

The
G7 Research Group
at the Munk School of Global Affairs and Public Policy at Trinity College
in the University of Toronto presents the

2018 Charlevoix G7 Interim Compliance Report

10 June 2018 — 10 December 2018

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“We have meanwhile set up a process and there are also independent institutions monitoring which objectives of our G7 meetings we actually achieve. When it comes to these goals we have a compliance rate of about 80%, according to the University of Toronto. Germany, with its 87%, comes off pretty well. That means that next year too, under the Japanese G7 presidency, we are going to check where we stand in comparison to what we have discussed with each other now. So a lot of what we have resolved to do here together is something that we are going to have to work very hard at over the next few months. But I think that it has become apparent that we, as the G7, want to assume responsibility far beyond the prosperity in our own countries. That’s why today’s outreach meetings, that is the meetings with our guests, were also of great importance.”

Chancellor Angela Merkel, Schloss Elmau, 8 June 2015

G7 summits are a moment for people to judge whether aspirational intent is met by concrete commitments. The G7 Research Group provides a report card on the implementation of G7 and G20 commitments. It is a good moment for the public to interact with leaders and say, you took a leadership position on these issues — a year later, or three years later, what have you accomplished?

Achim Steiner, Administrator, United Nations Development Programme,
in *G7 Canada: The 2018 Charlevoix Summit*

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2. Democracy: Transparency

“In accordance with applicable laws, ensure a high level of transparency around sources of funding for political parties and all types of political advertising, especially during election campaigns.”

Charlevoix Commitment on Defending Democracy from Foreign Threats

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Canada			+1
France	-1		
Germany	-1		
Italy		0	
Japan		0	
United Kingdom			+1
United States		0	
European Union			+1
Average		+0.13	

Background

At the 2018 Charlevoix Summit, G7 members committed to ensuring a “high level of transparency around sources for funding for political parties and all types of political advertising, especially during election campaigns.”²³⁴ The G7 has previously made broad commitments to uphold the rules-based international order and improve cybersecurity. However, this commitment entails a targeted effort to protect the critical infrastructures of election systems.²³⁵

On 22-23 April 2018, the foreign ministers of G7 countries and high representatives of the European Union met in Toronto to discuss the rules-based international order, non-proliferation and disarmament, transnational threats to security, conflict protection and support for the United Nations and reform.²³⁶ The G7 foreign ministers and high representatives expressed the collective intent to collaboratively reinforce democracies and prevent electoral interference by hostile states or non-state actors.²³⁷ The foreign ministers discussed their commitment to disavow the pattern of destabilizing Russian behaviour in this area, specifically referring to Russia’s interference in the democratic systems of other countries.²³⁸ The joint communiqué produced by the foreign ministers in April also urged Russia to fulfill its international obligations as a permanent member of the United Nations Security Council.²³⁹

On 9 June 2018, the G7 leaders adopted the Charlevoix Commitment on Defending Democracy from Foreign Threats, in which they reiterated the G7’s shared commitment to “free, open, well-

²³⁴ Charlevoix Commitment on Defending Democracy from Foreign Threats, G7 Information Centre (Toronto) 9 June 2018. Access Date: 5 September 2018. <https://g7.gc.ca/en/official-documents/charlevoix-commitment-defending-democracy-from-foreign-threats/>

²³⁵ G7 Ise-Shima Leaders’ Declaration, G7 Information Centre (Toronto) 27 May 2016. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/summit/2016shima/ise-shima-declaration-en.html>.

²³⁶ G7 Foreign Ministers Joint Communiqué, G7 Information Centre (Toronto) 23 April 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/foreign/180423-communiqué.html>.

²³⁷ G7 Foreign Ministers Joint Communiqué, G7 Information Centre (Toronto) 23 April 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/foreign/180423-communiqué.html>.

²³⁸ G7 Foreign Ministers Joint Communiqué, G7 Information Centre (Toronto) 23 April 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/foreign/180423-communiqué.html>.

²³⁹ G7 Foreign Ministers Joint Communiqué, G7 Information Centre (Toronto) 23 April 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/foreign/180423-communiqué.html>.

governed, pluralistic and prosperous societies” and “equality as a core component of democracy.”²⁴⁰ The leaders discussed the challenges facing democracy and the rules-based international order, namely the threat of “authoritarianism and the defiance of international norms.”²⁴¹ The leaders of the G7 also committed to “respond[ing] to foreign threats, both together and individually, in order to meet the challenges facing our democracy.”²⁴² An additional commitment was made to “engage directly with internet service providers and social media platforms regarding malicious misuse of information technology by foreign actors, with a particular focus on improving transparency regarding the use and seeking to prevent the illegal use of personal data and breaches of privacy.”²⁴³

The 2018 Charlevoix summit marks the first G7 commitment that specifically aims to improve transparency around funding for political parties and political advertising.

Commitment Features

The G7 commitment states: “in accordance with applicable laws, ensure a high level of transparency around sources of funding for political parties and all types of political advertising, especially during election campaigns.”²⁴⁴ There are two components to this commitment: to ensure a high level of transparency around sources of funding for 1) political parties; and 2) for all political advertising. Particular attention should be paid to the issue of transparency in funding sources “especially during election campaigns.”

“Transparency” is qualified as a state of openness of a collection of people, a system or institution. This standard of high transparency must be reached for both components of this commitment in order to achieve full compliance. A “high level of transparency” includes actions such as regular and/or comprehensive reports on political funding and advertisement, coherent and effectively implemented regulation of public and private funding, high levels of information availability, independent regulatory bodies and more. Low levels of transparency, which would merit a score of non-compliance, include examples such as lack of financial auditing for political organizations, weak organizational structures and institutional oversight for funding and advertisement, anonymous donations, or discretionary power to use political expenditure.²⁴⁵ Accounting for a score of partial compliance, medium levels of transparency refer to a work in progress. For example, if a regulatory system is in the process of being developed, or a combination of the aforementioned factors between transparent and non-transparent political funding and advertisement are simultaneously present. “Ensure” is defined as “to make something certain to happen,” which indicates a high level of certainty and threshold for action.²⁴⁶

²⁴⁰ Charlevoix Commitment on Defending Democracy from Foreign Threats, G7 Information Centre (Toronto) 9 June 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/summit/2018charlevoix/democracy-commitment.html>.

²⁴¹ Charlevoix Commitment on Defending Democracy from Foreign Threats, G7 Information Centre (Toronto) 9 June 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/summit/2018charlevoix/democracy-commitment.html>.

²⁴² Charlevoix Commitment on Defending Democracy from Foreign Threats, G7 Information Centre (Toronto) 9 June 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/summit/2018charlevoix/democracy-commitment.html>.

²⁴³ Charlevoix Commitment on Defending Democracy from Foreign Threats, G7 Information Centre (Toronto) 9 June 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/summit/2018charlevoix/democracy-commitment.html>.

²⁴⁴ The Charlevoix G7 Summit Communiqué, G7 Information Centre (Toronto) 9 June 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/summit/2018charlevoix/communiqu.html>.

²⁴⁵ Fixing Political Party Funding For Transparency And Accountability, Democracy Chronicles. 4 April 2017. Access Date: 13 October 2017. <https://democracychronicles.org/political-party-funding/>

²⁴⁶ Compliance Coding Manual for International Institutional Commitments, G7 Information Centre (Toronto) 7 May 2018. Access Date: 23 September 2018. <http://www.g7.utoronto.ca/compliance/compliance-coding-manual-2016.pdf>

The first component of this commitment signifies that G7 members must demonstrate a high level of transparency “around sources of funding for political parties.”²⁴⁷ “Political parties” are defined as organized groups of people with similar political aims and opinions. Such groups seek to influence or be involved in public policy by attempting to elect their candidates to public office.²⁴⁸ Transparency around political party funding applies to both private and public funding. Private funding for campaigns refers to financial contributions originating from citizens, corporations, non-governmental organizations, and other non-state groups. Such resources are provided explicitly for the purpose of supporting a candidate or political party’s candidacy for office. Public funding for campaigns can refer to money allocated by the government and/or the public sector, such as public grants or funding systems designed to support the democratic participation of political parties and candidates.

In the second component of this commitment, “funding for all political advertising” states that members must ensure a high level of transparency around sources of funding for all political advertising. “Political advertising” is defined as public marketing and information that can be seen, heard, or read; created with the purpose of promoting or opposing a political party or candidate.²⁴⁹ The text of the commitment, namely the word “all,” signals the intended comprehensive coverage of this commitment in terms of referring to a wide range of political messaging. The funding for *all* political advertising, both private and public, should be transparent in its source and amount. In the context of the Charlevoix Commitment on Defending Democracy from Foreign Threats, examples of actions that count towards compliance can take the form of forbidding or regulating the ability of foreign actors to buy or run political advertisements or establishing checks and limits on foreign sources of funding for election advertisements.²⁵⁰

Applicable to both parts of this commitment, the text of the commitment is qualified by the phrase “especially during election campaigns.” “Especially” is defined as “to single out one thing over all others, more than usual, for a particular purpose or person, in particular.”²⁵¹ In the context of this commitment, the standards for transparency in funding for political parties and all types of political advertising should be especially high during times of political campaigning. “Election campaigns” refer to timeframe preceding election day, during which political candidates prepare and present their ideas and positions to voters in the electorate.²⁵²

If a G7 member has or will be holding elections or campaign periods during the compliance cycle (i.e. since 10 June 2018, the day following the conclusion of the 2018 Charlevoix Summit), its compliance will be scored in a way that prioritizes acts to ensure electoral transparency during this time frame. If the G7 member will not be hosting elections or campaign periods during the compliance cycle, its actions should demonstrate a substantive rather than chronological focus on transparency during election campaigns. For instance, the G7 member may adopt legislation that requires political

²⁴⁷ The Charlevoix G7 Summit Communiqué, G7 Information Centre (Toronto) 9 June 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/summit/2018charlevoix/communique.html>.

²⁴⁸ Key Election Process Categories, Open Election Data Initiative (Washington) Access Date: 5 September 2018. <https://openelectiondata.net/en/guide/key-categories/election-campaigns/>.

²⁴⁹ Differences between Public and Private Sources of Funding, Kent State University (Kent) 2 September 2018. Access Date: 5 September 2018. <http://literacy.kent.edu/Oasis/grants/publicVSprivate.html>.

²⁵⁰ Charlevoix Commitment on Defending Democracy from Foreign Threats, G7 Information Centre (Toronto) 9 June 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/summit/2018charlevoix/democracy-commitment.html>.

²⁵¹ Compliance Coding Manual for International Institutional Commitments, G7 Information Centre (Toronto) 7 May 2018. Access Date: 23 September 2018. <http://www.g7.utoronto.ca/compliance/compliance-coding-manual-2016.pdf>

²⁵² Key Election Process Categories, Open Election Data Initiative (Washington) Access Date: 5 September 2018. <https://openelectiondata.net/en/guide/key-categories/election-campaigns/>.

advertising platforms to disclose the identities of those who purchase large-scale paid advertisements during campaign periods.²⁵³

Thus, to achieve full compliance, G7 members must take action to ensure high levels of confidence in the openness of their electoral systems, specifically through improving transparency both in political party funding and *all* forms of the political advertisement; with a particular emphasis on periods of political campaigning. The threshold for full compliance is detailed in the definition of “high level of transparency” above, at the beginning of the commitment features.

If only one of the two thresholds or parts of this commitment is fulfilled, members will receive a score of partial compliance. For instance, if a G7 member ensures transparency around sources of party funding, but address one or no components of political advertising, its minimal action in the second component of the commitment will earn a score of partial compliance, or 0.

A score of -1, or no compliance, will be assigned if the G7 member exemplifies no demonstrable compliance with either component of this commitment.

Scoring Guidelines

-1	G7 member does NOT take any efforts to ensure a high level of transparency around sources of funding for political parties NOR all types of political advertising, especially during election campaigns.
0	G7 member has taken efforts to ensure a high level of transparency around sources of funding for political parties OR all types of political advertising, especially during election campaigns.
+1	G7 member has taken efforts to ensure a high level of transparency around sources of funding for political parties AND all types of political advertising, especially during election campaigns.

*Lead Analyst: Anders Bretsen
Compliance Director: Meagan Byrd*

Canada: +1

Canada has complied with its commitment to, in accordance with applicable laws, ensure a high a high level of transparency around sources of funding for political parties and all types of political advertising, especially during election campaigns.

On 21 June 2018, Bill C-50 received Royal Assent.²⁵⁴ Bill C-50 requires that political parties — at least five days in advance — post publicly on the internet the date, time and location of any fundraising event attended by the party leader or a minister outside of an election period.²⁵⁵ Political parties must further report the names and donation amount of all attendees to said fundraising

²⁵³ Charlevoix Commitment on Defending Democracy from Foreign Threats, G7 Information Centre (Toronto) 9 June 2018. Access Date: 5 September 2018. <http://www.g7.utoronto.ca/summit/2018charlevoix/democracy-commitment.html>.

²⁵⁴ Bill C-50 An Act to amend the Canada Elections Act (political financing), LEGISINFO (Ottawa) 21 June 2018. Access Date: 29 September 2018. <https://www.parl.ca/LegisInfo/BillDetails.aspx?Language=E&billId=8978368>.

²⁵⁵ Bill C-50, LEGISINFO (Ottawa) 21 June 2018. Access Date: 29 September 2018. <https://www.parl.ca/DocumentViewer/en/42-1/bill/C-50/royal-assent>.

events to the Chief Electoral Officer, who shall make the information publicly available.²⁵⁶ Bill C-50 came into force on 21 December 2018.²⁵⁷

On 23 June 2018, Bill C-76 passed Second Reading in the House of Commons.²⁵⁸ Bill C-76 introduces spending limits for partisan advertisements by third-party advocacy groups both within and outside of election periods, requires third-parties identify themselves in any partisan advertisements they produce and requires third-parties release lists of donors who gave money for the purpose of partisan or electoral advertisements.²⁵⁹

On 30 October 2018, Bill C-76 passed Third Reading in the House of Commons.²⁶⁰ The legislation is aimed at preventing foreign interference in domestic elections, as well as limiting the power of “big money” in election influence.²⁶¹ The Bill will limit the spending abilities by political parties and advocacy groups in a period of three months prior to an election being called.²⁶² The bill also expands the right to vote on expatriates, extending the current five-year cap on citizens out of the country to any citizen out of the country, regardless of the length they have been out of the country.²⁶³

Canada has taken efforts to ensure a high level of transparency around sources of funding for political parties and all types of political advertising, especially during election campaigns seen through Bill C-50.

Thus, Canada receives a score of +1.

Analyst: Sterling Mancuso

France: -1

France has failed to comply with its commitment to, in accordance with applicable laws, ensure a high a high level of transparency around sources of funding for political parties and all types of political advertising, especially during election campaigns.

No action has yet been taken to increase transparency of financing of political parties or of political or election advertising.

²⁵⁶ Bill C-50, LEGISINFO (Ottawa) 21 June 2018. Access Date: 29 September 2018.

<https://www.parl.ca/DocumentViewer/en/42-1/bill/C-50/royal-assent>.

²⁵⁷ Bill C-50, LEGISINFO (Ottawa) 21 June 2018. Access Date: 29 September 2018.

<https://www.parl.ca/DocumentViewer/en/42-1/bill/C-50/royal-assent>.

²⁵⁸ Bill C-76, LEGISINFO (Ottawa) 23 June 2018. Access Date: 14 October 2018.

<https://www.parl.ca/LegisInfo/BillDetails.aspx?Language=E&billId=9808070>.

²⁵⁹ Bill C-76 An Act to amend the Canada Elections Act and other Acts and to make certain consequential amendments, LEGISINFO (Ottawa) 23 June 2018. Access Date: 14 October 2018. <https://www.parl.ca/DocumentViewer/en/42-1/bill/C-76/first-reading>.

²⁶⁰ Bill C-76, LEGISINFO (Ottawa) 23 June 2018. Access Date: 14 October 2018.

<https://www.parl.ca/LegisInfo/BillDetails.aspx?Language=E&billId=9808070>.

²⁶¹ Bill C-76, LEGISINFO (Ottawa) 23 June 2018. Access Date: 14 October 2018.

<https://www.parl.ca/LegisInfo/BillDetails.aspx?Language=E&billId=9808070>.

²⁶² Bill C-76, LEGISINFO (Ottawa) 23 June 2018. Access Date: 14 October 2018.

<https://www.parl.ca/LegisInfo/BillDetails.aspx?Language=E&billId=9808070>.

²⁶³ Bill C-76, LEGISINFO (Ottawa) 23 June 2018. Access Date: 14 October 2018.

<https://www.parl.ca/LegisInfo/BillDetails.aspx?Language=E&billId=9808070>.

Thus, France has been awarded a score of -1 .²⁶⁴

Analyst: Joel McLeod

Germany: -1

Germany has failed to comply with its commitment to, in accordance with applicable laws, ensure a high a high level of transparency around sources of funding for political parties and all types of political advertising, especially during election campaigns.

No action has yet been taken to increase transparency of financing of political parties or of political or election advertising.

Thus, Germany has been awarded a score of -1 .²⁶⁵

Analyst: Geordie Jeakins

Italy: 0

Italy has partially complied with its commitment to, in accordance with applicable laws, ensure a high a high level of transparency around sources of funding for political parties and all types of political advertising, especially during election campaigns.

On 6 September 2018, the Italian Council of Ministers approved a bill to strengthen penalties for charges of government corruption and reform rules on political party financing.²⁶⁶ The proposed bill “measures to combat crimes against the public administration,” or Spazza Corrotti, contains provisions on transparency of funding for political parties and movements.²⁶⁷

On 22 November 2018, the Spazza Corrotti bill passed the Chamber of Deputies, and is currently awaiting a vote in the Italian Senate.²⁶⁸

Italy began the legislative process of increasing transparency for the financing of political parties. However, no action has yet been taken to increase transparency of political or election advertising.

Thus, Italy has been awarded a score of 0.

Analyst: Geordie Jeakins

Japan: 0

Japan has partially complied with its commitment to ensuring a high level of transparency around sources of funding for political parties and all types of political advertising.

²⁶⁴ This non-compliance was determined after a deep search of the following websites: www.politico.eu, www.france24.com, www.bbc.com, www.euronews.com, <https://www.gouvernement.fr/en/news>, <https://www.diplomatie.gouv.fr>,

²⁶⁵ This non-compliance was determined after a deep search of the following websites: www.politico.eu, www.france24.com, www.bbc.com, www.euronews.com, <https://www.bundesregierung.de/>, <https://www.auswaertiges-amt.de>, <https://www.auswaertiges-amt.de>, <https://www.dfa.ie>,

²⁶⁶ Comunicato Stampa Del Consiglio Dei Ministri n. 18, Presidenza del Consiglio dei Ministri. 16 September 2018, Access Date: 18 October 2018. <http://www.governo.it/articolo/comunicato-stampa-del-consiglio-dei-ministri-n-18/9917>.

²⁶⁷ Comunicato Stampa Del Consiglio Dei Ministri n. 18, Presidenza del Consiglio dei Ministri. 16 September 2018, Access Date: 18 October 2018. <http://www.governo.it/articolo/comunicato-stampa-del-consiglio-dei-ministri-n-18/9917>.

²⁶⁸ Primo sì al Ddl spazza corrotti: la maggioranza tiene, ma la palla ora passa al Senato, La Stampa Politica. 22 November 2018. Access Date: 6 December 2018. <https://www.lastampa.it/2018/11/22/italia/primo-s-al-ddl-spazza-corrotti-la-maggioranza-tiene-ma-la-palla-ora-passa-al-senato-248bOk7OuWh8XV8uB9oP1K/pagina.html>

On 26 July 2018, Japan attended the sixth U.S.-Japan Cyber Dialogue to discuss issues related to cybersecurity. Both countries reaffirmed a cooperative relationship to “deter cyber adversaries and malicious cyber activities.”²⁶⁹ However, it is not specified whether or not this will deal with the issues of foreign cyber interference in elections and the free democratic process in the country.

On 19 October 2018, a Liberal Democratic Party (LDP) led by Mitsuhiro Miyakoshi, State Minister in charge of Okinawa and Northern Territories Affairs, pledged to return political donations received between 2014 and 2016 from a firm involved in bid rigging.²⁷⁰ Although not a breach of Japan’s 2016 Political Funds Control Law, there is a history of politicians returning such funds after the situation comes to light.²⁷¹

On 21 October 2018, an LDP chapter led by Takuya Hirai, Minister of Information Technology, pledged to return political donations received in 2014 from a firm involved in bid rigging.²⁷² Although not a breach of Japan’s 2016 Political Funds Control Law, the minister cited “moral reasons” or returning the funds.²⁷³

On 30 November 2018, the Ministry of Internal Affairs and Communication released their annual report on political funds, covering nearly 3000 political groups.²⁷⁴ The data revealed that Prime Minister Shinzo Abe’s Liberal Democratic Party reported JPY26.86 billion while the main opposition, the Constitutional Democratic Party of Japan, reported JPY1.25 billion.²⁷⁵ In addition to providing information on sources of funding, the report revealed that 68 percent of the LDP’s revenue came in the form of state subsidies funded with taxpayers’ money.²⁷⁶ Given the percentage of subsidies paid by taxpayers, the parties have an obligation to provide detailed information about how the funds have been used yet there has been no commitment to full disclosure of information about expenditures from political funds.²⁷⁷

²⁶⁹ The Sixth U.S.-Japan Cyber Dialogue, U.S. Department of State (Washington). 26 July 2018. Access Date: 21 October 2018. <https://www.state.gov/r/pa/prs/ps/2018/07/284573.htm>.

²⁷⁰ LDP Toyama chapter led by minister gets donation from bid-rigging firm, will return funds, The Japan Times (Tokyo). 19 October 2018. Access Date: 21 October 2018. <https://www.japantimes.co.jp/news/2018/10/19/national/politics-diplomacy/ldp-toyama-chapter-led-minister-gets-donation-bid-rigging-firm-will-return-funds/>.

²⁷¹ LDP Toyama chapter led by minister gets donation from bid-rigging firm, will return funds, The Japan Times (Tokyo). 19 October 2018. Access Date: 21 October 2018. <https://www.japantimes.co.jp/news/2018/10/19/national/politics-diplomacy/ldp-toyama-chapter-led-minister-gets-donation-bid-rigging-firm-will-return-funds/>.

²⁷² LDP chapter led by IT minister gets donation from bid-rigging firm, Japan Today (Tokyo). 21 October 2018. Access Date: 21 October 2018. <https://japantoday.com/category/politics/ldp-chapter-led-by-it-minister-gets-donation-from-bid-rigging-firm>.

²⁷³ LDP chapter led by IT minister gets donation from bid-rigging firm, Japan Today (Tokyo). 21 October 2018. Access Date: 21 October 2018. <https://japantoday.com/category/politics/ldp-chapter-led-by-it-minister-gets-donation-from-bid-rigging-firm>.

²⁷⁴ EDITORIAL: Transparency sorely lacking in political fund reporting (Tokyo). 7 December 2018. Access Date: 7 December 2018. <http://www.asahi.com/ajw/articles/AJ201812070027.html>.

²⁷⁵ EDITORIAL: Transparency sorely lacking in political fund reporting (Tokyo). 7 December 2018. Access Date: 7 December 2018. <http://www.asahi.com/ajw/articles/AJ201812070027.html>.

²⁷⁶ Revenue for Abe’s LDP overwhelms other political parties in Japan, The Japan Times (Tokyo). 30 November 2018. Access Date: 7 December 2018. <https://www.japantimes.co.jp/news/2018/11/30/national/politics-diplomacy/revenue-abes-ldp-overwhelms-political-parties-japan>.

²⁷⁷ EDITORIAL: Transparency sorely lacking in political fund reporting (Tokyo). 7 December 2018. Access Date: 7 December 2018. <http://www.asahi.com/ajw/articles/AJ201812070027.html>.

On 1 December 2018, three political groups headed by regional revitalization minister Satsuki Katayama corrected entries in the political funding reports released on 30 November 2018 by a total of more than JPY6 million while four LDP branches have also revised their funding reports.²⁷⁸

Japan has taken efforts through their Ministry of Internal Affairs and Communication released their annual report to ensure transparency around sources of funding for political parties but has yet to do so for political advertising especially during election campaigns.

Thus, Japan receives a score of 0.

Analyst: Jane Huang

United Kingdom: +1

The United Kingdom has fully complied with its commitment to ensuring a high level of transparency around sources of funding for political parties and all types of political advertising.

On 17 July 2018, the United Kingdom Electoral Committee retroactively fined the Vote Leave campaign group GBP 61,000.²⁷⁹ The group, officially campaigning for the UK to leave the European Union during the referendum in 2016, went over its spending budget by GBP 500,000, and cooperated with another campaign group, BeLeave.²⁸⁰ This was done without legal notice, as required by the Electoral Commission under the Political Parties, Elections and Referendums Act, 2000.²⁸¹ Thus, it allowed the two campaign groups to collectively spend GBP 675,000 on digital marketing through the digital firm Aggregate IQ, which was illegal under British law.²⁸²

On 28 July 2018, the Digital, Culture, Media, and Sport parliamentary committee, headed by Member of Parliament David Collins, released its interim report on its Disinformation and “fake news” Inquiry.²⁸³ The report recommended, “a public register for political advertising, requiring all political advertising work to be listed for public display.”²⁸⁴ It also recommended a federal governmental requirement for tech and media outlets to act with greater transparency when publishing political advertising, encouraging the inclusion of advertiser identities along with a governmental investigation into the effective regulation of foreign advertising.²⁸⁵

²⁷⁸ Minister Katayama hit with more corrections to political funding reports (Tokyo). 1 December 2018. Access Date: 7 December 2018. <https://mainichi.jp/english/articles/20181201/p2a/00m/0na/023000c>.

²⁷⁹ Jessica Elgot, “Vote Leave fined and reported to police by Electoral Commission,” *The Guardian*, 17 July 2018. Access Date: 17 October 2018. <https://www.theguardian.com/politics/2018/jul/17/vote-leave-fined-and-reported-to-police-by-electoral-commission-brexite>.

²⁸⁰ Jessica Elgot, “Vote Leave fined and reported to police by Electoral Commission,” *The Guardian*, 17 July 2018. Access Date: 17 October 2018. <https://www.theguardian.com/politics/2018/jul/17/vote-leave-fined-and-reported-to-police-by-electoral-commission-brexite>.

²⁸¹ “Overview of donations to political parties,” The Electoral Commission. Access Date: 18 October 2018. https://www.electoralcommission.org.uk/__data/assets/pdf_file/0014/102263/to-donations-rp.pdf.

²⁸² Jessica Elgot, “Vote Leave fined and reported to police by Electoral Commission,” *The Guardian*, 17 July 2018. Access Date: 17 October 2018. <https://www.theguardian.com/politics/2018/jul/17/vote-leave-fined-and-reported-to-police-by-electoral-commission-brexite>.

²⁸³ “Disinformation and ‘fake news’: Interim Report contents,” UK Parliament, published 29 July 2018, https://publications.parliament.uk/pa/cm201719/cmselect/cmcmds/363/36311.htm#_idTextAnchor066, Accessed 18 October 2018

²⁸⁴ “Disinformation and ‘fake news’: Interim Report contents,” UK Parliament, published 29 July 2018. Access Date: 18 October 2018. https://publications.parliament.uk/pa/cm201719/cmselect/cmcmds/363/36311.htm#_idTextAnchor066.

²⁸⁵ “Disinformation and ‘fake news’: Interim Report contents,” UK Parliament, published 29 July 2018. Access Date: 18 October 2018. https://publications.parliament.uk/pa/cm201719/cmselect/cmcmds/363/36311.htm#_idTextAnchor066.

On 28 July 2018, the committee also recommended a legal limit on donations made by individuals throughout the campaign.²⁸⁶ Specifically, the committee addressed Aaron Banks — who donated GBP8.4 billion to the Vote Leave campaign without disclosing all the sources of this sum and possessing known ties to the Russian government.²⁸⁷ Building on a previous Electoral Commission recommendation, it urged “the Government to take this proposal on board.”²⁸⁸

Finally, on 16 October 2018, following pressure from the UK government, Facebook announced a change in its policies surrounding political advertising in the country.²⁸⁹ Specifically, per the Digital, Culture, Media and Sports committee’s recommendation, it will now require UK identification from advertisers on Facebook and Instagram, as well as a mandatory “paid for” statement at the end of each ad.²⁹⁰

The UK government has actively moved to examine and regulate both sources of political advertising as well as sources of political funding while acting retroactively on breaches of existing laws and statutes as per the Electoral Commission.

Thus, the United Kingdom has received a +1.

Analyst: Arik Portnov

United States: 0

The United States has partially complied with its commitment to, in accordance with applicable laws, ensure a high a high level of transparency around sources of funding for political parties and all types of political advertising, especially during election campaigns.

On 21 September 2018, President Donald Trump signed the Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act, 2019 into law.²⁹¹ Section 103 of the Act requires that senatorial election candidates file their financial statements and reports with the Federal Election Commission, instead of the Secretary of the Senate as previously required.²⁹² This change will allow senatorial election candidates to file their financial statements and reports

²⁸⁶ “Disinformation and ‘fake news’: Interim Report contents,” UK Parliament, published 29 July 2018. Access Date: 18 October 2018.

https://publications.parliament.uk/pa/cm201719/cmselect/cmcomeds/363/36311.htm#_idTextAnchor066.

²⁸⁷ “Disinformation and ‘fake news’: Interim Report contents,” UK Parliament, published 29 July 2018. Access Date: 18 October 2018.

https://publications.parliament.uk/pa/cm201719/cmselect/cmcomeds/363/36311.htm#_idTextAnchor066.

²⁸⁸ “Disinformation and ‘fake news’: Interim Report contents,” UK Parliament, published 29 July 2018. Access Date: 18 October 2018.

https://publications.parliament.uk/pa/cm201719/cmselect/cmcomeds/363/36311.htm#_idTextAnchor066.

²⁸⁹ Emma Woollacott, “Facebook Tightens Rules on Political Advertising in the UK,” *Forbes*, 16 October 2018. Access Date: 19 October 2018. <https://www.forbes.com/sites/emmawoollacott/2018/10/16/facebook-tightens-rules-on-political-advertising-in-the-uk/#532ebbef42e5>.

²⁹⁰ Emma Woollacott, “Facebook Tightens Rules on Political Advertising in the UK,” *Forbes* (New York), 16 October 2018. Access Date: 19 October 2018. <https://www.forbes.com/sites/emmawoollacott/2018/10/16/facebook-tightens-rules-on-political-advertising-in-the-uk/#532ebbef42e5>.

²⁹¹ H.R.5895 — Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act, 2019, CONGRESS.GOV (Washington, D.C.) 21 September 2018. Access Date: 29 September 2018. <https://www.congress.gov/bill/115th-congress/house-bill/5895/all-actions?overview=closed#tabs>.

²⁹² H.R.5895 — Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act, 2019, CONGRESS.GOV (Washington, D.C.) 21 September 2018. Access Date: 29 September 2018. <https://www.congress.gov/bill/115th-congress/house-bill/5895>.

electronically, a change that is expected to improve transparency by expediting the process whereby financial statements and reports become public, and significantly reducing reporting errors.²⁹³

The U.S. has taken efforts to improve transparency around sources of funding for some types of political advertising, including during election campaigns seen through the Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act. However, the U.S. has yet to implement the same transparency for political advertising.

Thus, the United States receives a score of 0.

Analyst: Sterling Mancuso

European Union: +1

The European Union has fully complied with its commitment to—in accordance with applicable laws—ensure a high level of transparency around sources of funding for political parties and all types of political advertising, especially during election campaigns.

On 9 October 2018, members of the European Parliament (MEPs) passed a resolution for a full audit on Facebook to be conducted by EU bodies such as the EU Agency for Network and Information Security and the European Data Protection board in order for concerns regarding Facebook data protection to be assessed.²⁹⁴ This resolution aims to prevent foreign powers from politically influencing EU citizens via social media.²⁹⁵

On 10 October 2018, the European Parliament held a conference on “the future of international election observation” wherein political figures including former heads of state, parliamentarians, election observers, donors, and MEPs gathered in order to discuss the challenges and future of election observation.²⁹⁶ Topics covered in the conference included tackling disinformation on social media, security, and peaceful transitions.²⁹⁷

On 25 October, a resolution was adopted to call upon Facebook to allow EU bodies to audit the website’s data protection quality and security, in light of recent events of election meddling in multiple states.²⁹⁸ The goal of this initiative is to protect Facebook users from receiving manipulative and false political information on the social media website.²⁹⁹

²⁹³ A better way to see who’s buying your senator, Salon (San Francisco) 25 September 2018. Access Date: 29 September 2018. https://www.salon.com/2018/09/25/a-better-way-to-see-who-is-buying-your-senator_partner/.

²⁹⁴ Facebook: MEPs demand a full audit by EU bodies to assess data protection. 9 October 2018. Access Date: 18 October 2018. <http://www.europarl.europa.eu/news/en/press-room/20181008IPR15260/facebook-meps-demand-a-full-audit-by-eu-bodies-to-assess-data-protection>.

²⁹⁵ Facebook: MEPs demand a full audit by EU bodies to assess data protection. 9 October 2018. Access Date: 18 October 2018. <http://www.europarl.europa.eu/news/en/press-room/20181008IPR15260/facebook-meps-demand-a-full-audit-by-eu-bodies-to-assess-data-protection>.

²⁹⁶ The future of international election observation missions. 10 October 2018. Access Date: 18 October 2018. <http://www.europarl.europa.eu/news/en/press-room/20181010IPR15602/the-future-of-international-election-observation-missions>.

²⁹⁷ The future of international election observation missions. 10 October 2018. Access Date: 18 October 2018. <http://www.europarl.europa.eu/news/en/press-room/20181010IPR15602/the-future-of-international-election-observation-missions>.

²⁹⁸ Facebook-Cambridge Analytica: MEPs demand action to protect citizen’ privacy. 25 October 2018. Access Date: 6 December 2018, <http://www.europarl.europa.eu/news/en/press-room/20181018IPR16525/facebook-cambridge-analytica-meps-demand-action-to-protect-citizens-privacy>.

²⁹⁹ Facebook-Cambridge Analytica: MEPs demand action to protect citizen’ privacy. 25 October 2018. Access Date: 6 December 2018, <http://www.europarl.europa.eu/news/en/press-room/20181018IPR16525/facebook-cambridge-analytica-meps-demand-action-to-protect-citizens-privacy>.

The EU has taken efforts to ensure a high level of transparency around sources of funding for political parties and all types of political advertising, especially during election campaigns seen through the MEPs resolution.

Thus, the EU receives a score of +1

Analyst: Joel McLeod