

**EXPLANATORY MEMORANDUM TO
THE POLITICAL PARTIES, ELECTIONS AND REFERENDUMS ACT 2000
(NORTHERN IRELAND POLITICAL PARTIES) ORDER 2008**

2008 No. 1737

1. This Explanatory Memorandum has been prepared by the Northern Ireland Office and is laid before Parliament by Command of Her Majesty.

2. Description

- 2.1 The Political Parties, Elections and Referendums Act 2000 (Northern Ireland Political Parties) Order 2008 (“the Order”) sets out the detail of the scheme that will govern the regulation of loans (and other regulated or controlled transactions) to political parties and other regulated participants in Northern Ireland. In particular, the Order: sets out the documents that Irish citizens must be eligible to obtain in order to enter into regulated transactions; prescribes the Irish bodies that may enter into regulated transactions; and sets out details of the verification and disclosure procedures that the Electoral Commission must follow during the period in which loans are reported confidentially.

3. Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

4. Legislative Background

- 4.1 Sections 61 and 62 of the Electoral Administration Act 2006 (the “2006 Act”) make provision for the regulation of loans to political parties in the United Kingdom. Section 63 of the 2006 Act provides for the Secretary of State to modify the application of the loans regime in Northern Ireland in a way which corresponds to, or is similar to, any provisions relating to donations contained in, or made under, the Northern Ireland (Miscellaneous Provisions) Act 2006 (the “Miscellaneous Provisions Act”).
- 4.2 The Electoral Administration Act 2006 (Regulation of Loans etc: Northern Ireland) Order 2008 (“the 2008 Order”) was made under section 63 of the 2006 Act and sets out broadly the modifications that will be made in respect of regulating loans in Northern Ireland. This Order is made under Article 6 of the 2008 Order, and contains provisions consequential to the 2008 Order.
- 4.3 The Political Parties, Elections and Referendums Act 2000 (Northern Ireland Political Parties) Order 2007, made under section 15 of the Miscellaneous Provisions Act, sets out the detailed operation of the modifications relating to the regulation of donations to Northern Ireland political parties. This Order broadly mirrors those provisions for the purpose of regulating loans to NI political parties.

5. Territorial Extent and Application

- 5.1 This instrument extends to Northern Ireland.

6. European Convention on Human Rights

- 6.1 The Minister of State for Northern Ireland has made the following statement regarding human rights:

In my view the provisions of the Political Parties, Elections and Referendums Act 2000 (Northern Ireland Political Parties) Order 2008 are compatible with the Convention rights.

7. Policy Background

Irish citizens and bodies

- 7.1 The 2008 Order provides that Irish citizens and prescribed Irish bodies may enter into regulated transactions with Northern Ireland parties. This Order sets out the conditions that Irish citizens must be able to meet in order to enter into regulated transactions with Northern Ireland political parties and prescribes the categories of Irish body which may also enter into such transactions. Eligibility to enter into regulated transactions is extended to Irish citizens and bodies in recognition of the special place that Ireland has in the political life of Northern Ireland.

Verification and disclosure duties of Electoral Commission

- 7.2 The 2008 Order provides for loans and other regulated transactions to be reported confidentially to the Electoral Commission until 2010 (or later if that period is extended by Parliament). This is to protect against the possibility of intimidation. This Order sets out the process by which the Electoral Commission verifies the information reported to them during the confidential reporting period. The verification process mirrors that in place since 2007 for verifying reports of donations to political parties in Northern Ireland.

8. Impact

- 8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on the public sector, business, charities or voluntary bodies.

9. Contact

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