



Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014

2014 CHAPTER 4

PART 2

NON-PARTY CAMPAIGNING ETC

Controlled expenditure

30 Targeted expenditure limits

- (1) Part 5 of the Political Parties, Elections and Referendums Act 2000 (control of campaign expenditure) is amended in accordance with subsections (2) and (3).
- (2) In section 79 (limits on campaign expenditure), after subsection (3) insert—
 - “(3A) See section 94F (expenditure by or on behalf of recognised third party targeted at a registered party) for—
 - (a) provision under which expenditure incurred by or on behalf of a third party may count towards the limit mentioned in subsection (2), and
 - (b) provision modifying subsection (2)(a)(i) in its application to such expenditure.”
- (3) In section 80(4) (returns as to campaign expenditure), omit the “and” at the end of paragraph (a) and after paragraph (b) insert “; and
 - (c) in the case of any campaign expenditure treated as incurred by the party by virtue of section 94F(2) (expenditure by or on behalf of recognised third party targeted at a registered party), any declaration falling to be made with respect to that expenditure in accordance with section 94F(5).”

Changes to legislation: There are currently no known outstanding effects for the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014, Section 30. (See end of Document for details)

- (4) Part 6 of that Act (controls relating to third party national election campaigns) is amended in accordance with subsections (5) to (8).
- (5) In section 87 (expenditure by third parties which is not controlled expenditure), after subsection (2) insert—
- “(3) The reference in subsection (1)(b)(i) to circumstances in which an amount of campaign expenditure is to be regarded as incurred by or on behalf of a registered party for the purposes of Part 5 does not include circumstances in which an amount of campaign expenditure is treated as incurred by a registered party under section 94F(2).”
- (6) In the italic heading before section 94 after “*Financial limits*” insert “ *on controlled expenditure* ”.
- (7) In section 94 (limits on controlled expenditure by third parties)—
- (a) in subsection (6), after “the purposes of this section” insert “ , sections 94D to 94H ”;
- (b) in subsections (8) and (10), after “sections 94A and 94B” (as inserted by section 27) insert “ , sections 94D to 94H ”.
- (8) After section 94B (as inserted by section 27) insert—

“Financial limits on targeted controlled expenditure

94C Overview of sections 94D to 94H

- (1) Sections 94D to 94H impose limits on, and make other provision relating to, controlled expenditure incurred by or on behalf of a recognised third party where the expenditure is targeted at a particular registered party.
- (2) Section 94D defines when controlled expenditure is regarded as targeted at a particular registered party, specifies the limits and specifies the periods over which the limits operate.
- (3) Section 94E makes provision about the consequences where controlled expenditure targeted at a registered party is incurred by or on behalf of a recognised third party in excess of a limit without authorisation from the registered party.
- (4) Section 94F makes provision about the consequences where controlled expenditure targeted at a registered party is incurred by or on behalf of a recognised third party in excess of a limit with authorisation from the registered party.
- (5) Section 94G makes provision about how a registered party may give or withdraw authorisation (including provision enabling the registered party to specify a cap on the amount of expenditure authorised).
- (6) Section 94H makes provision about the meaning of references to expenditure that “exceeds” a targeted expenditure limit or cap.

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94D Meaning of “targeted”, “targeted expenditure limit” etc

- (1) Controlled expenditure is “targeted” at a particular registered party if it can reasonably be regarded as—
 - (a) intended to benefit that party or any of its candidates, and
 - (b) not intended to benefit any other registered party or any of its candidates.
- (2) A limit (a “targeted expenditure limit”) applies to controlled expenditure that—
 - (a) is incurred during a qualifying regulated period in England, Scotland, Wales or Northern Ireland, and
 - (b) is targeted at a particular registered party.
- (3) A “qualifying regulated period” is a period in relation to which limits are imposed by paragraph 3, 9, 10 or 11 of Schedule 10 (periods involving parliamentary general elections).
- (4) The targeted expenditure limit applying to controlled expenditure incurred during a qualifying regulated period in a part of the United Kingdom is—
 - (a) for the period in relation to which limits are imposed by paragraph 3(2) of Schedule 10, 0.2% of the maximum campaign expenditure limit in that part of the United Kingdom, and
 - (b) for any other qualifying regulated period, the relevant proportion of the limit determined in accordance with paragraph (a).
- (5) In subsection (4)(b) “the relevant proportion” means—

$$\frac{A}{B}$$

where—

A is the number of days in the period mentioned in subsection (4)(b);

B is the number of days in the period mentioned in subsection (4)(a).

- (6) This section applies for the purposes of sections 94E to 94H.

94E Unauthorised expenditure in excess of targeted expenditure limit

- (1) This section applies if—
 - (a) controlled expenditure which is targeted at a particular registered party (“the registered party”) is incurred by or on behalf of a recognised third party (“the third party”),
 - (b) the expenditure exceeds a targeted expenditure limit (to any extent), and
 - (c) at the time the expenditure is incurred—

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- (i) the third party is not authorised by the registered party to incur expenditure targeted at it, or
 - (ii) the third party is so authorised, but the expenditure exceeds a cap specified in the authorisation (to any extent).
- (2) If the third party is not an individual—
- (a) the responsible person is guilty of an offence if the person authorised the expenditure to be incurred by or on behalf of the third party and the person knew or ought reasonably to have known that the expenditure would be incurred in excess of the targeted expenditure limit, and
 - (b) the third party is also guilty of an offence.
- (3) If the third party is an individual, the third party is guilty of an offence if the third party knew or ought reasonably to have known that the expenditure would be incurred in excess of the targeted expenditure limit.
- (4) It is a defence for a third party charged with an offence under subsection (2) or (3) to show—
- (a) that any code of practice for the time being issued under paragraph 3 of Schedule 8A was complied with in determining whether any expenditure is controlled expenditure for the purposes of this Part, and
 - (b) that the offence would not have been committed on the basis of the controlled expenditure as determined in accordance with the code.

94F Authorised expenditure in excess of targeted expenditure limit

- (1) This section applies if—
- (a) controlled expenditure which is targeted at a particular registered party (“the registered party”) is incurred by or on behalf of a recognised third party (“the third party”),
 - (b) the expenditure exceeds a targeted expenditure limit (to any extent),
 - (c) at the time the expenditure is incurred the third party is authorised by the registered party to incur expenditure targeted at it, and
 - (d) if the registered party specified a cap in the authorisation, the expenditure, or any part of it, does not exceed the cap.
- (2) The authorised amount is treated for the purposes of section 79(2) (limits on campaign expenditure) as if—
- (a) it were campaign expenditure within the meaning of Part 5, and
 - (b) it was incurred by the registered party at the same time as the controlled expenditure mentioned in subsection (1)(a) was in fact incurred by or on behalf of the third party.
- (3) For the purposes of this section, “the authorised amount” is the amount of the controlled expenditure incurred as mentioned in subsection (1)(a) less—
- (a) such amount, if any, of that expenditure as does not exceed the targeted expenditure limit, and
 - (b) such amount, if any, of that expenditure as exceeds a cap specified by the registered party in its authorisation of the third party.
- (4) In determining whether, by virtue of subsection (2), the incurring of controlled expenditure by or on behalf of the third party constitutes an offence under

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section 79(2) by the treasurer or any deputy treasurer of the registered party, section 79(2)(a)(i) is treated as if the reference in that provision to the authorisation of the expenditure were to the signing of the authorisation under section 94G.

- (5) The treasurer or a deputy treasurer of the registered party must make a declaration of—
 - (a) the amount of the controlled expenditure incurred as mentioned in subsection (1)(a), and
 - (b) the authorised amount.
- (6) A person commits an offence if the person knowingly or recklessly makes a false declaration under subsection (5).

94G Authorisation

- (1) A registered party may authorise a recognised third party to incur controlled expenditure in England, Scotland, Wales or Northern Ireland that is targeted at the registered party.
- (2) An authorisation—
 - (a) must be in writing,
 - (b) must be signed by a relevant officer,
 - (c) must specify the part of the United Kingdom to which it relates, and
 - (d) may specify a cap on the amount of expenditure authorised.
- (3) An authorisation is of no effect until a copy of it has been given to the Commission by the registered party.
- (4) The Commission must, as soon as is reasonably practicable after receiving a copy of an authorisation, enter in the register maintained under section 89 (register of notifications)—
 - (a) the fact that the registered party has given the authorisation, and
 - (b) the information specified in it.
- (5) A registered party may at any time withdraw an authorisation already given.
- (6) A withdrawal of an authorisation—
 - (a) must be in writing, and
 - (b) must be signed by a relevant officer.
- (7) A withdrawal of an authorisation is of no effect until a copy of it has been given to the Commission by the registered party.
- (8) The Commission must, as soon as is reasonably practicable after receiving a copy of a withdrawal of an authorisation, update the register maintained under section 89.
- (9) For the purposes of this section “relevant officer”, in relation to a registered party, means—
 - (a) the treasurer of the party, or
 - (b) a deputy treasurer of the party.

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94H Expenditure that “exceeds” a targeted expenditure limit or cap

(1) Controlled expenditure incurred by or on behalf of a recognised third party during a qualifying regulated period in any part of the United Kingdom that is targeted at a particular registered party “exceeds”—

- (a) a targeted expenditure limit, or
- (b) a cap specified by the registered party in its authorisation of the third party,

if and to the extent that the relevant cumulative total is in excess of that limit or cap.

(2) For this purpose “the relevant cumulative total” is the total of—

- (a) the controlled expenditure incurred as mentioned in subsection (1), and
- (b) the total of any controlled expenditure targeted at the same registered party which has already been incurred by or on behalf of the third party during the qualifying regulated period in that part of the United Kingdom.”

(9) In Schedule 20 to that Act (penalties) insert the following entries in the appropriate places—

“Section 94E(2) or (3) (exceeding limits on targeted controlled expenditure when not authorised)	On summary conviction: statutory maximum On indictment: fine”;
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“Section 94F(6) (making false declaration about amount of expenditure incurred by or on behalf of third party and targeted at the registered party)	On summary conviction: statutory maximum or 6 months On indictment: fine or 1 year”.
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(10) If section 85(1) of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 comes into force before the day on which this Act is passed—

- (a) section 85 of that Act (removal of limit on certain fines on conviction by magistrates' court) applies in relation to the offences in sections 94E(2) and (3) and 94F(6) of the Political Parties, Elections and Referendums Act 2000 (as inserted by this section) on and after that day as if they were relevant offences (as defined in section 85(3) of that Act), and
- (b) regulations described in section 85(11) of that Act may amend, repeal or otherwise modify amendments made by this section.

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