



Groupe d'Etats contre la corruption  
*Group of States against corruption*

**DIRECTORATE GENERAL I - HUMAN RIGHTS AND RULE OF LAW**  
**INFORMATION SOCIETY AND ACTION AGAINST CRIME DIRECTORATE**



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## **Third Evaluation Round**

### **Compliance Report on Ireland**

#### **“Incriminations (ETS 173 and 191, GPC 2)”**

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#### **“Transparency of Party Funding”**

Adopted by GRECO  
at its 53<sup>rd</sup> Plenary Meeting  
(Strasbourg, 5-9 December 2011)

## **I. INTRODUCTION**

1. The present Compliance Report assesses the measures taken by the authorities of Ireland to implement the 10 recommendations issued in the Third Round Evaluation Report on Ireland (see paragraph 2), covering two distinct themes, namely:
  - **Theme I – Incriminations:** Articles 1a and 1b, 2-12, 15-17, 19 paragraph 1 of the Criminal Law Convention on Corruption (ETS 173), Articles 1-6 of its Additional Protocol (ETS 191) and Guiding Principle 2 (criminalisation of corruption).
  - **Theme II – Transparency of party funding:** Articles 8, 11, 12, 13b, 14 and 16 of Recommendation Rec(2003)4 on Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns, and - more generally - Guiding Principle 15 (financing of political parties and election campaigns).
2. The Third Round Evaluation Report was adopted at GRECO's 45<sup>th</sup> Plenary Meeting (4 December 2009) and made public on 25 January 2010, following authorisation by Ireland (Greco Eval III Rep (2009) 4E [Theme I](#) / [Theme II](#)).
3. As required by GRECO's Rules of Procedure, the Irish authorities submitted a Situation Report on measures taken to implement the recommendations. This report was received on 29 June 2011, along with an update received on 14 November 2011, and served as a basis for the Compliance Report.
4. GRECO selected Latvia and the United Kingdom to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Roderick MACAULEY, Head of EU and International Criminal Law, Corruption and Fraud Criminal Law Policy Unit, Ministry of Justice (United Kingdom) and Ms Inese TERINKA, Senior Specialist, Legal and Human Resources Division, Corruption Prevention and Combating Bureau (Latvia). They were assisted by GRECO's Secretariat in drawing up the Compliance Report.
5. The Compliance Report assesses the implementation of each individual recommendation contained in the Evaluation Report and establishes an overall appraisal of the level of the member's compliance with these recommendations. The implementation of any outstanding recommendation (partially or not implemented) will be assessed on the basis of a Situation Report to be submitted by the authorities 18 months after the adoption of the present Compliance Report.

## **II. ANALYSIS**

### **Theme I: Incriminations**

6. It is recalled that GRECO in its evaluation report addressed 3 recommendations to Ireland in respect of Theme I. Compliance with these recommendations is dealt with below.

#### **Recommendation i.**

7. *GRECO recommended to continue with efforts to revise existing criminal law in the field of corruption with a view to enhancing its consistency and clarity.*

8. The authorities of Ireland report on progress made to reform the legislative framework for fighting corruption. In particular, in December 2010, the Prevention of Corruption (Amendment) Act was adopted with a view to strengthening legislation relating to the prevention of corruption and enhancing its consistency and clarity. Key provisions include whistleblower protection, the extension of extraterritorial jurisdiction for corruption offences (see also paragraph 19), a revision of the main corruption offence to clarify that both material and immaterial advantages are covered and the widening of the range of foreign public officials coming within the scope of legislation (i.e. persons under the direct or indirect control of a foreign national, regional or local government and members or staff of international organisations), and the application of corporate liability also with respect to unincorporated bodies.
9. Moreover, the Criminal Justice (Money Laundering and Terrorist Financing) Act was enacted in 2010 with a view to strengthening the legislative framework to fight money laundering. In addition, the Criminal Justice Act (2011), enacted during the summer, is reportedly aimed at facilitating a more effective investigation of criminal offences, including corruption, in particular by making it an offence not to disclose to the police information a person may have concerning such an offence.
10. Further legislative revision is planned as part of the new Programme for Government (2011-2016)<sup>1</sup>, which specifically lists among its priorities the enactment of a new consolidated and reformed anticorruption law.
11. In addition to the aforementioned legislative developments, the Irish authorities indicate that the Government has, following parliamentary debate and approval, lodged Ireland's instrument of ratification of the United Nations Convention against Corruption (UNCAC).
12. GRECO acknowledges the steps taken by the authorities to undertake reform of the anticorruption legislative framework, including, by adopting several key legislative acts aimed at improving consistency and clarity in this area. GRECO notes the reported intention of the authorities to proceed with further legislative revision through the adoption of a reformed anticorruption law. The authorities may wish to keep GRECO abreast of future developments in this respect.
13. GRECO concludes that recommendation i has been implemented satisfactorily.

#### **Recommendation ii.**

14. *GRECO recommended to clarify the law by establishing an autonomous offence of trading in influence in line with Article 12 of the Criminal Law Convention on Corruption (ETS 173).*
15. The authorities of Ireland reiterate their view that the illicit behaviour of trading in influence is already covered by the broad corruption offence included in the Prevention of Corruption (Amendment) Act. That said, the authorities indicate that, since the reform process of the statutes addressing corruption is ongoing, they intend to reconsider the approach taken in relation to the criminalisation of trading in influence. The authorities further report on the commitment made in the Programme for Government to introduce a statutory register of lobbyists and rules concerning the practice of lobbying.
16. GRECO regrets that the Prevention of Corruption (Amendment) Act does not contain an autonomous provision to criminalise trading in influence in full compliance with Article 12 of the

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<sup>1</sup> General elections were held on 25 February 2011; a new Government took office on 9 March 2011.

Criminal Law Convention on Corruption (ETS 173). In this connection, GRECO notes that nothing new has been added to the situation already analysed in the context of the Third Evaluation Report on Ireland (paragraph 71); a situation which was considered unsatisfactory at the time. GRECO appreciates that the authorities will reconsider their position in the context of the ongoing reform of the anticorruption legislative framework.

17. GRECO concludes that recommendation ii has not been implemented.

**Recommendation iii.**

18. *GRECO recommended to establish jurisdiction over offences of bribery and trading in influence committed abroad by/or involving an Irish national, in accordance with Article 17, paragraph 1, subparagraph b, of the Criminal Law Convention on Corruption (ETS 173).*
19. The authorities of Ireland indicate that Section 3 of the Prevention of Corruption (Amendment) Act substantially extends extraterritorial jurisdiction for corruption offences in order to cover Irish citizens, individuals who are ordinarily resident in Ireland, companies registered under the Companies Act, as well as any other body corporate established under a law of Ireland.
20. GRECO welcomes this development which specifically addresses the concern raised in recommendation iii, notably, that legislative measures were needed to enable Ireland to establish jurisdiction over corruption offences committed abroad by Irish nationals (not necessarily holding an “official” status), in conformity with Article 17, paragraph 1, subparagraph b, of the Criminal Law Convention on Corruption (ETS 173).
21. GRECO concludes that recommendation iii has been implemented satisfactorily.

**Theme II: Transparency of Party Funding**

22. It was recalled that GRECO in its evaluation report addressed 7 recommendations to Ireland in respect of Theme II.
23. The authorities of Ireland report on ongoing reform concerning electoral matters. The Programme for Government (2011) refers to specific measures to give effect to the recommendations made by GRECO, as well as to tackle the shortcomings in Ireland’s arrangements for the funding of politics raised by the Standards in Public Office Commission and, more recently, the Moriarty Tribunal<sup>2</sup>. Planned reform measures include the introduction of spending limits for all elections, a reduction of the limits on political donations to parties and candidates, lower disclosure thresholds, restrictions on corporate donations (from corporate and unincorporated bodies)<sup>3</sup>, the establishment of an Electoral Commission, and finally, the tying of public funding for political parties to the level of participation by women as candidates achieved by those parties.

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<sup>2</sup> The Tribunal of Inquiry into certain Payments to Politicians and Related Matters (commonly referred to as the Moriarty Tribunal) was an Irish Public inquiry established in 1997 to look into irregular payments made to some members of Parliament. The Moriarty Tribunal released two reports on its enquiries which were adopted in December 2006 (<http://www.moriarty-tribunal.ie/asp/detail.asp?ObjectID=310&Mode=0&RecordID=455>) and March 2011 (<http://www.moriarty-tribunal.ie/asp/detail.asp?objectid=310&Mode=0&RecordID=545>), respectively.

<sup>3</sup> This is to include donations from companies, partnerships, businesses, trade unions, trusts, sole traders, co-operatives, societies, building societies, charitable organisations, non-governmental organisations (e.g. clubs, sports clubs, residents’ associations) and any other unincorporated bodies of persons. In other words, all bodies and organisations other than natural persons.

24. The General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011 was published on 8 June 2011 and is currently undergoing public consultation; it includes, *inter alia*, measures to strengthen transparency of political funding. The Bill is to be published before the end of 2011.
25. Further separate legislation on political reform is ongoing, including, through the enactment, on 25 July 2011, of the Electoral (Amendment) Bill 2011, which implements recent decisions on electoral reform (e.g. reduced number of members of Parliament, lower spending limits and electoral reimbursements during presidential campaigns, requirement for parliamentary bye-elections to be held within 6 months of a vacancy occurring). In addition, the Programme for Government (2011) provides for the enactment of an Electoral Commission Bill, which envisages the establishment of a new Electoral Commission to subsume the functions of existing bodies entrusted with electoral and party financing matters and the introduction of a statutory register of lobbyists, including rules concerning lobbying.

#### **Recommendation i.**

26. *GRECO recommended that (i) legislation be consolidated in a comprehensive, clear and up-to-date manner within the electoral code; and (ii) adequate training be provided thereafter for those who are subject to legal obligations in this area, so that they can better understand their rights and duties.*
27. The authorities of Ireland explain that the main pieces of primary legislation on party funding are contained in the Electoral Act 1997 and the Local Elections (Disclosure of Donations and Expenditure) Act 1999, as amended. Guidelines on the implementation of the aforementioned law have been developed by the Standards in Public Office Commission and the Department of Environment, Community and Local Government; these guidelines fully reflect, in a consolidated fashion, the obligations and responsibilities arising under all of the existing legislation, including in respect of any amendments that have been made. Moreover, all electoral legislation is readily available on the electronic Irish Statute Book (EISB)<sup>4</sup>, which is published by the Office of the Attorney General. That said, the authorities do not rule out that, in the context of implementation of the Programme for Government, a consolidated act incorporating the existing legislation on political finances may be enacted.
28. The authorities further indicate that the Standards in Public Office Commission provides ongoing support to political parties, candidates and their national and election agents; this support is intensified at the crucial time of elections. For example, prior to the most recent general election (February 2011), the Commission staff contacted all 566 candidates and, in particular, election agents, offering advice and assistance. Presentations were made to approximately 150 party personnel, mostly election agents. After Parliament was dissolved, the Commission staff contacted all election agents and arranged face to face meetings with those who requested it. Face to face meetings were held with approximately 50 election agents. Advice over the phone was provided to some 50 election agents. Written advice, usually by e-mail, was given in approximately another 50 cases. A presentation was also made to about 100 barristers in the premises of the Bar Council (some of these barristers would also have acted as election agents or otherwise advised participants in the election). After the election, the Commission staff were available to assist election agents in completing election expenses statements. Likewise, the Department of Environment, Community and Local Government updated versions of the two volumes of guidelines documents, in advance of the local elections held in 2009, in a user-friendly style designed to explain the relevant compliance requirements. In addition, the Department

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<sup>4</sup> [www.irishstatutebook.ie](http://www.irishstatutebook.ie)

provides separate guidelines documents to local authorities on implementation of the legislation; this guidance is more legally-focused with information on the duties and responsibilities of local authorities. In advance of the next local election in 2014, additional briefing and training will be provided for those that are subject to compliance requirements.

29. GRECO positively values the training efforts developed by the authorities to keep political actors and their agents abreast of the legal obligations concerning political finances, in line with the second component of recommendation i. With respect to the first component of the recommendation, i.e. the advisability of consolidating the currently dispersed provisions on party funding, GRECO notes that the authorities consider that the guidelines issued by the Standards in Public Office Commission and the Department of Environment, Community and Local Government meet that purpose. GRECO notes that, in the Third Evaluation Round Report on Ireland, it had already acknowledged the existence of such guidelines; however, it considered that the system would greatly benefit, in terms of clarity, if the applicable rules were to be consolidated in a comprehensive and up-to-date manner. It is worth recalling that, as noted in paragraph 103 of the Third Evaluation Round Report, even though primary legislation in this area mainly relates to two instruments, i.e. the Electoral Act 1997 and the Local Elections (Disclosure of Donations and Expenditure) Act 1999, these laws have been repeatedly amended without codifying/consolidating the relevant changes. In addition, there are rules of relevance to election financing (with respect to the use of public funds for electoral purposes by current or outgoing members of Parliament), which are contained in the House of Oireachtas Commission (Amendment) Act 2006. The Standards in Public Office Commission has repeatedly stressed the need to have such provisions come within the ambit of the electoral code rather than be part of other legislation which patently has a separate purpose<sup>5</sup>. Further amendments are expected to occur in the context of the proposed reform on electoral matters. GRECO notes that the authorities have not ruled out the possibility of consolidating the currently dispersed legislation on political finances. GRECO is of the view that, in the context of the ongoing reform of electoral and party funding matters, the accessibility and effectiveness of the applicable rules on party funding can only be strengthened if consolidation occurs, as recommended.
30. GRECO concludes that recommendation i has been partly implemented.

#### **Recommendation ii.**

31. *GRECO recommended (i) to introduce a legal requirement for political parties to keep proper books and accounts and to have them independently audited; and (ii) to ensure that income, expenditure, assets and debts are accounted for in a comprehensive manner following a uniform format; and (iii) to see to it that the annual accounts are made public in a way which provides for easy and timely access by the public.*
32. The authorities of Ireland indicate that the General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011 provides for the preparation by all registered political parties of independently audited financial accounts. This is to include an income and expenditure account and a statement of the assets and liabilities of the political party. To facilitate the comparative examination of information by members of the public, and for the sake of consistency, all accounts submitted will cover the same financial period and will be prepared in a uniform format. The format for the preparation of accounts will be based on guidelines to be prepared by the Standards in Public Office Commission, in consultation with political parties and approved by the

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<sup>5</sup> See, for example, latest Annual Report (2010) of the Standards in Public Office Commission ([http://www.sipo.gov.ie/en/Reports/AnnualReports/AnnualReport2010/std\\_eng/index.html](http://www.sipo.gov.ie/en/Reports/AnnualReports/AnnualReport2010/std_eng/index.html)).

Minister. These accounts will be audited within six months of the end of the financial year and submitted to the Standards in Public Office Commission. They will then be published. Where accounts are not prepared, the Commission will be empowered to appoint an auditor to undertake this task and to recoup the cost from the political party concerned. Parties that do not comply with these new requirements face the risk of having their State funding withdrawn. In addition, if it is considered that there is a serious matter with the accounts (e.g. non-submission of accounts or an auditors report, submission of accounts not prepared in the required format or not submitted within the required timeframe), the Standards in Public Office Commission is being empowered to make a report to the Chairperson of Parliament. Provision is also being made for publication of details of the non-compliance on the website of the Standards in Public Office Commission thus further enhancing access by the public to important information.

33. GRECO is pleased to note that the General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011 addresses all the concerns raised by recommendation ii. Pending its adoption, GRECO concludes that recommendation ii has been partly implemented.

**Recommendation iii.**

34. *GRECO recommended to (i) consider lowering the disclosure threshold of 5,078.95 EUR (donations received by political parties) to an appropriate level; and (ii) introduce a legal obligation for political parties and candidates to register donations of less than 126.97 EUR.*
35. The authorities of Ireland explain that the General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011 provides for a reduction in the disclosure threshold for political donations: by a political party or third party from 5,078.95 EUR to 1,500 EUR; and by an individual from 634.87 EUR to 600 EUR. Provision is also made for a reduction in the threshold, from 5,078 EUR to 200 EUR, above which companies, trade unions, societies and building societies must report on political donations in their annual accounts. Moreover, the Bill introduces a ban on the acceptance of donations over 200 EUR from all sources, other than from individuals, by political parties and their accounting units, candidates, Parliament members, members of the European Parliament, local authority members and third parties, unless the body has registered with the Standards in Public Office Commission and has furnished, in writing (i) the name and address of the person or persons responsible for the organisation, management or financial affairs of the body; (ii) a statement of the nature and purpose of the body; (iii) a list of the membership or shareholders of the body; (iv) a copy of its statement of accounts for that year; (v) a copy of the annual report to its members; and, (vi) the donor has declared to the recipient that the donation has been authorised by a general meeting of the members of the body concerned. The authorities consider that the aforementioned restrictions on the acceptance of donations by all bodies and organisations, other than natural persons, go well beyond the first component of recommendation iii and are designed to address some growing concerns in Ireland regarding the unhealthy role that large-scale corporate funding could play in politics.
36. With respect to the second component of recommendation iii, the authorities stress that the non-recording of small donations of less than 126.97 EUR is aimed at allowing political parties to collect spontaneous donations in the context of party events, without placing a disproportionate burden on parties themselves to record such contributions individually. Moreover, while the General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011 does not contain a specific provision to require political parties to record donations of less than 126.97 EUR, it does require that all donations received by political parties be subject to an audit process, as outlined in paragraph 32 above. Such donations would therefore be subject to a form of oversight. It is

also considered that the audit process would improve the regulation and transparency of the funding of political parties through the publication of information on their income. This would include information on income received from all donations, including those that fall below the disclosure threshold.

37. GRECO notes that due consideration has been paid to the first part of the recommendation and that specific provisions have been included in the General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011 to bring down disclosure thresholds. GRECO further welcomes the measures planned by the authorities to better ensure transparency of corporate donations. With respect to the second part of the recommendation, GRECO accepts the explanation given by the authorities which confirms that the non-recording of individual small donations, of less than 126.97 EUR, represents a *de minimis* exemption in order not to place a disproportionate burden on political parties to record funds collected in the context of party events (e.g. rallies, raffles and jumble sales) where it is unlikely that individuals will contribute more than a few EUR per event. GRECO notes that the General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011 should provide for additional safeguards in this respect, since it would require the auditing of all donations received by political parties and the publication of information on income received from all donations, including those that fall below the disclosure threshold.
38. GRECO concludes that recommendation iii has been dealt with in a satisfactory manner.

#### **Recommendation iv.**

39. *GRECO recommended to examine the advisability of extending the financial reference period applicable to election campaigns so that the financial activity during this period is properly accounted for, thereby reflecting more closely the resources and expenditure devoted to the electoral process.*
40. The authorities of Ireland indicate that the Programme for Government specifically refers to the introduction of spending limits for all elections (also in relation to presidential elections and constitutional referenda), including for a period in advance of scheduled local, European, general and presidential elections.
41. GRECO welcomes the fact that the Programme for Government envisages the introduction of measures to address the problem of “front-loading” and the possibility to circumvent expenditure limits by concentrating spending in the period prior to the official announcement of the relevant election. GRECO notes that the suspicion of irregularities occurring in this respect is a recurrent matter being raised by the Standards in Public Office Commission in its annual reports; the authorities may wish to keep GRECO informed about the practical measures which will be introduced to address this issue.
42. GRECO concludes that recommendation iv has been dealt with in a satisfactory manner.

#### **Recommendation v.**

43. *GRECO recommended to seek ways to consolidate the accounts (of political parties) so as to include local branches as well as other entities related directly or indirectly to political parties or under their control.*

44. The authorities of Ireland report that the proposed legislative changes to reduce the maximum level of donations that can be received, to reduce the disclosure threshold, and to restrict corporate donations will apply to political parties at all levels, including their branches, and will also apply to third parties<sup>6</sup>. Moreover, in the framework of the guidelines that the Standards in Public Office Commission is to prepare to provide for a common accounting format of political finances, attention is being paid to the most appropriate manner of depicting financial information with regard to the various activities of political parties, including those performed by related entities and local branches. The authorities further report that the regulation of third party donations and expenditure at referendum campaigns is to be addressed in the implementation of the commitment contained in the Programme for Government (2011) to regulate referendum campaign spending.
45. GRECO welcomes the fact that some of the measures to strengthen transparency and openness of political finances contained in the General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011 (for example, with respect to restrictions on corporate donations – see also paragraph 35) are applicable to third parties. GRECO takes note of the fact that the Programme for Government (2011) contains measures concerning the regulation of referendum campaign spending. It is recalled that, in Ireland, the matter of disclosure of donations and expenditure by third parties has particularly emerged in the context of referendum campaigns and was the subject of a report prepared by Ireland's Standards in Public Office Commission in 2009<sup>7</sup>. GRECO also notes the reported intention of the authorities to pay further attention to the issue of greater transparency in the accounts of political parties, including by seeking ways to better reflect their various activities. These are however plans that need to materialise in practice.
46. GRECO considers that more needs to be done to specifically address the core aim of recommendation v, i.e. the need to consolidate into the final accounts of the party, the accounts of lower echelons of the organisation, as well as those of third parties. In particular, GRECO recalls the concerns expressed in the Third Evaluation Round Report (paragraph 107) as to the lack of an obligation on third parties to publicly disclose donations and expenditure, as well as with respect to a certain practice of local branches not to disclose, although legally required to do so, the donations they receive. GRECO is of the firm view that full transparency of party accounts necessarily requires the disclosure of financial information concerning the entities that come within the party's sphere of activity; consolidation of party accounts can only facilitate greater transparency for citizens in knowing from which sources political parties receive their income and in which way they spend their money. GRECO regrets that the General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011 does not include more specific provisions to address the aforementioned shortcomings, and urges the authorities to design more tailored measures in this respect.
47. GRECO concludes that recommendation v has been partly implemented.

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<sup>6</sup> Third party means any person, other than a political party registered in the Register of Political Parties, or a candidate at an election, who accepts, in a particular year, a donation exceeding 126.97 EUR, which has been given for political purposes. Third parties must register with the Standards Commission and comply with the rules regarding the opening and maintenance of a political donations account and the non-acceptance of prohibited donations.

<sup>7</sup> 'Third Parties and the Referendum on the Treaty of Lisbon – Report to the Minister for the Environment, Heritage and Local Government', Standards in Public Office Commission, March 2009.

## Recommendation vi.

48. *GRECO recommended to better harmonise the monitoring of political funding at local level, in particular, (i) by reinforcing its independence and the control performed, as necessary; and (ii) by considering the advisability of entrusting the Standards in Public Office Commission (or yet-to-be created Electoral Commission) with an additional oversight role in this field.*
49. The authorities of Ireland contend that the system of monitoring of political funding at local level is independent and rigorous, and is designed in a manner that is appropriate and suitable to Ireland's local government structures. In particular, the authorities reiterate that, given the number of candidates involved, the local nature of campaigns and scale of administration involved, there are decisive advantages to having the local election spending and donations regime administered at local level. In this connection, the local administration of spending and donations requirements allows for direct oversight by officials who are in the best position to undertake a critical and informed examination of spending and donation returns, and assess if a breach has occurred. Crucially for candidates, there is a local point of contact to assist and advise them on their duties in respect of compliance with the relevant legal obligations. For the purpose of scrutiny, the legal requirements to make the statements available for inspection locally is important in facilitating access to these documents by local citizens and the local media. The Department of the Environment, Community and Local Government prepares guidance documents and other supports of a more technical nature to assist local authorities in discharging their responsibilities under the legislation. This overall approach is designed to achieve uniformity in the application of the regulatory requirements. An amending provision was enacted in 2009<sup>8</sup>, which provides for the publication of information on election spending and donations in the annual report of each local authority. The relevant annual reports containing information on Ireland's 2009 local elections were published on the respective websites of the local authorities for the first time in 2010. This requirement has made information on local election spending and donations more widely available and easily accessible to the public in a standard format. Finally, the authorities indicate that, within the context of the establishment of an Electoral Commission, the issue of some form of oversight role of local election spending and donations regulations can be considered further.
50. GRECO notes that the arguments presented by the authorities as to the monitoring of political funding do not differ from those already given at the time of adoption of the Third Evaluation Round Report (paragraph 109). GRECO, nevertheless considered at that time that there was much room for improvement of the oversight provided at local level. It particularly identified a number of shortcomings, which were also assessed as critical by the interlocutors met during the on-site evaluation visit (including the Standards in Public Office Commission), notably, with specific reference to the independence and the rigour (material-substantial) of the monitoring, as well as the publication practices performed at local level, which highly varied from one local authority to another. With respect to the latter shortcoming, GRECO is now pleased to note that concrete measures have been taken to make information on local election spending more easily accessible to the public as well as standardised in format. With respect to the independence and rigour of the monitoring performed by local authorities, GRECO notes that, while refraining from issuing a recommendation in the Third Evaluation Round Report that would alter, in substance, the allocation of responsibilities at central/local level, it took the view that monitoring at local level was to be significantly strengthened and harmonised and that one possibility for doing so was entrusting the Standards in Public Office Commission (or yet-to-be created Electoral Commission) with an additional oversight role in this field. The authorities now state that the latter

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<sup>8</sup> Section 5 of the Electoral (Amendment) (No. 2) Act 2009, which amended the Local Elections (Disclosure of Donations and Expenditure) Act 1999

proposal is yet to be considered. GRECO urges the authorities to pay more attention to the issue of monitoring of political finances at local level in order to assess which measures are still necessary to improve the current system.

51. GRECO concludes that recommendation vi has been partly implemented.

**Recommendation vii.**

52. *GRECO recommended (i) to ensure that all violations of political funding rules are coupled with effective, proportionate and dissuasive sanctions; and (ii) to consider providing the monitoring body/ies in this area (i.e. the Standards in Public Office Commission, local managers, yet-to-be created Electoral Commission, as applicable) with greater investigative and sanctioning powers in respect of less serious violations of the political financing rules.*
53. The authorities of Ireland state that the General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011 establishes penalties for violations on the new accounting and auditing obligations (i.e. the withdrawing of public funding). The authorities also inform GRECO that, in order to address recommendation vii, the matter of the sanctions that apply to pre-existing offences under electoral law, and the oversight responsibilities and investigative powers to be assigned to an Electoral Commission will be considered further in the context of the development of specific proposals to implement the Programme for Government commitments in these areas.
54. GRECO notes that the General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011 proposes new requirements concerning accounting and auditing obligations of political parties; the violation of these requirements entails a sanction consisting of the withdrawing of public funds. That said, as highlighted in the Third Evaluation Round Report (paragraph 110), there will still remain numerous obligations where party funding-related legislation is silent as to sanctions in case of non-respect (e.g. failure to comply with a request of by the Standards in Public Office Commission to provide information/documentation, failure to open a political donation account, prohibition to use funds from the exchequer for electoral purposes, etc.). Likewise, GRECO considered that the system of criminal investigations and enforcement measures could be combined with a more flexible and graduated approach when dealing with less serious violations of the political financing rules and that the existing or yet-to-be-created responsible monitoring bodies in this area could be vested with greater investigative and sanctioning powers to this effect. The authorities specifically acknowledge that they are yet to deal with recommendation vii as they implement the Programme for Government and enact the Electoral Commission Bill; GRECO urges the Irish authorities to take more decisive and expeditious action to effectively meet recommendation vii.
55. GRECO concludes that recommendation vii has not been implemented.

**III. CONCLUSIONS**

56. **In view of the above, GRECO concludes that Ireland has implemented satisfactorily or dealt with in a satisfactory manner four of the ten recommendations contained in the Third Round Evaluation Report.** With respect to Theme I – Incriminations, recommendations i and iii have been implemented satisfactorily. Recommendation ii has not been implemented. With respect to Theme II – Transparency of Party Funding, recommendations iii and iv have been dealt with in a satisfactory manner, recommendations i, ii, v and vi have been partly implemented. Recommendation vii has not been implemented.

57. With respect to Theme I – Incriminations, the Prevention of Corruption (Amendment) Act was adopted, in December 2010, with a view to strengthening legislation relating to the prevention of corruption and enhancing its consistency and clarity. Key provisions refer to whistleblower protection, the extension of extraterritorial jurisdiction for corruption offences, a revision of the main corruption offence to clarify that both material and immaterial advantages are covered, the widening of the range of foreign public officials coming within the scope of legislation (i.e. persons under the direct or indirect control of a foreign national, regional or local government and members or staff of international organisations), and the application of corporate liability also with respect to unincorporated bodies. Other key legislation recently adopted in this area include the Criminal Justice Act, as well as the Criminal Justice (Money Laundering and Terrorist Financing) Act. Ireland lodged its instrument of ratification of the United Nations Convention against Corruption (UNCAC) in November 2011. Further reform is still expected to occur as part of the new Programme for Government (2011-2016), which specifically lists among its priorities the enactment of a new anticorruption law. GRECO is hopeful that, in the context of the ongoing reform, due attention will be paid to the criminalisation of trading in influence as an autonomous offence, in line with Article 12 of the Criminal Law Convention on Corruption (ETS 173).
58. In relation to Theme II – Transparency of Party Funding, GRECO is pleased that Ireland has engaged in a reform process, where most concerns raised by GRECO in its Third Evaluation Round Report are being taken on board. In particular, the General Scheme of the Electoral (Amendment) (Political Funding) Bill 2011, currently undergoing public consultation, would, if adopted, appear to address a large majority of the recommendations raised by GRECO. The new accounting and auditing obligations for political parties, as well as the measures introduced to increase transparency of corporate donations are of particular relevance. The authorities are encouraged to pursue their efforts to further strengthen transparency and openness of political finances. In the context of the ongoing reform, more attention must be paid to the consolidation of party accounts so that they are able to provide meaningful financial information pertaining to local branches and third parties, the oversight performed at local level, and the sanctioning regime.
59. In the light of what has been stated in paragraphs 56 to 58, GRECO notes that Ireland has been able to demonstrate that reforms with the potential of achieving an acceptable level of compliance with the pending recommendations within the next 18 months are well underway. GRECO therefore concludes that the current low level of compliance with the recommendations is not “globally unsatisfactory” in the meaning of Rule 31, paragraph 8.3 of the Rules of Procedure. GRECO invites the Head of the delegation of Ireland to submit additional information regarding the implementation of recommendation ii (Theme I – Incriminations) and recommendations i, ii, v to vii (Theme II – Transparency of Party Funding) by 30 June 2013 at the latest.
60. GRECO invites the authorities of Ireland to authorise, as soon as possible, the publication of the report, to translate the report into the national language and to make this translation public.