SCHEDULE 4
CAMPAIGN RULES

## PART 6

CONTROL OF LOANS AND CREDIT

*Guarantees and securities: unauthorised participant*

50 (1) This paragraph applies if—

(a) a permitted participant and another person ("A") enter into a transaction of a description mentioned in paragraph 46(3)(a),

(b) A is party to a regulated transaction of a description mentioned in paragraph 46(3)(b) ("the connected transaction") with another person ("B"), and

(c) B is not an authorised participant.

(2) Paragraph 49(2) to (5) applies to the transaction mentioned in sub-paragraph (1)(a).

(3) The connected transaction is void.

(4) Sub-paragraph (5) applies if (but only if) A is unable to recover from the permitted participant the whole of the money mentioned in paragraph 49(3)(a) (as applied by sub-paragraph (2) above), along with such interest as is there mentioned.

(5) Despite sub-paragraph (3), A is entitled to recover from B any part of that money (and such interest) that is not recovered from the permitted participant.

(6) Sub-paragraph (5) does not entitle A to recover more than the contingent liability under the security provided by virtue of the connected transaction.

(7) In the case of a connected transaction where B—

(a) at the time A enters into the transaction, is an authorised participant, but

(b) subsequently, for whatever reason, ceases to be an authorised participant,

sub-paragraphs (2) to (6) apply with effect from the time when B ceased to be an authorised participant.

(8) If the transaction mentioned in paragraph 46(3)(a) is not a regulated transaction of a description mentioned in paragraph 46(1) or (2), references in this paragraph and paragraph 49(2) to (5) (as applied by sub-paragraph (2) above) to the repayment or recovery of money are to be construed as references to (as the case may be)—

(a) the return or recovery of any property provided under the transaction,

(b) to the extent that such property is incapable of being returned or recovered or its market value has diminished since the time the transaction was entered into, the repayment or recovery of the market value at that time, or

(c) the market value (at that time) of any facilities or services provided under the transaction.

**Changes to legislation:**
There are currently no known outstanding effects for the Scottish Independence Referendum Act 2013, Paragraph 50.