

POLITICAL PARTIES (FINANCING) LAW, 5733-1973

UNOFFICIAL TRANSLATION BY THE STATE COMPTROLLER'S OFFICE

Definitions

1. In this Law -

"party" has the same meaning as in the Political Parties Law, -1992;

"party group" means one of the following:

a party which was represented by a party group in the outgoing Knesset, submitted a list of candidates for the Knesset elections, and is represented in the Knesset by at least one representative;

a party the representative or representatives of which in the Knesset has or have been recognized as a party group by the House Committee;

a combination of two or more parties which maintain one party group in the Knesset;

"body connected with a party group" means a body of persons, incorporated or unincorporated, which participates in election propaganda and which, in the opinion of the State Comptroller, must be considered an instrument of the party group, taking account of all or some of the following characteristics: its objects and activities, the identity of its owners, managers and members, the intended use of its profits and the sources from which its losses are to be covered; but it does not include a labour federation or a cooperative society for settlement in relation to activities in which in the opinion of the State Comptroller, it does not engage as an instrument of the party group";

"expenses" means the expenses of a party group for the organisation of its activities, for propaganda and information and for the maintenance of organisational and ideological ties with the public, and includes liabilities incurred in respect of such expenses;

"election expenses" means the special expenses of a party group incurred during the election period or for purposes of the elections in the Knesset election campaign;

"running expenses" means the expenses of a party group, other than election expenses;

"the determining day" means the 101st day before elections to the Knesset or, in relation to elections held under a Law for the dissolution of the Knesset, the third day after the coming into force of that Law;

"election period" means the period from the determining day to election day;

"financing unit" means an amount designated by the Finance Committee of the Knesset as a financing unit for the purposes of this Law and notice of the designation of which has been published in Reshumot;

"the public committee" means the committee established pursuant to section 1A;

"the Elections Law" means the Knesset Elections Law [Consolidated Version], -1969;

"candidates' list" has the same meaning as in the Elections Law;

"banking corporation" as the same meaning as in the Banking (Licensing) Law, -1981.

Public committee.

1A. (a) For the purposes of this Law, a public committee, composed of three persons and headed by a judge appointed by the President of the Supreme Court, shall be established. The other members shall be appointed by the Speaker of the Knesset, and one of the committee's members shall be, at the time of his appointment, a faculty member of an institution of higher education recognized pursuant to the Council for Higher Education Law, -1958. The Speaker of the Knesset shall publish in Reshumot the composition of the committee.

(b) The public committee shall serve for four years from the day of publication of the notice referred to in subsection (a).

(c) A person shall not serve as a member of the public committee for more than two complete terms.

(d) Where a committee member ceased serving or was precluded from fulfilling his duties, a replacement shall be selected as provided in subsection (a) for the balance of the committee's term.

The Speaker of the Knesset shall issue directives in respect of the compensation to be paid to members of the public committee, which shall be paid from the Treasury.

Function of the public committee.

1B. (a) The public committee shall set the amount of a financing unit as provided in section 3.

(b) Determination of the financing unit shall commence at one of the following times, as the public committee shall decide: January 1, April 1, July 1 or October 1.

(c) The public committee shall not reduce the amount or financing unit that it set except by unanimous decision.

(d) A financing unit shall not be set retroactively.

Linkage.

1C. (a) In this section, "index" means the consumer price index published by the Central Bureau of Statistics.

(b) The financing unit shall be linked to the index, for which purpose the following provisions shall apply:

(1) Where a change occurred in the index for January of the current year compared to the index of January for the preceding year, the financing unit shall be changed in accordance with the amount of change in the index;

(2) The amounts that changed shall be rounded off to the nearest hundred shekels;

(3) The committee shall publish in Reshumot notice of the changed amounts.

Right to be financed.

2. (a) Every party group shall, in accordance with the provisions of this Law, be entitled to be financed for -

its election expenses in the election period;

its running expenses in every month from the month following the publication of the results of the elections to the Knesset until the month in which the results of the elections to the next Knesset are published.

(a1) A candidates' list that received more than one percent of the valid votes in the elections, but does not share seats pursuant to section 81(a) of the Elections Law, is entitled to receive election expenses in the amount of one financing unit, provided that the conditions of section 6(a) are met, mutatis mutandis; for this purpose, "valid votes" has the same meaning as in the Elections Law.

(b) The moneys for financing shall be paid out of the Treasury, through the Speaker of the Knesset, into a bank account of each party group, as provided in section 6(a)(3).

Financing of return elections.

2A. Where return elections are held to elect the prime minister pursuant to section 13 of the Basic Law: The Government, a party group or candidates' list to which each of the two candidates belongs shall be paid an additional amount of eight financing units.

Calculation of financing.

3. (a) Election expenses of a new party group within its meaning in section 16 shall be financed on the basis of one financing unit per seat obtained by the party group in the elections to the Knesset, plus an amount equal to one financing unit.

(b) Election expenses of a party group shall be based on the number of financing units obtained from the number of seats that the party group obtained in the elections to the Knesset, divided by two, together with an amount equal to one financing unit.

(c) The monthly financing of running expenses shall be in the amount of five percent of one financing for each seat that the party group obtained in the elections to the Knesset, plus five percent of one financing unit.

Payment of election expenses.

4. (a) A party group which delivers to the Speaker of the Knesset a certificate by the Chairman of the Central Election Committee that it has submitted a candidate's list for the next Knesset shall forthwith be paid an advance on its election expenses. The advance shall be 60 percent of one financing unit in respect of each Knesset Member who belonged to the party group on the date of submission of the candidate's list. In this matter, Knesset Members who left the party group shall not be taken into account.

(a1) Notwithstanding the aforesaid in sub-section (a), a party group with less than five Knesset Members may request an advance on account of the financing for its election expenses

in the amount of 60 percent of five financing units, provided that it deposited with the Speaker of the Knesset an independent bank guarantee, to his satisfaction, for the difference between the amount of the advance pursuant to this subsection and the amount of the advance to which it is entitled pursuant to subsection (a). The bank guarantee shall remain in effect at least until six months after election day, and shall include the bank's undertaking to pay the Treasury the amount of the guarantee, in whole or in part, at the request of the Speaker of the Knesset.

(a2) A candidates' list may request an advance on account for its election expenses in the amount of 60 percent of five financing units, provided that it delivered to the Speaker of the Knesset a certificate by the Chairman of the Central Election Committee that it has submitted a candidates' list for the next Knesset, deposited a bank guarantee as mentioned in subsection (a1), and fulfilled the conditions stated in section 6(a).

(b) Where in the elections to the incoming Knesset a party group obtains at least one seat, it shall be paid, out of the amount due to it under section 3(a) -

(1) eighty-five percent immediately after the publication of the election results;

(2) fifteen percent immediately after the State Comptroller has submitted to the Speaker of the Knesset a favourable report under section 10(b).

(c) An advance received by a party group under subsection (a) shall be deducted from the payments under subsection (b). Where the advance exceeds the amount due to the party group in respect of election expenses, the excess shall be deducted from the first amount or amounts due to it in respect of running expenses.

(c1) Where the advance that was paid pursuant to subsections (a1) and (a2) exceeds the amount due to the party group or candidates' list under subsection (b)(1), the Speaker of the Knesset shall order that the bank guarantee be exercised, in whole or in part, up to the difference between the amount of the advance that was paid and the amount due.

(d) A party group shall be entitled to be reimbursed for financing expenses incurred by it in respect of election expenses.

(e) For the purposes of this section, "financing expenses" means financing expenses paid to a financial institution in connection with a credit granted to a party group for the purposes of election expenses borne by it in the period beginning fifteen days after the determining day, provided that financing expenses shall not be refunded in respect of a credit in excess of the amount of election-expenses financing to which the party group is entitled under section 3 and which has not yet been paid to it under subsection (a) or (b).

Exception to financing.

4A. Special financing shall not be provided for expenses for repeat elections held in a particular polling station, as provided in section 86(d)(1) of the Elections Law.

Payment of running expenses.

5. Payments for financing the running expenses of party groups shall be made to them at the times prescribed by the public committee.

Appointment of accountant.

5A. (a) A party group or candidates' list shall appoint an accountant to inspect its accounts and give a legal opinion pursuant to section 10(d1).

(b) The accountant, notification of whose appointment is delivered pursuant to section 6(a)(4) and who consented to serve in that capacity (hereinafter - accountant), shall serve until a replacement has been appointed for him.

(c) Where the accountant resigned or is unable to fulfill his duties, the party group or candidates' list shall, within 30 days from the time it was so notified, appoint another accountant in his stead.

(d) The State Comptroller may prescribe guidelines for accountants appointed for the purposes of this Law in respect of ways and procedures for inspecting the accounts of the party groups and candidates' lists.

Conditions of payment.

6. (a) A prior condition for payment of the amounts for financing election and running expenses is that within fifteen days after the determining day, and for a new party group - within fifteen days after the day on which it was recognized as a party group -

(1) the party group has notified the Speaker of the Knesset of the names of not fewer than two and not more than eight representatives empowered to act on behalf of the party group for the purposes of this Law (hereinafter referred to as "the representatives"); the consent of the representatives shall be attached to the notification; at least one of the representatives shall be a Knesset Member, and concerning at least one of them the party group and he himself shall declare that he is familiar with the party group's financial position;

(2) the party group has submitted to the Speaker of the Knesset a declaration signed by its representatives that it has done everything necessary to ensure the proper keeping of an account of its income and expenditure in accordance with the relevant directives of the State Comptroller;

(3) the party group has notified the Speaker of the Knesset of the number or numbers of its account or accounts at a bank or banks.

(4) the party group or candidates' list has notified the Speaker of the Knesset of the name of its accountant, his address, and additional particulars as prescribed by the Speaker of the Knesset, and attached the accountant's consent to serve in his capacity,

(b) A party group may at any time replace or add to its representatives, provided that it has notified the Speaker of the Knesset accordingly and the representatives meet the requirements of subsection (a)(1). It may also notify the Speaker of the Knesset of any change or addition to its bank accounts.

Authorized signature.

6A. (a) Financial obligations of a party group or candidates' list shall be valid only if given by a person determined by the party group, which published their names in accordance with the directives of the State Comptroller.

(b) The provisions of subsection (a) shall not derogate from the power of the State Comptroller to deem the financial obligations given in contravention of subsection (a), as expenses incurred or contributions received pursuant to this Law.

Limitation of expenses.

7. (a) A candidates' list shall not incur election expenses in an amount exceeding ten financing units.

(b) Subject to the provisions of subsection (c), a party group shall not incur election expenses exceeding seventy financing units.

(c) (1) A party group which on the determining day did not have more than five Knesset Members shall not incur election expenses exceeding ten financing units;

(2) A party group which on the determining day had more than five but less than eleven Knesset Members shall not incur election expenses exceeding two financing units in respect of each Knesset Member belonging to that party group;

(3) A party which on the determining day had eleven or more Knesset Members shall not incur election expenses in an amount exceeding two financing units in respect of the first ten Knesset Members, and one and a half financing units in respect of each remaining Knesset Member.

(d) A party group shall not during one year incur running expenses of an amount exceeding three-fifths of the amount due it for financing its running expenses, or an amount that exceeds three-fifths of the amount due as aforesaid to a party group with five Knesset seats, whichever is more.

(e) In repeat elections to elect the prime minister as aforesaid in section 2A, a party group or candidates' list shall not expend more than one half of the amount set forth in the said section.

Limitation of loans.

7A. A party group or candidates' list shall not receive loans except from a banking corporation.

Limitation of income.

8. (a) A party group or candidates' list shall not, directly or indirectly, receive any contribution from a body corporate whether in Israel or abroad. For the purposes of this provision, "body corporate" includes a registered partnership.

(b) A party group or candidates' list shall not, directly or indirectly, receive any contribution that is not from a body corporate as aforesaid in subsection (a) in an amount or amounts exceeding 900 new shekels a year from an individual and his household.

(c) For purposes of a year in which elections to the Knesset or to all the local authorities are held, the amount of 1,700 new shekels shall come instead of the aforesaid amount in subsection (b).

(d) The amounts stated in subsections (b) and (c) shall be linked to the index and shall be rounded off, as provided in section 1C(b).

(d1) A party group or candidates' list shall not receive contributions other than from a voter within its meaning in the Elections Law.

(d2) A party group or candidates' list shall not receive anonymous contributions. For this purpose, a contribution given by a person whose identity and address are not checked and verified by or on behalf of the party group or candidates' list are deemed to be given anonymously.

(e) Where the State Comptroller found that a party group received a contribution in violation of this section, the party group shall transfer to the Treasury, at the time prescribed by the State Comptroller, an amount twice the amount of the contribution. However, the State Comptroller may determine that the party group must transfer to the Treasury a lesser amount if he deems it proper to so act under the circumstances. Where there is no credit balance in the party group's bank accounts to transfer the amount to the Treasury, the State Comptroller shall so inform the Speaker of the Knesset, and the Speaker of the Knesset shall deny the party group the amount due to it as aforesaid and shall transfer it to the Treasury.

Contribution from kibbutz or agricultural society.

8A. A contribution which a kibbutz or agricultural society makes to a party group in lieu of individual contributions by its members and the amount of which in the opinion of the State Comptroller is reasonable in the circumstances of the case shall not be regarded as a contribution by a body corporate within the meaning of section 8. For this purpose, kibbutz includes a moshav shitufi (socially individualistic but economically collectivistic settlement - Tr.) and any cooperative society for agricultural settlement the income of which is not in the main distributed among its members;

“agricultural society” means any other cooperative agricultural society the members of which have individually empowered it to contribute to the party group.

8B. (a) Any such contribution to a cultural or educational enterprise of a party group, or of a body connected with a party group (hereinafter - cultural enterprise), which serves an educational or cultural purpose, as the case may be, shall not be regarded as a contribution within the meaning of section 8, subject to the provisions of subsection (c).

(b) Where the State Comptroller determined that an expense incurred by a cultural enterprise was used to finance election propaganda or party activity, the expense incurred shall be considered an incurred expense of the party group.

(c) Where the State Comptroller determined as aforesaid in subsection (b) and subsequently determined that the cultural enterprise again incurred an expense as aforesaid, the expense shall be regarded a contribution, and the State Comptroller may rule that the contribution is a prohibited contribution pursuant to section 8 and the provisions of subsection (a) shall not apply to the cultural enterprise.

(d) Where the State Comptroller determined as aforesaid in subsection (c), the recipient of the contribution shall not be charged with an offense pursuant to this section unless the State Comptroller had previously notified the cultural enterprise that subsection (a) does not apply to it.

Contributions in case of waiver of financing.

8C. Where a candidates' list or party group gave, no later than the day for presenting the candidates' list pursuant to the Elections Law or from the determining day, whichever is later, written notice to the Speaker of the Knesset that it does not desire to have its expenses financed under this Law, section 8(c) shall be deemed, regarding it, to state 60,000 new shekels, and it shall not be entitled to have its election expenses financed in that election campaign for the Knesset.

New party which submits a candidates' list.

8D. (a) A party that is not represented by a party group in the outgoing Knesset and submitted a candidates' list, may, within 14 days from the date of submitting the list, receive a contribution from an association of individuals, whether or not a body corporate, which existed before the party was registered and most of whose members are among the party's founders, provided that -

(1) the source of the contribution is moneys received by the said association of individuals, within the limits prescribed in section 8 regarding a party group;

(2) the said association of individuals kept accounts from the time of its founding or during the year preceding submission of the candidates' list, whichever is later.

(b) The accounts kept as provided in subsection (a) shall be delivered to the State Comptroller together with the accounts of the party group or candidates' list pursuant to section 10(a).

(c) The State Comptroller shall have, regarding an association of individuals as aforesaid, the same powers granted him regarding a party group pursuant to sections 9(b) and (c).

Keeping of accounts.

9. (a) From the fifteenth day after the determining day and so long as it is entitled to have its expenses financed, a party group shall -

(1) keep a set of accounts, and enter its income and expenditure therein, in accordance with the directives of the State Comptroller;

(2) hold the moneys designated for its expenses in the bank accounts referred to in section 6(a)(3).

(b) The said set of accounts and the bank accounts shall be available for inspection by the State Comptroller, who for this purpose shall have all the powers vested in him with regard to an inspected body by the State Comptroller Law [Consolidated Version], -1958.

(c) The State Comptroller may at any time demand from the representatives of a party group a declaration signed by them as to the completeness or correctness of the entries in the set of accounts or as to the character or nature of a particular item of income or expenditure. A declaration as aforesaid may be made according to the knowledge or best of the knowledge of the declarants, and the Comptroller may at his discretion accept it as evidence.

(d) Upon the request of at least six members of the party group, the party group shall make available for their review the set of accounts referred to in subsection (a).

(e) Each party group shall provide to the Speaker of the Knesset the annual balance sheet of the party group and its annual income and expenditure statements, which shall be open for public review as the Speaker shall determine.

Penalties.

9A. (a) A person who does any of the following shall be liable to imprisonment for a term of one year -

(1) knowingly makes a financial undertaking that is not in accordance with the permission given and published pursuant to section 6A;

(2) knowingly fails to comply with a demand made pursuant to section 10B;

(3) knowingly makes a contribution in violation of the provisions of this Law;

(4) knowingly receives on behalf of a party group or on behalf of a candidates' list a contribution in violation of the provisions of this Law.

(b) A person who knowingly makes a false declaration under section 9(c) regarding a material particular shall be liable to imprisonment for a term of three years.

Reports of State Comptroller.

10. (a) Within ten weeks from the end of the month in which the election results are published, the representatives of a party group or candidates' list shall deliver to the State Comptroller its accounts for the election period. Where they fail to do so and the State Comptroller notifies the Speaker of the Knesset that in his opinion its omission was unjustified, the Speaker of the Knesset shall direct that no payment under this Law be made to the said party group or candidates' list until notification is received from the State Comptroller that the accounts were submitted to him and that the party group or candidates' list ostensibly kept a set of accounts in accordance with his directives.

(b) Within twenty weeks after receiving the accounts referred to subsection (a), the State Comptroller shall deliver to the Speaker of the Knesset a report of the results of the inspection thereof, indicating -

(1) whether the party group or candidates' list has kept a set of accounts in accordance with his directives;

(2) whether the party group's or candidates' list's expenses and income in the election period were within the limits stated in section 7(a) and section 8.

(c) Within ten weeks from the end of every financial year, representatives of a party group shall deliver to the State Comptroller its accounts for that year. Where it fails to do so and the State Comptroller notifies the Speaker of the Knesset that in his opinion its omission was unjustified, the Speaker of the Knesset shall direct that no payment under this Law be made to the said party group until notification is received from the State Comptroller that the accounts were submitted to him and that the party group list ostensibly kept a set of accounts in accordance with his directives.

(c1) For the purposes of this section and section 7(b) -

(1) a year in which Knesset elections are held shall be deemed to terminate at the end of the month in which the election results are published, and the accounts referred to in this subsection shall be delivered together with the accounts referred to in subsection (a);

(2) the year following elections shall be deemed to begin at the beginning of the month following publication of the election results and to terminate at the end of the following financial year.

(d) Within sixteen weeks after receiving the accounts referred to subsection (c), the State Comptroller shall deliver to the Speaker of the Knesset a report on the results of the inspection thereof, including -

(1) whether the party group has kept a set of accounts in accordance with his directives;

(2) whether its expenses and income during the year were within the limits stated in section 7(b) and section 8.

(d1) The accounts delivered pursuant to this section shall have attached to them an opinion of the accountant of the party group or candidates' list regarding their correctness and completeness and regarding the keeping of a set of accounts in accordance with the directives of the State Comptroller.

(e) (1) If the report under subsection (b) is unfavourable, the Speaker of the Knesset shall return to the Treasury the 15 percent balance referred to in section 4(b)(2). If the report under subsection (d) is unfavourable, the Speaker of the Knesset shall deny the party group the next three payments for financing its running expenses and return the amounts of these payments to the Treasury.

(2) Notwithstanding the provisions of paragraph (1), if the report pursuant to subsection (b) or (d) is unfavourable because of an excess in the amounts prescribed in section 7(a) or (b), the Speaker of the Knesset shall return to the Treasury or shall deny, as the case may be, one-third of the excess amount, provided that the amount returned or denied does not exceed 20 percent of the amount that the party group or candidates' list is entitled to under section 2(a)(1) or of the annual amount that the party group is entitled to under section 2(a)(2), as the case may be. The return or denial shall be made from the balance referred to in section 4(b)(2) or from the forthcoming payments for financing the party group's running expenses, as the case may be.

(3) Notwithstanding the provisions of paragraph (1), where a party group or candidates' list has kept a set of accounts pursuant to the directives of the State Comptroller but not in strict adherence thereto, the Speaker of the Knesset shall return to the Treasury from the balance referred to in section 4(b)(2), or shall withhold from the forthcoming payments for financing the running expenses of the party group, as the case may be, amounts smaller than those specified in paragraph (1), as the State Comptroller may recommend having regard to the nature and extent of the deviation, and similarly of the party group or candidates' list that received a contribution in violation of the provisions of section 8 and the State Comptroller found that under the circumstances it is proper to act toward it as stated in this paragraph.

(f) The Finance Committee of the Knesset may, after consultation with the State Comptroller, extend any of the times set by this section. The decision of the Committee shall be published in Reshumot.

Body connected with party group.

10A. (a) For the purposes of section 7, expenses of a body connected with a party group shall be regarded as expenses of the party group.

(b) For the purposes of section 8 -

(1) a contribution received by a body connected with a party group shall be deemed to have been received by the party group;

(2) a contribution received by a party group from a body connected with the party group shall not be regarded as a contribution by a body corporate.

(c) The provisions of section 9 relating to a party group shall apply also to a body connected with a party group. The accounts of every body as aforesaid shall be delivered at the same time as the accounts of the party group are delivered under section 10.

Powers to aid accountant.

10B. The accountant of the party group or candidates' list may at any time demand its representatives to provide him with information, documents, explanations, and any other material necessary for him to inspect the accounts.

Opinion.

11. (a) A party group may at any time ask the Chairman of the Central Election Committee for an opinion as to whether a particular item or kind of expenditure constitutes election expenses. The Chairman of the Central Election Committee shall give his opinion after consultation with the Vice-chairman unless he considers the matter urgent.

(b) The opinion shall be given within seven days and be delivered to the Speaker of the Knesset, the State Comptroller, the party group which asked for the opinion and all the other party groups.

(c) A party group may at any time ask the State Comptroller for an opinion as to whether a particular item or kind of expenditure constitutes running expenses. The opinion shall be given within twenty-one days and be delivered to the Chairman of the Central Election Committee, the Speaker of the Knesset, the party group which asked for the opinion and, if the State Comptroller deems it desirable, the other party groups.

Provisions as to parties maintaining a single party group.

12. (a) Where a party group is a combination of two or more parties which maintain a single party group in the Knesset, those parties shall, as to everything relating to the financing of running expenses, be deemed to be separate party groups.

(b) A party group which is a combination as specified in subsection (a) shall give the Speaker of the Knesset notice of the party affiliation of its members at the time of publication of the election results, and payments for financing running expenses shall be made accordingly.

(c) Where a party group combined with another party group, or two or more party groups decided to be one party group, they may give the Speaker of the Knesset notice that they desire,

as to everything relating to financing of running expenses, to be deemed separate party groups. The party groups shall state in their aforesaid notice the number of members at the time for whom each one of them receives financing of running expenses, and payments for financing running expenses shall be made accordingly.

Changes in composition of party groups.

13. (a) Where a party group in the Knesset split or party groups in the Knesset merged as provided in section 25(b1) and (b2) of the Elections Law, financing of running expenses of the parties that split shall be calculated according to the number of new seats, from the month following the House Committee's approval of the change.

(b) In every other case, Knesset Members who seceded from a party group shall not be entitled to the financing of running expenses, and the financing of the expenses of the party group from which they seceded shall not be changed.

13A. (Repealed).

Merger of party groups during election period.

13B. Where two or more existing party groups merge during the election period (such party groups hereafter in this section referred to as "the former party groups"), the representatives of the party group replacing them shall include the accounts of the former party groups relating to the election period in the accounts delivered by them to the State Comptroller under section 10(a).

Report on party group which received an advance payment and has not obtained a seat.

13C. (a) Where a party group which received an advance payment to finance election expenses under section 4(a) does not obtain a seat in the elections, the provisions of this Law shall continue to apply to it for the purpose of the inspection of its accounts for the election period under section 10.

(b) Where the State Comptroller's report under section 10(b) concerning a party group as referred to in subsection (a) is unfavourable, the persons who were the representatives of the party group shall be jointly and severally liable for the return to the Treasury of 15 percent of the advance payment received by the party group.

(c) Subsections (a) and (b) shall apply mutatis mutandis to a member of the outgoing Knesset who received an advance payment under section 16(3) if the candidates' list headed by him does not obtain a seat in the elections.

Report on party group which received running expenses and has ceased to exist.

13D. (a) Where before the date for the delivery of its accounts to the State Comptroller under section 10(c) a party group ceases to exist owing to a split as referred to in section 13A or a merger within a new party-group framework or the resignation of its members from membership of the Knesset or because it does not regain any seats in the elections, the persons who were the representatives of the party group shall deliver to the State Comptroller, within ten weeks from the date when the party group ceases to exist, the accounts of the party group as to its income and running expenses in that part of any year in which it existed as a party group.

(b) Within twelve weeks after receiving accounts under subsection (a), the State Comptroller shall deliver to the Speaker of the Knesset a report on the results of the inspection of the accounts, as provided in section 10(d). For this purpose, the limitation of expenses under section 7(b) shall be calculated according to the ratio between the period to which the accounts relate and a whole year.

(c) Where the report under subsection (b) is unfavourable, the persons who were the representatives of the party group shall be jointly and severally liable for the return to the Treasury of 15 percent of the monthly financing received by the party group under this Law during the period to which the report relates.

Repayment by party group which ceases to exist.

13E. Where after receiving financing under this Law a party group ceases to exist, the persons who were its representatives shall, after paying its debts, return the balance of the amounts in their possession to the Treasury.

Notices by party groups.

14. Notices and declarations by a party group under this Law shall emanate from the representative of the party group, or his deputy, designated under section 25 of the Elections Law.

Bar to charge and attachment.

15. The amounts due to a party group under this Law cannot be charged or attached.

New party groups.

16. Members of the Knesset elected from a candidates' list submitted by a party that was not represented in the outgoing Knesset shall, from the day on which the new Knesset convenes, be a party group within the meaning of this Law (hereafter - "new party group"), and the provisions of this Law shall apply to it with the following modifications:

(a) eighty-five percent of the amount for financing election expenses shall be paid to the new party group immediately after it has fulfilled the requirements of section 6(a)(1) to (3), and the payments for financing running expenses shall be made from the month in which it fulfills those requirements;

(b) the following shall be prior conditions of the payment of the 15 percent balance of the election expenses:

(1) the new party group did not in the election period incur election expenses exceeding by more than one third one financing unit in respect of each seat obtained by it in those elections or three financing units, whichever is more;

(2) the new party group did not in the election period receive contributions in contravention of section 8;

(3) the State Comptroller has certified to the Speaker of the Knesset, on the basis of an inspection of the accounts of the new party group, that it did not exceed the limitations imposed by subparagraphs (1) and (2).

(c) a candidates' list submitted by a party that is not represented by a party group in the outgoing Knesset, and the head of the list and its representative is a member of the outgoing Knesset who is not a member of a party group in the Knesset, is entitled to receive an advance on the election expenses of the list, pursuant to section 4(a) and (a1), in an amount equal to the amount due to a one-member party group, after it delivered to the Speaker of the Knesset the certification of the Chairman of the Central Election Committee that it submitted a candidates' list for the incoming Knesset and the requirements of section 6(a) have been fulfilled in its respect.

(d) section 9 shall apply to a new party group from the day on which its candidates' list is submitted.

Amounts received from the General Federation of Labour.

17. (a) (1) Amounts which under a decision of the General Federation of Labour in Eretz Israel are received by a party group for financing an election campaign in that federation and in the trade unions organised therein or allotted for the purposes of the parties represented in that federation in accordance with the size of their representation (hereafter - the amounts) shall not be deemed a contribution under section 8, provided that the party group did not exceed the provisions of section 7(d).

(2) Expenses that a party group incurs relating to an election campaign or its ongoing activity in the General Federation of Labour in Eretz Israel and in the trade unions organised therein (hereafter - the activity), shall not be deemed running expenses under section 7(d), provided that the party group attributed the expenses to activity, in its customary manner on the eve of commencement of this Law. A change in attribution as aforesaid shall not be made unless approved by the State Comptroller.

(b) Notwithstanding the provisions of subsection (a), the provisions of section 7(d) shall not apply if the party group expended them solely for activity, maintained them separately, and stated them in its accounts such that the State Comptroller can, employing customary inspection procedures, clearly identify, certify, and total them, and that it recorded in the same manner the acts that constitute expenditure of the amounts. Amounts or parts thereof that are not used for activity needs shall be deemed a contribution received pursuant to the provisions of section 8.

17A. (Repealed).

Transportation of voters.

18. The transportation for the purpose of voting in elections to the Knesset of persons entitled to vote from the area of one locality to that of another and back shall be financed out of the Treasury through the Central Election Committee. It shall be carried out along such routes and over such distances as the Committee may prescribe and in accordance with such procedures and arrangements as it may direct. It shall take place on the day of the elections, but the Committee may permit it to take place shortly before that day by reason of the great distance between two localities.

(Repealed).

Implementation.

20. The Speaker of the Knesset is charged with the implementation of this Law.

Commencement.

This Law shall have effect from the 1 January 1973.

Golda Meir, Prime Minister

Shneur Zalman Shazar, President of the State

Fuente: Oficina del Controlador del Estado