



# Political Parties and Elections Act 2009

## 2009 CHAPTER 12

### PART 2

#### POLITICAL DONATIONS ETC AND EXPENDITURE

##### *Donations etc*

#### **9 Declaration as to source of donation**

- (1) In section 54 of the 2000 Act (permissible donors), in subsection (1) (circumstances in which party may not accept donation), after paragraph (a) there is inserted—
- “(aa) in the case of a donation of an amount exceeding £7,500, the party has not been given a declaration as required by section 54A; or”.
- (2) After that section there is inserted—

##### **“54A Declaration as to source of donation**

- (1) Where a person (P) causes an amount exceeding £7,500 to be received by a registered party by way of a donation, a written declaration must be given to the party—
- (a) by P, if P is an individual, or
- (b) if not, by an individual authorised by P to make the declaration, stating, to the best of the individual’s knowledge and belief, whether or not subsection (2) applies to the donation.
- (2) This subsection applies to the donation if—
- (a) a person other than P has provided, or is expected to provide, money or any other benefit to P with a view to, or otherwise in connection with, the making of the donation, and
- (b) the money, or the value of the benefit, is more than £7,500.

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- (3) Where a declaration under this section contains a statement to the effect that subsection (2) applies to the donation, it must also—
- (a) state whether or not, in the opinion of the person making the declaration—
    - (i) subsection (4) of section 54 applies to the donation;
    - (ii) subsection (6) of that section applies to it;
  - (b) if the person’s opinion is that neither of those subsections applies to the donation, give the person’s reasons for that opinion.
- (4) A declaration under this section must also state the full name and address of the person by whom it is made and, where subsection (1)(b) applies—
- (a) state that the person is authorised by P to make the declaration;
  - (b) describe the person’s role or position in relation to P.
- (5) A person who knowingly or recklessly makes a false declaration under this section commits an offence.
- (6) Regulations made by the Secretary of State may make provision as to how the value of a benefit is to be calculated for the purposes of subsection (2).”
- (3) In section 56 of the 2000 Act (acceptance or return of donations: general), in subsection (2) (steps to be taken if donation to be refused)—
- (a) in paragraph (a), for “section 54(1)(b)” there is substituted “section 54(1)(aa) or (b)”;
  - (b) after that paragraph there is inserted—
    - “(aa) if the donation falls within section 54(1)(aa) (but not section 54(1)(b)), the donation, or a payment of an equivalent amount, must be sent back to the person appearing to be the donor.”;
  - (c) in paragraph (b), for “that provision” there is substituted “section 54(1)(b)”.
- (4) Before subsection (4) of that section there is inserted—
- “(3B) Where—
- (a) subsection (2)(aa) applies in relation to a donation, and
  - (b) the donation is not dealt with in accordance with that provision,
- the party and the treasurer of the party are each guilty of an offence.”
- (5) In Schedule 6 to the 2000 Act (details to be given in donation reports), after paragraph 1 there is inserted—

*“Declarations as to source of donation*

- 1A In relation to each recordable donation in the case of which a declaration under section 54A has been given, a quarterly or weekly report must either—
- (a) state that no reason was found to think that the declaration was untruthful or inaccurate, or
  - (b) give details of any respects in which the declaration was found or suspected to be untruthful or inaccurate.”
- (6) In paragraph 6 of that Schedule (donations from impermissible donors)—

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- (a) in the heading, at the end there is inserted “*or without required declaration*”;
- (b) for “section 54(1)(a)” there is substituted “section 54(1)(a) or (aa)”;
- (c) in paragraph (a), after “the donor” there is inserted “or the person appearing to be the donor”;
- (d) in paragraph (b), for “section 56(2)(a)” there is substituted “section 56(2)(a) or (aa)”.

(7) In Schedule 20 to the 2000 Act (penalties) the following entry is inserted at the appropriate place—

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“Section 54A(5) (making a false declaration as to source of donation)	On summary conviction in England and Wales or Scotland: statutory maximum or 12 months  On summary conviction in Northern Ireland: statutory maximum or 6 months  On indictment: fine or 1 year”.
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(8) Schedule 3 has effect.

That Schedule makes amendments to—

- (a) Schedules 7, 11 and 15 to the 2000 Act (control of donations to individuals and members associations; to recognised third parties; and to permitted participants), and
- (b) Schedule 20 to the 2000 Act (penalties),

corresponding to those made by subsections (1) to (7).

(9) The Secretary of State, after consulting the Electoral Commission, may make an order that—

- (a) amends or modifies a provision of the 2000 Act inserted by this section or Schedule 3 so far as it applies in relation to Northern Ireland;
- (b) makes provision that is consequential on or supplemental to that made by virtue of paragraph (a) (including provision amending or modifying any provision of the 2000 Act).

(10) The power to make an order under subsection (9) is exercisable by statutory instrument.

(11) No order may be made under subsection (9) unless a draft of the instrument containing the order has been laid before and approved by a resolution of each House of Parliament.

## **10 Non-resident donors etc**

(1) In section 54 of the 2000 Act (permissible donors), in subsection (1) (circumstances in which party may not accept donation), for paragraph (aa) (inserted by section 9 above) there is substituted—

- “(aa) any declaration required to be made in respect of the donation by section 54A or 54B has not been received by the party; or”.

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(2) In subsection (2)(a) of that section (individuals who are permissible donors), for “registered in an electoral register” there is substituted “who is registered in an electoral register and (subject to subsection (2ZB)) satisfies the condition set out in subsection (2ZA)”.

(3) After subsection (2) of that section there is inserted—

“(2ZA) The condition referred to in subsection (2)(a) is that the individual’s liability to income tax for the current tax year (including eligibility to make any claim) falls to be determined (or would fall to be determined) on the basis that the individual is resident, ordinarily resident and domiciled in the United Kingdom in that year.

In this subsection “tax year” has the meaning given by section 4 of the Income Tax Act 2007.

(2ZB) The condition set out in subsection (2ZA) applies in relation to a donation only if—

- (a) it is a donation of more than £7,500, or
- (b) when the donation is added to any other relevant benefit or benefits accruing in the same calendar year as the donation, the aggregate amount of the benefits is more than £7,500.

(2ZC) For the purposes of subsection (2ZB)(b) “relevant benefit” and “accruing” have the meaning given by section 62(3A).”

(4) After section 54A (inserted by section 9 above) there is inserted—

**“54B Declaration as to whether residence etc condition satisfied**

- (1) An individual making to a registered party a donation in relation to which the condition set out in section 54(2ZA) applies must give to the party a written declaration stating whether or not the individual satisfies that condition.
- (2) A declaration under this section must also state the individual’s full name and address.
- (3) A person who knowingly or recklessly makes a false declaration under this section commits an offence.
- (4) The Secretary of State may by regulations make provision requiring a declaration under this section to be retained for a specified period.
- (5) The requirement in subsection (1) does not apply where, by reason of section 71B(1)(a), the individual by whom the donation would be made is a permissible donor in relation to the donation at the time of its receipt by the party.”

(5) In section 56 of the 2000 Act (acceptance or return of donations: general), after subsection (1) there is inserted—

“(1A) In so far as subsection (1) requires steps to be taken to verify or ascertain whether an individual satisfies the condition set out in section 54(2ZA), the requirement is treated as having being complied with if—

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- (a) the individual has given to the party a declaration under section 54B stating that the individual satisfies that condition, and
  - (b) the party had no reasonable grounds for thinking that the statement was incorrect.”
- (6) In Schedule 6 to the 2000 Act (details to be given in donation reports), in paragraph 1A (inserted by section 9 above)—
- (a) in the heading, at the end there is inserted “*or as to whether residence etc condition satisfied*”;
  - (b) at the end of that paragraph (which becomes sub-paragraph (1)) there is inserted—
- “(2) In relation to each recordable donation in the case of which a declaration under section 54B has been given, a quarterly report must either—
- (a) state that no reason was found for thinking that the declaration was incorrect, or
  - (b) give details of any respects in which the declaration was found or suspected to be incorrect.”
- (7) In Schedule 20 to the 2000 Act (penalties) the following entry is inserted at the appropriate place—

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“Section 54B(3) (making a false declaration as to whether residence etc condition satisfied)	On summary conviction in England and Wales or Scotland: statutory maximum or 12 months
	On summary conviction in Northern Ireland: statutory maximum or 6 months
	On indictment: fine or 1 year”.

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- (8) Schedule 4 has effect.

That Schedule makes amendments to—

- (a) Schedules 7, 11 and 15 to the 2000 Act (control of donations to individuals and members associations; to recognised third parties; and to permitted participants), and
- (b) Schedule 20 to the 2000 Act (penalties),

corresponding to those made by subsections (1) to (7).

## **11 Non-resident lenders etc**

- (1) After section 71H of the 2000 Act there is inserted—

### **“71HZA Declaration that residence etc condition is satisfied**

- (1) A registered party must not be a party to a regulated transaction to which this section applies unless the registered party has received a written declaration from each of the other parties to the transaction who is an individual stating that the individual satisfies the condition set out in section 54(2ZA).

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- (2) This section applies to a regulated transaction—
- (a) if the value of the transaction is more than £7,500, or
  - (b) if the aggregate amount of it and any other relevant benefit or benefits accruing in the same calendar year as the transaction is more than £7,500.
- (3) For the purposes of subsection (2)(b) “relevant benefit” and “accruing” have the meaning given by section 71M(3).
- (4) A declaration under this section must also state the individual’s full name and address.
- (5) A person who knowingly or recklessly makes a false declaration under this section commits an offence.
- (6) The Secretary of State may by regulations make provision requiring a declaration under this section to be retained for a specified period.
- (7) The reference in subsection (1) to each of the other parties to the transaction does not include any individual who, at the time the transaction is entered into, is an authorised participant in relation to it by reason of section 71Z1(1)(a).”
- (2) In section 71L of the 2000 Act (offences relating to regulated transactions), after subsection (9) there is inserted—

“(9A) An offence cannot be committed under subsection (1), (2), (5) or (6) on the basis that a person (P) ought reasonably to have known that a particular individual does not satisfy the condition set out in section 54(2ZA) (and is therefore not an authorised participant) if—

- (a) the individual has given a declaration under section 71HZA stating that the individual satisfies that condition, and
- (b) P had no reasonable grounds for thinking that the statement was incorrect.”

- (3) In Schedule 6A to the 2000 Act (details to be given in transaction reports), after paragraph 1 there is inserted—

*“Declaration as to whether residence etc condition satisfied*

1A In relation to each recordable transaction in the case of which a declaration under section 71HZA has been given, a quarterly report must either—

- (a) state that no reason was found to think that the declaration was incorrect, or
- (b) give details of any respects in which the declaration was found or suspected to be incorrect.”

- (4) In Schedule 7A to the 2000 Act (control of loans etc to individuals and members associations), after paragraph 4 there is inserted—

*“Declaration that residence etc condition satisfied*

4A (1) A regulated participant must not be a party to a controlled transaction to which this paragraph applies unless the regulated participant has received a written declaration from each of the other parties to the transaction who

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is an individual stating that the individual satisfies the condition set out in section 54(2ZA).

- (2) This paragraph applies to a controlled transaction—
  - (a) if the value of the transaction is more than £7,500, or
  - (b) if the aggregate amount of it and any other relevant benefit or benefits accruing in the same calendar year as the transaction is more than £7,500.
- (3) For the purposes of sub-paragraph (2) “relevant benefit” and “accruing” have the meaning given by section 71M(3).
- (4) A declaration under this paragraph must also state the full name and address of the person by whom it is made.
- (5) A person who knowingly or recklessly makes a false declaration under this paragraph commits an offence.
- (6) The Secretary of State may by regulations make provision requiring a declaration under this paragraph to be retained for a specified period.
- (7) The reference in sub-paragraph (1) to each of the other parties to the transaction does not include any individual who, at the time the transaction is entered into, is an authorised participant in relation to it by reason of section 71Z1(1)(a).”

(5) In paragraph 8 of that Schedule (offences), after sub-paragraph (9) there is inserted—

“(9A) A person (P) cannot commit an offence under sub-paragraph (1), (2), (5) or (6) on the basis that P ought reasonably to have known that a particular individual does not satisfy the condition set out in section 54(2ZA) (and is therefore not an authorised participant) if—

- (a) the individual has given a declaration under paragraph 4A stating that the individual satisfies that condition, and
- (b) P had no reasonable grounds for thinking that the statement was incorrect.”

(6) In paragraph 9 of that Schedule (transaction reports: transactions with authorised participants)—

- (a) in sub-paragraph (9)(a) and (10), for “paragraphs 2” there is inserted “paragraphs 1A, 2”;
- (b) in sub-paragraph (10), after paragraph (b) there is inserted—
  - “(ba) any reference to section 71HZA must be construed as a reference to paragraph 4A above;”.

(7) In Schedule 20 to the 2000 Act (penalties) the following entries are inserted at the appropriate places—

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“Section 71HZA(5) (making a false declaration as to whether residence etc condition satisfied)

On summary conviction in England and Wales or Scotland: statutory maximum or 12 months

On summary conviction in Northern Ireland: statutory maximum or 6 months

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On indictment: fine or 1 year”

“Paragraph 4A(5) of Schedule 7A (making a false declaration as to whether residence etc condition satisfied)

On summary conviction in England and Wales or Scotland: statutory maximum or 12 months

On summary conviction in Northern Ireland: statutory maximum or 6 months

On indictment: fine or 1 year”.

## 12 Defence to charge of failing to return donation from impermissible donor

In section 56 of the 2000 Act (acceptance or return of donations: general), after subsection (3) there is inserted—

“(3A) Where a party or its treasurer is charged with an offence under subsection (3), it shall be a defence to prove that—

- (a) all reasonable steps were taken by or on behalf of the party to verify (or ascertain) whether the donor was a permissible donor, and
- (b) as a result, the treasurer believed the donor to be a permissible donor.”

### *Offences*

## 13 “Reasonable excuse” in relation to certain offences under the 2000 Act

- (1) The 2000 Act is amended as follows.
- (2) In section 47 (failure by registered party to submit proper statement of accounts to Commission)—
  - (a) in paragraph (a) of subsection (1), after “are” there is inserted “, without reasonable excuse,”;
  - (b) in paragraph (b) of that subsection, after “is” there is inserted “, without reasonable excuse,”;
  - (c) subsections (2) and (3) are omitted.
- (3) In section 65 (submission of donation reports to Commission)—
  - (a) in subsections (3) and (4), after “commits an offence if” there is inserted “, without reasonable excuse,”;
  - (b) subsection (5) is omitted.
- (4) In section 71S (submission of transaction reports to Commission)—
  - (a) in subsections (4) and (5), after “commits an offence if” there is inserted “, without reasonable excuse,”;
  - (b) subsection (6) is omitted.
- (5) In paragraph 12 of Schedule 7 (failure to deliver donation report)—
  - (a) in sub-paragraph (1), between “is” and “not delivered” there is inserted “, without reasonable excuse,”;
  - (b) in sub-paragraph (2), after “which” there is inserted “, without reasonable excuse,”;



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- (c) sub-paragraph (3) is omitted.
- (6) In paragraph 12 of Schedule 7A (failure to deliver transaction report)—
  - (a) in sub-paragraph (1), between “is” and “not delivered” there is inserted “, without reasonable excuse,”;
  - (b) in sub-paragraph (2), after “which” there is inserted “, without reasonable excuse,”;
  - (c) sub-paragraph (3) is omitted.

### *Responsible persons and compliance officers*

## **14 Control of donations to members associations: responsible persons**

- (1) Schedule 7 to the 2000 Act (control of donations to members associations etc) is amended as set out in subsections (2) to (4).
- (2) In paragraph 1(9) (meaning of “the responsible person”), for paragraph (b) there is substituted—
  - “(b) otherwise, the person who is the responsible person by virtue of a notice in force under paragraph 1A.”
- (3) After paragraph 1 there is inserted—

### *“Appointment of responsible person by members association with no treasurer*

- 1A (1) A members association which does not have a treasurer—
  - (a) may appoint an individual to be the responsible person in relation to the association by giving notice to the Commission;
  - (b) shall do so within the period of 30 days beginning with the date on which the association—
    - (i) accepts a controlled donation which is a recordable donation for the purposes of paragraph 10, or
    - (ii) receives a controlled donation falling within paragraph 6(1)(a) or (b),if a notice under this sub-paragraph is not in force on that date.
- (2) A notice under sub-paragraph (1)—
  - (a) must be signed on behalf of the members association;
  - (b) must contain a statement signed by the individual to be appointed as the responsible person confirming that the individual is willing to be appointed.
- (3) A notice under sub-paragraph (1) must state—
  - (a) the name and address of the members association;
  - (b) the full name of the individual to be appointed as the responsible person;
  - (c) the individual’s home address in the United Kingdom, or (if there is no such home address) the individual’s home address elsewhere.
- (4) Subject to the following provisions of this paragraph, a notice under sub-paragraph (1) (“the original notice”)—

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- (a) shall be in force as from the date on which it is received by the Commission, but
  - (b) shall lapse at the end of the period of 12 months beginning with that date unless the members association or the responsible person gives the Commission a notice (a “renewal notice”) that they both wish the original notice to remain in force.
- (5) A renewal notice—
- (a) has the effect of extending the validity of the original notice for a further 12 months beginning with the time when it would otherwise have lapsed (whether under sub-paragraph (4)(b) or on the expiry of a previous extension under this sub-paragraph);
  - (b) must be received by the Commission during the period of one month ending at that time.
- (6) A renewal notice must either—
- (a) confirm that all the statements contained in the original notice, as it has effect for the time being, are accurate; or
  - (b) indicate that any statement contained in that notice, as it so has effect, is replaced by some other statement conforming with the relevant provision of sub-paragraph (3).
- A renewal notice must be signed on behalf of the members association and by the responsible person.
- (7) The members association or the responsible person may, at any time after giving the original notice, give the Commission a notice (a “notice of alteration”) indicating that any statement contained in the original notice, as it has effect for the time being, is replaced by some other statement—
- (a) contained in the notice of alteration, and
  - (b) conforming with the relevant provision of sub-paragraph (3).
- A notice of alteration takes effect on the day on which it is received by the Commission or (if later) on such date as may be specified in the notice.
- (8) A notice of alteration must be signed—
- (a) on behalf of the members association, and
  - (b) by the responsible person or, in the case of a notice substituting a different individual as the responsible person, by that individual.
- (9) A notice under sub-paragraph (1) that has been in force for at least 12 months ceases to have effect on receipt by the Commission of a notice terminating it (a “notice of termination”)—
- (a) given by and signed on behalf of the members association, or
  - (b) given and signed by the responsible person.
- (10) On receipt of a notice of termination given by the members association or by the responsible person, the Commission must inform the other party as soon as is reasonably practicable (unless the notice was signed both on behalf of the members association and by the responsible person).
- (11) A reference in this paragraph to a notice being signed on behalf of a members association is to the notice being signed by the secretary of the

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association or by a person who acts in a similar capacity in relation to the association.

- (12) A notice under the Schedule 7A version of this paragraph also has effect as a notice under this paragraph.

The “Schedule 7A version” of this paragraph means this paragraph as it applies, in relation to controlled transactions, by virtue of paragraph 1(7A) of Schedule 7A.

#### *Offence of failing to comply with paragraph 1A*

- 1B A members association commits an offence if—
- (a) it is subject to the requirement in paragraph 1A(1)(b), and
  - (b) without reasonable excuse it fails to comply with the requirement.”

- (4) In paragraph 12 (offence of failing to deliver donation report), in sub-paragraph (1) and in sub-paragraph (2), for paragraphs (a) and (b) and the words following paragraph (b) there is substituted—

- “(a) in the case of a regulated donee other than a members association, the regulated donee is guilty of an offence;
- (b) in the case of a members association, the association and the responsible person are guilty of an offence.”

- (5) In Schedule 20 to the 2000 Act the following entry is inserted at the appropriate place—

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“Paragraph 1B of Schedule 7 (failure by members association to comply with requirement to appoint responsible person)	On summary conviction: Level 5”.
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## **15 Control of donations to holders of elective office: compliance officers**

- (1) In Schedule 7 to the 2000 Act (control of donations to individuals etc), at the end there is inserted—

### **“PART 7**

#### **COMPLIANCE OFFICERS**

#### **Functions and liabilities of compliance officers**

- 17 (1) A regulated donee who is the holder of a relevant elective office (the “office-holder”) may, by giving a notice to the Commission which complies with paragraph 18(1), appoint an individual as compliance officer for the office-holder.
- (2) Where a notice under this paragraph is for the time being in force—

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- (a) any duty imposed on the office-holder by virtue of paragraph 8, or under paragraph 10, 11 or 13, may be discharged either by the office-holder or by the compliance officer;
  - (b) section 56(3), (3B) and (4) as applied by paragraph 8, and paragraph 12(1) and (2), apply to the compliance officer as well as the office-holder (so that either or both of them may be charged with any offence under those provisions);
  - (c) if the compliance officer makes a declaration under paragraph 13, paragraph 13(4) applies to the compliance officer instead of the office-holder.
- (3) The compliance officer for an office-holder cannot be guilty of an offence under paragraph 12(1) or (2) in respect of any controlled donation received by the office-holder at a time when the notice under this paragraph was not in force.
- (4) A person commits an offence if, at a time when a notice under this paragraph is in force in relation to an office-holder, the person knowingly gives the compliance officer any information relating to—
- (a) the amount of any controlled donation made to the office-holder, or
  - (b) the person or body making such a donation,
- which is false in a material particular.

#### **Notices of appointment, renewal, alteration and termination**

- 18 (1) A notice under paragraph 17—
- (a) must be signed by the office-holder, and
  - (b) must contain a statement signed by the individual to be appointed as compliance officer confirming that the individual is willing to be appointed.
- (2) A notice under paragraph 17 must state—
- (a) the full name of the office-holder,
  - (b) the relevant elected office that the person holds,
  - (c) the office-holder's home address in the United Kingdom, or (if there is no such home address) the office-holder's home address elsewhere, and
  - (d) if the office-holder is a member of a registered party, the party's registered name and the address of its registered headquarters.
- (3) A notice under paragraph 17 must also state—
- (a) the full name of the individual to be appointed as compliance officer,
  - (b) if the individual holds a relevant elected office, what that office is,
  - (c) the individual's home address in the United Kingdom, or (if there is no such home address) the individual's home address elsewhere, and
  - (d) if the individual is a member of a registered party, the party's registered name and the address of its registered headquarters.

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- (4) Subject to the following provisions of this paragraph, a notice under paragraph 17 (“the original notice”)—
- (a) shall be in force as from the date on which it is received by the Commission, but
  - (b) shall lapse at the end of the period of 12 months beginning with that date unless the office-holder or the compliance officer gives the Commission a notice (a “renewal notice”) that they both wish the original notice to remain in force.
- (5) A renewal notice—
- (a) has the effect of extending the validity of the original notice for a further 12 months beginning with the time when it would otherwise have lapsed (whether under sub-paragraph (4)(b) or on the expiry of a previous extension under this sub-paragraph);
  - (b) must be received by the Commission during the period of one month ending at that time.
- (6) A renewal notice must either—
- (a) confirm that all the statements contained in the original notice, as it has effect for the time being, are accurate; or
  - (b) indicate that any statement contained in that notice, as it so has effect, is replaced by some other statement conforming with the relevant provision of sub-paragraph (2) or (3).

A renewal notice must be signed by the office-holder and the compliance officer.

- (7) The office-holder or the compliance officer may, at any time after giving the original notice, give the Commission a notice (a “notice of alteration”) indicating that any statement contained in the original notice, as it has effect for the time being, is replaced by some other statement—
- (a) contained in the notice of alteration, and
  - (b) conforming with the relevant provision of sub-paragraph (2) or (3).

A notice of alteration takes effect on the day on which it is received by the Commission or (if later) on such date as may be specified in the notice.

- (8) A notice of alteration must be signed—
- (a) by the office-holder, and
  - (b) by the compliance officer or, in the case of a notice substituting a different individual as the compliance officer, by that individual.
- (9) A notice under paragraph 17 ceases to have effect on receipt by the Commission of a notice terminating it (a “notice of termination”) given and signed by the office-holder or by the compliance officer.
- (10) On receipt of a notice of termination given by the office-holder or by the compliance officer, the Commission must inform the other party as soon as is reasonably practicable (unless the notice was signed both by the office-holder and by the compliance officer).

**Register of compliance officers**

- 19 (1) The Commission shall maintain a register of all notices given to them under paragraph 17 which are for the time being in force.
- (2) The register shall be maintained by the Commission in such form as they may determine and shall contain, in the case of each such notice, all the information contained in the notice as it has effect for the time being in accordance with paragraph 18.
- (3) Where any notice is given to the Commission under paragraph 17 or sub-paragraph (4)(b) or (7) of paragraph 18, they shall cause all the information contained in the notice, or (as the case may be) any new information contained in it, to be entered in the register as soon as is reasonably practicable.
- (4) The information to be entered in the register in respect of any individual shall, however, not include the individual's home address.”
- (2) In Schedule 20 to the 2000 Act the following entry is inserted at the appropriate place—

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“Paragraph 17(4) of Schedule 7 (knowingly giving compliance officer false information about donations)	On summary conviction in England and Wales or Scotland: statutory maximum or 12 months
	On summary conviction in Northern Ireland: statutory maximum or 6 months
	On indictment: fine or 1 year”.

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**16 Control of loans etc to members associations: responsible persons**

- (1) Schedule 7A to the 2000 Act (control of loans etc to members associations etc) is amended as follows.
- (2) In paragraph 1 (operation and construction of Schedule)—
- (a) in sub-paragraph (7)(d), the words after “(in relation to a members association)” are omitted;
- (b) after sub-paragraph (7) there is inserted—
- “(7A) Paragraphs 1A and 1B of Schedule 7 apply for the purposes of this Schedule, in relation to controlled transactions, as they apply for the purposes of that Schedule in relation to controlled donations.
- (7B) Paragraph 1A(1)(b) of Schedule 7, as it applies by virtue of sub-paragraph (7A) above, has effect as if for sub-paragraphs (i) and (ii) there were substituted—
- “(i) enters into a controlled transaction which is a recordable transaction for the purposes of paragraph 9 of Schedule 7A, or

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(ii) enters into a controlled transaction falling within paragraph 5 or 6(1)(b) of that Schedule.”.

(7C) A notice under paragraph 1A of Schedule 7 also has effect as a notice under the Schedule 7A version of that paragraph.

The “Schedule 7A version” of paragraph 1A of Schedule 7 means that paragraph as it applies, in relation to controlled transactions, by virtue of sub-paragraph (7A) above.”

(3) In paragraph 12 (offence of failing to deliver transaction report), in sub-paragraph (1) and in sub-paragraph (2), for paragraphs (a) and (b) and the words following paragraph (b) there is substituted—

“(a) in the case of a regulated participant other than a members association, the regulated participant is guilty of an offence;

(b) in the case of a members association, the association and the responsible person are guilty of an offence.”

## **17 Control of loans etc to holders of elective office: compliance officers**

In Schedule 7A to the 2000 Act (control of loans etc to individuals etc), at the end there is inserted—

### *“Compliance officers*

18 (1) This paragraph applies where a regulated participant who is the holder of a relevant elective office (the “office-holder”) has given a notice to the Commission under paragraph 17 of Schedule 7 appointing an individual as compliance officer for the office-holder.

(2) Where the notice is for the time being in force—

(a) any duty imposed on the office-holder under paragraph 9, 10, 11 or 13 may be discharged either by the office-holder or by the compliance officer;

(b) paragraph 12(1) and (2) applies to the compliance officer as well as the office-holder (so that either or both of them may be charged with an offence under paragraph 12(1) or (2));

(c) if the compliance officer makes a declaration under paragraph 13, paragraph 13(4) applies to the compliance officer instead of the office-holder.

(3) The compliance officer for an office-holder cannot be guilty of an offence under paragraph 12(1) or (2) in respect of any controlled transaction entered into by the office-holder at a time when the notice was not in force.”

## **18 Person may not be “responsible person” for more than one third party**

(1) Section 88 of the 2000 Act (third parties recognised for the purposes of Part 6 of that Act) is amended as follows.

(2) In subsection (2)(a), after “(as defined by section 54(8))” there is inserted “who is not the responsible person in relation to another third party”.

(3) After subsection (3) there is inserted—

“(3A) A notification given by a third party does not comply with the requirement in subsection (3)(b)(iii) or (c)(ii) (to state the name of the person who will be responsible for compliance) if the person whose name is stated is—

- (a) the responsible person in relation to another third party,
- (b) an individual who gives a notification under subsection (1) at the same time, or
- (c) the person whose name is stated, in purported compliance with the requirement in subsection (3)(b)(iii) or (c)(ii), in a notification given at the same time by another third party.

In this subsection “the person”, in relation to a notification to which subsection (3)(c) applies, is to be read as “the person or officer”.

(4) Where—

- (a) a third party gives a notification under section 88(4)(b) of the 2000 Act (“the renewal notification”) in respect of a notification under section 88(1) (“the original notification”) that was given before the commencement of this section, and
- (b) the original notification contained a statement under section 88(3)(b)(iii) or (c)(ii) naming someone who, at the time when the renewal notification is given, is the responsible person in relation to another third party,

the renewal notification must indicate (under section 88(6)(b)) that the statement is replaced by a statement naming someone who is not the responsible person in relation to another third party.

#### *Unincorporated associations*

### **19 Reports of gifts received by unincorporated associations making political contributions**

(1) After section 140 of the 2000 Act there is inserted—

#### *“Reports to Commission by unincorporated associations making political contributions*

#### **140A Reports of gifts received by unincorporated associations**

Schedule 19A, which requires unincorporated associations making political contributions to report gifts received by them to the Commission, has effect.”

- (2) Before Schedule 19B to the 2000 Act (inserted by section 2 above) there is inserted, as Schedule 19A, the Schedule set out in Schedule 5 to this Act.
- (3) In Schedule 20 to the 2000 Act the following entries are inserted at the appropriate place—



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| “Paragraph 6(1) of Schedule 19A (failure to give notification or report within specified period)                       | On summary conviction: Level 5   |
| Paragraph 6(2) of Schedule 19A (giving notification or report that fails to comply with requirements of that Schedule) | On summary conviction in England and Wales or Scotland: statutory maximum or 12 months |
| On summary conviction in Northern Ireland: statutory maximum or 6 months   |  |
| On indictment: fine or 1 year  |  |
| Paragraph 6(3) of Schedule 19A (making false declaration in notification or report)                                    | On summary conviction in England and Wales or Scotland: statutory maximum or 12 months |
|  | On summary conviction in Northern Ireland: statutory maximum or 6 months               |
|  | On indictment: fine or 1 year”.  |
- 
- (4) In section 62 of the Electoral Administration Act 2006 (c. 22) (regulation of loans: power to make provision for candidates, third parties and referendums), after subsection (3) there is inserted—
- “(3A) The provision that may be made by virtue of subsection (3)(e) includes, in particular, provision amending paragraph 1 of Schedule 19A to the 2000 Act (requirement for unincorporated associations to notify Commission of political contributions over £25,000) so that, in the case of a recognised third party or a permitted participant in a referendum, a “political contribution” includes a relevant matter.”
- (5) The Secretary of State, after consulting the Electoral Commission, may make an order that—
- (a) amends or modifies the Schedule inserted into the 2000 Act by Schedule 5 so far as it applies in relation to Northern Ireland;
  - (b) makes provision that is consequential on or supplemental to that made by virtue of paragraph (a) (including provision amending or modifying any provision of the 2000 Act).
- (6) The power to make an order under subsection (5) is exercisable by statutory instrument.
- (7) No order may be made under subsection (5) unless a draft of the instrument containing the order has been laid before and approved by a resolution of each House of Parliament.
- (8) In the Schedule inserted into the 2000 Act by Schedule 5 to this Act—
- (a) the reference in paragraph 1(1) to a calendar year does not include any year before 2010;
  - (b) a reference in paragraph 2 to a gift does not include any gift received before the day on which this Act is passed.

*Thresholds***20 Increased thresholds in relation to donations etc**

- (1) In the following provisions of the 2000 Act, for “£200” there is substituted “£500”—
- section 52(2)(b);
  - section 54(4)(b) and (6)(b);
  - section 71F(12)(b);
  - in Schedule 7, paragraphs 4(3)(b) and 6(2) and (4)(b);
  - in Schedule 7A, paragraph 2(4)(b);
  - in Schedule 11, paragraphs 4(2) and 6(4) and (6)(b);
  - in Schedule 15, paragraphs 4(2) and 6(5) and (7)(b).
- (2) In the following provisions of the 2000 Act, for “£1,000” there is substituted “£1,500”—
- section 62(6A)(a) and (b), (7)(b) and (11)(b);
  - section 71M(7)(a) and (b), (8)(b) and (11)(b);
  - in Schedule 7, paragraph 10(1A)(a) and (b) and (2)(b);
  - in Schedule 7A, paragraph 9(2)(a) and (b) and (7)(b).
- (3) In the following provisions of the 2000 Act, for “£5,000” there is substituted “£7,500”—
- section 62(4)(a) and (b), (5)(b) and (11)(b);
  - section 63(3);
  - section 71M(4)(a) and (b), (5)(b) and (11)(b);
  - section 71Q(3);
  - in Schedule 7, paragraph 10(1A)(a) and (b) and (2)(b);
  - in Schedule 7A, paragraph 9(2)(a) and (b) and (7)(b);
  - in Schedule 11, paragraph 10(2)(a);
  - in Schedule 15, paragraph 10(2)(a).
- (4) In section 155 of the 2000 Act (power to vary specified sums), after subsection (2) there is inserted—
- “(3) Subsection (4) applies in relation to the sums specified in—
    - (a) Part 4;
    - (b) Part 4A;
    - (c) Schedule 11;
    - (d) Schedule 15;
    - (e) Schedule 19A.
- (4) In each Parliament, other than a Parliament that is dissolved less than two years after the date of its first sitting, the Secretary of State must either—
- (a) make an order in pursuance of subsection (2)(a), or
  - (b) lay before Parliament a statement setting out the Secretary of State’s reasons for not doing so.”
- (5) The amendment made by subsection (4) does not apply in relation to the Parliament during which this Act is passed.

### *Election expenses*

## **21 Limitation of pre-candidacy election expenses for certain general elections**

- (1) In the Representation of the People Act 1983 (c. 2) (“the 1983 Act”), after section 76 there is inserted—

### **“76ZA Limitation of pre-candidacy election expenses for certain general elections**

- (1) This section applies where—
- (a) a Parliament is not dissolved until after the period of 55 months beginning with the day on which that Parliament first met (“the 55-month period”),
  - (b) election expenses are incurred by or on behalf of a candidate at the parliamentary general election which follows the dissolution, and
  - (c) the expenses are incurred in respect of a matter which is used during the period beginning immediately after the 55-month period and ending with the day on which the person becomes a candidate at that election.

For the purposes of this section, section 90ZA(1) has effect with the omission of the words “after the date when he becomes a candidate at the election”.

- (2) Election expenses incurred as mentioned in subsection (1) must not in the aggregate exceed the permitted amount, which is the relevant percentage of the following sum—
- (a) for a candidate at an election in a county constituency, £25,000 plus 7p for every entry in the register of electors;
  - (b) for a candidate at an election in a borough constituency, £25,000 plus 5p for every entry in the register of electors.
- (3) The relevant percentage is—
- (a) 100% where the dissolution was during the 60th month of the Parliament;
  - (b) 90% where the dissolution was during its 59th month;
  - (c) 80% where the dissolution was during its 58th month;
  - (d) 70% where the dissolution was during its 57th month;
  - (e) 60% where the dissolution was during its 56th month.

For the purposes of this subsection, the “56th month” of a Parliament is the month beginning immediately after the 55-month period; and so on.

- (4) In subsection (2) above “the register of electors” means the register of parliamentary electors for the constituency in question as it has effect on the last day for publication of notice of the election.
- (5) Where election expenses are incurred as mentioned in subsection (1) in excess of the permitted amount, any candidate or election agent who—
- (a) incurred, or authorised the incurring of, the election expenses, and
  - (b) knew or ought reasonably to have known that the expenses would be incurred in excess of that amount,

shall be guilty of an illegal practice.

- (6) The candidate’s personal expenses do not count towards the permitted amount.”
- (2) The amendments made by this section do not apply in relation to any expenses—
  - (a) incurred before the commencement of this section, or
  - (b) incurred in respect of any matters used before 1 January 2010.

## **22 Election expenses: guidance by Commission**

In Schedule 4A to the 1983 Act (election expenses), in paragraph 14 (guidance by Electoral Commission), for the words in sub-paragraph (1) from “giving guidance” to the end there is substituted “giving—

- (a) guidance as to the matters which do, or do not, fall within Part 1 or Part 2 of this Schedule;
- (b) guidance (supplementing the definition in section 90ZA(3) above) as to the cases or circumstances in which expenses are, or are not, to be regarded as incurred for the purposes of a candidate’s election.”