



**BELIZE CHAMBER OF COMMERCE
& INDUSTRY**

CAMPAIGN FINANCE REFORM

MEMBERSHIP MIXER
JANUARY, 2023





TABLE 1—KEY PARTS OF THE BILL

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- **Legitimate Expenditure of Political Parties and Candidates (21AJ);**

Article 1

Public and private support for political parties

THE STATE AND ITS CITIZENS ARE BOTH ENTITLED TO SUPPORT POLITICAL PARTIES.

STATES SHOULD ENSURE THAT ANY SUPPORT FROM THE STATE AND/OR CITIZENS DOES NOT INTERFERE WITH THE INDEPENDENCE OF POLITICAL PARTIES.

SECTION OF BILL

(Section 21B to 21F)

- A National Election Campaign Fund will be created, managed by the Elections and Boundaries Commission.
- The fund shall consist of moneys contributed by:
 - individuals
 - companies and other entities
 - Belizean diaspora
 - Interest and profits accruing from the investment of monies.
- Chief Elections Officer shall be in charge to prepare annual statements of accounts .
- Monies in the fund shall be disbursed to candidates within one hundred and eighty days after an election is held for the purposes of reimbursing expenses incurred by the candidates in election campaigns.

Formula for the disbursement of funds

$$\left(\frac{A}{B} \right) \times C$$

Where—

A- is the number of votes cast for that candidate in the election for a particular constituency;

B- is the total number of votes cast for all candidates in that constituency in the election;

C- is the total amount allocated from the Fund to that constituency for the election, such allocation being on the basis that each constituency shall be allocated an equal amount.

Article 2

Definition of donation to a political party

DONATION MEANS ANY DELIBERATE ACT TO BESTOW ADVANTAGE, ECONOMIC OR OTHERWISE, ON A POLITICAL PARTY.

SECTION OF BILL

(Section 2(iii) & (iv))

“donation” means—

- a. Any gift to a registered political party or a candidate that consists (whether in whole or in part) of money, property, services, facilities or equipment;
- b. Any sponsorship provided to or for the benefit of a candidate or a registered party;
- c. Money spent otherwise than by, or on behalf of, a registered political party or candidate in paying any expenses incurred directly, or indirectly, by a registered political party or a candidate; or
- d. Any subscription to a political party;

Article 3

General principles on donations

A. MEASURES TAKEN BY STATES GOVERNING DONATIONS TO POLITICAL PARTIES SHOULD PROVIDE SPECIFIC RULES TO:

- AVOID CONFLICTS OF INTERESTS;
- ENSURE TRANSPARENCY OF DONATIONS AND AVOID SECRET DONATIONS;
- AVOID PREJUDICE TO THE ACTIVITIES OF POLITICAL PARTIES;
- ENSURE THE INDEPENDENCE OF POLITICAL PARTIES.

B. STATES SHOULD:

I. PROVIDE THAT DONATIONS TO POLITICAL PARTIES ARE MADE PUBLIC, IN PARTICULAR, DONATIONS EXCEEDING A FIXED CEILING;

II. CONSIDER THE POSSIBILITY OF INTRODUCING RULES LIMITING THE VALUE OF DONATIONS TO POLITICAL PARTIES;

III. ADOPT MEASURES TO PREVENT ESTABLISHED CEILINGS FROM BEING CIRCUMVENTED.

SECTION OF BILL

(Section 21G, 21O, 21AC, 21AG, 21W)

- Persons who make contributions and have within the last 2 years been a party to a Government contract (before and after the contribution) must declare the contribution to the Commission. *(s. 21G)*
- Contributions received by political parties or candidates must be accompanied by a declaration stating:
 - the full name, address, and occupation of the contributor
 - that the contributor is not an impermissible contributor under this Act. *(s.21O)*
- Political parties and candidates must submit a Final Disclosure Report detailing income, expenditure and the amount of contributions received. *(s.21AC)*
- There is a campaign expenditure limit of \$250,000 *(s.21W)*

Article 4

Tax deductibility of donations

"FISCAL LEGISLATION
MAY ALLOW TAX
DEDUCTIBILITY OF
DONATIONS TO
POLITICAL PARTIES.
SUCH TAX
DEDUCTIBILITY SHOULD
BE LIMITED"

SECTION OF BILL

(Section 21N)

21N.—Any contribution that is made by a contributor during a reporting period, other than a contribution by an impermissible contributor or a contribution that exceeds either or both of the limits specified in section 21M, shall be regarded as a tax deductible expense for the purposes of section *XX of the Income and Business Tax Act*.

Article 5

Donations by legal entities

"In addition to the general principles on donations, states should provide:

i. that donations from legal entities to political parties are registered in the books and accounts of the legal entities "

SECTION OF BILL

(Section 21O)

21O.—(1) Any contribution made to or for the benefit of a registered political party or a candidate by a contributor during a reporting period shall be accompanied by a declaration in the prescribed form stating—

- (a) The full name, address and occupation or description of the contributor; and
- (b) That the contributor is not an impermissible contributor under this Act.

(2) Where a declaration is received by or on behalf of a registered political party or a candidate under this section, it shall be retained for the purpose of submitting it to the Commission under section 21X or 21AC, as the case may require.

...

(5) Any contributor who knowingly or recklessly makes a false declaration under subsection (1) commits an offence and shall be liable on summary conviction to a fine not exceeding forty thousand dollars or to imprisonment for a term not exceeding twelve months.

Article 7

Donations from foreign donors

"States should specifically limit, prohibit or otherwise regulate donations from foreign donors"

SECTION OF BILL

(Section 21H)

21H.—(1) A registered political party or a candidate, shall not knowingly accept contributions during a reporting period from any of the following states, entities or persons, that is to say—

- (a) Any foreign or Commonwealth government, or any agent of such government, whether directly or indirectly;
- (b) A public body,
- (c) An entity whose existence is or activities are illegal under any law;
- (d) A person or an entity whose identity is not disclosed to the recipient of the contribution;
- (e) A person or entity who makes the contribution through an intermediary; and
- (f) A person who, or an entity which, uses a false identity in making the contribution.

(3) A registered political party or a candidate who contravenes subsection (1), or a person who contravenes subsection (2), commits an offence and shall be liable on summary conviction to a fine not exceeding forty thousand dollars or to imprisonment for a term not exceeding twelve months.

Article 8

Application of funding to rules candidates for elections and elected representatives

"Rules regarding funding of political parties should apply mutatis mutandis to:

- the funding of electoral campaigns of candidates
- the funding of political activities of elected representatives

SECTION OF BILL

(Section 21G, 21O, 21AC, 21AG, 21W)

- Persons who make contributions and have within the last 2 years been a party to a Government contract (before and after the contribution) must declare the contribution to the Commission. *(s. 21G)*
- Contributions received by political parties or candidates must be accompanied by a declaration stating:
 - the full name, address, and occupation of the contributor
 - that the contributor is not an impermissible contributor under this Act. *(s.21O)*
- Political parties and candidates must submit a Final Disclosure Report detailing income, expenditure and the amount of contributions received. *(s.21AC)*
- There is a campaign expenditure limit of \$250,000 *(s.21W)*

Article 9

Limits on Expenditure

"States should consider adopting measures to prevent excessive funding needs of political parties, such as, establishing limits on expenditure on electoral campaigns."

SECTION OF BILL

(Section 21V)

21V. - Where a registered political party contests one or more constituencies in an election, the registered political party shall not incur expenditure on election expenses during the reporting period in excess of the sum of four million dollars, (or such amount as the Commission may determine)

Article 10

Records of Expenditure

"States should require particular records to be kept of all expenditure, direct and indirect, on electoral campaigns in respect of each political party, each list of candidates and each candidate

SECTION OF BILL

(Section 21V)

21V. - Every registered political party, every candidate contesting on behalf of the registered political party, and every independent candidate, respectively, shall keep proper financial records, including—

- (a) Copies of all records and receipts, appropriately signed;
- (b) Written loan agreements and copies of the records and receipts for cash connected to the receipt and repayment of loans;
- (c) Copies of all bills, invoices and receipts for goods and services purchased, other than goods and services referred to in section 21L(2); and
- (d) Such other documentation the Commission may, by order subject to affirmative resolution,

Article 11

Accounts

States should require political parties and the entities connected with political parties mentioned in Article 6 to keep proper books and accounts. The accounts of political parties should be consolidated to include, as appropriate, the accounts of the entities mentioned in Article 6.

SECTION OF BILL

(Section 21L)

21L. - (1) A registered political party or a candidate shall obtain an invoice from each supplier of goods and services that are provided to the registered political party or candidate during a campaign period, and the invoice shall state the market value of the goods or services provided, regardless of who is liable for payment for the goods or services, and regardless of whether the goods or services were supplied free of charge.

(2) This section shall not apply to a supply of goods or services the market value of which is less than two hundred dollars, or such other sum as the Commission may, by order subject to affirmative resolution, prescribe.

Article 11

Accounts

States should require political parties and the entities connected with political parties mentioned in Article 6 to keep proper books and accounts. The accounts of political parties should be consolidated to include, as appropriate, the accounts of the entities mentioned in Article 6.

SECTION OF BILL

(Section 21X)

21X. - (1) Every registered political party shall submit to the Commission, a Campaign Period Expenditure Report in the prescribed form and manner within a period of one hundred and eighty days after the day of an election.

(2) A Campaign Period Expenditure Report shall include the following—

(a) A consolidated statement of all contributions received by it during the campaign period;

(b) An itemized statement of the values of all contributions, in cash or kind, of a value of, or exceeding four thousand dollars, (or such other sums as the Commission may, by order subject to affirmative resolution, prescribe) received during the campaign period, and stating the name, address and occupation or description of the respective contributors who made those contributions;

(c) A consolidated total income and expenditure statement for the campaign period, categorizing expenditures in accordance with the categories shown in the registered political party's most recent financial report

Article 12

Records of Donations

States should require the accounts of a political party to specify all donations received by the party, including the nature and value of each donation. In case of donations over a certain value, donors should be identified in the records

SECTION OF BILL

(Section 21AC)

21AC. - (1) Every registered political party and every candidate, whether the candidate is contesting on behalf of a registered political party or is contesting as an independent candidate, shall submit to the Commission, a Final Disclosure Report in the prescribed form detailing its or his income and expenditure, and all contributions received during the reporting period.

(2) If within the reporting period a candidate did not receive any contribution, or expend any resources, this should be declared by the candidate in the Final Disclosure Report.

Article 13

Obligation to present and make public reports

a. States should require political parties to present the accounts referred to in Article II regularly, and at least annually, to the independent authority referred to in Article 14.

b. States should require political parties regularly, and at least annually, to make public the accounts referred to in Article II or as a minimum a summary of those accounts, including the information required in Article 10, as appropriate, and in Article 12.

SECTION OF BILL

(Section 21X and 21AC)

21X. - (1) Every registered political party shall submit to the Commission, a Campaign Period Expenditure Report in the prescribed form and manner within a period of one hundred and eighty days after the day of an election.

(2) A Campaign Period Expenditure Report shall include the following—

(a) A consolidated statement of all contributions received by it during the campaign period;

(b) An itemized statement of the values of all contributions, in cash or kind, of a value of, or exceeding four thousand dollars, (or such other sums as the Commission may, by order subject to affirmative resolution, prescribe) received during the campaign period, and stating the name, address and occupation or description of the respective contributors who made those contributions;

(c) A consolidated total income and expenditure statement for the campaign period, categorizing expenditures in accordance with the categories shown in the registered political party's most recent financial report

Article 14

Independent monitoring

a. States should provide for independent monitoring in respect of the funding of political parties and electoral campaigns.

SECTION OF BILL

(Section 21AA)

21AA. - (1) Subject to the provisions of this Act, the Commission may require a disclosure in relation to any matter under this Part from—

- (a) The authorized representative of a registered political party;
- (b) Any contributor who made a contribution during a reporting period;
- (c) Any candidate at an election; or
- (d) The election agent of the candidate.

(2) For the purposes of this section, the Commission may serve a disclosure notice on a person specified in subsection (1) (a), (b), (c), or (d)

(3) A disclosure notice under this section is a notice requiring the person on whom it is served to produce for inspection by the Commission or its agents so authorized, within the period specified in the notice (being a period of not less than thirty days), any document which -

- (a) Relates to the income and expenditure of the registered political party, or any of its affiliated organizations, for any of its five most recent financial years, as may be reasonably required by the Commission for the purpose of carrying out its auditing functions; or
- (b) May provide the Commission, or its agents, with any information or explanation which relates to the income and expenditure of the registered political party, or any of its affiliated organizations, for any of its five most recent financial years, as may be reasonably required by the Commission for purposes of identifying sources of campaign financing.

(4) Every person on whom a disclosure notice is served shall comply with such notice within the time specified in the notice.

Article 16

Sanctions

States should require the infringement of rules concerning the funding of political parties and electoral campaigns to be subject to effective, proportionate and dissuasive sanctions

SECTION OF BILL

Several offences for violations are listed out in different sections of the Bill

