

# **POLITICAL PARTIES, ELECTIONS AND REFERENDUMS ACT 2000**

---

## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part IX : Political donations and expenditure by companies**

##### ***Section 140 : Disclosure of political donations and expenditure in directors' report***

281. *Section 140* establishes separate disclosure regimes for donations and expenditure within the UK/EU area and for monetary donations or contributions to political parties in the rest of the world. Both regimes are embodied under the section by amendments to Schedule 7 to the Companies Act 1985, which sets out the matters on which directors have to provide information in the directors' report.
282. The existing provisions relating to political gifts in *paragraphs 3 to 5 of Schedule 7* to the Companies Act are replaced by the provisions mentioned below (the provisions as to charitable donations simply restate the existing provisions under those paragraphs).

#### **Donations and expenditure within the UK/EU area**

283. A company (other than a wholly owned subsidiary of a company incorporated in Great Britain) which makes political donations or incurs EU political expenditure exceeding, in aggregate, £200 in the financial year to which the directors' report relates is required to make the disclosures described below in the directors' report. Where the company is a holding company, its directors' report should include, separately identified by reference to each subsidiary, the donations made and expenditure incurred by that subsidiary.
284. The content of the disclosure is as follows:-
- i) the name of each registered party or other EU political organisation which has been the recipient of a donation;
  - ii) the total amount given to that party or organisation by way of such donations in the financial year; and
  - iii) the total amount incurred by the company in the financial year by way of EU political expenditure.

#### **Monetary donations or contributions to political parties in the rest of the world**

285. In relation to the "rest of the world" disclosure regime, a company (other than a wholly owned subsidiary of company incorporated in Great Britain) is required to disclose only a single aggregate figure covering monetary donations or contributions made to any political party which carry on activities wholly outside the UK or any other EU member state. Where the company is a holding company the single aggregate figure is to include contributions both by the holding company itself and by any of its subsidiaries wherever

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

incorporated. There is no threshold in relation to the “rest of the world” disclosure requirement.