

*Agreed with:
E.S.Rustamov, Chairman of Central Bank*

M.M.Panahov, Chairman of Central Election Commission

Approved by Decision #23-5 dated on August 24, 2009,

amended by Decisions 6/15-6 dated on August 23, 2011

and 3/15 dated on April 11, 2013 of

the Central Election Commission of the Republic of Azerbaijan

INSTRUCTION

on the rules for receipt of monetary resources to election funds, conducting of records of expenses and reporting rules in Municipal Elections

The Instruction has been prepared pursuant to Article 90, 93, 94 and 225 of the Election Code of the Republic of Azerbaijan (hereafter referred to as Election Code) and defines rules for receipt of monetary resources to election funds, conducting of records of expenses and reporting rules in Municipal Elections pursuant to Law "On Banks" of the Republic of Azerbaijan.

1. Election funds of the candidates to municipality membership shall be formed under the condition not to exceed the following amount:

- 1.1. in the area the population of which is more than 99.999 persons - 10 000 manats;
- 1.2. in the area the population of which is more than 49.999 persons - 7 500 manats;
- 1.3. in the area the population of which is more than 19.999 persons - 5 000 manats;
- 1.4. in the area the population of which is more than 9.999 persons - 2 500 manats;
- 1.5. in the area the population of which is more than 4.999 persons - 1 250 manats;
- 1.6. in the area the population of which is more than 4.999 persons - 750 manats.

2. The sources of election funds of candidates to municipality membership, political parties, political party blocs the candidate of which has been registered:

2.1. Election funds of candidates to municipality membership shall be formed only by the following monetary means:

2.1.1. Special funds of a candidate to municipality membership implied in item 1.1 of the Instruction, with a condition it cannot be more than 10 000 manats;

2.1.2. Special funds of a candidate to municipality membership implied in item 1.2 of the Instruction, with a condition it cannot be more than 7 500 manats;

2.1.3. Special funds of a candidate to municipality membership implied in item 1.3 of the Instruction, with a condition it cannot be more than 5 000 manats;

2.1.4. Special funds of a candidate to municipality membership implied in item 1.4 of the Instruction, with a condition it cannot be more than 2 500 manats;

2.1.5. Special funds of a candidate to municipality membership implied in item 1.5 of the Instruction, with a condition it cannot be more than 1 250 manats;

2.1.6. Special funds of a candidate to municipality membership implied in item 1.6 of the Instruction, with a condition it cannot be more than 750 manats.

Note: *The maximum limit of the financial fond of candidates to municipality membership shall be regulated by Article 225.2 of the Election Code.*

2.2. If the candidate to municipality membership has been nominated by the political party, political party bloc:

2.2.1. Funds of political party, political party bloc providing not to exceed 7 500 manats for candidates to municipality membership implied in item 1.1 of the Instruction;

2.2.2. Funds of political party, political party bloc providing not to exceed 5 000 manats for candidates to municipality membership implied in item 1.2 of the Instruction;

2.2.3. Funds of political party, political party bloc providing not to exceed 3 750 manats for candidates to municipality membership implied in item 1.3 of the Instruction;

2.2.4. Funds of political party, political party bloc providing not to exceed 2 500 manats for candidates to municipality membership implied in item 1.4 of the Instruction;

2.2.5. Funds of political party, political party bloc providing not to exceed 1 250 manats for candidates to municipality membership implied in item 1.5 of the Instruction;

2.2.6. Funds of political party, political party bloc providing not to exceed 500 manats for candidates to municipality membership implied in item 1.6 of the Instruction.

2.3. *Has been excluded.*

2.4. Election funds of candidates to municipality membership, political parties, political party blocs can be transferred voluntary donations of not exceeding 500 manats by citizens.

2.5. Election funds of candidates to municipality membership, political parties, political party blocs can be transferred voluntary donations of legal entities not exceeding the following amount:

2.5.1. 10 000 manats for the candidates to municipality membership implied in item 1.1 of the Instruction;

2.5.2. 7 500 manats for the candidates to municipality membership implied in item 1.2 of the Instruction;

2.5.3. 3 750 manats for the candidates to municipality membership implied in item 1.3 of the Instruction;

2.5.4. 2 500 manats for the candidates to municipality membership implied in item 1.4 of the Instruction;

2.5.5. 1 250 manats for the candidates to municipality membership implied in item 1.5 of the Instruction;

2.5.6. 750 manats for the candidates to municipality membership implied in item 1.6 of the Instruction.

2.6. Municipalities may allocate funds in equal amount for election funds of the nominated candidates within their territories.

2.7. The political party, political party bloc which nominated candidate or the candidate of which has been registered in more than 1/3 part of the municipalities may establish single election fund.

2.8. Election funds of political parties, political party blocs shall be formed by means of only the following funding:

2.8.1. Specific funding of political parties, political party blocs not exceeding 250 000 manats (this specific funding of the political party bloc is formed on the accounts of the funding provided by the political parties which have established the election bloc);

2.8.2. Citizens' voluntary donations not exceeding 750 manats;

2.8.3. Donations of legal entities not exceeding 25 000 manats.

2.9. The maximum limit of election funds of political parties, political party blocs shall be defined by multiplying the amount implied in item 1 of the Instruction to the number of nominated or registered candidates. In any case, the maximum limit of election funds of political parties, political party blocs shall not exceed 500 thousands manats.

2.10. The amount of the funding of political parties, political party blocs spent for each candidate shall not exceed the amount implied in item 1 of the Instruction. Abidance by this requirement shall be included in financial reports of political parties, political party blocs.

2.11. If the candidates of the political parties, political party blocs which created single election fund who have been registered on municipalities cover half or less than half of the municipalities, then specific election accounts of political parties, political party blocs shall be closed. Simultaneously with closing this account specific election account for every candidate shall be opened and money assets of single election fund shall be proportionally distributed among election funds of candidates.

3. The following shall be prohibited from rendering voluntary donations to election funds of the candidates:

3.1. Foreign countries and foreign legal entities;

- 3.2. Foreign citizens;
- 3.3. Persons without citizenship;
- 3.4. Citizens who are under 18 years of age;
- 3.5. Legal entities of the Republic of Azerbaijan, if on the day of official publication of the decision to define elections, more than 30% of the charter (property) capital of the legal entity of the Republic of Azerbaijan belongs to the persons mentioned above;
- 3.6. International organizations and international public movements;
- 3.7. State bodies, and municipalities;
- 3.8. State and municipal organizations and offices;
- 3.9. If on the day of official publication of the decision to define elections, legal entities, with more than 30% of the charter capital belonging to state or municipality;
- 3.10. Military units;
- 3.11. Charitable organizations, religious associations, offices and organizations;
- 3.12. Anonymous donation provider who does not indicate one of the following pieces of information for a citizen - name, surname, patronymic, batch and serial number, date of issue, of his/her identification document or a document substituting it; for a legal entity - identification number of taxpayer, name, date of registration, bank account, state and municipal share in the charter capital, and in case, there are such shares - their proportion, as well as proportion of a foreign share in the charter capital or not providing or providing incorrect information about such proportion.

4. Rules for transferring donations to election funds of candidates to municipality membership and their spending

- 4.1. Voluntary donations shall be transferred through communication departments and banks only by the citizens of the Republic of Azerbaijan on the basis of submission of identification document or a document, which substitutes it and should contain information about surname, name, patronymic and date of birth of the donator.
- 4.2. Voluntary donations of legal entities shall be received by cashless transfer to the election fund and contain information about whether legal entities have state, municipal or foreign share in their charter capital or not, in case, there are such shares, their proportion, the name, date of registration, identification number of taxpayer and bank account information.
- 4.3. Voluntary donations of physical and legal entities shall be transferred to the specific election account through post offices and banks not later than 2 days after they receive the relevant payment document.
- 4.4. If donations are transferred to the election funds of candidates, political parties, political party blocs by the subjects who do not have right to do that and implied in Article 90.2 of Election Code and item 1.2 of this Instruction, or if amount of donation is more than the amount mentioned in Election Code and the Instruction, then the relevant bank shall inform the relevant election commission in accordance with Appendix #1 to this Instruction.
- 4.5. If donations are transferred to the election funds of candidates, political parties, political party blocs by the subjects who do not have right to do that by physical and legal entities who do not have right to do that, or if amount of donation is more than the amount

mentioned in Article 225 of Election Code, the candidate or the authorized representative on financial issues should return the whole amount or a part of it which exceeds the required amount to the donator within 10 days after its receipt, indicating the reasons for bank transfer and deducting expenses for transfer. If the amount of donation is not returned to the donator within the mentioned period, the relevant bank should return the whole amount of donation to the donator and inform about this the relevant election commission in writing.

4.6. Anonymous donations shall be transferred to the state budget by the candidate, registered candidate, political party, political party bloc within 10 days after anonymous donations are entered to election accounts specific in accordance with Article 93.7 of the Election Code. If anonymous donations are not transferred to the state budget within the mentioned period, the bank should transfer this donation as a whole to the state budget and inform about this the relevant election commission in writing.

4.7. All financial transactions on specific election accounts of registered candidates, political party, political party blocs the candidates of which have been registered shall be stopped within 3 days after the voting day.

4.8. The relevant bank with the instruction of the relevant election commission shall stop other financial transactions mentioned in Article 91.4 of Election Code to pay expenses from the specific election accounts of candidates, political party, political party blocs.

4.9. The Central Election Commission can prolong the period of financial operations in following cases defined by Article 92.1:

4.9.1. For covering expenses of candidate, political party with registered candidate and bloc of political parties for the implemented activities, before there received refusal of registration;

4.9.2. If a candidate withdraws his/her application on his/her consent to be a candidate, or his/her candidacy is withdrawn by a political party and bloc of political parties;

4.9.3. For covering of expenses of a registered candidate who withdraws his/her registration or if his /her registration is withdrawn by a political party and bloc of political parties as well as if his/her registration is cancelled, before receiving of decision on cancellation of registration.

4.9.4. Other cases, which require covering the expenses spent for the actions up to the Election Day by a registered candidate, political party or bloc of political parties.

4.10. Candidates shall use money transferred to their election funds accounts for the purpose to finance organizational-technical actions for collection of signatures, to pay for relevant persons collecting voters' signature, to pay expenses regarding pre-election campaign, as well as information and consulting services, expenses regarding other works during the pre-election campaign performed by legal entities and citizens (Appendix # 1 of this Instruction). It is prohibited to use these funds for the purposes of campaign if it violates the requirements of Article 88.2, 88.4 and 88.5 of Election Code.

5. Report on Election Funds

5.1. The relevant bank shall submit a report to the relevant election commission on

circumstances mentioned in the Election Code and items 3, 4.8, 4.9 and 4.10 of this Instruction.

5.2. Candidates, registered candidates, political party, political party bloc shall submit their financial reports to the relevant election commission as follows (Appendix #2 made to Instruction):

5.2.1. First initial financial report shall be submitted to the relevant election commission in accordance with the rules defined by Election Code together with required documents for registration; this report shall contain information for the period two days prior to the date indicated in report;

5.2.2. Second initial financial report shall be submitted at earliest 20 days and at least 10 days prior to the Election Day; this report shall contain information for the period of 7 days prior to the date indicated therein;

5.2.3. Final financial report shall be submitted at latest 10 days after final results of elections officially published; initial financial documents on the collection and expenditure of election funds shall be attached to the final financial report.

5.3. If a candidate loses his/her status, the duties for financial reporting shall be assumed by citizens who have been candidates or authorized representatives on financial issues.

5.4. The relevant bank shall inform the relevant election commission about the funds entered to and spent from the election funds of candidates to municipality membership, political party, political party bloc the candidate of which has been registered not less than once a week, and if there are 10 days remaining until the Election Day - not less than once in 3 banking days in the manner determined by Appendix #1 to this Instruction.

(Surname, name, patronymic of a candidate, registered candidate to the municipality membership, name of the political party, political party bloc)

I N F O R M A T I O N

on special election account for “_20_” _____

Funds transferred to special election account

#	Date	Subject of operation	Sum	Personal special funds of the candidate	Funds of a political party, political party bloc	Donations transferred by citizens	Donations transferred by legal entities	Funds entered from municipalities
Total								

Note:

Funds used from the special election account

#	Date	Subject of operation	Spent, including:				
			Sum	For organizational-technical actions for collection of signatures	For payment of expenses regarding pre-election campaign, as well as information and consulting services	For payment of expenses regarding other works during the pre-election campaign performed by legal entities and citizens	Other inflows
Total							

Note: Details of article "other inflows":

Chair of Bank

_____ (surname, name and patronymic)

_____ (signature)

Chief Accountant

_____ (surname, name and patronymic)

_____ (signature)

(stamp)

FINANCIAL REPORT

**on incomes and expenses made to or from the election fund of a candidate,
registered candidate to municipality membership, political party, political party
bloc in Municipal Elections**

(in manats)

	Name of a bank opening a special election account		
	Number of a special election account		
	Components of income and expenses		
I	Sum of Income		
1	Special funds of a candidate to the municipality membership, political party, political party bloc		
2	Voluntary donations of persons		
3	Voluntary donations of legal entities		
4	Funds entered by municipalities		
II	Sum of Expenses		
1	Financing the organizational-technical actions for collection of signatures, as well as to pay for relevant persons collecting voters' signatures		
2	Payment of expenses regarding pre-election campaign, as well as information and consulting services		
3	Expenses regarding other works during the pre-election campaign performed by legal entities and citizens		
III	Funds remained by Election Day		

	Distribution of unused funds		
1	Other monetary funds remained at the account that should be returned to the current accounts of donor citizens and legal entities		

Candidate to the municipality membership

or registered candidate _____

or _____
(surname, name and patronymic) *(signature)*

Authorized representative of a candidate _____

(surname, name and patronymic) *(signature)*

or

Authorized representative on financial issues

appointed by political parties

or bloc of political parties

(surname, name and patronymic)

(signature)