POLITICAL PARTY FUNDING ACT

BUSA welcomes the promulgation of the Political Party Funding Act and we look forward to its speedy implementation. The years of corruption and state capture, including malfeasance in corporates, makes it incumbent on us, as a country, to implement efficiently legislation like this that begins to narrow the space for those who are bent on looting our country.

The Act addresses a number of concerns that have been raised on political party funding for numerous years:

* Transparency of political party funding will be a requirement
* Political parties will be legally bound to disclose all funding above R100 000
* There is a maximum amount R 15 million) that a single individual can donate to a political party in any one year
* Political parties must not accept donations that could, in any way, be construed as proceeds of crime
* A Multiparty Democracy Fund will be structured to accommodate anonymous donations and donations not linked to a political party
* Donations in the form of assets, equipment and other physical commodities must also be disclosed, as well as any loans to a political party
* Organs of state and SOE’s are prohibited from donating to political parties
* Donations can only be made for political purposes and any individual receiving a donation is deemed to have received it for the party, so there should be no personal gain
* The IEC can suspend transfer of funds, from fiscus, to political parties if a party in in violation of this Act

This Act places responsibilities onto the IEC:

* Receiving reports and publishing quarterly
* Administering the Multiparty Democracy Fund, including distributing money in funds to political parties.

We would thus urge that the IEC be equipped to take on this responsibility so that the objectives of the legislation are efficiently met and not compromised as a result of capacity and resource constraints.

We have acknowledged that the Act is a good beginning in addressing issues related to political party funding, but we note the following, as potential areas for improvement:

* The threshold for reporting is perhaps too high, given the SA context
* The legislation needs to put into place safeguards to ensure an individual does not get past the thresholds and reporting by using different legal entities to donate multiple amounts below the threshold.

BUSA is keen on working with the IEC to assist in socializing this legislation amongst our membership base and we look forward to engaging at the appropriate time.