

ASSET DECLARATIONS IN PALESTINE ILLICIT ENRICHMENT AND CONFLICTS OF INTEREST OF PUBLIC OFFICIALS

Transparency International is the global civil society organisation leading the fight against corruption. Through more than 90 chapters worldwide and an international secretariat in Berlin, we raise awareness of the damaging effects of corruption and work with partners in government, business and civil society to develop and implement effective measures to tackle it.

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INTRODUCTION

EXECUTIVE SUMMARY

Four years after unprecedented change rocked the Middle East and North Africa, many Arab governments and their citizens are finishing the chapter on revolution and writing a new one on reconstruction. Among the most important topics fuelling the call for change has been the salience of corruption among public officials, which diverts money from public programmes, has a significantly negative impact on development and has entrenched non-democratic leaders securely in power. The revelation that more than an estimated US\$160 billion¹ in public money was stolen by regime officials in Egypt, Libya, Tunisia and Yemen sounds the alarm for action to end impunity. As the region takes the first steps in building institutions for good governance, asset declaration laws are a key to promoting honest leadership, government accountability and social trust.

Asset declaration laws require public officials to declare all sources of income, as well as assets such as savings accounts and investments. Legally increasing government transparency can reveal graft and conflicts of interest, and they serve as a powerful deterrent to prevent corruption before it starts. Practical experience has shown that implementing a comprehensive asset declaration system helps deny the corrupt the fruits of their actions and, if properly enforced, can be an effective tool in strengthening integrity and accountability.

So far, countries in the Middle East and North Africa (MENA) have not met most of the standards put forth by the United Nations Conference against Corruption (UNCAC). Declaration requirements have fallen significantly short and there remains a large gap between law and practice. The MENA region continues to have the highest trend rate of growth of illicit financial flows in the world, with an average increase of 31.5 per cent every year throughout the decade ending in 2011.²

In order to facilitate greater integrity in the MENA region, Transparency International has commissioned this report as a peer-reviewed Scoping Paper examining current best practices in asset disclosure systems. Original research provides an evidence base for a comparative view of country-level systems via National Reports in Egypt, Lebanon, Libya, Morocco, Palestine, Tunisia and Yemen, as well as a Regional Report covering all the countries listed.

TRANSPARENCY INTERNATIONAL'S ROLE

Transparency International's focus on MENA is part of a global drive to end corruption and promote integrity in government. The global campaign focuses on increasing transparency via declarations of interest and assets to end impunity and make transferring the illicit gains of corrupt officials more difficult. The importance of tracking illicit enrichment and conflicts of interest is only the start of the process of establishing a standard, universal model of declaration of interests and assets. In MENA,

¹ Transparency International takes "billion" to refer to one thousand million (1,000,000,000).

² D. Kar and B. LeBlanc, *Illicit Financial Flows from Developing Countries: 2002-2011*

(Washington: Global Financial Integrity, 2013), p.10. Retrieved from

http://iff.gfintegrity.org/iff2013/Illicit_Financial_Flows_from_Developing_Countries_2002-2011-LowRes.pdf.

we focus first on advocating for the adoption and enforcement of national asset disclosure systems that are robust and legally based.

ASSET DISCLOSURE SYSTEMS IN ANTI-CORRUPTION

The disclosure of assets is increasingly being seen around the globe as a key tool in combating corruption. Although asset declarations have been utilised as an anti-corruption tool on a larger scale since the 1970s, the topic acquired renewed international focus with the passage of UNCAC, adopted by the UN General Assembly in 2003. UNCAC created an international legal basis for states to require public officials to declare their assets.

Articles 8(5) and 52(5) of UNCAC call on countries to adopt legislation that requires public officials to declare their assets. Together with the convention's provisions on international cooperation, the focus on assets created a genuine basis for governments to identify and track assets, and recover them if they are determined to have been stolen. UNCAC provided an impetus for the international donor community's global anti-corruption efforts in instituting or refining national legislation on asset declarations for politically exposed persons. Furthermore, the African Union, Arab, and inter-American conventions against corruption contain similar provisions on financial declarations by public officials (Article 7, Article 28, and Article III, respectively). The Council of Europe's Group of States against Corruption (GRECO) has been issuing recommendations on asset disclosure systems since 1999, and the Organisation for Economic Co-operation and Development (OECD) and World Bank have contributed to the ongoing process of standard setting by publishing handbooks in 2011 and 2012 (*Asset Declarations for Public Officials: A Tool to Prevent Corruption*³ and *Public Office, Private Interests: Accountability through Income and Asset Disclosure*⁴). In 2013, the Organization of American States published the *Model law on the declaration of interests, income, assets and liabilities of persons performing public functions*.⁵ The Group of 20 leading economies (G20) adopted High Level Principles on Asset Disclosure by Public Officials in Los Cabos in 2012.⁶ Finally, in October 2014, the Western Balkan countries adopted the first international standard on asset declarations.⁷

³ OECD, *Asset Declarations for Public Officials: A Tool to Prevent Corruption* (OECD Publishing, 2011). Retrieved from www.oecd.org/corruption/anti-bribery/47489446.pdf

⁴ The World Bank, *Public Office, Private Interests: Accountability through Income and Asset Disclosure* (Washington D.C.: World Bank, 2012), p.10. Retrieved from http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/03/23/000333037_20120323003424/Rendered/PDF/676270PUB0EPI0067882B09780821394526.pdf

⁵ www.oas.org/juridico/PDFs/model_law_declaration.pdf.

⁶ https://star.worldbank.org/star/sites/star/files/los_cabos_2012_high_level_principles_on_asset_disclosure.pdf

¹³ Regional School of Public Administration, *Western Balkan Recommendation on Disclosure of Finances and Interests by Public Officials*, 08-09 July, 2014. Sixth Meeting of the Ethics and Integrity Network (Danilovgrad: ReSPA, 2014). Retrieved from <http://respaweb.eu/11/library#respa-publications-and-research-18>.

10 PRINCIPLES FOR AN EFFECTIVE ASSET DISCLOSURE SYSTEM

Consistent with international standards (see previous chapter) and the Preventive Measures for governments outlined in Chapter III of the UNCAC, Transparency International identified 10 principles for an effective, legally based asset disclosure system based on its previous publications in this area:⁸

I. LEGAL BASIS AND PURPOSE

Asset declarations are an effective tool in preventing corruption as well as an instrument in facilitating the detection, investigation and possible prosecution of corruption and accumulation of illicit wealth of public officials. For this, a sound legal basis is required, and the law should make a clear statement that asset declarations serve dual purposes: to detect both illicit enrichment and conflicts of interest.

II. DECLARATION CONTENT

The information required for detecting illicit enrichment should capture all essential financial flows, including on the incoming side all sources of income, received loans and gifts; on the side of outgoing financial flows this includes immovable assets such as houses, moveable objects such as vehicles, jewellery and fine art, and financial assets such as cash, domestic and foreign bank accounts, stocks or bonds. Most of the information relevant for illicit enrichment will also reveal possible conflicts of interest: information on an outside employment will indicate generated income but also point to potential conflicts of interest; the case of financial assets, such as shares in a company, is similar. However, there are also non-financial interests such as (unremunerated) corporate board memberships, which are only relevant in the context of conflicts of interest.

III. COVERAGE OF OFFICIALS

An effective asset declaration system should cover all public officials at risk for corruption. This includes senior executive office holders (ministers, deputy ministers, commissioners, agency heads); legislators; judges at all court levels; prosecutors; and any civil servants with some decision-making power. This should include not only national-level officials but also those at the sub-national level, where local authorities are entrusted with decision-making. Additionally, the asset declaration should also cover at least members of the immediate family and/or household members, as otherwise public officials can hide illicit income and assets behind them.

IV. SUBMISSION OF DECLARATIONS

Asset declarations should be required when a person first assumes public office, to establish a baseline for any future accumulation of assets during their tenure. Regular, periodic updates should be made. The obligation to report should extend beyond the individual's tenure in post to capture deferred enrichment. As much as possible, submission of declarations should be done online. The online availability of data greatly facilitates automated analysis as well as later publication of the information.

V. VERIFICATION

An effective verification system concerns the verification of submission of declarations, as well as their formal accuracy. As for detecting illicit enrichment, it includes a financial audit. This requires

⁸ Transparency International, *Local Governance Integrity: Principles and Standards* (Berlin: Transparency International, 2015), pp.10-16.

access to state databases as well as to privately held information such as company or banking data. It will also entail on-site inspections of assets in single cases and the possibility to make enquiries of witnesses, if only for voluntary information. All declarations should be subject to submission and formal verification. Declarations subject to a financial audit should be chosen by a random sample as well as by risk criteria.

VI. OVERSIGHT BODY

An oversight body needs to be in place with sufficient resources to control declarations. This includes staff with competency on conflicts of interest as well as financial expertise in detecting hidden cash flows. The oversight body should also have access to publicly available data, or data that private individuals provide on a voluntary basis, and should have the option of (outside) inspections of assets in individual cases. The oversight body also needs up-to-date information technology to support online submission, processing and publishing of the data.

VII. COOPERATION

The oversight body cooperates with tax police and other police units, the prosecution services and financial intelligence units, so that these units can further trace down hidden cash flows, possibly with compulsory measures. Oversight bodies should also be obliged to notify other state bodies on any suspicion of a criminal, administrative or disciplinary offence. For undeclared income, the two most frequent offences are tax evasion and money laundering.

VIII. PUBLIC ACCESS

Experience shows that most successful investigations are triggered by complaints of citizens, NGOs or journalists with knowledge about the true situation of an unfaithful public official. Therefore, asset declarations should be publicly available online. Paper-based access only is too much an obstacle for research. Personal contact details, such as addresses and plate numbers of cars, can be redacted. The oversight body should also publish a regular overview of its activities and information on investigated cases.

IX. SANCTIONS

Failure to produce timely, complete and accurate declarations should at a minimum subject the filer to effective, proportionate and dissuasive sanctions. Criminal sanctions should apply to the most egregious offences – in particular, intentional errors or omissions. Should it turn out that public official was hiding a substantial amount of wealth, the sanction must include forfeiture of the hidden assets.

X. CIVIL SOCIETY

The oversight body should reach out to NGOs and the public at large, and publish regular reports containing inter alia case statistics and an analysis of trends. The internal procedures of the oversight body should be as transparent as possible to the public. Representatives of the public should have the opportunity to participate in, consult on and monitor the work of the oversight body.

ASSET DISCLOSURE IN PALESTINE

LEGAL BASIS AND PURPOSE

Palestine introduced asset declarations for the first time in its constitutional “Basic Law” of **2002**,⁹ which is currently in force as amended in 2003.¹⁰ Article 54¹¹ foresees

“financial statements for Members of the **Legislative Council**, their spouse and their minor children that detail their wealth, including real estate and movable property both inside Palestine and abroad, as well as debts. [...]”

For Members of the **Legislative Council** Law No. 10 of 2004 “On the Rights and Obligations of the Members of the Legislative Council” reiterates the constitutional obligation. According to Article 12,

“every member shall submit a financial disclosure declaration relating to him, his spouse and his minor children, detailing therein his entire wealth in terms of real property and movables within Palestine and abroad, in addition to the debts they owe. [...]”

Article 80¹² of the Basic Law defines a slightly larger definition for Members of the **Government**:

“The Prime Minister and each Minister shall submit a financial statement for themselves, their spouse and their minor children that details what they own in real estate, movable property, **stocks, bonds, cash money** and debts, whether inside Palestine or abroad [...]”

For employees of the **Capital Market Authority**, Law No. 13 of 2004 “On the Capital Market Authority” tasked the Board of Directors with

“establishing instructions regarding the public servants from whom disclosure regarding finances and any additional financial resources is required, in addition to the nature of the gifts they may receive and the method of disclosure thereof.”
(Article 7 par. 7)

One year later, Article 16 of Law No. 1 of 2005 “On Anti-corruption” introduced financial disclosures for a broad range of **public officials**, including the President of the National Authority (Article 11),

⁹ Of 29 May 2002, Palestine Official Gazette, Special Issue, 7 July 2002. Retrieved from www.palestinianbasiclaw.org/basic-law/2002-basic-law.

¹⁰ Of 18 March 2003, Palestine Official Gazette, Special Issue No. 2, 19 March 2003. Retrieved from www.palestinianbasiclaw.org/basic-law/2003-amended-basic-law.

¹¹ Article 41 in the previous version of 2002.

¹² Article 67 in the previous version of 2002.

but excluding Members of the Government, of the Legislative Council, of the Judiciary, and of the Public Prosecutor.¹³

For **judges** and **prosecutors**, the text of Law No. 15 of 2005 “On the Judicial Authority”¹⁴ foresaw in its Article 28 that judges

“submit upon appointment and every three years during office a financial statement for themselves, their spouse and their minor children that details what they own in real estate, movable property, stocks, bonds, cash money and debts, whether inside Palestine or abroad [...]”

The provision foresaw also incompatibilities and seemed to apply to prosecutors (Article 20) as well. However, the High Court in its capacity as Constitutional Court declared the Law **invalid**, due to violations of the legislative process as foreseen in the Basic Law.¹⁵ Subsequent decree laws such as No. 2 of 2006 that sought to amend the Judicial Authority Law have also been declared invalid and are not applied.¹⁶ As a result, there is so far **no legal basis** for declarations of judges and prosecutors. There is no declared **purpose** in any of the above laws; however, it is clear from the exclusively financial information they require to disclose that they aim primarily at detecting **illicit enrichment**. However, explicit restrictions exist for certain **conflicts of interest** of the President and Members of the Government. Insofar financial information allows for detection of these conflicts of interest (e.g. a prohibited second income, the disclosure serves also the purpose of detecting (prohibited) conflicts of interest.

DECLARATION CONTENT

For detecting illicit enrichment, one assesses the lifestyle of a public official by adding up all assets he/she owns. Then, in a second step, one adds up all legal income a public official has. If the income does not match the lifestyle, there is at least a suspicion that this public official has hidden sources of income. Regularly, these would result from corrupt sources. Compared to a full picture of incoming and outgoing financial flows of a public official, Palestine’s asset disclosure system requires disclosure of the following financial items (for the disclosure form, see below Annex I):

“Income”		“Expenditures/Lifestyle”	
Item	Declared?	Item	Declared?
Salary	No	Cash	Yes
Rental income	Yes	Bank deposits	Yes
Fees for services	Yes	Real estate	Yes
Interest, royalties	Yes	Movables	Yes

¹³ As amended by Law No. 6 of 20 June 2010 (Retrieved from <http://muqtafi.birzeit.edu/pg/getleg.asp?id=16131>, Arabic). Retrieved from <http://www.pacc.pna.ps/ar/index.php?p=main&id=11> (Arabic).

¹⁴ Of 11 October 2005. Retrieved from www.dft.gov.ps/index.php?option=com_dataentry&pid=8&Itemid=27&des_id=665 (Arabic).

¹⁵ R. Friedrich/A. Luethold, *Entry-points to Palestinian Security Sector Reform* (Geneva: DCAF 2007), p. 91. Retrieved from [www.dcaf.ch/content/download/98409/1517146/file/Entry-Points\(EN\).pdf](http://www.dcaf.ch/content/download/98409/1517146/file/Entry-Points(EN).pdf).

¹⁶ UNDP, *A Review of Palestinian Justice and Security Sector Data* (UNDP August 2013), p. 21 note 14. Retrieved from www.ps.undp.org/content/dam/papp/docs/Publications/UNDP-papp-research-PCBSjusticeenglish.pdf.

Loans received	Yes	Securities	Yes
Debts repaid to the official	No	Loans given	No
"Income for free" (Gifts, inheritances, assets sold, etc.)	No	Loans paid back by official	No
		Non-asset expenses (travel etc.)	No

The declaration form provides two lines for **movables**, one for "movables" and one for "jewels and precious metals and stones". This leaves the question, which movables other than jewels need to be declared. The answer might be clear for a car or yacht, but what about a painting, furniture, a precious pen? The declaration form would profit from a clarification of this question. For example, any movable above a certain (purchase) value could be declared.

It is not clear whether gifts, inheritances, or proceeds from selling assets is included under "income". Linguistically, **income** is defined (in English) as follows: "a gain or recurrent benefit usually measured in money that derives from capital or labor".¹⁷ This definition would not apply to gifts, inheritances, troves, lottery winnings, financial awards granted in law suits, or proceeds from selling assets. Without including such "income for free", there is a serious gap in the declaration system. An oversight body verifying a declaration could always get information on the salary of a public official (as defined by law or as provided by a human resource department). However, a public official could always claim an inheritance, a gift, or a lottery win to explain his/her lifestyle. There are many cases in other countries where public officials successfully used such explanations in court.

However, the Anti-corruption Commission might request an **extraordinary declaration** during tenure of office (Article 16 of Law No. 1 of 2005). For such declarations, request, provided that this shall the declaration "includes – in addition to the details stipulated in the above clause [the regular items of declarations] – the source of any increase in the financial disclosure." Apparently, this "source" could be any incoming financial flow.

As for **conflicts of interest**, securities – and to some extent bank deposits, real estate and valuable movables – can be a cause. For example, a judge would be in conflicts of interest if he/she had stocks from a company that was a party to one of his/her trials. However, financial interests typically causing conflicts of interest, such as gifts, and non-financial interests are missing in the declaration form. It is thus questionable, whether an oversight body would actually be in a position to verify conflicts of interest of public officials in any meaningful way.

COVERAGE OF OFFICIALS

Law No. 1 of 2005 "On Anti-corruption" covers the following public officials (Article 16, Article 2):

1. Directors of the bodies and agencies of the National Authority;
2. Governors and the chairmen and members of the councils of local authorities and employees thereof;
3. Public servants;
4. Chairmen and members of the boards of directors of public joint-stock companies (and employees thereof) in which the National Authority or any of its institutions is a shareholder;

¹⁷ Retrieved from www.merriam-webster.com/dictionary/income.

5. The Collection Commissioner [of the Anti-corruption Commission] and their¹⁸ delegates the deposit and bank trustees;
6. Arbitrators, experts, administrative receivers and agents of creditors and liquidators;
7. Chairmen and members of the boards of directors of public bodies and institutions, charitable associations and non-governmental organisations which have independent legal personality and financial and administrative independence, and of parties and unions, and other such persons, in addition to employees of any of the foregoing even if such bodies have not received support from the public budget;
8. Persons entrusted with public service with respect to the work with which they have been commissioned;
9. Any non-Palestinian person who occupies a post in any of the institutions of the national, legislative, executive or judicial authority, and any person who holds a public position on behalf of any public agency or public institution or non-governmental organisation subordinate to a foreign country or public international institution;
10. Any other person or entity the Council of Ministers decides to make subject to the provisions of the Law. [the Council has not yet made use of this provision]

In addition, the **President** of the National Authority is covered by a separate provision, Article 11.

Members of the **Legislative Council** or covered by another law (Law No. 10 of 2004 “On the Rights and Obligations of the Members of the Legislative Council”, Article 12).

The above coverage of public officials is very comprehensive. However, the system does not cover members of the **judiciary**. This is unfortunate, as members of the judiciary are at high risk of illicit enrichment in corruption prone countries, and it is thus important and standard to monitor their wealth.¹⁹

As a useful feature, the Law does include **family members**, i.e. spouses and minor children. This is important as public officials often use close family members to hide illicit income and assets behind them.

According to estimates by local experts, more than **100,000 officials** have to submit declarations (the total of government officials and employees being 170,000). This might generate more declaration forms than the oversight body might be able to handle in terms of verification. However, there is an additional benefit of asset declarations that is often overlooked: they “may provide key evidence in **criminal investigations** triggered by evidence from other sources. For example, allegations of bribery, including anonymous charges or press reports, may lead to an investigation that is inconclusive without additional evidence. Such supplementary evidence may be found in an asset declaration on file and accessible to prosecutors. When discrepancies exist, they may provide grounds for search warrants or other investigative measures, or simply offer useful leads for further investigation.”²⁰ In countries, where there is no central database of bank accounts, the information in asset declarations may for example help prosecutors identify bank accounts of suspects. Therefore, even if the oversight body will have only the capacity to verify a rather small sample of all declarations, the other, “dormant” declarations can be put to use once the respective public official becomes subject to a corruption investigation.

¹⁸ [Translator’s note: The noun “Collection Commissioner” is given in the singular in the source document, followed by the pronoun, “their”. Presumably one of these is an error; unfortunately I am not able to say which one.]

¹⁹ Tilman Hoppe, *The case for asset declarations in the judiciary*, U4 Brief, May 2014. Retrieved from www.u4.no/publications/the-case-for-asset-declarations-in-the-judiciary-identifying-illicit-enrichment-and-conflicts-of-interests/downloadasset/3474.

²⁰ Tilman Hoppe, May 2014.

SUBMISSION OF DECLARATIONS

Article 16 of Law No. 1 of 2005 “On Anti-corruption”, requires a declaration upon **assuming** office, “every **three years** or on **request**” and upon **leaving** office.

Different entities are responsible for receiving the declarations:

- Supreme Court of Justice: President of the National Authority (Article 11 Law No. 1 of 2005), Members of the Legislative Council (Article 54 Basic Law); Director of the Anti-corruption Commission (Article 3 par. 9 Law No. 1 of 2005)
- President of the National Authority: Members of the Government (Article 80 Basic Law)
- Anti-corruption Commission: any other public official.

Due to the **non-centralised collection**, due to the submission in **paper form**, and due to the overall weak administrative capacities to handle more than 100,000 forms every five years (in theory), there are no statistics available on submission compliance. However, according to estimates by local experts, a large part, if not the majority of declarations, are **not submitted**. There is not even a provision in the law which empowers the Supreme Court of Justice or the President to verify submission compliance. The Anti-corruption Commission would seem to be the only body entitled to perform this task, but only with regards to public officials under its supervision (excluding top-level officials and the judiciary).

In practice, it is often a problem in other countries that **family members** do not cooperate on providing data for asset declarations.²¹ It is interesting to note, that the Law No. 1 of 2005 addresses this situation in Article 23 “Refusal by the Commissioned Person’s Spouse to Present a Declaration”:

“If the spouse of the person commissioned with presenting the declarations stipulated in this Law refuses to provide and sign the necessary details, the commissioned person must notify the Commission of such refusal. The Commission must task the refusing spouse with presenting his financial disclosure declaration within two months of the date of his notification.”

The provision seems to be toothless, though, as only the public official is obliged to submit the declaration, and only him/her is subject to sanctions (0).

VERIFICATION

In order to verify the **submission** of declarations, the oversight body needs to establish, maintain and monitor a roster within the database of all the officials who are obliged to declare their finances.²² To that extent, the oversight body needs to maintain a list of all categories of public officials that are obliged to declare their finances.

In addition, it would still be necessary for the oversight body to check the completeness of these lists for two reasons: An official could escape his duty of declaration by managing to avoid insertion in

²¹ T. Hoppe/V. Kalnins, *Country risk assessment – Armenia, Financial Supervision of Public Officials* (Council of Europe, March 2013). Retrieved from www.coe.int/t/DGHL/cooperation/economiccrime/corruption/Projects/EaP-CoE%20Facility/EaP_TP_default_en.asp.

²² T. Hoppe/V. Kalnins, *Practitioner manual on processing and analysing income and asset declarations of public officials* (Council of Europe, January 2014). Retrieved from www.coe.int/t/DGHL/cooperation/economiccrime/corruption/Projects/EaP-CoE%20Facility/EaP_TP_default_en.asp.

the list or be taken off the list; furthermore, public perception could be negative if the lists were incorrect and there was no mechanism at all at the oversight body's disposal for verifying a sample of the lists.²³ This could be done for example by monitoring and updating the names of officials whose election or appointment and dismissal are officially published. There is no indication that in Palestine such a mechanism exists for ensuring that the oversight body knows about all public officials obliged to submit declarations.

The next step of verification would be a formal check of the declarations (are all necessary fields filled out with relevant and conclusive information?). According to local experts, declarations are filed without any **formal check**.

As for the **financial verification** of the declaration, the oversight body needs to establish in a first step a true picture of all incoming and outgoing financial flows of a public official. To this end, the oversight body needs to compare the declared data with data available by the following sources:

- Tax authority.
- Motor vehicles registry.
- Land registry.
- Civil registry.
- Business registry.
- Register of bank accounts.
- Patents and licenses registry.
- Financial Intelligence Unit.
- Party finance databases.
- Foreign public databases.

Information from internet research, publicly available files, commercial databases, and data on banking transactions complements above sources.

However, the verification should not limit itself to comparing data of the declaration with other databases, but should aim at actively detecting undeclared cash-flows and their possible illicit origin. Therefore, once a true picture of the financial data is established, the oversight body needs to balance the incoming and outgoing financial flows, calculating also a lump sum for daily expenses because not all expenditures are and can be included in a declaration.

The calculation algorithm for monitoring the plausibility of the declaration is as follows:²⁴

Financial flows		
Period	Incoming side	Outgoing side
Beginning	Existing assets	
During	All coming in	All going out
End		Existing assets
Total incoming must = total outgoing		

²³ Ibid.

²⁴ Ibid.

If the outgoing side (= the “lifestyle”) goes beyond the means of the official (incoming financial flows), there is at least a suspicion of illicit enrichment. For above algorithm, it is necessary to look at the declaration from the following three angles:

1. Verifying the amount of incoming financial flow.
2. Verifying the amount of outgoing financial flow.
3. Verifying the relation of the incoming and outgoing financial flow.

In **Palestine**, there is no such methodology in place (which in other countries outside the region is sometimes contained in the law itself, a decree, or an internal decision of the oversight body). Neither the President of the National Authority, the Supreme Court, nor the Anti-corruption Commission regularly verify submitted declarations, if only a randomly selected sample; they only act upon specific complaints or allegations. However, there are no significant cases known, where the Anti-corruption Commission conducted a financial audit. The legislative basis for verifications is insufficient to this end. Article 8 of Law No. 1 of 2005 empowers the Anti-corruption Commission to the following:

- “1. Retaining all financial disclosure declarations and requesting any details or clarifications in this regard;
2. **Examining** the financial disclosures of those subject to the provisions of this Law;”

The Law does not **specify**, what the mechanism of verification is, what data the Commission can access, whether banking secrecy is lifted, how declarations are selected for audits, etc. In addition, the Law puts a barrier between the Commission and declarations of top-level officials. For the President, Members of the Legislative Council and of the Government, and – theoretically – members of the judiciary including prosecutors, the Commission

“may ask the **Supreme Court** for permission to view their financial disclosure declarations; the Supreme Court must permit this within the limits permitted in law.”

It is clear that in practice, the Commission will avoid this option at any cost. Any such request could easily lead to a scandal and might taint the respective top-level official already with the impression as if there was something wrong with his/her declaration even if it was only a routine check. Furthermore, it is not clear what the “limits permitted in law” are – which laws are relevant in this context? One can imagine many laws that could be (ab)used for justifying a denial of permission.

Overall, the verification mechanism in place is rudimentary at best and falls far **below** international standards.

The **National Strategy** on “Anti-Corruption 2012-2014” does not address this gap but only foresees the following rather cosmetic reforms:

- “a) Identify the parties **obliged** to submit financial disclosures from all sectors subject to the Anti-Corruption Law.
- b) Prepare, ratify and distribute the financial disclosure **templates** to the obliged parties.
- c) Train the obliged **parties** on the method of filling the financial disclosure templates and the documents to be attached.

d) Develop a computerized system for the storage of financial disclosures and their related follow-up documents.²⁵

There are no **statistics** available on the number and percentage of verifications conducted, and on the outcome.

The supervision of **conflicts of interest** should be the obligation of a supervisor of the public official: conflicts of interest are relative to the job duties and a central oversight body cannot monitor conflicts arising in the course of daily work.²⁶ The supervisor needs to have access to declarations in order to know about possible conflicts of interest. Any central body in charge with verifying income and asset declarations can complement the disciplinary supervisor by identifying incompatibilities which are not depending on the job duties but are visible from the declarations themselves. However, in Palestine, the content of the declarations does not allow for any comprehensive checks of conflicts of interest, even if the Anti-corruption Commission or any other body would want to take on this task.

OVERSIGHT BODY

The Anti-corruption Commission is the only body empowered by Law to perform verifications. However, it does not provide of dedicated staff, let alone with training on what this task actually entails in practice.

CO-OPERATION

Article 21 of Law No. 1 of 2005 foresees a referral of cases to the Public Prosecutor in cases of substantiated suspicions. However, co-operation of the verification bodies with **other state bodies** is also necessary with regards to the following other state bodies:

- Tax administration: hiding income and wealth regularly entails violations of tax offences (and other way round). The tax administration therefore needs to have a regular exchange with the Anti-corruption Commission.
- Financial intelligence units: hiding wealth is regularly a money-laundering offence. The Anti-corruption Commission should therefore be in regular exchange with the FIU on relevant cases and information. At the same time, the FIU would need to use asset declarations in order to examine suspicious financial movements related to public officials.
- Disciplinary bodies: non-submission of declarations or submission of false declarations regularly constitutes a disciplinary offence. The Anti-corruption Commission therefore needs to notify such bodies in cases of violations.

For all above co-operations, the oversight bodies should have standards on reporting and information exchange, possibly supported by memoranda of understanding with the respective institutions, or a joint set of guidelines. Co-operation would also profit from joint workshops and trainings on verifying asset declarations and investigating illicit enrichment with representatives of

²⁵ Second component, no. 2, page 13. Retrieved from www.pogar.org/publications/ac/compendium/palestine/Palestine_NACS_2012-2014_EN.pdf.

²⁶ Regional School of Public Administration, *Western Balkan Recommendation on Disclosure of Finances and Interests by Public Officials*, 08-09 July, 2014. Sixth Meeting of the Ethics and Integrity Network (Danilovgrad: ReSPA, 2014). Retrieved from <http://respaweb.eu/11/library#respa-publications-and-research-18>.

these state bodies. There is no indication that the cooperation between these entities is sufficiently established.

PUBLIC ACCESS

So far, asset declarations are neither published, nor accessible upon request by ordinary citizens:

“The declarations stipulated in this Law and the procedures taken for investigation and examination of complaints presented regarding corruption shall be deemed secrets which may not be revealed unless by decision of the competent court.”
(Article 22 Confidentiality of Declarations and Procedures, Law No. 1 of 2005)

For Members of the Legislative council and of the Government, this confidentiality is even part of the Constitution (Articles 54 and 80).

Experience shows that most successful investigations are triggered by complaints of citizens, NGOs, or journalists with knowledge about the true situation of an unfaithful public official. In addition, public availability of declarations would be a strong incentive for public officials to actually comply with submission requirements, because anybody will be able to see whether they are compliant or not. Therefore, asset declarations should be information publicly available online (see Principle 8). Confidentiality of asset declarations rather occurs in totalitarian systems and is not in line with the standard of open, participatory democracies. It is of utmost importance that declarations are not public only as an image scan of the paper-version of the declaration, but as a text-file in machine readable format. Otherwise it is impossible to search for the declaration on the internet or to electronically analyse it.

A **good example** – out of many more others – is **Georgia**. Following a previous paper based system, declarations became online in February 2010. The Civil Service Bureau scanned and published more than 50,000 declarations from 1998-2010. Since 2010, all senior Georgian officials submit their asset declarations annually at <http://declaration.gov.ge/eng/> (English version of the website).²⁷ Submitted declarations appear instantly on the same website. Currently, the website hosts more than 60,000 declaration documents. In 2013, it won the “United Nations Public Service Award” in the category of “Preventing and combating corruption in public service”. It should be noted that such an online system is not a privilege of highly industrialised nations. When introducing its online system in 2010, Georgia had a GDP per capita of only US\$ 5,837 per year.²⁸ Even if this value is much lower in **Palestine** (US\$1,653 in 2012),²⁹ there is enough donor money available for supporting such a reform, if there was only enough political will.

SANCTIONS

The Law No. 1 of 2005 knows only two sanctions for public officials:

- Late submission (Article 28)

²⁷ See also: World Bank, *Fighting Corruption in Public Services: Chronicling Georgia's Reforms* (Washington D.C.: World Bank, 2012, 108 pages). Retrieved from <http://elibrary.worldbank.org/doi/pdf/10.1596/978-0-8213-9475-5>.

²⁸ World Bank, GDP per capita. Retrieved from <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>.

²⁹ Trading Economics, Palestine GDP. Retrieved from <http://www.tradingeconomics.com/palestine/gdp-per-capita>.

- Submission of false data (Article 29)

It is interesting to note that Article 29 par. 2 contains a mechanism of effective regret:

“Any person who, on his own initiative, corrects the details set out in the declaration before detection of the error shall be exempt from such penalty.”

The available sanctions are too mild – they provide only for a fine of up to 1,000 Jordanian Dinars (≈1,400 US\$), but not for dismissal as would be required in serious cases (such as persistent failure to submit a declaration).

Asset forfeiture and breach of confidentiality are subject to the general legislation on criminal procedure and criminal offences. There is no offence of illicit enrichment in the criminal code or the anti-corruption law.³⁰

CIVIL SOCIETY

So far, civil society has only a minimum role in the asset declaration process: citizen can report any suspicion they have on the illegal gain or any other violation of a public official. However, citizens have no possibility at all to look at asset declarations. There is no transparency of the asset declaration process towards the public at large, such as statistics, overview on cases and trends, and on the work of the responsible institutions. State institutions do not reach out to citizens, the media, or civil society organisations to participate in the process. Shutting civil society off the asset declaration system in such a way seriously hampers the effectiveness of the system. Other regional research has shown that successful investigations of asset declarations are most often triggered by citizens or the media.³¹

It should be underlined that it is often (substantiated) **anonymous** complaints which trigger successful investigations into asset declarations. Potential reporting persons often face a risk of reprisal by the public official, either privately or in their official position. Banning anonymous complaints thus cuts off a substantial source of promising leads. In this context, one should keep Article 13 par. 2 United Nations Convention against Corruption (UNCAC) in mind:

“Each State Party shall take appropriate measures to ensure that the relevant anti-corruption bodies referred to in this Convention are known to the public and shall provide access to such bodies, where appropriate, for the reporting, including **anonymously**, of any incidents that may be considered to constitute an offence established in accordance with this Convention.”

³⁰ The following observation seems to be not correct: World Bank, *Improving Governance and Reducing Corruption* (World Bank 2011), p. 92: “The Anti-Corruption Law establishes a criminal offense of illicit enrichment, where significant increase in assets of a public official cannot reasonably be explained as being the result of his/ her lawful income, even if such does not constitute a crime.”. Retrieved from

<http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/GovernanceReportWBGEngMay18,2011.pdf> .

³¹ ReSPA/Tilman Hoppe (lead author), *Comparative Study: Income and Asset Declarations in Practice* (Danilovgrad: ReSPA, 2013), pp.86, 145. Retrieved from www.respaweb.eu/11/library#respa-publications-and-research-18

RECOMMENDATIONS

The international community and regional bodies have developed comprehensive principles and procedures to build effective asset disclosure systems, and many countries have even adopted these as law. The policies help reduce corruption by exposing illegal activity, opening the door to investigation and creating enforcement and monitoring mechanisms. As the data illustrates, Palestine has fallen behind international standards on asset declaration. The following recommendations are based on the research conducted for this report and seek to provide a set of priorities for improving the effectiveness of asset disclosure in Palestine:

Legislative reforms

Introduce a legal basis for conflicts of interest: Declarations of judges and prosecutors require a legal basis. Declarations of all public officials should be subject to one law; it is thus recommended to streamline obligations of judges, prosecutors and parliamentarians into Law No. 1 of 2005.

Broaden the scope of information: Declarations need to show the fullest picture possible of incoming and outgoing financial flows during public officials' time in office, in particular salaries and fees, royalties, gifts, loans, and other incoming cash flows such as inheritances. Without information on the income of officials, no meaningful verification of the declaration is possible. Declarations also need to include information relevant for detecting conflicts of interest, such as second jobs, business relationships and memberships in relevant interest groups.

Broaden the scope of information and coverage of officials: Coverage of public officials should include judges at all court levels.

Increase the frequency of declaration: Declarations need to be filed annually for illicit enrichment purposes, at least in the case of senior public officials. Submission and storage should be with one entity only (preferably the Anti-corruption Commission).

Implement a verification procedure: Countries urgently need to establish meaningful verification mechanisms. Failing this, declarations have no deterrent effect, making illicit enrichment less unattractive and severely weakening the asset declaration framework. A methodology for submission verification, formal verification, and financial audits of declarations needs to be in place based on a legal act. The oversight body should be obliged by law to verify a sample of declarations by public officials. The samples should be chosen randomly, as well as be based on specific risk criteria. Finally, a legitimate verification procedure must follow up on any substantiated anonymous complaints. Until appropriate monitoring mechanisms are in place, existing aspects of a country's asset declaration system are vulnerable to exploitation and loopholes.

Provide access to the public: Asset declaration laws mean nothing if they are not applied, which often requires the watchful oversight of engaged citizens and active civil society organisations. The public is the most important watchdog; therefore, information should be made available through an open web portal that is centralised at each level of government. If a web portal is not available or is underutilised, the information should be widely disseminated through alternative media. Digital information should be published in widely used formats that are non-proprietary, searchable, sortable, platform-independent and machine-readable. On any of these platforms, there should be clear guidelines and explanation for the limited exemptions for non-publication or exclusions.

Although the legal framework on access to information is still weak in many countries of the MENA region, there are at least policies in place that should be used to support a wider dissemination of asset declarations, limiting the waiting time between receiving and answering a query on assets.

Fully criminalise violations: The available sanctions need to be strengthened and the currently available fines complemented by the option to dismiss a public official in serious cases, in particular for persistent failure to submit a declaration; similarly, serious cases of declaration of false data should also be subject to imprisonment. Most importantly, the law needs a provision criminalizing illicit enrichment and allowing forfeiture of any inexplicable wealth, including from third persons to whom such wealth has been transmitted. The offence of illicit enrichment needs to be formulated with specific guidance: Any substantial difference between the declared and real finances of a public official should constitute a criminal offence and provide the basis for asset forfeiture. A respective definition in the offence could read for example:

“Any increase in wealth that happens after assuming the service or the actualization of the status of the person subject to this law or his spouse or minor children when it is not proportional with their resources as stated in his/her asset declaration. If the expenditures exceed the income of the person by more than 10% or alternatively by 10,000 € this is considered a disproportionate increase in wealth.”

Engage civil society: The oversight body should be obliged to publish regular reports containing inter alia case statistics and an analysis of trends. The internal procedures of the oversight body should be as transparent as possible to the public. Representatives of the public should have the opportunity to participate in, consult on, and monitor the work of the oversight body.

Organisational reforms

Alleviate submission of declarations: In order to allow for automated processing and verification, and thus reducing the administrative burden, declarations should gradually be submitted online in machine readable form. Declarations shall be submitted in printed form only when the technological means are not available in the workplace or at home of the public official concerned. At least senior public officials should gradually submit their declarations online. Ideally, online declarations are already prefilled with existing data from state databases such as salaries, vehicles, real estate, and other information, in order to facilitate the filling out of declarations. Until legislation on electronic evidence is in place,³² public officials could submit a signed paper version in addition to the (practically more important) online submission.

Facilitate the work and cooperation of oversight bodies: The oversight body (Anti-corruption Commission) needs sufficient staff with training on verification procedures including financial analysis and conflicts of interest. Other state bodies, which usually benefit from asset declarations, such as tax administration or the unit on anti-money laundering, need to be trained as well and there should be standards on reporting and information exchange, possibly supported by memoranda of understanding with the respective institutions, or a joint set of guidelines.

Account for implementation: Law enforcement bodies need to show a track record of investigated cases and should regularly report on case statistics to the public.

³² See “Palestine’s Electronic Commerce and Exchange Draft Law”. Retrieved from www.olwan.org/index.php?view=article&catid=37%3Ae-transactions-&id=171%3Apalestinans-electronic-commerce-and-exchange-draft-law-&format=pdf&option=com_content&Itemid=57.

ANNEX I: METHODOLOGY

The main focus of the country reviews is to compare:

- a) the existing legislative framework against the emerging **international standard**
- b) the existing legislative framework of asset disclosure with its **actual implementation**

The main sources were:

- **desk review** of the legislative and regulatory framework on the respective asset disclosure system.
- **semi-structured interviews** with up to six experts per country drawn from the public sector as well as the private sector, including civil society or academia

Experts for the semi-structured interviews were selected from the following two categories:

- **Key experts**, i.e. practitioners or ex-practitioners in the area of asset disclosure (these included officials in the agency or agencies tasked with managing asset declarations, law enforcement officials, lawyers and accountants, human resources/ministerial staff, experts from tax authorities, and any others with practical experience).
- **Informed experts**, i.e. individuals who are not experts on asset declarations but have an informed opinion on the workings of the public administration and understand how asset declarations could increase transparency and accountability (these included journalists, civil society activists and informed citizens). Interviews with this group were optional depending on the level of information obtained through official interviews.

ANNEX II: DECLARATION FORM

[unofficial translation by TI; several empty lines in the form for inserting information have been redacted in below version to save space]

Asset Declaration
In enforcement of
amended Anti Corruption Law number (1) of 2005

Personal data:

Full Name:

Nationality:

I.D number:

D.O.B: / /

Residence address:

Work address:

Job title:

Job Identification number:

Date of employment:

Monthly Salary:

Previous year total income:

Spouse data:

No.	Full name	I.D no.	D.O. Marriage	Job and employing institution	Date of employment
1					
2					

Minor children data:

No.	Full name	I.D no.	Date of Birth
1			
2			

Submitted by:

Name:

Signature:

Property of declaration submitter

- First: Money and bank accounts in country and abroad:

Funds value	Currency	Name of Bank or financial institution deposited at	Account no.	Country	Account date

- Second: Immovable Assets

Lands and real estate in country or abroad

Type	Value		Location	Date of ownership	Deals of purchase			
	Money	In-kind			Buying	Selling	Registration document no.	Registration date

- Third: Movable Assets:

Type	Value when purchased	Location	Date of ownership	Notes

- Fourth: Stocks and shares in firms

Firm's name	Firm's type	Firm's Capital	No. of	% of shares/	Share's

			shares/portions	portions	market value

Submitted by

Name:

Signature:

- Fifth: Bonds:

Bond type	No. of bonds	Source of bond	Financial value of bond	No. and date of bond	Value of annual bond profits

- Sixth: Jewels and precious metals and stones:

Type and description	Standard or karat	Quantity or weight	Place of deposit

- Seventh: Debts:

Type		Debt value	Type of party		Date of eligibility	Notes
Creditor	Indebt		Creditor	Indebt		

- Eighth: Any other sources of income

Value of annual income from sources other than the job	Source of income	Notes

Submitted by

Name:

Signature:

Property of declaration submitter's spouse

- First: Money and bank accounts in country and abroad:

Funds value	Currency	Name of Bank or financial institution deposited at	Account no.	Country	Account date

- Second: Immovable Assets

Lands and real estate in country or abroad

Type	Value		Location	Date of ownership	Deals of purchase			
	Money	In-kind			Buying	Selling	Registration document no.	Registration date

- Third: Movable Assets:

Type	Value when purchased	Location	Date of ownership	Notes

- Fourth: Stocks and shares in firms

Firm's name	Firm's type	Firm's Capital	No. of shares/ portions	% of shares/ portions	Share's market value

Submitted by

Name:

Signature:

- Fifth: Bonds:

Bond type	No. of bonds	Source of bond	Financial value of bond	No. and date of bond	Value of annual bond profits

- Sixth: Jewels and precious metals and stones:

Type and description	Standard or karat	Quantity or weight	Place of deposit

- Seventh: Debts:

Type	Debt value	Type of party	Date of eligibility	Notes

Creditor	Indebt		Creditor	Indebt		

- Eighth: Any other sources of income

Value of annual income from sources other than the job	Source of income	Notes

Submitted by

Name:

Signature:

Property of declaration submitter's minor children

- First: Money and bank accounts in country and abroad:

Funds value	Currency	Name of Bank or financial institution deposited at	Account no.	Country	Account date

- Second: Immovable Assets

Lands and real estate in country or abroad

Type	Value		Location	Date of ownership	Deals of purchase			
	Money	In-kind			Buying	Selling	Registration document no.	Registration date

- Third: Movable Assets:

Type	Value when purchased	Location	Date of ownership	Notes

- Fourth: Stocks and shares in firms

Firm's name	Firm's type	Firm's Capital	No. of shares/portions	% of shares/ portions	Share's market value

Submitted by

Name:

Signature:

- Fifth: Bonds:

Bond type	No. of bonds	Source of bond	Financial value of bond	No. and date of bond	Value of annual bond profits

- Sixth: Jewels and precious metals and stones:

Type and description	Standard or karat	Quantity or weight	Place of deposit

- Seventh: Debts:

Type		Debt value	Type of party		Date of eligibility	Notes
Creditor	Indebt		Creditor	Indebt		

- Eighth: Any other sources of income

Value of annual income from sources other than the job	Source of income	Notes

Submitted by

Name:

Signature:

- Other data the applicant likes to add:

- Annexes

1-

2-

3-

4-

5-

6-

7-

8-

9-

I, the undersigned, testify that all the data included in this declaration is correct, and include all my properties and the properties of my spouse and my minor children in Palestine and abroad, and hold all legal responsibilities resulting from the presence of what negating them.

Submitted by

Name:

Signature:

Note: Every obligated person among those who are subjects to the provisions of the amended anti corruption law number (1) of 2005 should be committed to submit an asset declaration periodically and a declaration at the end of his service covering his properties and those of his wife and minor children on legally defined dates.

Palestinian National Authority

Anti Corruption Commission

Jerusalem – Ramallah

Address: Ramallah/ Al-Bireh/ Nablus street/ opposite to refugees department

Tel. 022424016/7/8

Fax. 022424015

www.PACC.PNA.PS

ANNEX III: LAW 1 OF 2005 (EXCERPT)

[unofficial translation by TI]

Anti-Corruption Law

No 1 of 2005

Article 2 Persons Subject to the Provisions of the Law

The following shall be subject to the provisions of this Law:

1. The President of the National Authority and his advisors, and the directors of the institutions subordinate to the Presidency;
2. The Prime Minister and Members of the Council of Ministers and the like;
3. The Speaker and Members of the Palestinian Legislative Council;
4. Members of the judicial authority and public prosecution, and the employees thereof;
5. Directors of the bodies and agencies of the National Authority;
6. Governors and the chairmen and members of the councils of local authorities and employees thereof;
7. Public servants;
8. Chairmen and members of the boards of directors of public joint-stock companies (and employees thereof) in which the National Authority or any of its institutions is a shareholder;
9. The Collection Commissioner and their³³ delegates the deposit and bank trustees;
10. Arbitrators, experts, administrative receivers and agents of creditors and liquidators;
11. Chairmen and members of the boards of directors of public bodies and institutions, charitable associations and non-governmental organisations which have independent legal personality and financial and administrative independence, and of parties and unions, and

³³ [Translator's note: The noun "Collection Commissioner" is given in the singular in the source document, followed by the pronoun, "their". At the time of completing this report, we were unable to determine exactly which of the two is a typing mistake.]

other such persons, in addition to employees of any of the foregoing even if such bodies have not received support from the public budget;

12. Persons entrusted with public service with respect to the work with which they have been commissioned;
13. Any non-Palestinian person who occupies a post in any of the institutions of the national, legislative, executive or judicial authority, and any person who holds a public position on behalf of any public agency or public institution or non-governmental organisation subordinate to a foreign country or public international institution;
14. Any other person or entity the Council of Ministers decides to make subject to the provisions of the Law.

Article 3 [...]

9. The Director of the Commission and all employees thereof must disclose their properties and those of their spouses and minor children before commencing their work. Such disclosures shall be retained by the Commission with respect to employees and at the Supreme Court with respect to the director of the Commission.

Article 8 The Competences of the Commission

The Commission shall be competent in the following:

1. Retaining all financial disclosure declarations and requesting any details or clarifications in this regard;
2. Examining the financial disclosures of those subject to the provisions of this Law;
3. Investigating complaints presented regarding corruption.
4. Verifying possible corruption committed by persons subject to the provisions of this Law.

Article 9 The Powers of the Commission

Despite that which is set out in the Law of Criminal Procedure and the other related laws, the Commission may, by way of carrying out its functions and competences, undertake the following:

1. Receive reports, information and complaints presented to it regarding crimes of corruption, and study and monitor them, and undertake the works of inquiry and collecting evidence with respect to them, and disclose contraventions and violations and gather evidence and information related thereto, and commence investigations and conduct the administrative and legal procedures necessary according to the provisions of this Law and the related legislation.

2. Prosecute all who contravene the provisions of this Law, seize their moveable and immoveable funds and prevent them from travelling, and request that they be suspended from work by the competent authorities, in addition to the stopping of their salary, bonuses and other financial accruals when necessary, and amending or cancelling any of these decisions in accordance with the legislation in force.
3. Summon witnesses and stakeholders, including public or private sector employees or any person connected with the inquiry and investigation of an incident related to a crime of corruption.
4. Request or view any files, details, paperwork, documents or information, or obtain copies thereof from the entity in possession of them, including entities that deem all of the foregoing confidential under the legal procedures in force.
5. Coordinate with the competent authorities for the pursuit, seizure, attachment and recovery of funds and proceeds obtained from crimes of corruption, provided that the confiscation decision in their regard is issued by the court competent to consider the case.
6. The Commission may commence the inquiries and investigations necessary for the monitoring of any cases of corruption of its own accord or pursuant to reports or complaints received by it from any entity. If it becomes apparent as a result of the claim or investigation that such reports or complaints received by the Commission are false or deceptive, the presenter thereof shall be referred to the competent judicial authorities for punishment in accordance with the applicable legal rules.

Article 11 Financial Disclosure Declaration for the President of the Palestinian National Authority

1. The President of the National Authority shall present a financial disclosure declaration for himself, his spouse and his children, detailing therein all that they own in terms of real properties, movables, shares, bonds and cash funds within Palestine and abroad, in addition to the debts that they owe. This declaration shall be kept under lock and in confidence at the Supreme Court of Justice; it may not be viewed unless with the permission of the Court when necessary and within the limits permissible in law.
2. It is not permitted for the President of the National Authority to buy, rent, sell, grant or gift any property of the State or of a public legal person, nor to have a financial interest in any of the contracts formed by the governmental or administrative authorities. Similarly, he may not, throughout the period of his presidency, be a member of the board of directors of any company, nor carry on trade or any profession, nor command another salary, remuneration or grant from any other person in any capacity whatsoever, other than the single salary specified for the President and his allocations.

Article 16 Financial Disclosure Declarations

1. With the exception of the groups stipulated in clauses 1, 2, 3 and 4 of Article 2 of this Law (the President of the National Authority, the Prime Minister and Members of the Council of Ministers, the Speaker and Members of the Legislative Council, the members of the judicial

authority and public prosecution), all who are subject to the provisions of this Law must present to the Commission the following:

- a. A financial disclosure declaration for him and for his minor children, stating therein the moveable and immoveable funds they own, including shares, bonds and stocks in companies, accounts at banks, money, jewellery, minerals and valuable stones, in addition to their sources of income and the value of this income; this shall be within two months of the date of his becoming subject to the provisions of this Law.
 - b. A financial disclosure declaration every three years or on request, provided that this shall include – in addition to the details stipulated in the above clause – the source of any increase in the financial disclosure.
 - c. In addition to the declarations stipulated above, all who are subject to the provisions of this Law must present his financial disclosure declaration within one month of the date of expiration of his being subject to the provisions of this Law.
2. With respect to the groups stipulated in clauses 1, 2, 3 and 4 of Article 2 of this Law (the President of the National Authority, the Prime Minister and Members of the Council of Ministers, the Speaker and Members of the Legislative Council, the members of the judicial authority and public prosecution), the Commission shall have the right to examine their financial disclosure declarations. For this purpose it may ask the Supreme Court for permission to view their financial disclosure declarations; the Supreme Court must permit this within the limits permitted in law.

Article 22 Confidentiality of Declarations and Procedures

The declarations stipulated in this Law and the procedures taken for investigation and examination of complaints presented regarding corruption shall be deemed secrets which may not be revealed unless by decision of the competent court.

Article 23 Refusal by the Commissioned Person's Spouse to Present a Declaration

If the spouse of the person commissioned with presenting the declarations stipulated in this Law refuses to provide and sign the necessary details, the commissioned person must notify the Commission of such refusal. The Commission must task the refusing spouse with presenting his financial disclosure declaration within two months of the date of his notification.

Article 24 Requesting Attachment, Viewing and Consulting Experts

The Commission may ask the competent court to undertake precautionary attachment of the funds of the person whose enrichment is subject of suspicion, or any funds suspected of belonging to him in the possession of any person whomsoever. It may view the respondent's books and documents and obtain the information it requires from the official and unofficial departments and seek assistance in the performance of this task from whichever experts it sees fit.

Article 28 Penalty for Late Submission of Declaration

Any commissioned person who is late in submitting the financial disclosure declaration at the prescribed time shall be punishable by a fine of no less than one hundred Jordanian dinars and not exceeding one thousand Jordanian dinars or the equivalent thereof in the legally circulated currency for every month of delay from the date of his becoming subject to the provisions of this Law, or from the date of his being tasked therewith by the Commission.

Article 29 Penalty for Submission of Inaccurate Details

1. Any person who intentionally states inaccurate details in the declarations stipulated under this Law shall be punishable by a fine of no less than one hundred Jordanian dinars and not exceeding one thousand Jordanian dinars or the equivalent thereof in the legally circulated currency.
2. Any person who, on his own initiative, corrects the details set out in the declaration before detection of the error shall be exempt from such penalty.

Annex IV: Other laws (EXCERPTS)

[unofficial translation by TI]

Basic Law as of 2003

Article 54

1. A Member of the Legislative Council may not exploit Council membership in any type of private business or in any manner whatsoever.
2. Members of the Legislative Council shall present financial statements for themselves, their spouse and their minor children that detail their wealth, including real estate and movable property both inside Palestine and abroad, as well as debts. These statements shall be kept in sealed confidential envelopes at the High Court of Justice and may not be accessed unless permitted by the Court and within the limits it allows.

Article 80

1. The Prime Minister and each Minister shall submit a financial statement for themselves, their spouse and their minor children that details what they own in real estate, movable property, stocks, bonds, cash money and debts, whether inside Palestine or abroad, to the President of the National Authority, who shall make the necessary arrangements to maintain their secrecy. Such information shall remain confidential and may not be accessed unless permitted by the High Court when necessary.
2. Neither the Prime Minister nor any Minister may purchase or lease any property belonging to the State or to any public entity, or have a financial interest in any contract concluded with any governmental or administrative body, nor may they, during their terms of office, be board members in any company, or practice commerce or any other profession, or receive a salary or any other financial reward or remuneration from any person in any capacity whatsoever, other than the single salary determined for Ministers and the relevant allowances.

Law on the Rights and Obligations of the Members of the Legislative Council

No 10 of 2004

Article 12

Financial Disclosure Declaration

Every member shall submit a financial disclosure declaration relating to him, his spouse and his minor children, detailing therein his entire wealth in terms of real property and moveables within Palestine and abroad, in addition to the debts they owe. This declaration shall be kept under lock and in confidence at the Supreme Court of Justice. It may not be viewed unless with the permission of the Court and within the limits permissible in law.

Capital Market Authority Law

No 13 of 2004

Article 7

Tasks and Powers of the Board of Directors

The Board of Directors shall exercise the following functions and powers: [...]

7. Establishing instructions regarding the public servants from whom disclosure regarding finances and any additional financial resources is required, in addition to the nature of the gifts they may receive and the method of disclosure thereof.

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