

# Overview of loans to political parties

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This document is for party officers in Great Britain who want a basic understanding of how loans and other credit facilities are regulated.

## Contents:

[An introduction to what we mean by loans](#)

[An introduction to who can be a lender](#)

[An introduction to reporting loans](#)

## Terms and expressions we use

We use '**must**' when we refer to a specific legal or regulatory requirement. We use '**should**' for items we consider to be minimum good practice, but which are not legal requirements.

You do not have to follow this guidance, but if you do, you will normally be doing enough to comply with the law.

## Our approach to enforcement

If you do not comply with legal or regulatory requirements you or your organisation may be subject to civil or criminal sanctions. You can find more information about the Commission's approach to enforcement at [www.electoralcommission.org.uk/party-finance/enforcement](http://www.electoralcommission.org.uk/party-finance/enforcement).

# Loans to political parties

## Who this document is for:

Party officers in Great Britain who want a basic understanding of how loans and other credit facilities are regulated.

## This covers:

- An introduction to what we mean by loans
- An introduction to who can be a lender
- An introduction to reporting loans

## Related documents:

- [Introduction to being a party treasurer](#)
- [Situations and procedures – Permissibility checks for political parties](#)
- [Situations and procedures – Reporting donations and loans: parties with accounting units](#)

## Forms and explanations for loans

- [Quarterly loans return RP10B](#)
- [Quarterly nil return for loans RP10QNB](#)

## Expert papers

- [Expert paper: Guarantees and securities](#)

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## Summary

Loans, credit facilities and securities given to political parties are regulated by the Political Parties, Elections and Referendums Act 2000 (PPERA).

This means that when you enter into any of these transactions, you must check that you can accept it, record it and in certain cases, report it to us.

This overview gives you a broad understanding of the principles and tells you where you can find more information.

## Introduction

Under the Political Parties, Elections and Referendums Act 2000 (PPERA), there are controls on who can lend money or give credit or security to political parties registered in Great Britain. Certain transactions must be recorded and reported to us. We publish these reports in a register on our website.

The rules for parties in Northern Ireland are different. You can find [separate guidance for Northern Ireland](#) on our website.

Parties must also follow rules on donations. For more information, see this document:

- [Overview of donations to political parties.](#)

## Which transactions are covered?

Only transactions with a value of more than £500 are covered.

The following transactions are included:

- Loans of money.
- Credit facilities, such as credit cards and overdrafts.
- Securities or guarantees for a party's obligations to someone else.

In this guidance, we use the term 'loans' to refer to all of these transactions.



## Who can you enter into a loan with?

You must only accept loans from permissible lenders. Before you enter into a loan, you must make sure that the lender is permissible. Entering into a loan that isn't permissible is a criminal offence.

You should also carry out regular checks throughout the term of the loan to make sure that your lender is still permissible. This is because the lender must remain permissible for the whole period of the loan.

For more information on permissibility, see this document:

- [Permissibility checks for political parties.](#)

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## What is a permissible lender?

A permissible lender is:

- An individual registered on a UK electoral register, including overseas electors.
- Most UK-registered companies.
- A Great Britain registered political party.
- A UK-registered trade union.
- A UK-registered building society.
- A UK-registered limited liability partnership (LLP) that carries on business in the UK.
- A UK-registered friendly society.
- A UK-based unincorporated association that carries on business or other activities in the UK.

You must not enter into loans with trusts, although you may accept donations from certain trusts.

## How do you work out the value of a loan?

Type of loan	Value
A loan of money	The total amount you will borrow
A credit facility	The maximum amount you can borrow
A security (connected transaction)	The amount which the lender would be liable for if your party defaults

If the loan allows any interest to be added to the total amount you borrow, you don't need to include this in the value of the loan.

## What do you do if your party has an impermissible loan?

If a lender isn't permissible or they become impermissible, the transaction is void. It has no legal effect and you must pay back anything you owe to the lender, together with any interest you owe, immediately.



If you have accepted a guarantee or security, please call us straightaway. We will need to give you full advice on what you must do in your particular case.

## What records do you need to keep?

When you enter into a loan other than a security or guarantee, you must record:

- The lender's name and address.
- If the lender is a company, their registered company number.
- The value of the loan.
- The date the loan was entered into.
- The date the loan is due to be repaid (or a statement that it is indefinite).
- The rate of interest – or if the rate is variable, how it is going to be calculated.
- Whether or not any security has been given for the loan.

You must record the lender's address as it is shown on the relevant statutory register. If the lender is an overseas elector, you must record their home address. This is because no address will appear on the electoral register.

If the lender is an unincorporated association, you must record the main office address, as there is no register to refer to.

If the lender has provided a guarantee or security, please see [Expert paper: Guarantees and securities](#) for the details of what you will need to record.

For more information on which registers you need to check, see this document:

- [Permissibility checks for political parties.](#)

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## How do you record impermissible loans?

For impermissible loans, you must record:

- The same details as for a permissible loan (see previous section)
- Details of how you dealt with the transaction. For example, how you repaid the loan.

## Which loans do you need to report?

All parties must report:

- Any impermissible loans.
- All permissible loans over £7,500.
- All permissible donations and loans that add up to over £7,500 from the same source in the same calendar year (aggregated donations and loans).
- Changes to the details of loans you have already reported to us.
- All permissible donations and loans which:
  - are (or add up to) over £1,500; and
  - come from a source that you have already reported to us in the same calendar year



If your party has **accounting units**, the central party treasurer is responsible for reporting loans to accounting units too. Different reporting thresholds apply to accounting units.

You can find out more on how to report loans if your party has accounting units in [Situations and procedures – Reporting donations and loans: Parties with accounting units](#).

## How do you report loans?

Parties must submit reports to us every quarter. This is called the quarterly return. We must receive your returns within 30 days of the end of each reporting quarter.

The quarter and reporting deadlines are:

Quarter	Date return is due
One (January–March)	30 April
Two (April–June)	30 July
Three (July–September)	30 October
Four (October–December)	30 January

 **Important dates**

When a UK general election is called you must report to us every week, unless you have made a declaration to us that you will not be standing any candidates at the election.

You can make this declaration on [Form RP6](#) at any time up until seven days after the election is called. You can also withdraw this declaration if your party does decide to stand candidates.

When a general election is called, we will write to you to let you know how to report to us and we will put details on our website.

 **Important**

 **RP6**

### Reporting new loans and changes to your existing loans

If you have new loans, or there are changes to your existing loans, you need to report them using the [RP10B form](#).

 **RP10B**

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## Reporting that you have no new loans and no changes to existing loans

If you haven't entered into any new loans, or made any changes to your existing loans, you must still submit a report. This is called a '**nil return**'. The form you'll need for this is called an [RP10 QNB](#).



If you submit four consecutive nil returns, you don't have to send any more until you enter into a new loan, or make changes to an existing one. We will let you know when you have sent us four nil returns.

Even if you do not need to send us any more quarterly returns, you must still send us your annual accounts.

## How we can help

You can find more information in the guidance documents we have suggested in this document, or you can view our full range of guidance and up-to-date resources on our website.

If it's easier, you can also contact us on one of the phone numbers or email addresses below. We are here to help, so please get in touch.

Call us on:

- **England:** 020 7271 0616  
[pef@electoralcommission.org.uk](mailto:pef@electoralcommission.org.uk)
- **Scotland:** 0131 255 0200  
[infoscotland@electoralcommission.org.uk](mailto:infoscotland@electoralcommission.org.uk)
- **Wales:** 029 2034 6800  
[infowales@electoralcommission.org.uk](mailto:infowales@electoralcommission.org.uk)

Visit us at [www.electoralcommission.org.uk](http://www.electoralcommission.org.uk)

We welcome feedback on our guidance – just email us at:  
[pef@electoralcommission.org.uk](mailto:pef@electoralcommission.org.uk)

## Translations and other formats

For information on obtaining this publication in another language or in a large-print or Braille version please contact the Electoral Commission:

Tel: 020 7271 0500

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