

Private funding of political parties

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The Political Party Funding Act introduces a strict regulatory framework for the private funding of political parties. This includes setting limits for the source, size and use of donated funds by political parties.

Obligations of political parties

- Parties must disclose all donations received above R100 000 whether in cash, kind (e.g. transport, catering) or both to the Electoral Commission each quarter.
- The R100 000 is cumulative (multiple donations from the same entity are added together and must be declared immediately when the total value reaches R100k).
- **Parties may not accept donations:**
 - Above R15 million per year from a single donor;
 - From foreign governments and agencies (except for training and policy development);
 - From any government department or state-owned entity.
- Parties must set up separate bank accounts for the deposit of all donations.
- **Within the three (3) months of the financial year end all political parties must:**
 - prepare a statement showing all money received by the represented political party from the Funds during the previous financial year, the application of that money and the purposes for which the money has been applied;
 - prepare a statement showing all donations and membership fees, and any levy imposed by the political party on its elected representatives during that financial year; and
 - submit those statements and the books and records of account to an auditor appointed.

Obligations of donors

- Donors must disclose to the Electoral Commission all donations above R100 000 whether in cash, kind (e.g. transport, catering) or both within 30 days of making the donation.
- The R100 000 is cumulative per year (multiple donations from the same entity are added together and must be declared once the total value reaches R100 000).
- Each individual donor can only donate a maximum of R15m to a party in a single year.

The obligations of the Electoral Commission

- The IEC must monitor the declarations of donations above the R100 000 by political parties and donors and publish these declarations quarterly on its website.
- The IEC must annually submit a report to Parliament containing extracts from the audited annual financial statements submitted by political parties.
- The IEC must ensure the compliance by all political parties to their obligations in terms of the Political Party Funding Act.
- The IEC must administer the Represented Political Party Fund (RPPF) and the Multi-Party Democracy Fund (MPDF) and distribute these funds to parties represented in the national and provincial legislatures according to the ration 33.3% equitable and 66.6% proportional.
- The IEC must promote the Multiparty Democracy Fund in a bid to raise funds for disbursement to political parties.