

DRAFTING NOTE: For ease of discussion this document is a consolidation of the current Regulations (deemed in terms of clause 24(2)(c) of the Bill to be Regulations under the Bill. The substantive amendments are marked in yellow dealing with the formula, disclosure threshold and upper limit. The other amendments are consequential in nature.

A deletion to the text is indicated by []
An insertion in the text is indicated by _____

SCHEDULE
[PUBLIC FUNDING OF REPRESENTED POLITICAL PARTIES]
REGULATIONS ON POLITICAL PARTY FUNDING, [1998] 2017

Definitions

1. In these regulations a word or phrase to which a meaning has been assigned in the Act has that meaning, and, unless the context otherwise indicates-

“Act” means the **[Public Funding of Represented Parties Act, 1997 (Act No. 103 of 1997)]** Political Party Funding Act, 2017 (Act No. of 2007);

"allocated monies" means moneys allocated from the **[Fund]** Funds to a political party during a particular financial year;

"Constitution" means the Constitution of the Republic of South Africa, 1996;

“disclosure threshold” means the threshold referred to in section 10(1) of the Act;

"equitable allocation" means the allocation referred to in regulation 2 (2) (b);

"proportional allocation" means the allocation referred to in regulation 2 (2) (a).

Allocation of funding

2. (1) The total amount of funding available for allocations from each of the [Fund] Funds during a particular financial year must be announced by the Commission by notice in the *Gazette* within two weeks of the beginning of that financial year.

(2) The allocations from the **[Fund]** Funds to be made and paid to each of the political parties concerned are calculated by-

(a) allocating [ninety (90)] per cent of the total amount of funding determined in terms of subregulation (1) in respect of each of the Funds proportionally in accordance with regulation 3; and

(b) allocating **[ten (10)]** per cent of the total amount of funding determined in terms of subregulation (1) in respect of each of the Funds equitably in accordance with regulation 4.

Proportional allocation

3. The proportional allocation is determined by dividing **[the amount]** each of the amounts contemplated in regulation 2(2)(a) proportionally among the participating parties in **[any legislative body referred to in section 9 (3) (a)]** any national or provincial legislature in accordance with the number of seats awarded to each participating party in the National Assembly and the provincial legislatures jointly.

Equitable allocation

4. The equitable allocation is determined in the following manner:

(a) The **[amount]** amounts contemplated in regulation 2 (2) (b) must be allocated to the **[respective provinces]** national and each of the provincial legislatures in proportion to the number of members of **[the respective provincial legislatures as contemplated by section 105 (2) of the Constitution]** each of those legislatures; and

(b) the allocation to a particular **[province]** legislature in terms of paragraph (a) must be divided equally among the participating parties in **[the legislature of that province]** each of those legislatures.

Times, Intervals and instalments of payments

5. (1) All allocations to which a political party is entitled as determined in terms of regulations 3 and 4, must be paid to the political party in question in four equal instalments, each within three months of the previous payment. The first instalment must be paid within four weeks of the beginning of the financial year in question.

(2) In the event of an election being called in terms of section 49 (2) or 108 (2) of the Constitution in respect of a particular legislature, any outstanding instalments still to be paid in terms of subregulation (1) to the political parties represented in that legislature during the period of 21 days referred to in section 9 (3) of the Act, must be suspended. The instalments so suspended must be distributed within two weeks of the date of election to the political parties that gain representation in the legislature concerned as a result of the election in accordance with the provisions of regulations 3 and 4, as the case may be.

Manner of payments

6. (1) A political party must provide the Commission with particulars of the party's banking account **[referred]** contemplated to in section **[6 (1)]** 13(1)(b) of the Act, within two weeks of such a banking account being opened.

(2) Any payments to be made to a political party in terms of these regulations must be paid into the party's banking account **[referred]** contemplated to in section **[6 (1)]** 13(1)(b) of the Act.

Disclosure threshold

6A (1) The threshold referred to in section 10(1) of the Act is R..... in any financial year.

(2) The threshold referred to in sub-regulation (1) is cumulative.

Upper limit for private donations

6B The upper limit contemplated to in section is R

Separate books and records of account

7. The separate books and records of account required by section **[6 (2)] 13(2)(c)** of the Act must be kept according to generally accepted accounting practices, and must include the following:

- (a) Records showing all transactions involving allocated moneys;
- (b) records showing all assets acquired with allocated moneys;
- (c) records showing commitments entered into in respect of allocated moneys;
- (d) a balance sheet;
- (e) an income and expenditure statement; and
- (f) a cash flow statement.

Generally descriptive categories of purposes in connection with which amounts are spent

8. (1) Financial statements prepared in relation to the **[Fund] Funds** must show the amounts spent during a financial year in question by each political party that received allocations in accordance with these regulations in connection with purposes classifiable under the following descriptive categories:

- (a) Personnel expenditure;
- (b) accommodation;
- (c) travel expenses;
- (d) arrangement of meetings and rallies;
- (e) administration; and
- (f) promotions and publications.

(2) The information required for the purposes of subregulation (1) must be furnished to the Commission by the accounting officer referred to in section **[6 (1)] 13(1)(c)** of the Act within three months after the end of the financial year in question.

Prescribed percentage of allocations that may be carried over

9. Moneys carried forward to the next financial year as contemplated in section [9 (1)] 14(2) of the Act may not amount to more than fifty per cent of the moneys received from the [Fund] Funds during the financial year in question.

Short title

10. These regulations are called the [Public Funding of Represented Political Parties] Regulations on Political Party Funding, [1998] 2017.