

## **Campaign Finance in South America:**

### A Quick Look at Brazil, Argentina and Paraguay

Brazil, Argentina and Paraguay are relatively young democracies that continue to struggle with a significant amount of political corruption, but all three governments have been working to strengthen their campaign finance laws in recent years.

This brief provides an overview of the campaign finance rules in these countries for private corporations, both domestic and foreign. While foreign entities are prohibited from contributing directly to parties or campaigns in these markets, fully or partially owned subsidiaries in Brazil and Argentina may be able to contribute. However, before making such a contribution, legal guidance is strongly recommended.

#### **Brazil**

Prior to an election, corporations in Brazil can donate up to 2 percent of their gross revenues to political parties. However, foreign entities are banned from making political donations.

#### **Argentina**

Foreign corporations and foreign nationals are prohibited from making political contributions in Argentina. Domestic companies can donate both to political parties and to individual candidates. However, companies holding government contracts or firms that are partially owned by the government are banned from making any political contributions. There is also a limit on the contributions that individuals and corporations can make. Under Law 25.600, passed in 2002, individuals and corporations can contribute up to 0.5 percent and 1 percent, respectively, of the political party's total allowed expenditure. However, this spending limit applies only to political parties and not to individual candidates.

#### **Paraguay**

In Paraguay, as in Brazil and Argentina, foreign entities or interests are banned from donating money to political parties or candidates. This prohibition falls under a general ban on donations from all corporations, both domestic and foreign.

#### **Online Resources for Additional Information**

- Country-specific campaign finance data from the Institute for Democracy and Electoral Assistance (IDEA)
  - [Brazil](#)
  - [Argentina](#)
  - [Paraguay](#)
- The [Americas' Accountability Anti-Corruption Project](#): Information on campaign finance rules in Argentina and other Latin American countries.
- How campaign finance stacks up from region to region (a [CNN graphic](#))