

# 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 26: Meaning of “controlled expenditure”*

62. *Section 26* amends the definition of what is regarded as controlled expenditure for third parties in section 85 of PPERA to take account of the extension in the range of activities which count as controlled expenditure set out in new Schedule 8A.
63. *Subsection (2)* amends the definition of controlled expenditure to include expenses incurred by or on behalf of a third party which fall within Part 1 of new Schedule 8A to PPERA (see below) and which can reasonably be regarded as intended to promote or procure the electoral success of a party or candidates. The second part of this test largely replicates the current PPERA test. However, expenditure which would reasonably be regarded as “otherwise enhancing the standing” of parties or candidates is no longer included within the definition of controlled expenditure. This is a small change, but ensures that the activity must have a connection with “electoral success” at a relevant election. The new section 85(4)(c) and (4A) of PPERA (inserted by *subsections (4)(c) and (5)*) contain provision similar to provision formerly in *section 85(3) and (4)*; the restructuring is in consequence of the changes to *section 85(2)*.
64. *Subsection (9)* introduces a defence, for a person or third party charged with an offence of incurring controlled expenditure in excess of a spending limit (i.e. above the limit in a part of the UK or the constituency limit) to show that they complied with the relevant code of practice. The defence will also be available in relation to a charge of exceeding a spending threshold.
65. *Subsection (12)* is a consequential change as “election material” is no longer defined in section 85 of PPERA. Subsection 12 inserts new section 143A into PPERA. This provides the test for whether material is “election material” for the purposes of section 143 of PPERA. This section relates to the details that have to appear on third party controlled or political party campaign material (often referred to as “imprints”). The test in new section 143A mirrors the test for controlled expenditure in section 85 of PPERA.

##### *Schedule 3: Controlled expenditure: qualifying expenses*

66. *Schedule 3* inserts a new Schedule 8A into PPERA. *Paragraph 1* of new Schedule 8A lists matters on which expenses may be incurred for the purposes of controlled expenditure. The list of activities is set out so as to be more closely aligned with the list of matters for political parties as set out in Schedule 8 to PPERA. Any expenditure on

a matter set out in this list during the regulated period for an election (which meets the test in section 85(2)(b) of PPERA, as inserted by section 26(2) of this Act) will need to be accounted for as controlled expenditure. Qualifying expenses include expenses incurred in respect of material (paragraph 1(1)). This replaces “election material” which is controlled expenditure under section 85(3) of PPERA, and is described in largely the same terms. *Paragraphs 1(2) to (5)* add new matters expenditure in respect of which may be controlled expenditure and hence regulated.

67. Thus, for example the full fees and costs in the regulated period before a UK Parliamentary General election associated with any materials made available to the public, or with the organisation of any press conference or organised media events or public rallies or events, will count as controlled expenditure. The matters listed do not cover material or activities unless they involve the public in a specified way. Material or activities which do not (for example material available only to members of the third party or meetings to which the public are not admitted) will accordingly not be regulated.
68. *Paragraph 2* of new Schedule 8A inserts a list of exclusions from controlled expenditure into Schedule 8A. Some of these exclusions were previously in section 87 of PPERA. The additional exclusions are:
  - Expenses in respect of, or in consequence of, translating materials from English to Welsh or from Welsh to English.
  - Expenses reasonably attributable to an individual’s disability. Disability has the same meaning as in the Equality Act 2010.
69. *Paragraph 3* of new Schedule 8A enables the Electoral Commission to prepare a code of practice giving guidance on the types of expenditure which may be captured by Part 1 of new Schedule 8A. Before a code of practice comes into effect it must be approved by the Secretary of State and laid before Parliament. Although the code of practice is not made by statutory instrument, an equivalent of the negative resolution procedure applies so that either House of Parliament may resolve not to approve the draft code.
70. *Paragraph 4* of new Schedule 8A empowers the Secretary of State to amend Part 1 of the Schedule by order. An order made under this provision may only be made so as to give effect to a recommendation of the Electoral Commission or after consulting them.

### ***Section 27: Arrangements between third parties notified to the Electoral Commission***

71. *Section 27* inserts a new section, section 94A into PPERA. This section provides that a recognised third party may notify the Electoral Commission that it has agreed to be a “lead campaigner” for a plan or arrangement under which more than one third party agree to each incur controlled expenditure for a common purpose.
72. The notice to the Electoral Commission must identify other third parties that would be considered “minor campaigners” in respect of that arrangement. The minor campaigners’ expenditure (as well as being counted towards the lead campaigner’s spending limit in accordance with section 94(6)) must also be included for the purposes of the “lead campaigner’s” spending return (in accordance with sections 96 to 99A).
73. A “minor campaigner”, provided the other controlled expenditure incurred by a minor campaigner (i.e. otherwise than in its capacity as a minor campaigner) does not breach any relevant threshold (i.e. is within the thresholds for each part of the UK and, where relevant, for each constituency), the minor campaigners will not be subject to any administrative requirements, including registration. To benefit from this regime, a minor campaigner’s expenditure as part of an arrangement must be incurred after a notification in relation to that “minor campaigner” has been given to the Electoral Commission. The regime allows several “lead campaigners” to report for different

“minor campaigners;” an arrangement may also contain third parties who do not wish to be considered ‘minor campaigners.’

74. The Electoral Commission must enter details of the notification it receives from the “lead campaigner” into its register of third parties, and identify the relevant “minor campaigners.”

**Section 28: Changes to existing limits**

75. *Subsection (3)* amends section 94(5) of PPERA so that a third party wishing to spend £20,000 in England or £10,000 in each of Scotland, Northern Ireland and Wales must register as a recognised third party with the Electoral Commission in accordance with section 88 of PPERA. A third party spending in excess of these thresholds without having registered as a recognised third party commits an offence. These replace the existing registration spending thresholds of £10,000 in England or £5,000 in each of Scotland, Wales and Northern Ireland.
76. *Subsections (2) and (4)* set a further registration limit at an amount equal to the constituency limit (see section 29) – 0.05% of the maximum campaign expenditure limit for political parties. The maximum campaign expenditure limit is defined as the limit imposed by paragraph 3 of Schedule 9 to PPERA and currently amounts to a total of £19.5 million (£30,000 x 650 constituencies). The constituency limit therefore amounts to £9,750. This threshold applies in all parts of the United Kingdom and only applies in regulated periods involving a UK Parliamentary General election. If a third party incurs expenditure in a particular constituency in excess of £9,750, it commits an offence: either the offence for a recognised third party of exceeding the constituency limit (introduced by section 29 of this Act), or the offence under this provision of exceeding the constituency threshold without being a recognised third party.
77. *Subsection (7)* amends paragraph 3(2) of Schedule 10 to PPERA so that a recognised third party can spend 2% of the maximum campaign expenditure limit in England, and 2% plus £20,000 in each of Scotland, Wales and Northern Ireland.. The table below shows the maximum amount of controlled expenditure that a recognised third party is permitted to incur in each part of United Kingdom:

England	£319,800
Scotland	£55,400
Wales	£44,000
Northern Ireland	£30,800

**Section 29: Constituency limits**

78. *Subsection (2)* amends section 94 of PPERA to place limits on the amount of controlled expenditure a recognised third party can spend within an individual constituency during the regulated period.
79. *Subsection (3)* amends section 96 of PPERA to require recognised third parties to include as part of their return as to controlled expenditure under section 96, a statement listing each constituency, if any, where the recognised third party has incurred, at any time during the regulated period, controlled expenditure amounting to more than 0.04% of the maximum campaign expenditure limit for political parties. This is equivalent to £7,800. A statement prepared under subsection (3) of section 96 of PPERA should include all payments made in respect of controlled expenditure in that constituency during the regulated period. (In accordance with section 34 below, a section 96 return as to controlled expenditure is not required where a third party has not incurred expenditure in excess of a spending threshold).

80. *Subsection (5)* sets out how controlled expenditure should be attributed to a constituency or constituencies. Subsection (5) inserts a new paragraph, paragraph 2A into Schedule 10 and states that where a recognised third party has incurred controlled expenditure it should be attributed to each parliamentary constituency in equal proportions. The exception to this is where the effects of controlled expenditure are confined to a single or several constituencies and have no significant effects in any other constituency or constituencies. Where this occurs, the recognised third party shall attribute the controlled expenditure incurred, in equal measures, to the constituencies significantly affected (if there is more than one) or solely to an affected constituency. The effect of this “significant effect” test is that the specific geographic location where, for example, an event takes place need not be determinative; the significant effect may be in another constituency, or in other constituencies, or in that constituency in which the event takes place. In case which an event has a national effect, the expenditure will be attributed equally amongst all constituencies.
81. *Subsection (6)* inserts sub-paragraph (2A) into paragraph 3 of Schedule 10 to PPERA. This places a limit on the controlled expenditure which can be incurred in a constituency, of 0.05% of the total maximum campaign expenditure limit (£9,750).
82. *Subsections (7)* amends paragraph 9 of Schedule 10 to PPERA, which is about combined limits where a UK Parliamentary General election and another election are pending. For the purposes of the combined period (of the two regulated periods), new sub-paragraphs (3A) and (3B) in paragraphs 9 specifies that the relevant constituency limit can be calculated by dividing the number of days in the combined period, by the number of days in what is ordinarily the regulated period for a UK parliamentary General election, and multiplying the amount by the constituency limit – £9,750, as in new paragraph 3(2A) of Schedule 10. For example:
- Combined period 470 days Regulated period 365 days. × £9,750 (new paragraph 3(2A))
83. The constituency limit in this instance (a combined European Parliamentary and UK Parliamentary General election) would be £12,555.
84. New *sub-paragraphs (5A) and (5B)* in *paragraph 9* of *Schedule 10*, new *sub-paragraphs (3A) and (3B)* in *paragraph 10* and new *sub-paragraphs (4A) and (4B)* in *paragraph 11* provide, in a similar manner, for a proportion of the constituency limit to be calculated for the various combined regulated periods involving UK Parliamentary General elections and other elections.

### ***Section 30: Targeted expenditure limits***

85. *Subsection (2)* amends section 79 of PPERA to identify the new provision in Part 6 of that Act under which certain controlled expenditure incurred by or on behalf of a recognised third party, which is targeted at a registered party, must be counted towards that registered party's overall campaign expenditure limit.
86. *Subsection (3)* amends section 80(4) of PPERA so that returns as to campaign expenditure must also include a declaration by the treasurer or deputy treasurer where authorised expenditure has been incurred. The requirement to make the declaration is provided by new section 94D(5).
87. *Subsection (8)* inserts new sections 94C to 94H into PPERA. These sections impose limits on, and make other provisions relating to, controlled expenditure incurred by or on behalf of a third party where the expenditure is targeted at a particular registered party.
88. New section 94D(1) defines when controlled expenditure is regarded as targeted at a registered party – when it is intended to benefit that party or its candidates, and no other party or its candidates.

89. New section 94D(3) provides that targeted controlled expenditure limits apply during the regulated period for a UK Parliamentary General election.
90. New section 94D(4)(a) introduces limits on the targeted controlled expenditure a recognised third party can incur in parts of the United Kingdom during what is ordinarily the regulated period for a UK Parliamentary General election. These are 0.2% of the maximum campaign expenditure limits for each part of the UK, and are as follows:

England	£31,980
Scotland	£3,540
Wales	£2,400
Northern Ireland	£1,080

91. New Section 94D(4)(b) refers to combined limits where a UK Parliamentary General election and another election are pending. For the purposes of the combined period (of the two regulated periods), subsection (4)(b) specifies that the relevant targeted controlled expenditure limit can be calculated by dividing the number of days in the combined period, by the number of days in what is ordinarily the regulated period for a UK Parliamentary General election and multiplying the amount by the limit for the relevant part of the United Kingdom. For example:

Combined period 470 days Regulated period 365 days × £31,980 (subsection 4(a))

92. The targeted controlled expenditure limit in this instance for England (for a combined European Parliamentary and UK Parliamentary General election) would be £41,180.
93. New section 94E provides that where a recognised third party is not authorised by the registered party to incur targeted controlled expenditure in excess of the limits outlined in new section 94D and it still does so, it (and, in the case of a third party that is not an individual, the responsible person) is guilty of an offence. A third party is also guilty of an offence if it is authorised to incur targeted controlled expenditure, but exceeds any cap specified in the authorisation. The penalties for the offences are inserted into Schedule 20 to PPERA by subsection (9).
94. New section 94F provides that where a recognised third party incurs authorised targeted controlled expenditure, only the amount of controlled expenditure incurred above the limit specified in new section 94D, and up to any specified cap, will count towards the overall campaign expenditure limit of the registered party.
95. In determining whether the treasurer or a deputy treasurer commits an offence where the registered party exceeds its campaign expenditure limit as a result of this new rule, references in section 79(2) of PPERA to the authorisation of expenditure by the treasurer or a deputy treasurer will be treated as references to the signing of the authorisation (of targeted controlled expenditure) under new section 94G.
96. New section 94F(5) specifies that the treasurer or a deputy treasurer of the registered party must make a declaration of the amount of expenditure that may be incurred by the third party, and of the amount of that expenditure that is actually incurred and counts towards the registered party's limit under Part 5 of PPERA. The treasurer (or deputy treasurer) will commit an offence if a false declaration is knowingly or recklessly made (new section 94F(6)). The penalty for the offence is inserted into Schedule 20 to PPERA by subsection (9).
97. New section 94G makes provision about how a registered party may give authorisation to a recognised third party, so it may incur spend above the limits in 94D. Authorisation must be in writing, signed by the party treasurer or deputy treasurer, and must specify the part of the UK it relates to. The authorisation may also stipulate a cap, above which targeted controlled expenditure cannot be incurred. Authorisation will only come

into effect once a copy has been provided by the registered party to the Electoral Commission.

98. A registered political party may withdraw authorisation at any time, provided it is in writing and signed by a relevant officer. It will only come into effect on registration with the Electoral Commission.
99. New section 94H defines for the purposes of this new regime what it is to exceed a targeted expenditure limit, or a cap specified by the registered party when authorising expenditure. Whether or not any item of expenditure incurred by or on behalf of the third party exceeds a limit or cap depends on the cumulative amount incurred by or on behalf of that recognised third party in the regulated period in question and in the relevant part of the United Kingdom. The definition makes clear that a separate cumulative total needs to be calculated of expenditure targeted at separate registered parties.

### ***Section 31: Extension of power to vary specified sums***

100. This section amends section 155 of PPERA to allow the Secretary of State (or, by virtue of section 159A of that Act, the Lord President of the Council) to amend, by order, the percentages set out in section 94(5ZA), section 96(2)(aa) and paragraph 2A of Schedule 10 (which sets the limits for controlled expenditure in an individual constituency during the regulated period of a UK Parliamentary General election), in new section 94D of PPERA, (which sets out the limit for targeted expenditure) and in paragraph 3(2) of Schedule 10, (which sets the limits for controlled expenditure in each part of the United Kingdom). The Secretary of State can only amend the percentages upon the recommendation of the Electoral Commission.

### ***Section 32: Recognised third parties***

101. Where a third party intends to incur controlled expenditure in excess of £20,000 in England or £10,000 in each of Scotland, Wales or Northern Ireland during a regulated period for an election, it must provide the Electoral Commission with a notification as required under section 88 of PPERA. The notification must specify the name and address of the third party and, in the case of a company or unincorporated association, the person who will be responsible for ensuring compliance with the accounting and disclosure provisions contained within Part 6 of PPERA.
102. *Subsection (2)* allows a body incorporated by Royal Charter, a Charitable Incorporated Organisation, a Scottish Charitable Incorporated Organisation or a Scottish partnership to register as a recognised third party with the Electoral Commission.
103. *Subsection (3)* amends the notification requirements under section 88 of PPERA by including a new provision, section 88(3)(c)(ia) into that Act, stating that the notification should include the names of relevant participators of the body.
104. Relevant participators of a body are defined by the new section 88(3B) and new section 88(3C) as:
  - For companies – the body’s directors;
  - For trade unions – the body’s officers;
  - For building societies – the body’s directors;
  - For limited liability companies – the body’s members;
  - For friendly societies – the members of the body’s committee of management;
  - For unincorporated associations – the body’s members or the members of its governing body;

*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*

- For bodies incorporated by Royal Charter – the names of its officers or the members of its governing body;
- For charitable incorporated organisations/Scottish charitable incorporated organisations – the names of its charity trustees; and
- For Scottish partnerships – the names of the partners.

***Section 33 and Schedule 4: Reporting of donations to recognised third parties***

105. This section inserts new sections 95A to 95F into PPERA. The new sections impose requirements on those recognised third parties (and their responsible persons) which receive reportable donations in the relevant period, to prepare a quarterly report on donations, which they are obliged to submit to the Electoral Commission within 30 days of the end of the reporting period. There are additional requirements for more frequent reporting during a general election period.
106. New section 95A provides for the responsible person for the recognised third party to provide a quarterly donation report for each reporting period which falls within the regulated period for UK Parliamentary General elections. Subsection (4) of new section 95A states that the quarterly report must comply with the requirements of the new Schedule 11A and must include all details of all accepted donations of more than £7,500, as well as any donation which, when added to other donations from the same source during the regulated period for UK Parliamentary General elections, brings the amount up to more than £7,500. Subsequent accepted donations from the same source must be reported if more than £1,500 (either alone or in aggregate).
107. New section 95A(6) provides for quarterly reports to be delivered to the Electoral Commission within 30 days of the end of the reporting period to which it relates. The quarterly return must be accompanied by a declaration signed by the responsible person stating that all reportable donations accepted by the recognised third party are from permissible donors.
108. In accordance with new section 95A(10), a recognised third party will not have to provide a quarterly report to the Electoral Commission where they do not accept, or deal with (that is refuse, or reject as impermissible), any reportable donations during that quarter.
109. The provisions of new section 95A do not extend to a party which is registered with the Electoral Commission (other than a minor party) or to a recognised Gibraltar third party.
110. New section 95B provides for the responsible person for the recognised third party to provide weekly donation reports for each period of 7 days falling within the period beginning with the date on which Parliament is dissolved and ending with the date of poll for the UK Parliamentary General election. New section 95B states that the weekly report must comply with the requirements of the new Schedule 11A and must include all donations of £7,500 or more.
111. New section 95B(7) provides for weekly reports to be delivered to the Electoral Commission within 7 days of the end of the reporting period to which it relates.
112. In accordance with new section 95B(9), a recognised third party will not have to provide a weekly report to the Electoral Commission where they do not receive any reportable donations during the reporting period.
113. The provisions of new section 95C do not extend to a party which is registered with the Electoral Commission (other than a minor party) or to a recognised Gibraltar third party.
114. New section 95C provides for the related offences to which a responsible person of a recognised third party may be subject.

115. New section 95D provides for a court, on an application made by the Electoral Commission, to require the forfeiture of a relevant donation by a recognised third party.
116. New section 95E provides for supplementary provisions to new sections 95A to 95D. New section 95E provides that where a recognised third party's notification under section 88(1) of PPERA lapses during the regulated period (and it therefore ceases to be a "recognised" third party), it must still provide reports under new sections 95A or 95B which cover the period during which the notification lapses and any previous reporting periods falling within the regulated period. If a recognised third party's notification lapses at, or after the end of the regulated period, the recognised third party must still provide reports as required under new sections 95A or 95B for that period.
117. New section 95F provides that the Electoral Commission must make quarterly and weekly reports available for public inspection, but ensuring that these documents do not include the donor's address if the donor is an individual. The Electoral Commission may destroy these reports or return them to the recognised third party after a period of 2 years beginning with the date when the report was received by the Electoral Commission.
118. *Subsection (3)* amends section 149 of PPERA so that it applies to the quarterly and weekly reports which are open to inspection under new section 95F in the same way as it applies to other documents which the Electoral Commission are required to make available for inspection.
119. *Subsection (4)* amends section 155 of PPERA to include new section 95B and Schedule 11A, in the list of provisions to which *subsection (4)* of section 155 applies. The effect is that in each Parliament the Secretary of State or Lord President of the Council must make an order changing the £7,500 and £1,500 figures specified in new section 95B and Schedule 11A to take account of inflation or lay a statement before Parliament explaining why no order is being made.
120. *Subsection (5)* amends Schedule 1 to PPERA to ensure that an Electoral Commissioner will cease to be a Commissioner should they appear as a donor to a recognised third party in a quarterly or weekly report.
121. *Subsection (6)* amends the heading in Part 3 of Schedule 11 to PPERA to "Reporting of donations in section 96 return".
122. *Subsection (7)* inserts a new Schedule 11A into PPERA. Part 1 of the new Schedule 11A sets out various definitions which apply for the purposes of the Schedule.
123. Part 2 of the new Schedule 11A deals with quarterly reports. It provides that quarterly reports must contain a statement about each reportable donation of a substantial value accepted by the third party during the reporting period. The statement must contain details about the donor, the date the donation was accepted, where the donation is not money, the nature of the donation and its value and any other information required by regulations made by the Electoral Commission. Paragraph 4 of new Schedule 11A defines when a donation is "of a substantial value" i.e. donations of more than £7,500 (either alone or in aggregate) from the same donor which are accepted during the regulated period; and subsequent donations accepted from the same donor in later reporting periods which are more than £1,500 (either alone or in aggregate). Provision is made in paragraph 2(2) of new Schedule 11A to ensure that where an individual who has an anonymous entry in the electoral register is a donor, their name is not to be provided in any quarterly report. The report must also include a statement of the total value of all reportable donations not of a substantial value which are accepted during the reporting period.
124. Part 2 of the new Schedule 11A also sets out the details which must be included in a quarterly report of reportable donations from impermissible or unidentifiable donors dealt with during the reporting period. Paragraph 5 of new Schedule 11A provides that the quarterly report must include details of the name and address of the donor (where the donor is identifiable), the amount of the donation (where the donation is not money,



the nature and value of the donation), the date the donation was received and the date and manner in which the donation was dealt with in accordance with section 56(2) of PPERA.

125. Part 3 of the new Schedule 11A deals with weekly reports. It states that weekly reports must contain a statement recording the appropriate details in relation to each substantial donation received by a recognised third party during that period. Appropriate details to be included within the weekly report include information about the donor, where the donation is money, the amount of the donation, where the donation is not money, the nature of the donation and its value, the date the donation was received and any other information required by regulations made by the Electoral Commission.

### ***Section 34: Returns as to controlled expenditure***

126. **Section 34** provides that a recognised third party will not have to provide a spending return, or a statement of accounts, under section 96 of PPERA where they have registered with the Electoral Commission but have not incurred controlled expenditure in excess of the registration thresholds in section 94(5) or (5ZA) of PPERA. A return must include details of controlled expenditure for every part of the UK in which expenditure is incurred.

### ***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.
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.

### ***Section 36: Third party expenditure in respect of candidates***

135. *Subsection (1)* amends the “permitted sum” in section 75(1ZA)(a) of the Representation of the People Act 1983 (“the 1983 Act”) so that the level of expenditure a third party can incur when campaigning for or against a candidate without being authorised by the agent increases from £500 to £700. This figure has been increased to £700 in order to take into account the level of inflation since 2000.
136. *Subsection (2)* inserts a new section, section 75ZA into the 1983 Act, which allows for the returning officer, or the Electoral Commission, to request a record of the expenditure of a third party at a candidate level up to six months after the date of poll. Where over £200 has been spent, a full return must be made outlining all incurred expenditure. If an individual incurs expenditure of less than £200, they can state this in their return and they will not have to provide a full record of the expenditure they incurred.
137. *Subsection (2)* inserts a further new section, section 75ZB, which requires a person to comply with a request for a record of expenditure from the returning officer or Electoral Commission within 21 days, and that the return must be accompanied by a declaration and contain details as to what expenses were incurred. A person who fails to provide a return or declaration will be guilty of an illegal practice. A person who knowingly makes a false declaration will be guilty of a corrupt practice.

### ***Section 37: Candidate’s personal expenses not to count for local election expenses limit in England and Wales***

138. *Section 37* excludes personal expenses from being considered towards candidates’ expenses limits at local elections in England and Wales. This brings the consideration of personal expenses at those polls in line with the exclusion of personal expenses from candidates’ election expenses limits at UK Parliamentary, Police and Crime Commissioner and Greater London Authority elections.

### ***Section 38: Functions of Electoral Commission with respect to compliance***

139. This section amends section 145 of PPERA to provide that the Electoral Commission must monitor, and take all reasonable steps to secure, compliance with the restrictions and other requirements imposed by or by virtue of sections 24, 31 and 34 (in Part 2), Parts 3 to 7, and section 143 and 148 (of Part 10) of that Act.
140. This section also extends the Electoral Commission’s regulatory remit to cover provisions in Parts 2 and 10 of PPERA where civil sanctions are already available to it. This section also extends the Electoral Commission’s regulatory remit into areas

*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*

concerning party registration and renewal requirements in Part 2 of PPERA, as well as the rules for using imprints in election material in Part 10 of that Act.

***Section 39: Post-election review***

141. *Subsection (1)* requires the Minister to appoint a person to review the operation of the provisions of Part 6 of PPERA, as amended by Part 2 of this Act within 12 months of Royal Assent. The review will take place in relation to the first UK Parliamentary General election at which amendments made by Part 2 of this Act will have effect (expected to be the 2015 UK Parliamentary General election) in accordance with the provision of this section.