

These notes refer to the Political Parties, Elections and Referendums Act 2000 (c.41) which received Royal Assent on 30th November 2000

POLITICAL PARTIES, ELECTIONS AND REFERENDUMS ACT 2000

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part IV: Control of donations to registered parties and their members etc.

Chapter III (Sections 62 to 69) : Reporting of donations to registered parties

121. These sections set out the scheme for reporting large donations to the Electoral Commission and for publishing details of them.

Section 62 and Schedule 6 : Quarterly donation reports

122. *Section 62* requires a party to prepare a donations report in respect of each quarter of a calendar year. A quarterly donations report will record any donation of more than £5,000 (or more than £1,000 in the case of a donation made to an accounting unit of a registered party) accepted during that quarter or any donation which, when added to other donations from the same source during that calendar year, brings the amount up to more than £5,000 (£1,000 in the case of donations to accounting units). It must also record any further donations of more than £1,000 from a source which, during the same calendar year, has already been recorded in a donation report. Parties must also report donations from the same source made to any of their accounting units which in aggregate exceed £5,000 (*subsection (12)*). To comply with these requirements political parties will need to keep records of all donations received and accepted above the *de minimis* level of £200 (as set out in section 52(2)(b)).

123. A quarterly donations report will also record all donations received by the party from an impermissible or anonymous source during that period.

124. Where a party has received no donations which fall to be recorded, it will be required to report to that effect.

125. *Subsection (13)* gives effect to *Schedule 6* which makes additional provision as to the information to be included in a quarterly donation report. In particular, the treasurer is required to record, in respect of each recordable donation, the identity of the donor (including their name and address), the value of the donation and the circumstances in which the donation was made.

Section 63 : Weekly donation reports during general election periods

126. During a parliamentary general election period, *section 63* requires donation reports to be sent to the Electoral Commission in respect of each seven-day period (and any final period of less than seven days). Weekly donations reports differ from the quarterly donations reports in that they will include disclosable donations received whether or not they are eventually accepted. Only donations of more than £5,000 made to a party or, in the case of a party with accounting units, to the central organisation of a party need to be recorded in the weekly reports. The general election period is defined for the

purpose of this section as the period commencing with the date of the announcement of Her Majesty's intention to dissolve Parliament and ending with the date of the poll. In the fifteen general elections since the Second World War the length of this period has, on average, been thirty-three days.

Section 64 : Exemptions from section 63

127. *Section 64* enables any registered party which does not intend to field candidates at a particular general election to be exempted from the requirement to submit weekly donation reports.

Section 65 : Submission of donation reports to Commission

128. *Section 65* requires the submission of quarterly donation reports within thirty days and of weekly donation reports within seven days of the end of the period to which they relate, and makes it an offence for the treasurer to fail to submit donation reports or to submit reports which do not comply with the requirements.

Section 66 : Declaration by treasurer in donation report

129. *Section 66* requires donation reports to be accompanied by a declaration made by the treasurer. The terms of the declaration in respect of quarterly reports are set out in *subsection (2) or (3)* (the latter subsection applies where the treasurer makes a 'nil' return), while those for weekly reports are set out in *subsection (4)*. It is an offence knowingly to make a false declaration (*subsection (5)*).

Section 67 : Weekly donation reports in connection with elections other than general elections

130. *Section 67* enables the requirement to submit weekly donation reports to be applied (with modifications) by order to elections to the European Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly.

Section 68 : Reporting of multiple small donations

131. *Section 68* is a counter-evasion provision. Under section 52(2)(b) a donation of £200 or less is disregarded for the purposes of Part IV. This *de minimis* limit is intended to alleviate the administrative burden on political parties arising from the controls on donations. In particular, a party will not need to verify the source of any sum below the *de minimis* limit and will not have to record the name and address of the donor. Whilst the £200 threshold reduces the administrative workload on parties, however, it opens up the prospect of evasion of the disclosure requirement by the device of multiple small donations each of which is below the *de minimis* limit. Section 68 accordingly places a duty on a donor who makes a number of donations to a party in a year, each of which is £200 or less but which in aggregate exceed £5,000, to report the donations to the Electoral Commission. Reports must be delivered to the Commission by the end of January following the year in which the donations were made. The requirement to report to the Electoral Commission is placed on the donor, rather than the registered party concerned, because the latter may not have kept records of the receipt of the individual donations and could not, therefore, verify any information provided by the donor.

Section 69 : Register of recordable donations

132. The Electoral Commission is required by *subsection (1)* to maintain a register of all reported donations. To protect the privacy and safety of individual donors, the published register will not include their home addresses. In addition, information supplied by a registered treasurer under paragraph 7(b) of Schedule 6 (details of any element of deception or concealment employed by a donor) will not be published.