

Emma Reynolds MP
House of Commons
Westminster
SW1A 0AA

12 July 2016

Dear Ms Reynolds,

Thank you for your letter to Claire Bassett dated 5 July 2016. Ms Bassett has asked me to respond on the Commission's behalf.

Under the Political Parties, Elections and Referendums Act 2000 (PPERA), there are rules that certain organisations must follow in relation to donations and loans that they receive in connection with their political activities, which include such activities as promoting or developing policies for adoption by a political party, or promoting the candidacy of an individual for internal party office. Groups that are wholly or mainly made up of members of a registered political party but exist outside that party's constitution, such as Momentum, are subject to these rules.

Under these rules, Momentum is required to make sure that any donations or loans with a value of more than £500 that they receive in connection with their political activities are from permissible, mainly UK-based sources. Donations must be checked for permissibility within 30 days of receiving them, and loans before they are entered into. Any donations or loans with a value of more than £7,500 must be reported to the Electoral Commission within 30 days of being accepted. This includes individual donations or loans of that size and donations and loans with a value of more than £500 that aggregate with others from the same donor in the same calendar year to over £7,500. These rules also apply to non-monetary donations given in connection with political activities, which could include the provision of free or discounted office space or facilities.

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Members' associations are required to report these donations and loans on a continuing basis, as and when each donation or loan (or aggregated donations and loans) meets the £7,500 reporting threshold.

I can confirm that we have already contacted and advised Momentum of the rules on donations and loans that they are required to follow as a members' association and they have confirmed that they understand these and the associated reporting requirements. Should Momentum fail to comply with the rules they, like any other body we regulate, may be subject to enforcement action in line with our Enforcement Policy.

The media reports you refer to in your letter do not refer to individual donations or loans of over £7,500 or otherwise comment on any reportable individual or aggregating donations or loans that exceed the £7,500 threshold. Consequently, in the absence of credible evidence that a breach of PPERA has occurred, we will not be taking further action in this matter. Please see our Enforcement Policy [here](#) for further details, in particular chapter six. Should any relevant donations and loans be reported in the future, they will appear on our regulated donee register of donations and loans which is published every month. You can view the register [here](#).

The Commission regulates in a way that is effective, proportionate and fair. Our regulatory approach is that we will use advice and guidance proactively in order to secure compliance by giving those that we regulate a clear understanding of the rules. And we will take enforcement action where it is necessary and proportionate to do so.

If you require any further assistance, please contact Umar Hanif in our Public Affairs team on uhanif@electoralcommission.org.uk or 020 7271 0536.

Yours sincerely,



Louise Edwards
Head of Regulatory Compliance and Casework