



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

## 2014 CHAPTER 4

### PART 2

#### NON-PARTY CAMPAIGNING ETC

##### *Recognised third parties, information and reports*

#### **35 Statements of accounts by recognised third parties**

- (1) Part 6 of the Political Parties, Elections and Referendums Act 2000 (controls relating to third party national election campaigns) is amended as follows.
- (2) In sections 90(3) and 94(8), (10) and (11), for “99” substitute “ 99A ”.
- (3) After section 96 (returns as to controlled expenditure) insert—

##### **“96A Statement of accounts**

- (1) Where—
  - (a) a return falls to be prepared under section 96 in respect of controlled expenditure incurred by or on behalf of a recognised third party during a regulated period, and
  - (b) the period is one in relation to which any limit is imposed by paragraph 3, 9, 10 or 11 of Schedule 10 (periods involving parliamentary general elections),the responsible person must, subject to subsections (8) and (9), also prepare a statement of accounts in respect of the regulated period.
- (2) A statement of accounts under this section must include—

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- (a) a statement of the income and expenditure of the third party for the regulated period, and
  - (b) a statement of its assets and liabilities at the end of that period.
- (3) A statement of accounts under this section must comply with such requirements as to the form and contents of the statement as may be prescribed by regulations made by the Commission.
- (4) Regulations under subsection (3) may in particular—
  - (a) require any statement of accounts to be prepared in accordance with such methods and principles as are specified or referred to in the regulations;
  - (b) specify information which is to be provided by way of notes to the accounts.
- (5) Without prejudice to the generality of paragraph 22(7) of Schedule 1 (power to make different provision for different cases), regulations under subsection (3) may impose different requirements according to which of the following bands the gross income or total expenditure of a third party falls within—
  - (a) not exceeding £25,000;
  - (b) exceeding £25,000 but not £100,000;
  - (c) exceeding £100,000 but not £250,000;
  - (d) exceeding £250,000.
- (6) The Secretary of State may by order amend subsection (5) by varying the number of bands set out in it.
- (7) The Secretary of State may not make an order under subsection (6) except to give effect to a recommendation of the Commission.
- (8) This section does not apply if the third party is an individual.
- (9) This section does not apply to a third party in relation to a regulated period if the Commission are satisfied—
  - (a) that a statement or statements prepared or to be prepared by the third party under any enactment contains or will contain the information required by subsection (2) or equivalent information, and
  - (b) that the Commission are, or will be, able to inspect that statement or those statements.
- (10) Equivalent information is—
  - (a) a statement or statements of the income and expenditure for a period or periods other than the regulated period, or
  - (b) a statement or statements of assets and liabilities at a date or dates other than the end of that period,but which in the Commission's opinion gives a sufficient indication of the third party's accounts for, or at the end of, the regulated period.
- (11) Where section 96(7) (lapse of notification) applies to the preparation of a return—
  - (a) the reference to the responsible person in subsection (1) of this section is to be read as a reference to the person described in section 96(7) (b), and

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- (b) for the purposes of, or in connection with, the discharge of obligations of the responsible person under sections 98 and 99A in relation to a statement of accounts under this section, references to the responsible person are to be read as references to that person.
- (12) In this section and section 97 “gross income” means gross recorded income from all sources.”
- (4) In section 97 (auditor's report on return)—
- (a) after subsection (1) insert—
- “(1A) A report must be prepared by a qualified auditor on any statement of accounts prepared under section 96A in respect of a regulated period, if—
- (a) a report falls to be prepared under subsection (1) on the return mentioned in section 96A(1)(a), or
- (b) during the regulated period the gross income or total expenditure of the third party exceeds £250,000.”;
- (b) in subsection (2), after “subsection (1)” insert “ or (1A) ”;
- (c) in the heading, at the end insert “ **or statement of accounts** ”.
- (5) In section 98 (delivery of returns to the Commission), after subsection (2) insert—
- “(2A) Where a statement of accounts falls to be prepared under section 96A, the responsible person must deliver—
- (a) the statement, and
- (b) if an auditor's report on the statement falls to be prepared under section 97(1A), that report,
- to the Commission before the end of the period of 6 months beginning with the end of the period under subsection (1) or (2) for the delivery of the relevant section 96 return.
- (2B) “The relevant section 96 return” means the return mentioned in section 96A(1) (a) which gives rise to the duty to prepare the statement of accounts.”
- (6) In section 98(4) (offences)—
- (a) after paragraph (a) insert—
- “(aa) fails to comply with the requirements of subsection (2A) in relation to any statement or report to which that subsection applies; or”;
- (b) after paragraph (b) insert—
- “(ba) delivers a statement which does not comply with the requirements of section 96A(2) or (3); or”.
- (7) After section 99 (declaration by responsible person as to return under section 96) insert—

**“99A Declaration by responsible person as to statement of accounts under section 96A**

- (1) Each statement of accounts prepared under section 96A must, when delivered to the Commission, be accompanied by a declaration which complies with subsection (2) and is signed by the responsible person.

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- (2) The declaration must state—
- (a) that the responsible person has examined the statement in question; and
  - (b) that to the best of that person's knowledge and belief it is a complete and correct statement of accounts as required by law.

- (3) A person commits an offence if—
- (a) that person knowingly or recklessly makes a false declaration under this section; or
  - (b) subsection (1) is contravened without reasonable excuse at a time when that person is the responsible person in the case of the recognised third party to which the statement of accounts relates.”

- (8) In section 100 (public inspection of returns under section 96), after subsection (3) insert—

- “(4) Where a statement of accounts is delivered under section 98(2A), this section applies as if the statement and any documents accompanying it—
- (a) were documents accompanying the relevant section 96 return, and
  - (b) (for the purposes of subsection (3)) were received by the Commission when the return was received.

- (5) In subsection (4)(a), “the relevant section 96 return” has the meaning given by section 98(2B).”

- (9) In Schedule 20 (penalties) insert these entries in the appropriate places—

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“Section 98(4)(aa) (failure of responsible person to deliver statement of accounts and auditor's report to Commission)	On summary conviction: Level 5”;
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“Section 98(4)(ba) (failure to comply with requirements for statements of accounts)	On summary conviction: statutory maximum or 6 months On indictment: fine or 1 year”;
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“Section 99A(3)(a) (making a false declaration to Commission when delivering statement of accounts)	On summary conviction: statutory maximum or 6 months On indictment: fine or 1 year
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Section 99A(3)(b) (failure to deliver signed declaration with statement of accounts to Commission)	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 section 98(4)(aa) and (ba) and 99A(3) 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

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- (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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