

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 IX : Political donations and expenditure by companies

Section 139 and Schedule 19 : Control of political donations by companies

New Section 347C : Prohibition on donations and political expenditure by companies

255. *Section 347C* prohibits a company from making a donation or incurring political expenditure unless the transaction or the expenditure is authorised under, or by virtue of, a resolution of the company in general meeting. An approval resolution must be one passed by the company in general meeting which authorises the making of donations and incurring of expenditure for a period of not more than four years commencing with the date of the passing of the resolution up to a value specified in the resolution. The resolution must not identify specific transactions but must simply seek approval for the global amount to be spent on donations and political expenditure within the relevant period.
256. *Subsection (5)* provides that where donations are made or expenditure incurred without an approval resolution it cannot be subsequently ratified or approved in any way by the shareholders. The consequences will be governed only by section 347H.
257. *Subsection (6)* provides that nothing in section 347C is to be taken as authorising a company to make political donations etc where its constitution does not permit it. Similarly any such approval will not override any mandatory provisions of the political funding regime set up under this Act.