



Interests of Members of the Scottish Parliament (Amendment) Act 2016

2016 asp 4

Registrable financial interests

4 Loans, credit facilities etc.

After paragraph 6 of the schedule, there is inserted—

“Loans, credit facilities etc.

- 6A (1) Where a member enters into a controlled transaction and—
- (a) the value of the transaction is more than £1,500; or
 - (b) if not, the aggregate value of it and any aggregable benefit or benefits exceeds £1,500.
- (2) Sub-paragraphs (3) to (10) define and provide further about controlled transactions.
- (3) An agreement between the member and another person by which that person lends money to the member is a controlled transaction if the use condition (see sub-paragraph (9)) is satisfied.
- (4) An agreement between the member and another person by which that person provides a credit facility to the member is a controlled transaction if the use condition (see sub-paragraph (9)) is satisfied.
- (5) A credit facility is an agreement whereby a member 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 member) as is specified in or determined in accordance with the agreement.
- (6) Where—
- (a) the member and another person enter into a controlled transaction of a kind mentioned in sub-paragraph (3) or (4) or a transaction under which any property, services or facilities are provided for the use or benefit of the member (including the services of any person);

Status: This is the original version (as it was originally enacted).

- (b) the other person also enters into an arrangement where a third person gives any form of security for a sum owed to the other person by the member under a transaction mentioned in paragraph (a); and
 - (c) the use condition (see sub-paragraph (9)) is satisfied,
- the arrangement is a controlled transaction.
- (7) But the 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;
 - (b) to the extent that it is entered into by the member and a person—
 - (i) in connection with the provision of goods or services to the member; and
 - (ii) in the normal course of that person's trade or business and on its normal terms;
 - (c) if its value does not exceed £500; or
 - (d) despite section 3(1)(b), it was entered into by the person who is the member before the date the member was returned.
- (8) For the purposes of sections 3 and 5 and sub-paragraph (1) of this paragraph, if—
- (a) the value of a controlled transaction as first entered into is such that it is not registrable; but
 - (b) the terms of the transaction are subsequently varied in such a way that it becomes registrable,
- the member is to be treated as having entered into a registrable transaction on the date when the variation takes effect.
- (9) The use condition is that the member intends, at the time the member enters into the loan or credit facility agreement or the transaction second mentioned in sub-paragraph (6)(a), to use any money or benefit obtained in consequence of it in connection with the member's political activities (either as a member or as a member of a registered political party or both).
- (10) For the purposes of sub-paragraph (9), it is immaterial that only part of the money or benefit is intended to be used in connection with the member's political activities.
- (11) In sub-paragraph (1)(b), "aggregable benefit" means any of the following that is accepted by the member from the same person, being a party to the controlled transaction, and in the same calendar year as the member accepted the controlled transaction—
- (a) any other controlled transaction having a value not exceeding £1,500;
 - (b) any remuneration that is registrable by virtue of paragraph 2, and has a value exceeding £500 (but not exceeding £1,500) and consisting of—
 - (i) the payment to the member of expenses incurred directly or indirectly by the member in connection with the

- member's political activities (as a member or as a member of a registered political party or both); or
- (ii) a benefit in kind deriving from the payment by a person (other than the member) to a third party of expenses attributable to the member in connection with those activities;
 - (c) any gift to which paragraph 6(3)(b)(i) and (c) applies;
 - (d) any overseas political visit (within the meaning given by sub-paragraph (4), as read with sub-paragraph (5), of paragraph 7) having a value exceeding £500 (but not exceeding £1,500).

Value of loans, credit facilities etc.

- 6B
- (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 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.”.