

# **TRANSPARENCY OF LOBBYING, NON-PARTY CAMPAIGNING AND TRADE UNION ADMINISTRATION ACT 2014**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 2 – Non-Party Campaigning Etc.**

##### ***Section 35: Statements of accounts by recognised third parties***

127. *Subsection (3)* inserts a new section, section 96A into PPERA. This section states that a recognised third party, as part of the return on controlled expenditure incurred during the regulated period for a UK Parliamentary General election prepared under section 96 of PPERA, will have to provide a statement of accounts for the regulated period subject to the exceptions in subsections (8) and (9) of new section 96A.
128. The new section 96A requires that the statement of accounts provide details of the income and expenditure of the recognised third party during the regulated period, alongside a statement of the recognised third parties assets and liabilities at the end of the period. The statement of accounts prepared under this section must comply with any requirement as to form and content which may be prescribed by the Electoral Commission. Individuals, who are a recognised third party, are excluded from the provisions in new section 96A. Additionally, recognised third parties (e.g. trade unions or companies) who prepare accounts under another enactment do not need to prepare accounts under section 96A if such accounts contain equivalent information, and can be inspected by the Commission. Provision is made for what constitutes ‘equivalent information’ for these purposes. The new section 96A states that the requirement to prepare a statement of accounts does not apply if the recognised third party is an individual, a recognised Gibraltar third party, or the Electoral Commission is satisfied that the recognised third party prepares accounts under another enactment. It also provides that a statement of accounts must be submitted to the Electoral Commission within 9 months of the end of the regulated period (where the accounts do not have to be audited) or 12 months (where the accounts do have to be audited).
129. *Subsection (4)* amends section 97 of PPERA to provide that where a recognised third party incurs gross income or total expenditure over £250,000 during the regulated period, the statement of accounts must be audited. The statement of accounts must also be audited where a report is required to be prepared under section 97(1) on a section 96A(1)(a) return.
130. *Subsection (5)* amends section 98 of PPERA and provides for a statement of accounts, which is required to be audited, to be delivered to the Electoral Commission within 12 months of the end of the regulated period.

*These notes refer to the Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act 2014 (c.4) which received Royal Assent on 30 January 2014*

131. *Subsection (6)* amends section 98(4) to include the offence of failing to prepare or deliver a statement accounts within the requirements of the new section 96A within the current offence in section 98 of PPERA.
132. *Subsection (7)* inserts a new section, section 99A, into PPERA which requires that the statement of accounts must be accompanied by a declaration by the responsible person of a recognised third party stating that the statement of accounts is a complete and correct record.
133. *Subsection (8)* amends section 100 of PPERA to require statements of accounts to be made available to the public by the Electoral Commission, alongside spending returns under section 96. After a period of two years, beginning with the date when the return is received by the Commission, the return, and any accounts accompanying it, may be destroyed or, if requested by the responsible person of a third party, be returned to that person.
134. *Subsection (9)* amends Schedule 20 to PPERA by providing for the penalties applicable for any offences committed under section 98 or the new section 99A. Subsection (9) states that if section 85(1) of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 comes into force before this Act is passed, then it applies to penalties under the new sections 98 and 99A.