

ELECTORAL ADMINISTRATION ACT 2006

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 7: Regulation of parties

Registration of parties

Section 48 Registered names of parties

271. This section amends section 28 of the 2000 Act (Registration of parties), by inserting new subsection (4)(da). The effect of this amendment is to enable the Electoral Commission to refuse to register a political party where the party proposes a name which, if it were to appear on a ballot paper, would be likely to:
- mislead an elector as to the effect of his vote (for example, a party name such as “Abstain from Voting” could lead a voter to believe that by placing his mark in the box next to the party name, he would be indicating his intention to abstain); or
 - adversely affect an elector’s understanding of any directions given on the ballot paper or elsewhere which are provided for his guidance in voting (for example, a party name such as “Place Your X Here” might be taken by a voter to be a direction and could, therefore, conflict with the direction which appears on the ballot paper: “vote for one candidate only”).

Section 49 Political party descriptions

272. *Subsection (1)* inserts new sections 28A and 28B into the 2000 Act. These make new provision regarding the descriptions that candidates standing on behalf of political parties may use, and the process by which they may be registered with the Electoral Commission.
273. Section 28A(1) entitles a registered party to request up to twelve descriptions for use on its nomination papers or ballot papers.
274. Section 28A(2) provides that the Electoral Commission should register the descriptions unless they exceed six words in length or fall into one of the categories listed in subparagraphs (a) to (g). Those sub-paragraphs are similar to the constraints upon the registered name of a party which are governed by section 28 of the 2000 Act. These constraints include whether the name is the same or confusingly similar to another party’s registered description, whether it would be offensive, or would be misleading or confusing to the voter if it appeared on the ballot paper, or if it contains words or expressions which are prohibited from being used as the registered name of a party.
275. Section 28A(5) clarifies that in the case of a party registered for the purposes of relevant elections in Wales, the number of words can be up to six words in English and up to six words in Welsh.

276. Section 28A(6) and (7) empower the Secretary of State by order to change the number of descriptions that a party can register. He must consult the Electoral Commission before making such an order.
277. Section 28B addresses the situation where two or more parties come together to campaign at an election and wish their joint candidates to be able to use a joint description on their nomination papers and ballot paper.
278. *Subsection (2)* amends section 30 of the 2000 Act, which concerns the manner of amending the register of descriptions of parties. The amendments also specify the grounds on which the Electoral Commission may refuse an application for amendment. These criteria are similar to those relevant to registering the party name or descriptions, and also ensure that the maximum number of registered descriptions does not exceed twelve (or such other number as the Secretary of State has provided under section 28A(6)). It also prevents a registered description being removed during a pending election.

Section 50 Confirmation of registered particulars

279. This section amends section 32 of the 2000 Act (Confirmation of Registered particulars), by setting a new period within which a party must submit to the Electoral Commission confirmation of the party's registered particulars.
280. Section 32(1) of the 2000 Act currently requires the treasurer of a registered political party to provide the Electoral Commission with confirmation of the party's registered particulars at the same time as the party submits its annual statement of accounts.
281. *Subsections (2) and (3)* amend section 32(1) and insert new section 32(1A) respectively. Consequently, a party is no longer required to submit confirmation of its registered particulars at the same time as it submits its annual statement of accounts. Instead, confirmation of registered particulars must be submitted within the "specified period".
282. The "specified period" begins on the first day of the period within which the party must submit its statement of accounts and ends six months after the end of that period. At present, under section 45 of the 2000 Act, a party required to submit unaudited accounts must do so within 3 months from the end of the party's financial year. Section 54 of the Electoral Administration Act amends section 45 of the 2000 Act to extend this period to 4 months. A registered political party required to submit audited accounts, is required to have its accounts audited within six months from the end of the party's financial year and must submit its statement of accounts within seven days from the end of that six month period. Therefore, a registered political party required to submit unaudited accounts will have 10 months from the end of its financial year to submit its confirmation of particulars to the Electoral Commission. A registered political party required to submit audited accounts will have 12 months and one week to do so.

Section 51 Removal from register of registered parties

283. Currently, under section 33(1) and (2) of the 2000 Act (Party ceasing to be registered), the Electoral Commission may only remove a party from the register if it receives a signed application from the party leader, nominating officer and treasurer of the party seeking de-registration.
284. This section amends section 33 of the 2000 Act by inserting new subsections (2A), (2B) and (2C) to give the Electoral Commission a power to remove parties from the register of political parties where they fail to confirm their registered particulars by the "specified day".
285. In relation to the notification requirements under section 32(1) of the 2000 Act, the specified day is the last day of the period in which the confirmation of a party's registered particulars is required to be submitted. In effect, where a registered political party required to submit unaudited accounts fails within ten months from the end of

its financial year to submit confirmation of particulars to the Electoral Commission, it will be removed from the register. A registered political party required to submit audited accounts will be removed if it fails to submit confirmation of particulars within 12 months and one week from the end of its financial year.

286. Under section 34(3) of the 2000 Act (Registration of minor parties) minor parties are required to provide confirmation of their particulars within a period of seven months beginning one month before the anniversary of the party's inclusion on the register and ending six months after that anniversary (the latter period is extended from three to six months by *paragraph 143* of the Schedule 1). In relation to minor parties the specified day is the last day of the period of six-month period commencing on the anniversary of the party's inclusion on the register. The earliest date, therefore, that a minor party might be compulsorily removed for failure to comply with section 34(3) is six months from the date of its anniversary of inclusion in the register.
287. *Subsection (4)* amends section 33(3) by providing that a party which has been compulsorily removed from the register ceases to be a registered party.
288. *Subsections (5) and (6)* amend section 33(4) and insert a new section 33(4A), the combined effect of which is to provide that:
- parties compulsorily removed from the register; and
 - those that apply to be removed from the register and whose gross income or expenditure in the financial year preceding the year in which the entry is removed is less than £25,000,
- will only remain subject to accounting, donation and campaign expenditure controls under the 2000 Act, until the end of the party's financial year in which it is removed from the register. At present, they remain subject until the end of the financial year following that in which it is removed.

Section 52 Time for registration of parties fielding candidates

289. This section amends section 22 of the 2000 Act (Requirement for registration) and paragraph 6A of Schedule 1 to the 1983 Act (Nomination papers: name of registered political party).
290. Section 22 of the 2000 Act requires an organisation wishing to field candidates at a relevant election to be registered as a political party with the Electoral Commission. Under section 22, unless his nomination paper gives the description "independent" or gives no description, a person may only stand as a candidate at a relevant election if his nomination paper is supported by a certificate authorising his candidature. The certificate must be issued by, or on behalf of, the nomination officer of the party.
291. *Section 22(2)(a)* and (b) provides that a party must be registered in the relevant register maintained by the Electoral Commission under section 23 of the 2000 Act by the last date for publication of the notice of an election. Depending on the type of election, this date is usually around a week ahead of the close of nominations.
292. Paragraph 6A(1) of Schedule 1 to the 1983 Act provides that a nomination paper may not include a description of a candidate which is likely to lead voters to associate a candidate with a registered political party unless the party is a qualifying party in relation to the constituency and the description is authorised by a certificate issued by or on behalf of the registered nominating officer of the party.
293. The effect of the amendments is to remove the requirement that parties must be registered by the last date for publication of the notice of election in order to use a description. Instead, any candidate presenting a description bearing the description of a registered party should be entitled to use that description providing that the party is registered with the Electoral Commission two working days before the last day for the delivery of nomination papers at the election.

Accounting requirements

Section 53 Requirements as to statements of account

294. This section amends section 42 of the 2000 Act (Annual statement of accounts), which establishes a requirement to prepare an annual statement of accounts to be submitted to the Electoral Commission. The Electoral Commission prescribes different requirements in respect of the accounts to be submitted according to whether the income or expenditure of a party falls into one of three bands currently provided for by section 42(4)(a): up to £5,000, between £5,000 and £250,000 and over £250,000.
295. *Subsection (2)* amends section 42(4) of the 2000 Act by substituting a new paragraph (a), increasing the number of accounting bands to four: not exceeding £25,000, exceeding £25,000 but not £100,000, exceeding £100,000 but not £250,000 and exceeding £250,000.
296. *Subsection (3)* inserts new subsections (4A) and (4B). New subsection (4A) provides that the Secretary of State may by order vary the number of accounting bands and new subsection (4B) provides that he may only do so to give effect to a recommendation of the Electoral Commission.

Section 54 Time for delivery of unaudited accounts to Electoral Commission

297. This section amends section 45 of the 2000 Act (Delivery of statement of accounts etc. to the Commission) to extend the time within which a registered political party not required to submit audited accounts to the Electoral Commission, must submit unaudited accounts to the Electoral Commission. The time is extended from three months to four months from the end of the party's financial year.

Control of donations

Section 55 Policy development grants to be donations

298. This section repeals section 52(1)(a) of the 2000 Act (Payments, services etc. not to be regarded as donations). The effect of this repeal is that the receipt of a policy development grant is treated as a donation that will need to be declared when a party submits its accounts to the Electoral Commission.

Section 56 Exemption from requirement to prepare quarterly donation reports

299. *Subsection (1)* of this section amends the effect of section 62 of the 2000 Act (Quarterly donation reports) by inserting new section 62A (Exemption from requirement to prepare quarterly donation reports).
300. **Section 62** currently requires the treasurer of a registered party to submit quarterly donation reports in respect of any recordable donation. A recordable donation is any donation of more than £5,000 accepted during a 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. In respect of an accounting unit of a registered party, a recordable donation is one of more than £1,000 accepted during a 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 £1,000. A treasurer 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.
301. The effect of new section 62A is to make the requirements of section 62 less burdensome for smaller political parties, such as residents associations, and increase the Electoral Commission efficiency. The treasurer of a registered political party which

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2006 (c.22) which received Royal Assent on 11 July 2006*

does not receive any recordable donations for four consecutive quarterly periods is no longer required to provide any further quarterly donation reports until a recordable donation is accepted or dealt with in accordance with section 56(2) of the 2000 Act (Acceptance or return of donations: general).

302. *Subsection (2)* of this section provides that the provisions in new section 62A will have effect if the last of the four consecutive quarterly donation reports mentioned in *subsection (1)* relates to a period which falls wholly or partly after the commencement of this section. For clarification it also provides that it is immaterial whether any of the other reports relate to such a period.

Section 57 Repeal of section 68 of the 2000 Act

303. This section repeals section 68 of the 2000 Act, which requires donors who make multiple small donations to a registered political party totalling £5,000 within the course of a calendar year to report their donations to the Electoral Commission. In practice this provision has been of little use.

Section 58 Register of donations to include details of nature of donation

304. This section amends section 69 of the 2000 Act (Register of donations). Section 69(1) requires the Electoral Commission to maintain a register of all reported donations. Section 69(2) provides for the information which must be recorded in the register in respect of each donation. Sponsorship is treated as a donation, under section 50(2) of the 2000 Act.
305. Some companies have raised concerns that what they consider legitimate commercial activities, or activities which they engage in with all parties, for example sponsorship, are currently considered to be, and are required to be reported as, donations.
306. To this end, for the purpose of clarification, this section amends section 69(2) by inserting new subsection (aa), which provides that the register of donations should specify when a donation takes the form of sponsorship.

Section 59 Reporting donations to members of the House of Commons

307. This section removes the requirement for holders of relevant elective office to report donations to the Electoral Commission (with one exception). Currently all holders of relevant elective office have to report donations to both the Electoral Commission and to the relevant register of members' interests of the body of which they are a member. This section removes that duplication.
308. Schedule 7 to the 2000 Act establishes the regulatory regime for donations made to individual members of political parties, to members associations and to holders of relevant elective office. The holders of relevant elective office are defined in paragraph 1(8) of Schedule 7 as follows:
- members of the House of Commons;
 - members of the European Parliament;
 - members of the Scottish Parliament;
 - members of the National Assembly for Wales;
 - members of the Northern Ireland Assembly;
 - members of local authorities and the Greater London Assembly;
 - the Mayor of London and elected mayors (the latter as defined in Part 2 of the Local Government Act 2000).

309. Donations have to be reported to the Electoral Commission. This is in the interests of transparency and accountability and follows the recommendations made by the Committee on Standards in Public Life, the Neill Committee, in 1998. This section removes the requirement of Schedule 7 for holders of relevant elective office to have to report donations. The Electoral Commission will retain responsibility with respect to the permissibility of donations.
310. *Subsection (2)* amends paragraph 10 of Schedule 7. It removes the requirement for all holders of relevant elective office to report donations to the Electoral Commission, unless the person in question is, first, not a member of a political party and, secondly, either a Member of the Scottish Parliament or a member of a local authority in Scotland. It does not matter in what capacity the donation is received (whether in his capacity as a member of a political party or in his capacity as an office holder). In either case the reporting requirement is removed.
311. *Subsection (3)* provides that where the Electoral Commission think that the arrangements of the relevant register for members' interests correspond to the reporting requirement for donations imposed by Schedule 7, paragraph 10, they must maintain a register of such information as they receive about such donations.
312. *Subsection (4)* means that the Secretary of State may not make a commencement order to allow this measure to come into force (and, accordingly, remove the reporting requirement) unless he is informed by the Electoral Commission that they are satisfied that they will receive information about donations which corresponds to that required to be reported under Schedule 7, paragraph 10.

Section 60 Northern Ireland: disapplication of Part 4 of 2000 Act

313. Whilst the 2000 Act generally extends to Northern Ireland, Part 4 has been temporarily disapplied by the [Political Parties, Elections and Referendums Act 2000 \(Disapplication of Part 4 for Northern Ireland Parties, etc\) Order 2005 \(S.I.2005/299\)](#). This is in order to protect the identities of donors to political parties. This section ensures that the current disapplication Order is not disturbed by the amendments to Part 4 of the 2000 Act made by sections 55 to 58 of this Act.

Regulation of loans

Section 61 Regulation of loans etc

314. This section inserts a new Part 4A of the 2000 Act regulating loans and related transactions to political parties, comprising the following new sections 71F to 71W of the 2000 Act.

Section 71F Regulated transactions

315. *Section 71F* sets out which types of transactions are regulated in the regime.
316. *Subsection (2)* provides that an agreement whereby a loan of money is made to a political party is a regulated transaction.
317. *Subsection (3)* provides that an agreement whereby a person provides a credit facility to a political party is a regulated transaction.
318. *Subsection (4)* provides that an arrangement whereby a third party offers any form of security (whether real or personal, therefore including personal guarantees), which supports a transaction between another person and a political party is a regulated transaction. The transaction which the security supports may be the provision to the political party of a loan of money or credit facility, or property, services or facilities.
319. *Subsection (5)* provides that an agreement or arrangement which does not fall within any of these definitions when it is first entered into, will become a regulated transaction

if the terms of the agreement or arrangement are varied to bring it within one of the above definitions.

320. *Subsection (13)* provides an order making power, subject to the affirmative resolution procedure, to exclude specified circumstances from the definition of regulated transaction.

Section 71G Valuation of regulated transaction

321. *Section 71G* defines how regulated transactions are to be valued. The value of a regulated transaction is relevant to whether the regime applies at all (it does not apply to transactions of £200 or under – section 71F(12)) and to the reporting requirements (section 71M).
322. *Subsection (1)* provides that the value of a loan is the value of the total amount to be lent (that is the capital, not including any interest charged).
323. *Subsection (2)* provides that the value of a credit facility is the maximum which may be borrowed under the arrangement (e.g. if an overdraft has a limit of £250,000, this is the value of the transaction, not the amounts advanced from time to time under the overdraft).
324. *Subsection (3)* provides that the value of a regulated transaction which is a security is the contingent liability assumed by the person providing the security (e.g. if A lends £100,000 to a political party on the basis of a guarantee from B limited to £50,000, the value of the regulated transaction comprising the security would be £50,000; the loan from A would constitute a separate regulated transaction of the value of £100,000).
325. *Subsection (4)* provides that where a loan or credit facility provides at the outset for capitalisation (i.e. for unpaid interest to be added to the capital outstanding on the loan), the potential for capitalisation is not to be considered in valuing the loan or credit facility.

Section 71H Authorised participants

326. *Section 71H* provides that a political party may only be a party to a regulated transaction with individuals or organisations who are authorised participants. Authorised participants are defined in identical terms to those who are currently permitted to make donations to political parties (under section 54(2) of the 2000 Act).
327. *Subsection (2)* provides that this requirement does not apply to loans that are extant when these provisions come into force.
328. *Subsection (4)* provides an order making power, subject to the affirmative resolution procedure, for the Secretary of State to specify circumstances where the authorised participants requirement does not apply.

Section 71I Regulated transaction involving unauthorised participant

329. *Section 71I* sets out what happens where a political party enters into a regulated transaction with an unauthorised participant. These provisions will also apply in the case where a regulated transaction has taken place with an authorised participant, who has later, for whatever reason, ceased to be authorised. They do not apply to loans extant at the time the provisions commence.
330. *Subsection (2)* provides that a regulated transaction involving an unauthorised participant is void.
331. *Subsection (3)* requires the political party to repay any moneys received under the transaction.

332. *Subsection (3)(a)* provides that political party is also required to pay interest on the moneys to be repaid (to prevent the political party from obtaining an interest free loan in the period up until the moneys are repaid). The Secretary of State may set the rate of interest by order.
333. Should the moneys not be repaid, *subsection (4)* permits the Electoral Commission to apply to court to restore the parties to the transaction to the position they would have been in if the transaction had not taken place (so far as is possible).

Section 71J Guarantees and securities: unauthorised participants

334. *Section 71J* makes specific provision in relation to guarantees or securities where the giver of the guarantee or security is not an authorised participant. It adapts the provisions in section 71I to take account of the differing nature of guarantees and securities from loans. This section does not apply to transactions extant at the time that the provisions are commenced.
335. *Subsections (2) and (3)* provide that both the guarantee or security, and the transaction it supports, are void. So, for example, if A lends £50,000 to a political party on the strength of a guarantee from B, and B is not an authorised participant, then both the loan to the political party and the guarantee of B are void.
336. *Subsections (4) to (6)* provide that if A is unable to recover the whole of the money back from the party, A is entitled to recover it from B (to the limit of the guarantee or security).
337. *Subsection (7)* provides that, as for other regulated transactions, these provisions apply where a transaction is entered into and an authorised participant subsequently cease to be so.
338. *Subsection (9)* deals with the position where a guarantee or security is provided not in respect of a loan of money or credit facility, but rather in respect of a transaction involving the provision of property, facilities or services to a political party.

Section 71K Transfer to unauthorised participant invalid

339. *Section 71K* applies where a party has entered into a regulated transaction with an authorised participant and the authorised participant tries to transfer his interest to an unauthorised participant. It provides that such a purported transfer will have no effect. So, for example, in the case of a loan, the loan will continue to be owed to the original lender.

Section 71L Offences relating to regulated transactions

340. *Section 71L* provides a range of criminal offences to provide sanctions to enforce the permissibility requirements. The offences provide for criminal liability both on the part of the political party and on the part of the party's registered treasurer.
341. *Subsections (1) and (2)* deal with the case where a regulated transaction has been entered into with an unauthorised participant. An offence will not be committed unless the relevant person knew or ought reasonably to have known that the party had entered into a regulated transaction with an unauthorised participant.
342. Where a party has entered into a transaction innocently, *subsections (3) and (4)* make it an offence if the party's treasurer does not take all reasonable steps to repay the money as soon as practicable after he becomes aware that the transaction involved an unauthorised participant.
343. Similar offences are included in *subsections (5) to (8)* in relation to guarantees and securities.

344. The offence in *subsection (9)* covers the situation where a person knowingly enters into or knowingly furthers an arrangement facilitating a regulated transaction between a political party and an unauthorised participant. (For example, if a lender lied to a political party by falsely claiming to be an authorised participant.)
345. In the case of the offence under *subsection (2)* (which concerns criminal liability of the part of the party treasurer, where a party has entered into a regulated transaction with an unauthorised participant), it is by *subsection (10)* a defence for a party treasurer to prove that he took all reasonable steps to prevent the registered party entering into the transaction. The same defence is provided by *subsection (11)* in respect of the offence in *subsection (6)* (concerning the giving by unauthorised participants of guarantees or securities).

Section 71M Quarterly reports of regulated transactions

346. *Section 71M* requires regulated transactions to be reported on a quarterly basis to the Electoral Commission, as is the case with donations.
347. *Subsections (4) to (8)* establish the same reporting thresholds as apply in the donations regime. In broad terms, a regulated transaction must be reported when it exceeds £5,000. Where the same authorised participant enters into a further regulated transaction in the course of the same calendar year, that regulated transaction must be reported when it exceeds £1,000.
348. These provisions also provide a requirement to report when the reporting thresholds of £5,000 and £1,000 are exceeded by an aggregate of regulated transactions from the same authorised participant. So, for example, if A lent £2,501 to a political party, and later in the course of the same year agreed to provide the political party with a £2,500 credit facility (or a loan or security), the political party would be required to record both regulated transactions in the transaction report for the quarter into which the later regulated transaction fell.
349. These provisions, together with amendments made to the donations regime (in paragraph 148 of Schedule 1 to the Act), provide a requirement to report when the reporting thresholds are exceeded by an aggregate of regulated transactions and donations from the same person (as an authorised participant and permissible donor, respectively). So, for example, if A lent £2,501 to a political party, and later in the course of the same year donated £2,500 to the political party, the political party would be required to record in the transaction report the £2,501 loan and record in the donation report the £2,500 donation. (The collective term adopted to refer both to regulated transactions and donations is “relevant benefits”.)
350. *Subsection (9)* provides that a report must also be made should a party wrongly enter into a transaction with an unauthorised participant.
351. *Subsection (10)* requires a report expressly to state that no relevant transactions have been entered into where this is the case.
352. *Subsections (11) and (12)* adapt these reporting requirements to parties with accounting units, adopting a lower initial reporting threshold of £1,000 for accounting units.

Section 71N Changes to be recorded in quarterly reports

353. *Section 71N* provides for changes to be recorded in quarterly reports, to take account of the fact that since regulated transactions involve an ongoing relationship, it is necessary to require the reporting of variations in their terms. *Subsection (1)* provides that the following changes are required to be reported: first, a new authorised participant becoming party to a transaction; secondly, any change in details required to be reported in relation to the transaction under certain provisions of Schedule 6A; and, thirdly, where the transaction has come to an end.

354. *Subsection (2)* defines what is meant by a loan coming to an end: it includes both when the loan is repaid in full and also when the whole (or the whole of the remaining) debt is released. The report must state how the loan came to an end.

Section 71O Existing transactions

355. *Section 71O* provides that details of loans existing at the time that these new provisions come into force are to be recorded in the first quarterly report due.

Section 71P Exemption from requirement to prepare quarterly reports

356. *Section 71P* provides that where a party has made four consecutive quarterly reports which contain no recordable transactions or changes, it does not need to make any further reports until there are any transactions or changes to report. This mirrors the change made to the donations regime by section 56 of the Act.

Section 71Q Weekly transaction reports during general election periods

357. *Section 71Q* provides for weekly transaction reports to be made during a general election period, that is the period between the dissolution of Parliament and polling day.

Section 71R Exemptions from section 71Q

358. *Section 71R* provides that a party can be exempt from the requirement to make weekly reports if it has made a declaration under section 64 of the 2000 Act saying that it does not propose to field candidates at the general election.

Section 71S Submission of transaction reports to Commission

359. *Section 71S* requires a transaction report to be delivered to the Electoral Commission by the treasurer of the party within 30 days beginning with the end of the reporting period to which it relates.
360. *Subsections (4) and (5)* create offences where the treasurer fails to submit the report on time, or does not comply with the requirements for recording transactions. It is a defence (in *subsection (6)*) for the treasurer to prove that he took all reasonable steps and exercised all due diligence to ensure that any requirements were complied with during the relevant period.
361. Where there is failure to comply with the reporting requirements, *subsections (7) and (8)* permit the Electoral Commission to apply to the court, for an order to restore the parties to the position that they would have been in if the transaction had not been entered into. It is necessary to show an intention by a person to conceal the existence or value of the transaction, before such an order can be made.

Section 71T Declaration by treasurer in transaction report

362. *Section 71T* requires the treasurer to make a declaration in respect of certain matters, which must accompany each transaction report. For example, the treasurer must declare that, to the best of his knowledge and belief, the transactions recorded in the report were all entered into with authorised participants. It is an offence knowingly or recklessly to make a false declaration.

Section 71U Weekly donation reports in connection with elections other than general elections

363. *Section 71U* enables the requirement to submit weekly transaction reports to be applied by order to elections to the European Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly.

Section 71V Register of recordable transactions

364. The Electoral Commission is required by *subsection (1)* to maintain a register of all transactions reported to them. Where the participant is an individual, the register is not required to include the individual's address (*subsection (3)*).

Section 71W Proceedings under sections 71I and 71S

365. This section provides that proceedings on applications by the Electoral Commission relating to sections 71I(4) and 71S(7) are to be heard in the county court in England and Wales and in Northern Ireland, and, in Scotland, by the sheriff.

Schedule 6A — Details to be given in transaction reports

366. Schedule 6A sets out the details which have to be recorded in a transaction report. The principal matters which must be reported are as follows:
- The name and address of the participant (*paragraphs 2 and 3*).
 - The nature of the transaction (i.e. whether it is a loan, credit facility or security agreement) (*paragraph 5*).
 - The value of the transaction (*paragraph 5*).
 - The transaction date (that is, the date on which the transaction was entered into) (*paragraphs 5 and 8*).
 - Certain other particulars in respect of loans and credit facilities (the repayment date; the interest to be paid on moneys lent; whether any security has been provided; whether capitalisation provisions exist) (*paragraph 6*).
 - Certain other particulars in respect of the provision by third parties of guarantees and securities (e.g., the nature of the transaction that the guarantee or security supports; and details of any property provided by way of security) (*paragraph 7*).
 - Where the transaction was only reported because of aggregation with donations, this fact must be reported (*paragraph 5*).
367. In respect of regulated transactions entered into with persons who are not authorised participants, the following information is to be reported (*paragraph 4*):
- The name and address of the participant.
 - The date, and manner in which, the transaction was dealt with (i.e. the circumstances in which the moneys were repaid).
368. *Paragraph 9* provides an order making power which allows the Secretary of State to vary the details required to be included in transaction reports.
369. *Subsection (6)* of section 61 amends Schedule 20 of the 2000 Act, to stipulate the penalties for the criminal offences created by the provisions of the new Part 4A. *Subsection (7)* introduces Part 6 of Schedule 1, which makes provision for the control of loans to individual members of political parties and members associations (see below *INSERT PARA NUMBER).

Section 62 Regulation of loans: power to make provision for candidates, third parties and referendums

370. *Section 62* confers on the Secretary of State an order making power to extend the loans regime to three further contexts where the 2000 Act regulates political donations.
371. Those three contexts are as follows (*subsection (2)*):

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- *Candidates at elections* (within the meaning of Part 2 of the 1983 Act). Donations to such candidates, for the purpose of meeting their election expenses, are regulated on a similar but not identical basis to donations to political parties (by Schedule 2A to 1983 Act; inserted by the 2000 Act, section 130, Schedule 16).
 - *Recognised third parties at national election campaigns*. Controls are imposed on persons or bodies who engage in political campaigning at national election campaigns by Part 6 of the 2000 Act (the elections in question are those set out in section 22(5) of the 2000 Act). Donations to recognised third parties (within the meaning of sections 85(5), 88 of the 2000 Act), for the purpose of meeting expenditure incurred in such campaigning, are regulated on a similar but not identical basis to donations to political parties (the 2000 Act, section 95, Schedule 11).
 - *Permitted participants at referendums*. Controls are imposed on expenses incurred in campaigning in referendums by Part 7 of the 2000 Act. Donations to persons permitted to participate in referendums, for the purposes of meeting referendum expenses, are regulated on a similar but not identical basis to donations to political parties (the 2000 Act, section 119, Schedule 15).
372. *Subsection (1)* provides that the provision made by the order must correspond to or be similar to the provision made in the loans regime (in the new Part 4A of, and Schedule 7A to, the 2000 Act; as inserted by section 61 of, and Part 6 of Schedule 1 to, this Act respectively). The provision must be made in relation to a relevant matter, which is a loan, credit facility or security which benefits a candidate, a recognised third party or a permitted participant.
373. Further provision about the scope of, and limitations imposed on, this power is contained in *subsection (3)*.
374. *Subsection (7)* provides that an order made under this power is subject to the affirmative resolution procedure.

Section 63 – Regulation of loans etc: Northern Ireland

375. The provision made for the regulation of loans to political parties, and to individuals and members associations (in the new Part 4A of, and Schedule 7A to, the 2000 Act; as inserted by section 61 of, and Part 6 of Schedule 1 to, this Act respectively) will extend to Northern Ireland (by section 78). Section 63 provides the Secretary of State with an order making power which will enable modifications to be made to the regime as it applies in Northern Ireland. *Section 63* also allows the Secretary of State to make modifications that are specific to Northern Ireland to any similar regime created under section 62 regulating loans to election candidates, referendum participants and others.
376. The existing provisions on donations (the 2000 Act, Part 4, Schedule 7) extend to Northern Ireland, but are at present disapplied by an order made under section 70 of the 2000 Act (the Political Parties, Elections and Referendums Act 2000 (Disapplication of Part IV for [Northern Ireland Parties etc](#)) Order 2005 (S.I. 2005 / 299)). The position is to be changed by provisions of the Northern Ireland (Miscellaneous Provisions) Bill. The donations regime will be applied in Northern Ireland as from 1st November 2007, but with permanent and temporary modifications. *Subsection (1)* confers power to modify the loans regime as it applies in Northern Ireland in a way which corresponds to or is similar to the provision made in the Northern Ireland (Miscellaneous Provisions) Bill as regards donations.
377. *Subsections (2) to (4)* make further provision as to the scope of, and limitations on, this power.
378. *Subsection (6)* provides that an order made under this power is subject to the affirmative resolution procedure.

Campaign expenditure

Section 64 Campaign expenditure: standing for more than one party

379. This section amends Schedule 9 of the 2000 Act (Limits on campaign expenditure). Schedule 9 prescribes the financial limits on campaign expenditure to be applied in respect of parliamentary general elections, European Parliamentary general elections, Scottish Parliamentary general elections, ordinary elections to the National Assembly for Wales and general elections to the Northern Ireland Assembly.
380. Currently, paragraph 3(5) and (6) of Schedule 9 (Parliamentary general elections) provides that, in a parliamentary general election where a candidate stands on behalf of two or more parties in any constituency, the campaign expenditure limits prescribed by paragraph 3(2)(a) and (4) are divided by the number of parties on behalf of whom the candidate stands. *Subsections (2), (3) and (4)* of this section now make similar provision for constituency elections to the Scottish Parliament and National Assembly of Wales and elections to the Northern Ireland Assembly.

Section 65 Time limit for claims in respect of campaign expenditure

381. This section amends section 77 of the 2000 Act (restriction on making claims in respect of campaign expenditure), section 92 of that Act (restriction on making claims in respect of certain expenditure of third parties) and section 115 of that Act (restriction on making claims in respect of referendum expenditure). These provisions regulate the times within which claims for payment and the payment of those claims should be made in respect of:
- campaign expenditure;
 - expenditure of third parties; and
 - referendum expenditure.
382. *Subsection (1)(a)* amends section 77(1) by increasing the period of time a claim for payment in respect of campaign expenditure may be sent to the treasurer or a deputy treasurer or other authorised person within a registered party after the end of the relevant campaign period from 21 to 30 days.
383. *Subsection (1)(b)* amends section 77(2) by increasing the period of time in which a claim for payment must be paid after the end of the relevant campaign period from 42 to 60 days.
384. *Subsection (2)(a)* amends section 92(1) by increasing the period of time a claim for payment in respect of controlled expenditure incurred by a third party may be sent to the responsible person or any other authorised person after the end of the regulated period from 21 to 30 days.
385. *Subsection (2)(b)* amends section 92(2) by increasing the period of time in which a claim for payment must be paid after the end of the regulated period from 42 to 60 days.
386. *Subsection (3)(a)* amends section 115(1) by increasing the period of time a claim for payment in respect of referendum expenses incurred with the authority of the responsible person or any other person authorised to incur the expenses after the end of the referendum period from 21 to 30 days.
387. *Subsection (3)(b)* amends section 115(2) by increasing the period of time in which a claim for payment must be paid after the end of the referendum period from 42 to 60 days.

Referendum and election material

Section 66 Details to appear on referendum and election material

388. This section amends sections 126 (Details to appear on referendum material) and 143 (Details to appear on referendum material) of the 2000 Act, which prescribe the details to be included on referendum and election material.
389. *Subsection (1)* amends section 126(1) of the 2000 Act by inserting new subsection (10A). Section 126 is intended to apply to printed material such as leaflets, posters and newspaper advertisements, but not to any material published for the purposes of a referendum if the publication is required under or by virtue of any enactment. New subsection (10A) provides clarification that in a referendum, material such as ballot papers and other material which might, for example, be prescribed under a conduct of referendums Order, does not require imprints.
390. *Subsection (2)* amends section 143 of the 2000 Act, by inserting new subsections (2A) and (2B).
391. Subsection (2A) provides that election material to which subsection (2B) applies is not to be regarded as being published on behalf of a candidate (that is to say, the candidate is not to be regarded as a person on behalf of whom the material is published) merely because the material can be reasonably regarded as promoting, procuring or enhancing the candidate's electoral success or standing. But the material may be regarded as published on behalf of the party.
392. The result is that for any election material that can reasonably be regarded as aimed at promoting, procuring or enhancing the election of more than one candidate, the name of the party for whom candidates are standing will be sufficient to fulfil the requirements of section 143(2)(c) of the 2000 Act. It will not be necessary to include details of all the candidates.