and 5 will be punished with a fine of not less than five national minimum monthly salaries and not more than 200 national minimum monthly salaries.*

4 - Legal persons who violate the provisions of Chapter II will be punished with a fine of not less than twice the value of the prohibited donation and not more than five times this amount.

5 - The directors of legal persons who personally participate in committing the offence specified in the preceding paragraph will be punished with a fine of not less than 5 times the value of the IAS and not more than 200 times the value of the IAS.⁶²

6 - Failure to submit the accounts within the period specified in paragraph 1 of article 26 shall determine suspension of the payment of the state grant to which the party is entitled until the date of submission.

Article 30

Collection of unlawful revenue or incurrence of unlawful expenses

1 - Political parties which obtain revenue for the election campaign in manners not permitted by the present law or which do not comply with the limits specified in Article 20 will be punished with a fine of not less than 20 times the value of the IAS and not more than 400 times the value of the IAS, whereas unlawfully received values will be forfeit in favour of the State.⁶³

2 - Individuals who are in breach of the provisions of article 16 will be punished with a fine of not less than 10 times the value of the IAS and not more than 50 times the value of the IAS.⁶⁴

3 - Legal persons who are in breach of the provisions of article 16 will be punished with a fine of not less than three times the amount of the prohibited donation and a not more than six times this amount.

4 - The directors of legal persons who personally participate in committing the offence referred to in the preceding paragraph shall be punished with a fine of not less than 10 times the value of the IAS and not more than 200 times the value of the IAS.⁶⁵

Article 31

Failure to supply a breakdown of revenue and expenditure

1 - The financial agents, candidates for presidential elections, the first candidate on each list and the first proposers of groups of voting citizens who fail to supply a breakdown or who fail to properly document the revenues and expenses of the campaign will be punished with a fine of not less than the value of the IAS and of not more than 80 times the value of the IAS.⁶⁶

⁶² As amended by article 1 of Law no. 55/2010 of 24 December. Original text: - *The directors of legal persons who personally participate in committing the offence specified in the preceding paragraph will be punished with a fine of not less than 5 national minimum monthly salaries and not more than 200 national minimum monthly salaries.*

⁶³ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *Political parties which obtain revenue for the election campaign in manners not permitted by the present law or which do not comply with the limits specified in Article 20 will be punished with a fine of not less than 20 national minimum monthly salaries and not more than 400 national minimum monthly salaries, whereas unlawfully received values will be forfeit in favour of the State.*

⁶⁴ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *Individuals who are in breach of the provisions of article 16 will be punished with a fine of not less than 10 national minimum monthly salaries and not more than 50 national minimum monthly salaries.*

⁶⁵ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: - *The directors of legal persons who personally participate in committing the offence referred to in the preceding paragraph shall be punished with a fine of not less than 10 national minimum monthly salaries and not more than 200 national minimum monthly salaries.*

⁶⁶ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *1 - The financial agents, candidates for presidential elections, the first candidate on each list and the first proposers of groups of citizen voters who fail*

2 - Political parties which commit the offence referred to in the preceding paragraph will be punished with a fine of not less than 10 times the value of the IAS and not more than 200 times the value of the IAS.⁶⁷

Article 32

Failure to provide accounts

1 - Financial agents, presidential election candidates, the first candidate on each list and the first proposers of groups of voting citizens who do not supply electoral accounts under the terms of article 27 will be punished with a fine of not less than five times the value IAS and not more than 80 times the value of the IAS.⁶⁸

2 - Political parties which commit the offence referred to in the preceding paragraph will be punished with a fine of not less than 15 times the value of the IAS and not more than 200 times the value of the IAS.⁶⁹

3 - Without prejudice to the provision of the preceding paragraph, failure by a political party to supply accounts will determine the suspension of the payment of the state subsidy to which it is entitled until their actual presentation.

Article 33

Power to apply sanctions

1 - The Constitutional Court has powers to impose the fines specified in the present chapter.

2 - The Constitutional Court acts, according to legal terms, on its own initiative or on initiative of the Supervising Body of Political Party Accounting and Funding, upon request of the *Ministério Público* (Public Prosecution Service) or following complaints presented by voting citizens.

3 - The proceeds of the fines revert in favour of the State.

4 - The Court may order disclosure of an extract of the decision, at the offender's expense, in one of the larger circulation national, regional or local daily newspapers, as appropriate to the case.

to supply a breakdown or who fail to properly document the revenues and expenses of the campaign will be punished with a fine of not less than the value of one national minimum monthly salary and of not more than 80 national minimum monthly salaries.

⁶⁷ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *Political parties which commit the offence referred to in the preceding paragraph will be punished with a fine of not less than 10 national minimum monthly salaries and not more than 200 national minimum monthly salaries.*

⁶⁸ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *Financial agents, presidential elections candidates, the first candidate on each list and the first proposers of groups of citizen voters who do not supply electoral accounts under the terms of article 27 will be punished with a fine of not less than five national minimum monthly salaries and not more than 80 national minimum monthly salaries.*

⁶⁹ As amended by article 1 of Law no. 55/2010 of 24 December. Original text: *- Political parties which commit the offence referred to in the preceding paragraph shall be punished with a fine of not less than 15 national minimum monthly salaries and not more than 200 national minimum monthly salaries.*

CHAPTER V
Final and transitional provisions

Article 34

Repeal and entry into force

1 - Law no. 56/98 of 18 August, as amended by Law no. 23/2000 of 23 August and by Fundamental Law no. 1/2001 of 14 August, is repealed, without prejudice to the provision of the following paragraph.

2 - The present law enters into force on 1 January 2005, with the exception of the provision of article 8 and the consequent repeal of paragraph 2 of article 4 of Law no. 56/98 of 18 August, as amended by Law No 23/2000 of 23 August.