

---

## EXPLANATORY NOTE

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

The Political Parties, Elections and Referendums Act 2000 (c.41) (“the 2000 Act”) makes provision about loans to parties registered in the register of political parties in Northern Ireland in Part 4A of, and Schedules 6A and 7A to, that Act (as inserted by section 61 of, and Part 6 of Schedule 1 to, the Electoral Administration Act 2006 (c.22) (“the EA Act”).

Section 63 of the EA Act provides the Secretary of State with an order making power to make modifications to the loans regime as it applies in Northern Ireland in a way which corresponds to, or is similar to, any provisions made in the Northern Ireland (Miscellaneous Provisions) Act 2006 (c.33) (“the 2006 Act”) relating to the donations regime.

The donations regime in Part 4 of the 2000 Act applies to Northern Ireland. However, the effect of sections 71A and 71B of the 2000 Act, as inserted by section 12 of the 2006 Act, is to enable parties registered in the Northern Ireland register, individuals and members associations to accept donations from Irish citizens and Irish bodies which meet prescribed conditions. This is in recognition of the special place which Ireland occupies in the political life of Northern Ireland. Until 31st October 2010 the details of donation reports provided by parties registered in the Northern Ireland register, individuals and members associations will not be made public in the light of concern that donors would not want their details to be made public because of the potential for intimidation. Section 14 of, and Schedule 1 to, the 2006 Act modify the 2000 Act to place a duty on the Electoral Commission (“the Commission”) to verify the information contained in such donation reports during this period.

Article 3 of this Order inserts new sections 71Z, 71Z1 and 71Z2 in the 2000 Act. These sections make equivalent provision in relation to loans to that made in relation to donations by sections 71A to 71C of the 2000 Act. New section 71Z specifies the “Northern Ireland participants” who are able to enter into regulated and controlled transactions. New section 71Z1 provides for two additional categories of authorised participants in respect of Northern Ireland participants: citizens of Ireland and prescribed Irish bodies. These authorised participants will have to meet any conditions which may be prescribed in order to be able to enter into a regulated or controlled transaction involving a Northern Ireland participant.

New section 71Z2 prevents Northern Ireland parties from making loans to parties or regulated participants in Great Britain.

Article 5 provides that the modifications of the 2000 Act set out in Schedule 1 to the Order apply to Northern Ireland participants during the “prescribed period”. The prescribed period is initially from 1st July 2008 until 31st October 2010, but article 5(3) gives the Secretary of State power to extend it by order for up to two years at a time. The Secretary of State may not make an order under article 5(3) unless he is making an order under section 14 of the 2006 Act at the same time. After the prescribed period has expired, the 2000 Act provisions will apply in Northern Ireland without modification.

Article 6 gives the Secretary of State power to make an order modifying legislation connected with the Northern Ireland participants. The power may only be used after consultation with the Commission and any order made under this power is subject to the draft affirmative procedure in both Houses of Parliament.

Schedule 1 to this Order sets out the modifications to the 2000 Act which govern how the Commission is to operate in relation to transaction reports made by Northern Ireland participants during the prescribed period. New section 71Z3 places a duty on the Commission to verify information contained in transaction reports submitted by Northern Ireland participants. The steps that

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

the Commission must take in this regard will be prescribed in an Order made by the Secretary of State. New section 71Z4 places a duty of confidentiality on the Commission in relation to information contained in transaction reports from Northern Ireland participants. A member or employee of the Commission may disclose information in such reports only in certain exceptional circumstances. The disclosure of information contained in transaction reports and which is disclosed other than in these circumstances constitutes an offence (section 71Z4(5)). Paragraph 2 of Schedule 1 provides for the penalties which attach to this offence. Paragraph 3 modifies section 149 of the 2000 Act to ensure that the registers of transaction reports kept by the Commission are not made public during the prescribed period.