

## SCHEDULE 4 CAMPAIGN RULES

### PART 6

#### CONTROL OF LOANS AND CREDIT

##### *Regulated transaction involving unauthorised participant*

- 49 (1) This paragraph applies if a permitted participant is a party to a regulated transaction to which another party is not an authorised participant.
- (2) The transaction is void.
- (3) Despite sub-paragraph (2)—
- (a) any money received by the permitted participant by virtue of the transaction must be repaid by the responsible person to the person from whom it was received, along with interest at the rate referred to in section 71I(3)(a) of the 2000 Act,
  - (b) the person from whom it was received is entitled to recover the money, along with such interest.
- (4) If—
- (a) the money is not (for whatever reason) repaid as mentioned in sub-paragraph (3)(a), or
  - (b) the person entitled to recover the money refuses or fails to do so,
- the Commission may apply to a sheriff to make such order as the sheriff thinks fit to restore (so far as is possible) the parties to the transaction to the position they would have been in if the transaction had not been entered into.
- (5) An order under sub-paragraph (4) may in particular—
- (a) where the transaction is a loan or credit facility, require that any amount owed by the permitted participant be repaid (and that no further sums be advanced under it),
  - (b) where any form of security is given for a sum owed under the transaction, require that security to be discharged.
- (6) In the case of a regulated transaction where a party other than a permitted participant—
- (a) at the time the permitted participant enters into the transaction, is an authorised participant, but
  - (b) subsequently, for whatever reason, ceases to be an authorised participant,
- the transaction is void and sub-paragraphs (3) to (5) apply with effect from the time when the other party ceased to be an authorised participant.