

SCHEDULES

SCHEDULE 1

AMENDMENTS

PART 6

CONTROL OF LOANS ETC. TO INDIVIDUALS AND MEMBERS ASSOCIATIONS

97 The 2000 Act is amended in accordance with paragraphs 98 to 102.

98 After section 71X (inserted by section 61 of this Act) insert—

“71Y Control of loans etc: individuals and members associations

Schedule 7A, which makes provisions for controlling loans and certain other transactions to individual members of registered parties, associations of such members, and certain elected office holders, shall have effect.”

99 After Schedule 7 insert—

“SCHEDULE 7A

CONTROL OF LOANS ETC TO INDIVIDUALS AND MEMBERS ASSOCIATIONS

Operation and construction of Schedule

1 (1) This Schedule has effect for controlling loans and certain other transactions where one of the parties to the transaction is—

- (a) a member of a registered party,
- (b) a members association, or
- (c) the holder of a relevant elective office.

(2) The following provisions have effect for the purposes of this Schedule.

(3) References to a controlled transaction must be construed in accordance with paragraph 2.

(4) A reference to a connected transaction is a reference to a controlled transaction falling within paragraph 2(3)(b).

(5) A regulated participant is—

- (a) a member of a registered party;
- (b) a members association;
- (c) the holder of a relevant elective office, whether or not he is a member of a registered party.

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- (6) A credit facility is an agreement whereby a regulated participant is enabled to receive from time to time from another party to the agreement a loan of money not exceeding such amount (taking account of any repayments made by the regulated participant) as is specified in or determined in accordance with the agreement.
- (7) References to each of the following must be construed in accordance with Schedule 7—
 - (a) the political activities of a party member or a members association;
 - (b) members association;
 - (c) relevant elective office;
 - (d) the responsible person (in relation to a members association), as if for the reference in paragraph 1(9)(b) of that Schedule to donations there were a reference to receipts from controlled transactions.
- (8) This Schedule does not have effect in relation to—
 - (a) a member of the Scottish Parliament, or
 - (b) a member of a local authority in Scotland,
 if he is not also a member of a registered party.

Controlled transaction

- 2 (1) An agreement between a regulated participant and another person by which the other person makes a loan of money to the regulated participant is a controlled transaction if the use condition is satisfied.
- (2) An agreement between a regulated participant and another person by which the other person provides a credit facility to the regulated participant is a controlled transaction if the use condition is satisfied.
- (3) Where—
 - (a) a regulated participant and another person (A) enter into a controlled transaction of a description mentioned in subparagraph (1) or (2) or a transaction under which any property, services or facilities are provided for the use or benefit of the regulated participant (including the services of any person),
 - (b) A also enters into an arrangement where a third person gives any form of security (whether real or personal) for a sum owed to A by the regulated participant under the transaction mentioned in paragraph (a), and
 - (c) the use condition is satisfied,
 the arrangement is a controlled transaction.
- (4) An agreement or arrangement is not a controlled transaction—
 - (a) to the extent that in accordance with any enactment a payment made in pursuance of the agreement or arrangement falls to be included in a return as to election expenses in respect of a candidate or candidates at a particular election, or
 - (b) if its value is not more than £200.

- (5) Anything given or transferred to an officer, member, trustee or agent of a members association in his capacity as such (and not for his own use or benefit) is to be regarded as given or transferred to the association (and references to money or any other benefit received by a regulated participant accordingly include, in the case of a members association, money or any other benefit so given or transferred).
- (6) The use condition is that the regulated participant intends at the time he enters into a transaction mentioned in sub-paragraph (1), (2) or (3)(a) to use any money or benefit obtained in consequence of the transaction in connection with relevant political activities.
- (7) For the purposes of sub-paragraph (6), it is immaterial that only part of the money or benefit is intended to be used in connection with relevant political activities.
- (8) Relevant political activities are—
 - (a) if the regulated participant is a member of a registered party, any of his political activities as a member of the party;
 - (b) if the regulated participant is a members association, any of its political activities;
 - (c) if the regulated participant is a holder of a relevant elective office, any of his political activities.
- (9) The Secretary of State may, by order, specify circumstances or any description of circumstances in which an agreement or arrangement falling within any of sub-paragraphs (1) to (3) is not a controlled transaction.

Valuation of controlled transactions

- 3 (1) The value of a controlled transaction which is a loan is the value of the total amount to be lent under the loan agreement.
- (2) The value of a controlled transaction which is a credit facility is the maximum amount which may be borrowed under the agreement for the facility.
- (3) The value of a controlled transaction which is an arrangement by which any form of security is given is the contingent liability under the security provided.
- (4) For the purposes of sub-paragraphs (1) and (2), no account is to be taken of the effect of any provision contained in a loan agreement or an agreement for a credit facility at the time it is entered into which enables outstanding interest to be added to any sum for the time being owed in respect of the loan or credit facility, whether or not any such interest has been so added.

Authorised participants

- 4 (1) A regulated participant must not—
 - (a) be a party to a controlled transaction to which any of the other parties is not an authorised participant;

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- (b) derive a benefit in consequence of a connected transaction if any of the parties to that transaction is not an authorised participant.
- (2) This paragraph does not apply to a controlled transaction if it was entered into before the commencement of section 61 of the Electoral Administration Act 2006.
- (3) In this Schedule, an authorised participant is a person who is a permissible donor within the meaning of section 54(2).
- (4) The Secretary of State may, by order, specify circumstances or any description of circumstances in which a person who is not a permissible donor is to be treated as an authorised participant.

Controlled transaction involving unauthorised participant

- 5 (1) This paragraph applies if a regulated participant is a party to a controlled transaction in which another participant is not an authorised participant.
- (2) The transaction is void.
- (3) Despite sub-paragraph (2)—
 - (a) any money received by the regulated participant by virtue of the transaction must be repaid by the regulated participant to the person from whom it was received, along with interest at such rate as is determined in accordance with an order made by the Secretary of State;
 - (b) that person 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 the court to make such order as it 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) In the case of a controlled transaction where a party other than a regulated participant—
 - (a) at the time the regulated 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) and (4) apply with effect from the time when the other party ceased to be an authorised participant.
- (6) This paragraph does not apply to a controlled transaction if it was entered into before the commencement of section 61 of the Electoral Administration Act 2006.

Guarantees and securities: unauthorised participants

- 6 (1) This paragraph applies if—
- (a) a regulated participant and another person (A) enter into a transaction of a description mentioned in paragraph 2(3)(a),
 - (b) A is party to a controlled transaction of a description mentioned in paragraph 2(3)(b) (“the connected transaction”) with another person (B), and
 - (c) B is not an authorised participant.
- (2) Paragraph 5(2) to (4) 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 regulated participant the whole of the money mentioned in paragraph 5(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 regulated 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) This paragraph does not apply to a regulated transaction if it was entered into before the commencement of section 61 of the Electoral Administration Act 2006.
- (9) If the transaction mentioned in paragraph 2(3)(a) is not a controlled transaction of a description mentioned in paragraph 2(1) or (2), references in this paragraph and paragraph 5(2) to (4) (as applied by sub-paragraph (2) above) to the repayment or recovery of money must 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 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.

Transfer to unauthorised participant invalid

- 7 If an authorised participant purports to transfer his interest in a controlled transaction to a person who is not an authorised participant the purported transfer is of no effect.

Offences

- 8 (1) An individual who is a regulated participant commits an offence if—
- (a) he enters into a controlled transaction of a description mentioned in paragraph 2(1) or (2) in which another participant is not an authorised participant, and
 - (b) he knew or ought reasonably to have known that the other participant was not an authorised participant.
- (2) A responsible person of a members association commits an offence if—
- (a) the association enters into a controlled transaction of a description mentioned in paragraph 2(1) or (2) in which another participant is not an authorised participant, and
 - (b) he knew or ought reasonably to have known of the matters mentioned in paragraph (a).
- (3) An individual who is a regulated participant commits an offence if—
- (a) he enters into a controlled transaction of a description mentioned in paragraph 2(1) or (2) in which another participant is not an authorised participant,
 - (b) sub-paragraph (1)(b) does not apply to him, and
 - (c) as soon as practicable after knowledge that the other participant is not an authorised participant comes to him he fails to take all reasonable steps to repay any money which he has received by virtue of the transaction.
- (4) A responsible person of a members association commits an offence if—
- (a) the association enters into a controlled transaction of a description mentioned in paragraph 2(1) or (2) in which another participant is not an authorised participant,
 - (b) sub-paragraph (2)(b) does not apply to him, and
 - (c) as soon as practicable after knowledge of the matters mentioned in paragraph (a) comes to him he fails to take all reasonable steps to repay any money which the association has received by virtue of the transaction.
- (5) An individual who is a regulated participant commits an offence if—
- (a) he benefits from or falls to benefit in consequence of a connected transaction to which any of the parties is not an authorised participant, and
 - (b) he knew or ought reasonably to have known that one of the other parties was not an authorised participant.
- (6) A responsible person of a members association commits an offence if—

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- (a) the association benefits from or falls to benefit in consequence of a connected transaction to which any of the parties is not an authorised participant, and
 - (b) he knew or ought reasonably to have known of the matters mentioned in paragraph (a).
- (7) An individual who is a regulated participant commits an offence if—
 - (a) he is a party to a transaction of a description mentioned in paragraph 2(3)(a),
 - (b) he benefits from or falls to benefit in consequence of a connected transaction to which any of the parties is not an authorised participant,
 - (c) sub-paragraph (5)(b) does not apply to him, and
 - (d) as soon as practicable after knowledge comes to him that one of the parties to the connected transaction is not an authorised participant he fails to take all reasonable steps to repay to any person who has provided him with any benefit in consequence of the connected transaction the value of the benefit.
- (8) A responsible person of a members association commits an offence if—
 - (a) the association is a party to a transaction of a description mentioned in paragraph 2(3)(a),
 - (b) the association benefits from or falls to benefit in consequence of a connected transaction to which any of the parties is not an authorised participant,
 - (c) sub-paragraph (6)(b) does not apply to him, and
 - (d) as soon as practicable after knowledge comes to him that one of the parties to the connected transaction is not an authorised participant he fails to take all reasonable steps to repay to any person who has provided the association with any benefit in consequence of the connected transaction the value of the benefit.
- (9) A person commits an offence if he—
 - (a) knowingly enters into, or
 - (b) knowingly does any act in furtherance of,
any arrangement which facilitates or is likely to facilitate, whether by means of concealment or disguise or otherwise, the participation by a regulated participant in a controlled transaction with a person other than an authorised participant.
- (10) It is a defence for a person charged with an offence under sub-paragraph (2) to prove that he took all reasonable steps to prevent the members association entering into the transaction.
- (11) It is a defence for a person charged with an offence under sub-paragraph (6) to prove that he took all reasonable steps to prevent the members association benefiting in consequence of the connected transaction.
- (12) A reference to a regulated participant entering into a controlled transaction includes a reference to any circumstances in which the terms of a controlled transaction are varied so as to increase the amount of

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money to which the regulated participant is entitled in consequence of the transaction.

- (13) A reference to a regulated participant entering into a transaction in which another participant is not an authorised participant includes a reference to any circumstances in which another party to the transaction who is an authorised participant ceases (for whatever reason) to be an authorised participant.
- (14) This paragraph does not apply to a transaction which is entered into before the commencement of section 61 of the Electoral Administration Act 2006.

Transaction reports: transactions with authorised participants

- 9 (1) A regulated participant must prepare a report under this paragraph in respect of each controlled transaction entered into by him which is a recordable transaction.
- (2) For the purposes of this paragraph a controlled transaction is a recordable transaction—
 - (a) if the value of the transaction is more than £5,000 (where the regulated participant is a members association) or £1,000 (in any other case), or
 - (b) if the aggregate value of it and any other controlled benefit or benefits accruing to the regulated participant—
 - (i) from the same person and in the same calendar year, and
 - (ii) in respect of which no report has been previously made under this paragraph,
 is more than £5,000 (where the regulated participant is a members association) or £1,000 (in any other case).
- (3) A controlled benefit is—
 - (a) a controlled donation within the meaning of paragraph 1(3) of Schedule 7;
 - (b) a controlled transaction.
- (4) A controlled benefit which is a controlled donation accrues—
 - (a) from the permissible donor (within the meaning of section 54(2)) who made it, and
 - (b) when it is accepted by the donee.
- (5) A controlled benefit which is a controlled transaction accrues—
 - (a) from any authorised participant who is a party to it, and
 - (b) when it is entered into.
- (6) For the purposes of this paragraph, if—
 - (a) the value of a controlled transaction as first entered into is such that it is not a recordable transaction, but
 - (b) the terms of the transaction are subsequently varied in such a way that it becomes a recordable transaction,
 the regulated participant must be treated as having entered into a recordable transaction on the date when the variation takes effect.

- (7) A regulated participant must deliver the report prepared in accordance with sub-paragraph (1) to the Commission within the period of 30 days beginning with—
- (a) if sub-paragraph (2)(a) applies, the date on which the transaction is entered into;
 - (b) if sub-paragraph (2)(b) applies, the date on which the benefit which causes the aggregate amount to exceed £5,000 or (as the case may be) £1,000 accrues.
- (8) Each report prepared in accordance with sub-paragraph (1) must—
- (a) give the name and address of the regulated participant, and
 - (b) if he is the holder of a relevant elective office, specify the office in question.
- (9) Each such report must also give—
- (a) such information as is required to be given, in the case of a report prepared in accordance with section 71M, by virtue of paragraphs 2 and 5(2) and (3) of Schedule 6A;
 - (b) in relation to a controlled transaction of a description mentioned in paragraph 2(1) or (2) above, such information as is required to be given, in the case of a report prepared in accordance with that section, by virtue of paragraph 6 of that Schedule;
 - (c) in relation to a controlled transaction of a description mentioned in paragraph 2(3)(b) above, such information as is required to be given, in the case of a report prepared in accordance with that section, by virtue of paragraph 7 of that Schedule;
 - (d) the date on which the transaction is entered into;
 - (e) such other information as is required by regulations made by the Commission.
- (10) In the application of paragraphs 2, 5(2) and (3), 6 and 7 of Schedule 6A in accordance with sub-paragraph (9) above—
- (a) any reference to a recordable transaction within the meaning of that Schedule must be construed as a reference to a recordable transaction within the meaning of this paragraph;
 - (b) any reference to section 71G or section 71F(4)(a) must be construed as a reference to paragraph 3 above or paragraph 2(3)(a) above;
 - (c) any reference to a regulated transaction or a registered party within the meaning of that Schedule must be construed as a reference to a controlled transaction or a regulated participant within the meaning of this paragraph;
 - (d) any reference to a transaction report within the meaning of that Schedule must be construed as a reference to a report under this paragraph.

Transaction reports: transactions with unauthorised participants

- 10 (1) A regulated participant must—

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- (a) prepare a report under this paragraph in respect of each controlled transaction entered into by him and falling within paragraph 5 or 6(1)(b), and
 - (b) deliver the report to the Commission within the period of 30 days beginning with the date when the transaction was dealt with in accordance with that paragraph.
- (2) Each such report must—
 - (a) give the name and address of the regulated participant;
 - (b) if he is the holder of a relevant elective office, specify the office in question.
- (3) Each such report in respect of a transaction falling within paragraph 5 must also give—
 - (a) the name and address of the unauthorised participant;
 - (b) the nature of the transaction (that is to say, whether it is a loan or a credit facility);
 - (c) the value of the transaction or, in the case of a credit facility to which no limit is specified, a statement to that effect;
 - (d) the date on which the transaction was entered into and the date when, and manner in which, it was dealt with in accordance with paragraph 5;
 - (e) such other information as is required by regulations made by the Commission.
- (4) Each such report in respect of a transaction falling within paragraph 6(1) must also give—
 - (a) the name and address of the unauthorised participant;
 - (b) the value of the transaction or, in the case of a security to which no limit is specified, a statement to that effect;
 - (c) a description of the principal features of the transaction mentioned in paragraph 6(1)(a);
 - (d) where the security given consists in or includes rights over any property, the nature of that property;
 - (e) the date on which the transaction was entered into and the date when, and manner in which, it was dealt with in accordance with paragraph 6;
 - (f) such other information as is required by regulations made by the Commission.

Transaction reports: changes to recorded transactions

- 11 (1) A regulated participant must—
 - (a) prepare a report under this paragraph in respect of each change to a recorded transaction; and
 - (b) deliver the report to the Commission within the period of 30 days beginning with the date on which the change takes effect.
- (2) A recorded transaction is a transaction recorded in a report under paragraph 9.
- (3) There is a change to a recorded transaction if—

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- (a) another authorised participant becomes party to the transaction (whether in place of or in addition to any existing participant),
 - (b) there is any change in the details given in relation to the transaction in pursuance of paragraph 9(9), or
 - (c) the transaction comes to an end.
- (4) For the purposes of sub-paragraph (3)(c), a loan comes to an end if—
 - (a) the whole debt (or all the remaining debt) is repaid;
 - (b) the creditor releases the whole debt (or all the remaining debt).
- (5) There is also a change to a recorded transaction if a person who is not an authorised participant becomes party to the transaction (whether in place of or in addition to any existing participant).
- (6) Each report prepared in accordance with sub-paragraph (1) must—
 - (a) give the name and address of the regulated participant; and
 - (b) if he is the holder of a relevant elective office, specify the office in question.
- (7) Each such report must also give—
 - (a) details of the change;
 - (b) the date on which the change takes effect;
 - (c) in the case of a change falling within sub-paragraph (5), the date when and the manner in which the transaction was dealt with in accordance with paragraph 5 or 6;
 - (d) such other information as is required by regulations made by the Commission.

Offence of failing to deliver transaction report

- 12
- (1) Where a report required to be delivered to the Commission under paragraph 9(1), 10(1) or 11(1) is not delivered by the end of the period of 30 days mentioned in paragraph 9(7), 10(1) or 11(1)—
 - (a) the regulated participant, or
 - (b) (if a members association) the responsible person,is guilty of an offence.
 - (2) If such a report is delivered to the Commission which does not comply with any requirements of paragraph 9, 10 or 11 as regards the information to be given in such a report—
 - (a) the regulated participant, or
 - (b) (if a members association) the responsible person,is guilty of an offence.
 - (3) Where a person is charged with an offence under this paragraph, it shall be a defence to prove that he took all reasonable steps, and exercised all due diligence, to ensure that any requirements—
 - (a) as regards the preparation and delivery of a report in respect of the transaction in question, or
 - (b) as regards the information to be given in the report in question,

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as the case may be, were complied with in relation to that transaction or report.

- (4) Where the court is satisfied, on an application made by the Commission, that any failure to comply with any such requirements in relation to any transaction entered into by a regulated participant was attributable to an intention on the part of any person to conceal the existence or true value of the transaction, the court may make such order as it 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 regulated 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, or the transaction is an arrangement by which any form of security is given, require that the security be discharged.

Declaration in transaction report

- 13 (1) Each report under paragraph 9 or 10 must, when delivered to the Commission, be accompanied by a declaration made by—
 - (a) the regulated participant, or
 - (b) (if a members association) the responsible person,
 which complies with sub-paragraph (2) or (3).
- (2) In the case of a report under paragraph 9, the declaration must state that, to the best of the declarant's knowledge and belief, any transaction recorded in the report as having been entered into by the regulated participant was entered into with an authorised participant.
- (3) In the case of a report under paragraph 10, the declaration must state that, to the best of the declarant's knowledge and belief, the transaction recorded in the report as having been entered into by the regulated participant has been dealt with in accordance with paragraph 5 or 6.
- (4) A person commits an offence if he knowingly or recklessly makes a false declaration under this paragraph.

Existing transactions

- 14 (1) Paragraphs 9 to 11 have effect in relation to existing transactions as they have effect in relation to transactions entered into after the date on which those paragraphs come into force, except that—
 - (a) references in paragraph 9 to a controlled benefit do not include references to a controlled donation;
 - (b) in paragraph 9(2)(b)(i) the words “and in the same calendar year” are omitted;
 - (c) the requirement in paragraph 9(7), 10(1)(b) or 11(1)(b) is a requirement to deliver the report within the period of 60 days beginning with the date on which that provision comes into force.

- (2) An existing transaction is a controlled transaction which, at the date on which paragraphs 9 to 11 come into force, has not come to an end for the purposes of paragraph 11(3)(c).

Register of recordable transactions

- 15 (1) Section 71V applies in relation to transactions reported to the Commission under this Schedule (“relevant transactions”) as it applies to transactions reported to them under Part 4A of this Act.
- (2) But in its application in accordance with sub-paragraph (1), section 71V(2) has effect in relation to a relevant transaction as if (instead of requiring the register to contain the details mentioned in paragraphs (a) to (c) of that subsection) it required the register to contain such details as have been given in relation to the transaction in pursuance of paragraph 9(8) and (9), 10(2), (3) and (4) or 11(6) and (7).
- 16 (1) Paragraph 9 does not apply to holders of a relevant elective office.
- (2) Sub-paragraph (3) applies in relation to transactions in which a holder of a relevant elective office is a participant if—
- (a) the relevant body has in place arrangements requiring the holder of the office to report such transactions, and
 - (b) the Commission think that the arrangements correspond to the requirements of paragraph 9.
- (3) The Commission must make such arrangements as they think appropriate corresponding to section 71V (subject to such modifications as may be prescribed by the Secretary of State in regulations) to maintain a register of such information as they receive relating to such transactions.
- (4) In sub-paragraph (2)(a) a relevant body is—
- (a) if the holder of a relevant elective office is a member of a body mentioned in paragraphs (a) to (f) of paragraph 1(8) of Schedule 7, that body;
 - (b) if the holder of a relevant elective office is the Mayor of London, the London Assembly;
 - (c) if the holder of a relevant elective office is an elected mayor within the meaning of Part 2 of the Local Government Act 2000, the local authority of which he is the mayor.
- (5) For the purposes of sub-paragraph (1) it is immaterial whether the transaction is entered into by the holder of the office in that capacity or in his capacity as a member of a registered party.

Proceedings under paragraphs 5 and 12

- 17 (1) This paragraph has effect in relation to proceedings on applications under paragraphs 5(4) and 12(4).
- (2) The court is—
- (a) in England and Wales, the county court;

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- (b) in Scotland, the sheriff, and the proceedings are civil proceedings;
 - (c) in Northern Ireland, the county court.
 - (3) The standard of proof is that applicable to civil proceedings.
 - (4) An order may be made whether or not proceedings are brought against any person for an offence under paragraph 8 or 12(1) or (2).
 - (5) An appeal against an order made by the sheriff may be made to the Court of Session.
 - (6) Rules of court may make provision—
 - (a) with respect to applications or appeals from proceedings on such applications;
 - (b) for the giving of notice of such applications or appeals to persons affected;
 - (c) for the joinder, or in Scotland sisting, of such persons as parties;
 - (d) generally with respect to procedure in such applications or appeals.
 - (7) Sub-paragraph (6) does not affect any existing power to make rules.”
- 100 In section 156(4) (provision about subordinate legislation), after paragraph (i) insert—
- “(ia) paragraph 2(9) or 4(4) of Schedule 7A,”.
- 101 In Schedule 20 (penalties), after the entry relating to paragraph 14(5) of Schedule 7 insert—

“Paragraph 8(1) of Schedule 7A (individual regulated participant knowingly enters controlled transaction with unauthorised participant)	On summary conviction: statutory maximum or 12 months On indictment: fine or 1 year
Paragraph 8(2) of Schedule 7A (responsible person of members association which enters controlled transaction with unauthorised participant)	On summary conviction: statutory maximum or 12 months On indictment: fine or 1 year
Paragraph 8(3) of Schedule 7A (individual regulated participant failing to repay money obtained under controlled transaction with unauthorised participant)	On summary conviction: statutory maximum or 12 months On indictment: fine or 1 year
Paragraph 8(4) of Schedule 7A (responsible person failing to repay money obtained by members association under controlled transaction with unauthorised participant)	On summary conviction: statutory maximum or 12 months On indictment: fine or 1 year
Paragraph 8(5) of Schedule 7A (individual regulated participant	On summary conviction: statutory maximum or 12 months

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knowingly benefits from connected transaction involving unauthorised participant)	On indictment: fine or 1 year
Paragraph 8(6) of Schedule 7A (responsible person of members association which knowingly benefits from connected transaction involving unauthorised participant)	On summary conviction: statutory maximum or 12 months On indictment: fine or 1 year
Paragraph 8(7) of Schedule 7A (individual regulated participant failing to repay value of benefit obtained in consequence of connected transaction involving unauthorised participant)	On summary conviction: statutory maximum or 12 months On indictment: fine or 1 year
Paragraph 8(8) of Schedule 7A (responsible person failing to repay value of benefit obtained by members association in consequence of connected transaction involving unauthorised participant)	On summary conviction: statutory maximum or 12 months On indictment: fine or 1 year
Paragraph 8(9) of Schedule 7A (facilitating controlled transaction involving unauthorised participant)	On summary conviction: statutory maximum or 12 months On indictment: fine or 1 year
Paragraph 12(1) of Schedule 7A (failure to deliver transaction report to Commission within time limit)	On summary conviction: Level 5
Paragraph 12(2) of Schedule 7A (failure to comply with requirements for recording transactions on transaction reports)	On summary conviction: statutory maximum or 12 months On indictment: fine or 1 year
Paragraph 13(4) of Schedule 7A (making a false declaration about a transaction report)	On summary conviction: statutory maximum or 12 months On indictment: fine or 1 year”

- 102 (1) The Secretary of State must not make an order under section 77 for the purposes of paragraph 16 of Schedule 7A to the 2000 Act (as inserted by paragraph 99) as it applies to the holders of a relevant elective office unless he is informed by the Commission that they are satisfied that they will receive the information mentioned in paragraph 16(3) of that Schedule (as so inserted) in relation to such holders of relevant elective office.
- (2) In sub-paragraph (1) references to the holder of a relevant elective office must be construed in accordance with Schedule 7 to the 2000 Act.