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 **HOME AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

Private Bag X741, Pretoria, 0001, Tel: (012) 432 6635 Fax: (012) 432 6675

Private Bag X9102, Cape Town, 8000, Tel: (021) 469 6507, Fax: (021) 461 4191

**APPROACH TO PPFA CONSEQUENTIAL AMENDMENTS**

**OVERARCHING PRINCIPLES**

1. We are very committed to transparency in party funding and to safeguarding our democracy and sovereignty by avoiding capture of parties or independent representatives by local or international donors.
2. We believe all parties and independents should get their fair share of public funding in order to maintain relations and engagement with their constituencies. Without this democracy cannot fulfill its purpose of ensuring that it results in properly representing the people.
3. Maintaining a living link between public representatives and the people is a vital part of democracy.
4. While international support to our democracy is welcome, it needs to be declared and monitored to safeguard our sovereignty.
5. We need to encourage all South Africans and global supporters, who value our democracy, to also consider donating the Multi-Party Democracy Fund.
6. South African parties have all been affected by a decrease in donations in the last few years. Fixing the legislative environment for independent members and political party funding must help to make funding easy, fair, transparent and democratic.
7. We should avoid prescribing amounts in Legislation and do so in Regulations as we want to avoid unnecessary changes to the Act.

**Limits for reporting domestic donations**

1. We need to remember that the original legislation was informed by a Constitutional Court judgment that in terms of PAIA, voters had the right to know who funded parties.
2. Currently both parties and donors have to report all donations over R100 000. This is cumbersome for both recipients and donors, but it is there to guard against money-laundering, and spreading donations from a single source across multiple donors. While parties and independents should continue to fully account for donations over the limit, the IEC should remove any unnecessarily onerous obligations that may deter donors. There are sufficient other checks and balances to investigate suspicious donations declared by parties (FICA, SARS, Reserve Bank, media, etc).
3. For the R100 000 limit to make declarations, there is room to consider reasonable and justifiable increases of the amount over time, in a constitutional democracy (2018-2023 already 5 years)

**Limits for reporting international donations**

1. We are aware that democracies and states are undermined across the world by international interests, and party and independent representative or candidate funding may be used as a vehicle for this.
2. Sovereignty and public opinion are both issues that require a considered response. The limit to foreign donor funding was set at a different time and needs to be re-looked at in a reasonable and justifiable manner consistent with our constitutional democracy.

**MPDF as vehicles for those who want to donate above the limit or to more than one party or independent**

1. All foreign donors and large domestic donors should also be encouraged to donate to the Multi-Party Democracy Fund.
2. Parties who do not want to accept donations from a specific donor to the MPDF can be excluded from benefitting from that donation.

**Linking Fiscal allocation to represented parties to limits**

1. The Amendment should link fiscal allocation increases or decreases to any decrease or increase in upper limits for domestic donations. This means that if the fiscus is healthy and can afford to increases

**Changing the formula for allocation of funds to parties and independents in parliament**

1. In the light of independents not being able to compete for proportionality, as they can only occupy one seat, we propose that everyone who wins a seat gets 0.25% per seat. This formula would apply to different funds referred to in the Act and administered by IEC. This will ensure that every party or independent receive their fair share according to the total of 400 seats in parliament.
2. This would apply also to all legislatures, where the total available allocation should be divided by seats to determine the amount paid out per seat to parties and independents.

**Areas of money that should be excluded from donations and limits in the Act**

1. Earnings by parties from their investments, shareholdings and commercial activities should be excluded as they are not donations. The relevant taxes may have to be paid on some of these items.
2. Membership fees, levies, subscriptions, and other funds contributed by members of a party as members of a voluntary associations.

**WAY FORWARD**

We should unpack and debate these principles as parties represented in parliament, and remain engaged with and responsive to public participation.

The portfolio committee needs to craft amendments guided by our overall objective to secure our democracy.

We also need a clear legal way forward on what should be contained in the Act as amended, and what should be in the Regulations, to accommodate both parties and independents.