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STATUTORY INSTRUMENTS

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**2001 No. 445**

**COMPANIES**

**The Companies (EU Political  
Expenditure) Exemption Order 2001**

*Made* - - - - *16th February 2001*

*Coming into force* - - *16th February 2001*

The Secretary of State, in exercise of the powers conferred on him by section 347B of the Companies Act 1985<sup>(1)</sup> and of all other powers enabling him in that behalf, hereby makes the following Order, of which a draft has been laid before Parliament in accordance with section 347B(11) of that Act and approved by a resolution of each House of Parliament:

**Citation, commencement and interpretation**

1.—(1) This Order may be cited as the Companies (EU Political Expenditure) Exemption Order 2001.

(2) This Order shall come into force on 16th February 2001.

(3) In this Order references to “the Act” are references to the Companies Act 1985.

**Exemption from authorization under sections 347C, D and E**

2. A company or subsidiary undertaking of the description specified in article 3 is exempted from the need to be authorized as mentioned in sections 347C(1), 347D(2), 347D(3) and 347E(2) of the Act<sup>(2)</sup> (prohibition on donations and political expenditure by companies, special rules for subsidiaries and special rule for parent company of non-GB subsidiary undertaking) in respect of, and only in respect of, the description of EU political expenditure specified in article 4.

**Description of company or subsidiary undertaking**

3.—(1) Any company or subsidiary undertaking whose ordinary course of business includes, or is proposed to include, the preparation, publication or dissemination to the public, or any part of the public, of material relating to news, and to public and political affairs and events, and to views, opinion and comment on the news and on public and political affairs and events.

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(1) 1985 c. 6; section 347B was inserted by section 139(1) of, and Schedule 19 to, the Political Parties, Elections and Referendums Act 2000 (c. 41).

(2) Sections 347C to 347E were inserted by section 139(1) of, and Schedule 19 to, the Political Parties, Elections and Referendums Act 2000.

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*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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- (2) For the purposes of paragraph (1) above it is to be irrelevant—
- (a) by which means or modes the material described in that paragraph is to be prepared, published or disseminated; or
  - (b) where the public, or any part of the public, to which such material is published or disseminated, is located or the identity or description of the public or any part of it.

**Description of EU political expenditure**

4. Any EU political expenditure incurred by a company or subsidiary undertaking specified in article 3 in respect of the preparation, publication or dissemination of such material as is specified in article 3(1) where that material contains matter which would render that preparation, publication or dissemination on the part of the company or subsidiary undertaking an activity of that company or subsidiary undertaking within the meaning of section 347A(5)(b) of the Act<sup>(3)</sup>

*Kim Howells*  
Parliamentary Under-Secretary of State, for  
Competition and Consumer Affairs,  
Department of Trade and Industry

16th February 2001

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<sup>(3)</sup> Section 347A was inserted by section 139(1) of, and Schedule 19 to, the Political Parties, Elections and Referendums Act 2000 (c. 41).

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order exempts certain types of EU political expenditure incurred by companies and subsidiary undertakings of the description specified in the Order from the requirement for it to be approved by the company incurring the expenditure under section 347C of the Companies Act 1985 or by the holding company of the company or subsidiary undertaking incurring the expenditure under section 347D or E of the Companies Act 1985.

The description of EU political expenditure so exempted as set out in Article 4 comprises any expenditure incurred by a company or subsidiary undertaking in respect of the preparation, publication or dissemination of such material as is specified in Article 3(1) where that material contains matter which would render that preparation, publication or dissemination on the part of the company or subsidiary undertaking an activity of that company or subsidiary undertaking within the meaning of section 347A(5)(b) of the Companies Act 1985.

The description of the company or subsidiary undertaking incurring such expenditure as set out in Article 3 comprises any company or subsidiary undertaking whose ordinary course of business includes, or is proposed to include, the preparation, publication or dissemination to the public, or any part of the public of material relating to news and public and political affairs and events and to views, opinion and comment on the news and on public and political affairs and events.

The exemption only operates where the type of expenditure as described in Article 3 is incurred by a company or subsidiary undertaking as described in Article 3.