

# **POLITICAL PARTIES, ELECTIONS AND REFERENDUMS ACT 2000**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part IV: Control of donations to registered parties and their members etc.**

#### ***Chapter II (Sections 54 to 61) : Restrictions on donations to registered parties***

#### ***Section 54 : Permissible donors***

113. This section introduces the concept of a “permissible donor”, as a means of prohibiting the foreign funding of political parties. *Subsection (1)* provides that a party may accept a donation only from a permissible donor and where the identity of the donor is known. The latter requirement is intended to cover not only cases where a donation is made anonymously but also where an identity has been given but is clearly fictional (and it is therefore impossible to establish that the donor is a permissible donor).
114. *Subsection (2)* specifies those sources of funding which are to be regarded as permissible. They include individuals registered in an electoral register; a company registered in the United Kingdom and incorporated in a member state of the European Union and which carries on business in the United Kingdom; a registered political party; a trade union; a building society; a limited liability partnership; a friendly society or industrial and provident society and any other unincorporated association which is carrying on business or other activities, and has its main office, in the United Kingdom. Where a donation is in the form of a bequest it is sufficient that the deceased was on the electoral register at any time in the last five years prior to his death (*subsection (3)*).
115. *Subsections (4) and (5)* provide that where a person (“the principal donor”) makes a donation on behalf of two or more other persons the individual contribution of each will be treated as a separate donation for the purposes of controls on donations under this Part. The recipient party will therefore need to establish the identity of each separate donor (and to this end the principal donor will be under a duty to provide such information) and whether each constitutes a permissible source.