The Electoral Commission

Situations and procedures

Donations and loans: guidance for regulated donees and regulated participants in Northern Ireland

Updated December 2023

Translations and other formats

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Tel: 020 7271 0500

Email: publications@electoralcommission.org.uk

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

The Commission regulates political funding and spending. We are committed to providing those we regulate with a clear understanding of their obligations through our guidance documents and advice service. If you are unsure of how any of the rules apply to you, please call us for advice.

We use advice and guidance proactively in order to secure compliance, and we take enforcement action using our investigatory powers and sanctions where it is necessary and proportionate to do so, in order to meet our enforcement aims and objectives.

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/who-we-are-and-what-we-do/our-enforcement-work

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Summary

Regulated donees and regulated participants

Regulated donees and regulated participants are:

- members of registered political parties
- holders of relevant elective office
- members associations

Regulated donees and regulated participants are subject to controls on the donations and loans that they can accept in connection with their political activities in their capacity as a regulated donee.

Regulated donees must report to the Commission on any donations or loans they accept. Reports must be made within 30 days of accepting the donation or entering into the loan.

A regulated donation is a donation received in connection with political activities by a regulated donee in their capacity as such.

Controlled loans are those received by the regulated donee in their capacity as a donee and with the intention that all or any part of the value of the loan will be used for the donee's political activities.

Political activities

A regulated donee/regulated participant's political activities are:

- for a member of a registered party, activities carried out in connection with their membership of the party
- for members associations, all its activities which relate in any way to its status as such
- for members of registered parties and members associations, political activities include:
    - promoting the election of someone to a position or committee in the party
    - promoting the selection of someone as the party's candidate for election
    - promoting policies for adoption by the party
- for holders of elective office, activities in connection with the holding of office, including both party political and parliamentary activities

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Permissibility

Donations and loans can only be accepted if they come from permissible sources. A permissible donor or lender must be one of the following:

- an individual registered in a UK electoral register (including bequests –donations only)
- a UK registered company which is incorporated in the UK and carries on business in the UK
- a UK registered political party
- a UK registered trade union
- a UK registered building society
- a UK registered limited liability partnership 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
- an Irish citizen (including bequests – donations only)
- an Irish registered company which is incorporated within the European Union and has an office in Ireland or Northern Ireland from which the carrying out of one or more of its principal activities is directed
- an Irish registered political party
- an Irish registered trade union
- an Irish registered building society
  an Irish registered limited liability partnership that has an office in Ireland or Northern Ireland from which the carrying out of one or more of its principal activities is directed
- an Irish registered friendly, industrial or provident society
- an Irish based, unincorporated association that carries on business or other activities wholly or mainly in Ireland and has its main office there
- certain kinds of trusts (donations only)

Funding for overseas visits can come from any source as long as the amount given does not exceed the cost of the trip. However an individual cannot enter into a loan with an unauthorised source for the purpose of funding an overseas visit.

Donations

Regulated donees must report all donations to the Commission – whether in the form of money or goods or services provided without charge or on non-commercial terms – if they exceed the reporting thresholds. Donations over £11,180 to a members association or £2,230 to an individual regulated donee must be declared. Multiple donations from a single source that aggregate to more than the threshold must be reported. Reports must be made within 30 days of accepting the donation.

If permissibility cannot be established within 30 days from the date of receipt, the Electoral Commission recommends that the donation be returned. Regulated donees must provide the value of the donation and the name, address and other relevant

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details of the donor. They must report on any donations they have been given that were returned because the donor was unidentifiable or impermissible.

Loans

Loans and other credit arrangements, including credit facilities and the provision of security or a guarantee on behalf of a regulated donee, must be reported. The same thresholds and rules about aggregation apply to the reporting of loans as to donations.

Regulated donees must provide the name, address and other relevant details of the lender or guarantor. Details of the value, terms and conditions of the loan must also be reported.

Regulated donees must also report any changes to the terms and conditions of existing loans. The changes must be reported as they occur.

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1 Introduction

1.1. Under Schedule 7 of the Political Parties, Elections and Referendums Act 2000 (PPERA), regulated donees are subject to controls on the acceptance and reporting of donations. This came into effect in Northern Ireland on 01 November 2007. The Electoral Administration Act 2006 (EAA) added Schedule 7A to PPERA, which subjects regulated participants to controls on the acceptance and reporting of loans. This came into effect in Northern Ireland on 01 July 2008.

1.2. PPERA was modified for Northern Ireland by the Northern Ireland (Miscellaneous Provisions) Acts 2006 and 2014 and several pieces of secondary legislation. Table 1 lists the acts of Parliament and regulations referred to in this document and their abbreviations.

Table 1: Table of abbreviations

Act	Abbreviation
Representation of the People Act 1983	RPA 1983
Representation of the People Act 1985	RPA 1985
Political Parties, Elections and Referendums Act 2000	PPERA
Electoral Administration Act 2006	EAA
Northern Ireland (Miscellaneous Provisions) Act 2006	NIMPA 2006
The Political Parties, Elections and Referendums Act 2000 (Northern Ireland Political Parties) Order 2007	2007 Order
The Political Parties, Elections and Referendums Act 2000 (Northern Ireland Political Parties) Order 2008	PPERA 2008 Order
The Electoral Administration Act 2006 (Regulation of Loans etc: Northern Ireland) Order 2008	EAA Order 2008
Northern Ireland (Miscellaneous Provisions) Act 2014	NIMPA 2014
The Transparency of Donations and Loans etc. (Northern Ireland Political Parties) Order 2018	TDL Order 2018

1.3. ‘Regulated donees’ and ‘regulated participants’ are both defined as:

- members of registered parties
- members associations
- holders of relevant elective offices

1.4. In this document, ‘regulated donees’ and ‘regulated participants’ will both be referred to as ‘regulated donees’. Further, the category ‘regulated transactions’ introduced by Schedule 7A – which comprises loans, credit facilities and guarantees – will be referred to as ‘loans’.

1.5. Under Schedule 7 of PPERA, regulated donees can only accept a donation of more than £500 made to them in connection with their political activities if it is from a permissible donor. Donations of more than £500 cannot be accepted if the donor is impermissible, or cannot be identified. Under Schedule 7A, regulated donees can

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only enter into a loan, credit facility or security arrangement with a value of over £500 for use in connection with their political activities if all parties to the transaction are 'authorised participants'. To comply with the reporting requirements of PPERA, regulated donees must report to the Commission details of the following donations –

Members associations:

- any donations of more than £11,180 accepted from permissible donors
- any donation of more than £500 received from an impermissible or unidentified donor
- new loans entered into with a value of over £11,180 where the other participants are authorised participants
- loans whose terms have changed, including loans that have ended with a value of over £11,180
- loans entered into with a value of over £500 where one or more of the other participants is not an authorised participant
- aggregations of donations and loans of over £11,180

Individual regulated donees:

- any donations of more than £2,230 accepted from permissible donors
- any donation of more than £500 received from an impermissible or unidentified donor
- new loans entered into with a value of over £2,230 where the other participants are authorised participants
- loans whose terms have changed, including loans that have ended with a value of over £2,230
- loans entered into with a value of over £500 where one or more of the other participants is not an authorised participant
- aggregations of donations and loans of over £2,230

1.6. This document has been written to provide guidance to regulated donees on the regulatory framework of Schedules 7 and 7A of PPERA and to assist them in complying with the requirements of the Act. It outlines:

- what constitutes a donation
- what constitutes a regulated transaction
- who can make a donation or enter into a loan
- how to deal with donations and loans
- reporting donations and loans

1.7. Where applicable the appropriate statutory reference is included, showing either the relevant paragraph number (e.g. Schedule 7, Paragraph (10(1))) or the relevant section number (e.g. Section 56 of PPERA). Section numbers that are followed by a letter after them (e.g. Section 71F) were inserted into PPERA by NIMPA 2006 or the EAA.

1.8. The guidance cannot substitute for the actual effect of the statute, but represents the Commission's interpretation of the law. The Commission may amend this document on the basis of any future legislation, experience or judicial rulings.

1.9. While this document provides detailed guidance and examples on the application of PPERA, it remains a general guide and inevitably does not cover all circumstances that may arise in relation to the acceptance of donations and loans by regulated donees.

1.10. Guidance on queries not covered in this document can be obtained from:

The Electoral Commission
The Boat
49 Queen's Square
Belfast
BT1 3FG

Tel: 0333 103 1928

Email: infonorthernireland@electoralcommission.org.uk

www.electoralcommission.org.uk

2 Defining regulated donees, donations, regulated transactions and political activities

Regulated donees

2.1 Schedule 7 of PPERA defines regulated donees as:

- members of registered parties
- holders of relevant elective offices
- members associations

Schedule 7A defines regulated participants in the same way. This document will use the term 'regulated donees' throughout, as both terms refer to the same people.

2.2 This guidance addresses regulated donees who are members of a party registered with the Electoral Commission and therefore appear on the register of political parties for Northern Ireland, as well as holders of elective office in Northern Ireland and members associations associated with political parties registered in Northern Ireland.[1]

2.3 An individual is a holder of relevant elective office if they are:

- a member of the House of Commons from a Northern Ireland constituency
- a member of the Northern Ireland Assembly
- a member of any local council in Northern Ireland

2.4 Members associations are organisations which are separate from but may be affiliated with registered parties and whose membership consists wholly or mainly of members of a registered party, such as organisations that seek to promote a certain policy within the party. Registered political parties and accounting units of registered parties are not members associations and are subject to separate controls.

2.5 Organisations which are the subject of an Order under Section 26(8)(c) of PPERA should consider whether they fall within the definition of a members

[1] Separate guidance is available for regulated donees in Great Britain.

association. Organisations specified under such an Order are those with close links to a registered party (for example, they may be referred to in a registered party's constitution) but which are not constituent or affiliated parts of the party.[2]

Example box 1
An organisation comprised of members of the Big Party (which is registered with the Commission) has a specific policy interest in welfare issues and calls itself the Big Party Welfare Society. As the organisation is mainly comprised of members of a registered party, it is a members association and comes within the scope of Schedule 7 and Schedule 7A.

Donations and regulated transactions

2.6 Schedule 7 of PPERA regulates any donation received by a regulated done which has been:

- offered to them, or
- where the donation has been accepted, retained by them

for their use or benefit in connection with:

- for a member of a political party, any of their political activities as a member of that party (Schedule 7, Paragraph 1(3)(a))
- for a holder of a relevant elective office, in connection with any of their political activities as the holder of such an office (Schedule 7, Paragraph 1(3)(c))
- for a members association, any of its political activities (Schedule 7, Paragraph 1(3)(b))

2.7 Schedule 7A of PPERA regulates the following transactions involving regulated donees that are undertaken with the intention that any part of the money or benefit will be used in connection with their political activities:

- an agreement between the regulated donee and another person by which the other person makes a loan of money (Schedule 7A, Paragraph 2(1))
- an agreement between a regulated donee and another person by which the other person provides a credit facility (Schedule 7A, Paragraph 2(2))
- where the regulated participant has entered into a loan or credit facility and someone other than the donor or lender provides security or a guarantee on behalf of the donee (Schedule 7A, Paragraph 2(3))

[2] See The Registered Parties (Non-constituent and Non-affiliated Organisations) Order 2000 (SI 2000 No.3183) and The Registered Parties (Non-constituent and Non-affiliated Organisations) Amendment Order 2002 (SI 2002 No.414).

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2.8 As mentioned in paragraph 1.4, throughout this document the term 'loans' encompasses all regulated transactions. See paragraph 3.8 for more on the different types of regulated transactions.

Political activities

2.9 A donation or loan to a regulated donee is regulated **only** if it is made in connection with the donee's political activities in their capacity as a regulated donee. The Commission's interpretation of this definition in relation to each type of regulated donee is set out below.

Members of registered parties

2.10 The political activities of a member of a registered party are those that are carried out in connection with their membership of the party, for example, activities which are undertaken as a result of the individual's membership of the party. This definition does not include the political activities of officers of a political party in their capacity as party officers, which should be treated as donations to the party itself.

2.11 Examples of a member of a registered party's political activities specified in PPERA include:

- promoting or procuring the election of any person to any position or committee in the party
- promoting or procuring the selection of any person as the party's candidate for election to a relevant office
- promoting or developing policies with a view to their adoption by the party

Example box 2
A member of a registered party decides to seek election as that party's candidate for a Northern Ireland Assembly election. He is given a small donation to cover the cost of producing a letter to be sent to local party members outlining what he would do if selected as the party's candidate. This is a donation in connection with his political activities as a party member.

A member of a registered party wishes to promote the adoption of certain environmental policies by her party. She produces a leaflet to distribute at a party meeting, the cost of which is met by an environmental organisation. This is a donation in connection with her political activities as a party member.

Holders of relevant elective office

2.12 The political activities of holders of relevant elective office include both party political activities and those concerned with government. Political activities could

include making a party speech on a certain issue in the institution where the regulated donee holds office, or undertaking visits in an office holder's constituency.

Example box 3
A Member of the Northern Ireland Assembly hosts a meeting to bring together representatives of businesses, community groups and councillors from his constituency. In order to host the event, he is given a donation from the one of the businesses represented at the event. This is a donation to him in connection with his political activities.

A group of councillors representing the same party are invited to Germany as the guests of a German party with similar policies, in order to gain an understanding of how regional government works in Germany. This should be treated as a donation to the councillors in connection with their political activities.

Members associations

2.13 The political activities of a members association include those activities specified in paragraph 2.11 above.

2.14 For the purposes of deciding whether an event held by a members association is part of its political activities, it does not matter whether the audience of the event includes or excludes members of the political party.

2.15 Members associations should confirm with the Commission or through independent legal advice whether any other activities undertaken by them fall within the definition of political activities.

Example box 4
A pro-Europe organisation affiliated to a political party hosts a conference at which leading business people and politicians advance the case for closer ties with Europe. The event is targeted at leading figures within the party and is held exclusively for party members. It is sponsored by a non-party organisation. The contribution to the cost of hosting the event is a donation to the members association in connection with the organisation's political activities.

3 Types of donations and loans

Donations

3.1 Any of the following should be treated as a donation if its value is more than £500 (Schedule 7, Paragraph 2(1)):

- a gift of money or other property (including from a bequest), for example:
    - a cash donation
    - a photocopier
    - a bequest
- sponsorship provided to a regulated donee in relation to the following:
    - a meeting or other event hosted by or on behalf of the donee (e.g. a drinks reception hosted by an MLA for their constituents or a policy forum hosted by a members association to debate future party policies)
    - a document produced by or on behalf of a regulated donee (e.g. a leaflet produced by a party member to support their bid to win selection as a party's candidate for a seat)
    - research undertaken by or on behalf of a regulated donee (e.g. research into the views of party members on a particular policy issue)
- money spent (other than by the regulated donee) paying their expenses which is not reimbursed, for example the payment of a donee's monthly office rental cost
- the provision other than on commercial terms of property, services, or facilities for the use of a regulated donee, for example:
    - office space provided to a donee without charge
    - provision by an employer of an individual to work for a regulated donee at no cost
    - a 50% discount offered to a regulated donee when purchasing new office equipment

We have reviewed our approach to sponsorship donations. Our new guidance on sponsorship will apply to sponsorship accepted from 1 January 2027 onwards.

You may wish to familiarise yourself with the guidance, so that you are prepared to apply the new approach.

You should continue to use our current sponsorship guidance which will apply to sponsorship accepted up until the end of 2026.

Overseas visits (donations only)

3.2 In addition to the types of donations listed above, regulated donees should treat as donations the cost of any overseas visits undertaken in connection with their political activities. Guidance on overseas visits can be found in paragraphs 4.13–4.16.

Commercial transactions

3.3 There is no requirement to treat any payment made on commercial terms as a donation, for example where a regulated donee provides services to an individual or organisation and receives payment for the provision of these services. This applies to any services a donee may provide in its private capacity (e.g. legal services) or to any services in connection with their political activities (e.g. giving a speech). However commercial loans are regulated if they are made in connection with political activities to a regulated donee in their capacity as such.

3.4 If the payment received by a regulated donee for services provided is greater than the value of those services, then the excess payment should be regarded as a gift (Schedule 7, Paragraph 2 (2)).

3.5 In case of doubt as to whether or not payments have exceeded the market value of the services provided, the regulated donee is advised to obtain three commercial quotes for the same service. The average of these quotes should be taken to be the value of the service. A donation is only made if the difference between the value of the service and the price paid exceeds £500.

Example box 5
A members association seeks to promote the interests of professionals in the health service, and is asked by an independent think tank to produce a four-page contribution for a document bringing together the views of different stakeholders about the NHS. The association is paid a £750 fee for producing the article. Since the payment is made in respect of work undertaken by the members association it is not treated as a donation.

Payments that are not donations

3.6 Certain payments and services which are provided to regulated donees are not treated as donations, and are exempt from the requirements of the Political Parties, Elections and Referendums Act 2000 (PPERA) (Schedule 7, Paragraph 4(1)–(3)).

3.7 These payments/services are:

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- the provision of any facilities provided to a candidate in accordance with any enactment, for example, a free post facility
- the provision by an individual of their services voluntarily and in their own time, for example a party member uses their weekends to manage another member's campaign to be selected as a party office holder
- any interest accruing to a regulated donee from a donation dealt with in accordance with PPERA, for example interest arising from a donation held in a bank account, but which is subsequently returned because the donor is an impermissible donor
- any money or other property, service or facility provided out of public funds for the personal security of an individual regulated donee
- any remuneration or allowances paid to the holder of an elective office in their capacity as such, for example:
    - payment of an MLA's office costs by the Assembly
    - payment of travel allowances to a local councillor
- any donation which is to be included in a candidate's election expenses return as per Schedule 2A to the RPA 1983 (i.e. a donation to someone in their capacity as a candidate rather than a regulated donee)
- any gift worth £500 or less

Loans

3.8 Regulated transactions are defined by PPERA (Section 71F) as:

- a loan to a regulated donee, for example:
    - a mortgage owed to a bank on an MLA's constituency office
    - the loan of cash by a supporter to pay for a party member's leadership campaign
- a credit facility extended to a regulated donee where the donee can draw on a loan of money not exceeding an agreed amount, for example:
    - a bank overdraft
    - a credit card

3.9 If **any** part of the value of a loan is used in connection with the regulated donee's political activities, it is a regulated loan. **This includes loans taken out for any other purpose** (e.g. a personal credit card), any part of which is used in connection with the donee's political activities as long as it was the donee's intention in taking out the loan that it would be used for those activities.

3.10 It is the existence of a credit facility and not its use which constitutes the regulated transaction.

3.11 Another type of regulated transaction under PPERA is a 'connected transaction' (Section 71F(9)). This refers to the provision of security on behalf of a regulated donee where any part of the money or benefit from the original transaction is used in connection with the donee's political activities, for example:

- a supporter provides a personal guarantee to a bank to repay a members association's mortgage if they are unable to do so
- a supporter gives a supplier a charge against their own property if a regulated donee fails to meet their trade credit agreements

Transactions that are not regulated

3.12 The following are not regulated transactions:

- the provision of trade credit for the purchase of goods or services from a merchant where no cash is made available to the regulated donee
- finance leases where a regulated donee pays for equipment over an extended time period where it does not involve a credit facility (see Appendix A 'Glossary')
- any transactions with a value of less than £500
- the loan of property other than money (though this may be considered a donation)

3.13 It should be noted that connected transactions can arise from transactions that are not regulated. For example, if a supporter provides a guarantee so that a regulated donee can receive trade credit, this would be a regulated connected transaction if its value exceeded £500.

The value of a regulated transaction

3.14 The value of the transaction should be calculated as follows (Section 71G):

- for a loan, the total amount to be lent (not including interest)
- for a credit facility, the maximum that can be borrowed
- where an individual has provided a guarantee or security on behalf of a party, the maximum amount the individual could be liable to pay

The value does not include a calculation to take account of any provision for interest to be added on to the capital outstanding on the loan, rather than being repaid.

4 Permissible donors, lenders and donations

4.1 PPERA and orders made under it specify lists of individuals and organisations that are permissible donors for the purposes of accepting a donation and authorised participants for the purposes of loans.

4.2 To avoid confusion, 'authorised participants' will be described as 'permissible lenders' throughout this document. This means the term 'lender' also includes someone who provides a guarantee or other security on behalf of a regulated donee.

4.3 **It is the legal responsibility of a regulated donee when receiving a donation to take all reasonable steps to satisfy themselves that the source of a donation is permissible within the relevant PPERA rules**. Regulated donees must have robust procedures in place to ensure they are able to complete the required permissibility checks within the 30-day time frame allowed by legislation. If a donation is received from an impermissible source, it must be returned within 30 days (Schedule 7, Paragraph 8). After this time it may be a criminal offence to retain the donation, with a potential penalty of a fine and up to one year in prison (see Appendix B 'Penalties'). Additionally, a sum equivalent to the value of the donation may be forfeited (Schedule 7, Paragraph 8). If a donation is returned because it was impermissible, the return of the donation must be reported to the Electoral Commission.

4.4 **Regulated donees may not enter into loans with impermissible lenders. No 30-day period exists for the regulated donee to check the status of the lenders.** Regulated donees should carry out all checks on the status of lenders before entering into the loan. Entering into a loan with an impermissible lender may be a criminal offence. Such a transaction is void. More information on the treatment of impermissible loans can be found in paragraph 6.41.

Permissible donors and lenders

4.5 Regulated donees can only accept a donation or loan with a value of more than £500 if it is from one of the following:

- an individual registered on a UK electoral register (including bequests – donations only)
- a UK registered company which is incorporated in the UK and **carries on business** in the UK
- a UK registered political party
- a UK registered trade union
- a UK registered building society

- a UK registered limited liability partnership 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 (Schedule 7, Paragraph 6(1))
- an Irish citizen (including bequests – donations only)
- an Irish registered company which is incorporated within the European Union and has an office in Ireland or Northern Ireland from which the carrying out of one or more of its principal activities is directed
- an Irish registered political party
- an Irish registered trade union
- an Irish registered building society
- an Irish registered limited liability partnership that has an office in Ireland or Northern Ireland from which the **carrying out of one or more of its principal activities is directed**
- an Irish registered friendly, industrial or provident society
- an Irish based unincorporated association that **carries on business or other activities** wholly or mainly in Ireland and has its main office there
- certain kinds of trusts (donations only)

4.6 Paragraphs 6.6 and 6.7 provide details about how to check whether or not an individual or organisation is a permissible donor.

4.7 A regulated donee can accept a donation in the form of a bequest if the individual leaving the bequest was on the electoral register at any time in the five years before their death or was an Irish citizen for whom relevant documentation can be produced (see from paragraph 6.23). Loans cannot be made as bequests.

4.8 **Apart from the exceptions specified below, a donation of more than £500 cannot be accepted if it is from any individual or organisation which does not fall into one of the above categories, or if the donation is from a source which cannot be identified**.

4.9 **A loan cannot be entered into unless all parties to the transaction are permissible lenders.** This includes not just the lender in a transaction, but also any individual or organisation who guarantees or otherwise provides security on behalf of the regulated donee.

4.10 **Local councils are not permissible donors or lenders.** Regulated donees may not accept donations or loans, including the use of council facilities at a reduced rate, from any local council.

4.11 If a loan or credit facility was entered into before 01 July 2008, it is not a requirement that the other participants in the transaction must be permissible. However, if the terms of the loan or facility change after that date, regulated donees should consider whether the transaction has changed enough that it should be considered a new transaction to which the permissibility rules apply.

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Other types of permissible donation

4.12 The legislation identifies other donations which can be accepted by a regulated donee. **These exceptions do not apply to loans.**

Overseas visits

4.13 The legislation takes into account that as part of their responsibilities an individual regulated donee or a member or officer of a members association may undertake overseas visits, the costs of which are met by an individual or organisation which is not a permissible donor. PPERA therefore provides that regulated donees can accept donations from individuals and organisations that are not permissible donors, **provided that the purpose of the donation is to meet the costs of an overseas visit** (Schedule 7, Paragraph 7(3)).

4.14 A donation provided to a regulated donee to meet the cost of an overseas visit is regarded as a donation from a permissible donor if it is made to meet 'qualifying costs' (i.e. travel, accommodation or subsistence costs) incurred during a visit made in connection with the regulated donee's political activities (Schedule 7, Paragraph 7(3)). The legislation specifies that any donation to meet the cost of an overseas visit should only be treated as a donation from a permissible source to the extent that it does not exceed a reasonable amount in respect of such costs.

4.15 In cases where regulated donees do not receive a cash donation to meet the cost of a visit because the costs are met by the host organisation or individual, they should calculate the notional value of the trip, based on the equivalent commercial travel and accommodation costs. Where no commercial equivalent is available but the regulated donee considers that the value is likely to be over the reporting threshold, a statement to this effect should be added to the donation return.

4.16 In line with the reporting requirements for permissible donations, a donation to an individual regulated donee to meet the cost of an overseas visit should be reported to the Commission if it exceeds £2,230, and a donation to a members association to meet the cost of an overseas visit should be reported if it exceeds £11,180.

Example box 6
An officer of a members association which favours UK take-up of the euro and campaigns to promote the adoption of this policy by the relevant party travels to a number of European countries to meet business leaders. The cost of the trip is met by a Brussels-based think tank. The cost of the visit should be treated as a donation to the members association.

Trusts

4.17 Regulated donees can accept donations made by trusts that meet certain permissibility requirements specified by PPERA. There are four types of exempt trusts from which regulated donees can accept donations: UK pre-1999 exempt

trusts, UK permissible donor exempt trusts (Section 162), Irish pre-2007 exempt trusts and Irish post-2007 exempt trusts (Article 4(2)(g)–(h) of the 2007 Order).

UK pre-1999 exempt trusts

4.18 A trust falls into this category if it meets the following criteria:

- it was created before 27 July 1999; and
- no property has been transferred to the trust since that date; and
- the terms of the trust have not varied since that date

UK permissible donor exempt trusts

4.19 A trust falls into this category if it meets the following criteria:

- it was created by a person who was a permissible donor under PPERA at the time the trust was created; and
- no property has been transferred into the trust other than by a person who at the time of transfer was a permissible donor under PPERA

4.20 UK permissible donor exempt trusts may have been created before or after 27 July 1999.

Irish pre-2007 exempt trusts

4.21 A trust falls into this category if it meets the following criteria:

- it was created in Ireland before 01 November 2007; and
- no property has been transferred to the trust on or after that date otherwise than by an individual or organisation that was a permissible donor at the time of the transfer (including bequests)

Irish post-2007 exempt trusts

4.22 A trust falls into this category if it meets the following criteria:

- it was created in Ireland on or after 01 November 2007; and
- the person who created the trust was a permissible donor at the time of creation; and
- no property has been transferred to the trust, other than by an individual or organisation that was a permissible donor at the time of the transfer (including bequests)

Other types of trust

4.23 Regulated donees are able to accept donations from trustees acting on behalf of beneficiaries of a trust if the beneficiaries (i.e. the donors) are permissible donors (Schedule 7, Paragraph 7(6)).

5 Clarifying to whom a donation or loan is made

5.1 PPERA and other electoral law regulate donations and loans to political parties, members of political parties, holders of elective office and candidates.

5.2 A loan is made to the person who is responsible for repaying it. In some cases it may be necessary for individual regulated donees to determine the capacity in which they have received a loan i.e. as a candidate at an election, as a member of a registered party, as an MLA or other holder of office, or on behalf of the party itself.

5.3 In terms of compliance with the PPERA regulatory framework, it is more important that a relevant donation or loan is reported, rather than how it is reported. Once it has been reported to the Electoral Commission, we will consider the nature and purpose of the donation or loan to determine whether it has been reported correctly. However, the following sections provide guidance as to how a donation or loan should be categorised.

Determining whether a donation is to the party or to the individual

Donations to a constituency party

5.4 There may sometimes be uncertainty as to who the actual recipient of a donation is, for example it may have been given to a constituency party, or to that constituency's MLA.

5.5 There is no requirement for an MLA and their constituency party to submit separate reports of the same donation, since a donation will have been made either to the MLA or to their local party. It may therefore be necessary to clarify with the donor what the donation was to be used for. If the donor intended the donation to be used by the constituency party, then it is the responsibility of the party to report the donation. However, if the donor intended the donation to be used specifically for the benefit of the MLA, then the MLA is responsible for reporting the donation, **even if the donation was made via the party**.

5.6 The reporting requirements for MLAs and parties are different, since donations to branches of political parties are regulated under Part IV of PPERA rather than under Schedule 7. Political parties submit quarterly donation returns detailing donations of more than £11,180 that have been accepted by the party headquarters, and donations of more than £2,230 that have been accepted by the party's accounting units.

Example box 7
A party supporter gives £2,700 to the local party to help fund the refurbishment of the constituency office. This should be treated as a donation to the party and therefore reported by the local treasurer.

If a party supporter gives a donation of £2,800 specifically for the purpose of helping the MLA to purchase equipment for her own office, this must be treated as a donation to the MLA rather than to the party, so the MLA must submit a donation report to the Commission.

Donations to the central party

5.7 A holder of elective office who also holds a position in their party will need to determine whether a donation is being made to them as the holder of that elective office or as an office holder of that party. It may be the case, for example, that an individual MLA benefits from a donation that is provided to a specified post in the party, and that if they moved to another post within the party the person who succeeds them would receive the donation instead. In such circumstances the donation should be treated as a donation to the party rather than the particular MLA (Section 50(6)).

Example box 8
A supporter meets the cost of hiring and re-fitting a bus for the party leader to use in promoting the party. This should be treated as a donation to the party, since the intention is to assist the party leader in his role as leader, rather than in his capacity as an MLA.

If, however, the party leader receives a donation from a constituent for the purpose of helping him to undertake his constituency duties, this should be treated as a donation to him as an MLA.

A group of MLAs who comprise a party's shadow health team receive assistance from an employee seconded to the team by a pharmaceuticals firm. The employee undertakes work only in connection with the MLAs' work on the shadow health team and is based for part of the week in each MLA's office, depending upon the specific tasks arising from the team's work. This is a donation to the party, rather than to each individual MLA in the team. The donation should be calculated by reference to the employer's business rates (i.e. if the employer is a consultancy firm, calculated on the basis of the employer's normal charge out rate, or based on the employee's salary and allowances) for the duration of the time the employee works for the shadow health team.

Regulated donees in Northern Ireland

Donations to a candidate

5.8 Holders of elective office seeking re-election may receive donations made specifically to assist them in running their election campaigns. A donation made to a person in this capacity should **not** be reported by the individual under Schedule 7 of PPERA. Instead, a donation for the purpose of helping an individual to fight their campaign should be treated as a donation to them as a candidate, not as a regulated donee.

5.9 'Elective office' in this case does not include internal party offices such as party leader. Donations made to an individual to support their campaign for an internal party office must be declared as donations or loans under Schedule 7 (see Example box 9).

5.10 A donation to a candidate is one made for the purpose of helping a candidate to meet their election expenses, after the point at which the person is legally regarded as a candidate (Section 71A, RPA 1983).

5.11 Candidates at all elections are required to give details in their election expenses returns of all donations **of more than £50** which are made to help them meet their election expenses.

Determining whether a donation or loan is made to a member of a registered party

5.12 An individual may receive a donation or loan in their capacity as a member of a registered party, rather than in their capacity as a holder of elective office, or on behalf of the party.

5.13 Controls on donations and loans apply to an individual who is a member of a registered party where, for example, they are promoting the selection of any individual as the party's candidate for an election or promoting the election of any person (including themselves) to any position or committee within the party.

5.14 Members of registered parties are subject to the same reporting requirements as other individual regulated donees, i.e. all donations and loans of more than £2,230 should be reported to the Commission within 30 days of the date of acceptance of the donation or entry into the loan.

Example box 9
A sitting MLA is given a donation to help fund a letter to be sent to members of her local party outlining her case for re-selection as the party's candidate for the constituency. This should be treated as a donation to the MLA in her capacity as a member of the registered party rather than as an MLA, and this should be indicated on the relevant report form.

A party leader resigns and a leadership contest is held to elect a new leader. Each of the sitting MLAs standing for leadership of the party receive donations from their supporters. These donations should be treated as donations to the MLAs in their capacity as members of a registered party rather than in their capacity as MLAs.

6 Dealing with donations and loans

6.1 It is important to be clear about the distinction between the date of receiving a donation and the date of acceptance of a donation (i.e. the date on which the donee decides that they will keep the donation rather than return it).

6.2 For the purposes of a loan, a regulated donee should record the date they enter into the loan or arrangement. If the terms of the loan are changed at any time the regulated donee should record the date the terms were changed.

Receiving a donation

6.3 On receipt of a donation, a regulated donee must deal with it in accordance with the requirements of the Political Parties, Elections and Referendums Act 2000 (PPERA).

6.4 A donee receives a donation on the date that they take actual possession of the donation. For example, where a donation is provided in cash the date of receipt is the date on which the cash is physically received by the donee. If you are given a cheque, you receive the donation on the date that the cheque clears.

6.5 If a donation is transferred directly into your bank account, you receive the donation on the date that it is received into your account (Section 56(6)).

Verifying permissibility

6.6 On receipt of a donation, a regulated donee should decide if there is any reason why the donation should be immediately refused, for example if the donation is from an unidentifiable source. If the donation is not immediately returned, a donee has 30 days from the date of receipt in which to ascertain whether the donor is permissible and therefore whether to accept the donation (Section 56).

6.7 In order to determine if a donor or lender is permissible, regulated donees must confirm that the individual or organisation making the donation is registered in the UK or Ireland. Table 2 outlines the relevant legislation under which a UK donor or lender must be registered in order to be permissible.

Table 2: Checks on UK donors and lenders

Type of permissible donor	Register/legislation/Order under which they must be registered to be permissible
Individual	Either a register of Parliamentary or local government electors maintained under the RPA 1983.

Company	The Companies Act 2006, incorporated in the UK, and carrying on business* in the UK.
Registered party	A register of political parties maintained by the Electoral Commission under Part II of PPERA
Trade union	The list maintained under the Trade Union and Labour Relations (Consolidation) Act 1992 or the Industrial Relations (Northern Ireland) Order 1992.
Building society	A building society within the meaning of the Building Societies Act 1986.
Limited liability partnership	The Limited Liability Partnerships Act 2000 and carrying on business in the UK.
Friendly society	The Friendly Societies Act 1974, the Co-operative and Community Benefit Societies Act 2014 or the Industrial and Provident Societies Act (Northern Ireland) 1969.
Unincorporated association	An association of two or more people which carries on business or other activities in the UK and whose main office is in the UK.

Note: * For further guidance on the interpretation of carrying on business, see from paragraph 6.18.

6.8 Table 3 sets out the relevant permissibility requirements for Republic of Ireland donors.

Table 3: Checks on Irish donors and lenders

Type of permissible donor	Criteria
Individual	Eligible to obtain one of the following: an Irish passport, an Irish certificate of nationality, an Irish certificate of naturalisation.
Company	Appears on the Register of Companies of Ireland (see www.cro.ie/search), is incorporated in an EU member state, and has an office in Ireland or Northern Ireland from which the carrying out of one or more of its principal activities is directed.
Registered party	Appears on the Irish Register of Political Parties (see www.electoralcommission.ie/what-we-do/electoral-operations)
Trade union	Registered by the Registrar of Friendly Societies of Ireland.
Building society	Registered by the Central Bank and Financial Services Authority of Ireland (see registers.centralbank.ie).
Limited liability partnership	Registered by the Registrar of Companies of Ireland (see https://core.cro.ie/) and has an office in Ireland or Northern Ireland from which the carrying out of one or more of its principal activities is directed.

Regulated donees in Northern Ireland

Friendly, industrial or provident society	Registered by the Registrar of Friendly Societies of Ireland.
Unincorporated association	An association of two or more people which carries on business or other activities wholly or mainly in Ireland and whose main office is in Ireland.

See from paragraph 6.22 to 6.30 for more information on Irish donor checks.

UK individual donors

6.9 Regulated donees should note that the Isle of Man and the Channel Islands do not form part of the UK and electors on electoral registers there are not permissible donors or lenders under PPERA.

6.10 In special circumstances people may have an anonymous registration. If a donor is anonymously registered, a statement must be provided that confirms that evidence that the individual has an anonymous entry on the register has been seen. This evidence will be in the form of a certificate of anonymous registration.

Overseas voters: advice on proposed changes to the law

The UK Government has announced that it plans to introduce a £100,000 annual cap on donations and loans from overseas voters. The Government's intention is for this to apply retrospectively to any donations received or loans entered into from 25 March 2026 onwards. These measures would be introduced as part of the Government's Representation of the People Bill.

The cap would apply to all donations and loans made by an overseas voter, not just those to a single recipient. This means that an overseas voter could not make more than a total of £100,000 in donations and loans to any regulated entities in a calendar year. Donations and loans to Northern Ireland-registered parties from Irish citizens would not be affected.

The Government's intention is to apply this to donations to parties; non-party campaigners; elected office holders; party members and members associations; recall petition and referendum campaigners; and candidates (subject to legislative consent in Scotland and Wales).

Once the proposed changes to the law come into force, recipients would have 30 days to return any donations received or end any loans entered into on or after 25 March 2026 which exceed the £100,000 annual cap.

No changes have yet been made to the law. Our guidance continues to reflect the law as it currently stands. However, you may wish to consider taking action now so that you are prepared for any future changes to the law, including:

- Identifying and recording which donations and loans have been made by overseas voters. Overseas voters are identified on the electoral register. If you do not have access to the electoral register, you may wish to seek this information from donors when checking they are permissible.
- Checking registers of reported donations and loans to identify whether any overseas donor may have donated or lent more than £100,000 in each calendar year
- Ensuring you have up to date contact details for overseas donors, so you can contact them to seek any declarations required
- Ensuring that you retain sufficient resources to return donations or end loans from overseas voters if required

This advice is provisional, based on the information that is currently available about these proposals. We will update this advice note once the Government publishes additional information. For further information, please see this ministerial written statement or contact MHCLG.

Regulated donees in Northern Ireland

UK registered companies

6.11 The following paragraphs provide parties with further guidance about determining the permissibility of donors and lenders that are UK registered companies. The guidance from paragraph 6.21 can also be applied to other organisations that are required to be carrying on business or activities to be permissible donors such as Irish companies and UK and Irish unincorporated associations.

Registration and incorporation

6.12 A company is permissible if it is:

- registered under the Companies Act 2006,
- incorporated in the UK, and
- carrying on business in the UK

6.13 You should make sure that the company meets all three criteria.

How do you check a company's registration and incorporation?

6.14 You should check a company's registration on Companies House.

6.15 You should look at the full register entry for the company, in particular checking what type of company it is and where it was incorporated.

6.16 Not all companies listed on the Companies House website are permissible donors under electoral law. These companies may not be registered under the Companies Act 2006 (for example, Royal Charter companies) or not operating in the UK, or they may be incorporated in another country. It is important for you to be satisfied that your donor or lender is permissible. For example, a company which is incorporated in another country but has a branch registered and operating in the UK would not be permissible.

6.17 The types of company that are registered under the Companies Act 2006 include:

- Public limited
- Private limited
- Private unlimited

6.18 Companies previously registered under the Companies Act 1985 or the Companies (Northern Ireland) Order 1986 should be treated as though they were formed and registered under the Companies Act 2006.

6.19 Royal Charter companies that have registered under the Companies Act 2006 will appear as one of the types of company listed above. These companies may also

have another record with Companies House. We recommend that you check whether there are any other records which may be related to a Royal Charter company.

6.20 Companies incorporated in the Channel Islands, Isle of Man or Gibraltar are not permissible, as they are not incorporated in the UK.

How do you check if a company is carrying on business in the UK?

6.21 In order to be a permissible donor or lender, a company must also be carrying on business in the UK.

6.22 The term 'business' includes trades, professions and occupations. This includes all commercial activity, such as the buying and selling of goods or the provision of services. The business can be non-profit making.

6.23 Even if you have direct personal knowledge of the company, you should check the Companies House register to see if:

- the company is in liquidation, dormant, or about to be struck off
- the company's accounts and confirmation statement are overdue

6.24 A company may still be carrying on business if it is in liquidation, dormant or late in filing documents, but you should make extra checks to satisfy yourself that this is the case.

6.25 For any company, you should consider looking at:

- the company's website
- relevant trade, telephone directories or reputable websites
- the latest accounts filed at Companies House

6.26 If you are still not sure if the company is carrying on business in the UK, you should ask for written confirmation of its business activities from the company's directors.

Irish citizens

6.27 Regulated donees will need to obtain a copy of one of the following forms of documentation, certified by the Irish Department of Foreign Affairs, in respect of each donation or loan received from an Irish citizen **reported to the Commission**:

- the donor's Irish passport
- the donor's Irish certificate of nationality
- the donor's Irish certificate of naturalisation

Regulated donees in Northern Ireland

The Commission considers it best practice for donees to obtain a copy of the relevant documentation before accepting any donation or loan.

6.28 In nearly all circumstances, the Commission envisages that it will be the responsibility of the donor/lender and not the regulated donee to obtain a certified copy of the relevant documentation, though this will not affect the duty of the donee to satisfy itself that the donation is permissible. Certified copies may be requested from:

The Department of Foreign Affairs of Ireland
Iveagh House
80 St Stephen's Green
Dublin 2
D02 VY53

Tel: +353 (0) 1 408 2000

Certified copies may also be requested from Irish embassies and consulates abroad (see www.dfa.ie for contact details).

6.29 On presentation of the relevant **original** documentation the Department of Foreign Affairs in Dublin or the relevant embassy/consulate will certify a copy of that documentation as a true copy of the original. The Irish Department of Foreign Affairs will then be in a position to confirm, in response to any subsequent queries from the Commission under the relevant legislation, whether a certified copy of a given document is genuine.

6.30 Where a donation to a regulated donee is in the form of a bequest from an Irish citizen, and the donation report cannot be accompanied by a certified copy of one of the documents listed in paragraph 6.23, it is possible to request a statement from the Department of Foreign Affairs in Dublin for submission with the relevant donation report.

6.31 Such a statement would be made if the Department of Foreign Affairs is satisfied that documentation submitted would have been acceptable in support of an application for an Irish passport, had it been submitted when the person giving the bequest was alive. Indicative examples of the documentation which might be submitted include an expired passport in the name of the person giving the bequest, a birth certificate demonstrating birth of the person giving the bequest in the island of Ireland prior to 01 January 2005, or a birth certificate of the person making the bequest and their parent through whom they claim Irish citizenship.

Irish bodies

6.32 For donations or loans from Irish bodies to be permissible, the body must fall into one of the categories listed in Table 3 and keep an office in Ireland or Northern Ireland from which the carrying on of one or more of its principal activities is directed.

6.33 All of the registers on which Irish bodies must be registered in order to be permissible donors/lenders are a matter of public record.

Irish unincorporated associations

6.34 Parties should note that reportable donations from Irish unincorporated associations (see Chapter 7 'Recording and reporting donations') must be accompanied by a statement from a solicitor currently practising in Ireland that confirms the name and address of the association and the fact that it is an unincorporated association. Donees should obtain this statement before accepting any donation from such an organisation.

6.35 Appendix D provides guidance in respect of the rules around Irish unincorporated associations and a template statement that donors or donees may choose to provide as an example when requesting a relevant statement from a solicitor.

Accepting a donation

6.36 If a donation has not been returned after 30 days, it is deemed to have been accepted. This means that if a regulated donee cannot establish within the 30-day period that the donor is permissible, it is recommended that the donation be returned.

6.37 Having confirmed that the donation is from a permissible source, regulated donees should ensure that they record the relevant information about the donation, to enable them to maintain accurate records of donations and to submit a report to the Commission as required. The relevant information for each type of permissible donor is given in Chapter 7 'Recording and reporting donations'.

Returning a donation

6.38 Where a donation is received from an impermissible source, or if a regulated donee decides not to accept a donation, it should be returned to the donor or to any person acting on the donor's behalf within 30 days of receipt. Interest accruing from retaining a donation until it is returned does **not** fall to be treated as a donation (Schedule 7, Paragraph 4(1)(d)).

6.39 Where a donation is received from an unidentifiable source, the donee must return the donation to either:

- the person who transferred the donation to the donee, if identifiable
- the financial institution used to transfer the donation, if identifiable
- in any other case, the Commission (which will transfer the donation to the government's Consolidated Fund)

Regulated donees in Northern Ireland

6.40 Where a donation is received from an impermissible or unidentifiable donor, the donee must record details of the donation.

Donations from multiple donors

6.41 Where a donor makes a donation on behalf of themselves and one or more other donors, each individual contribution of more than £500 is treated as a separate donation from each person. For each separate donation, the principal donor must ensure that the regulated donee has the relevant information about the donor (Schedule 7, Paragraph 6(2)–(3)).

Donations from an agent of the donor

6.42 In some cases, an individual or organisation may act as an agent in facilitating a donation to a donee. Where an agent makes a donation, they must ensure that the donee is given all the relevant information (Schedule 7, Paragraph 6(4)). **Transferring a donation to an agent rather than directly to a regulated donee must not be used as an attempt to evade the controls on permissibility.** In particular, unincorporated associations, whether in the UK or Ireland, should not be used as a means to channel donations or loans from impermissible donors/lenders.

Small donations and loans

6.43 Gifts or loans of £500 or less are outside the scope of PPERA and there is no requirement for regulated donees to check the identity of individuals or organisations making gifts or loans of this size. However, donees should be aware of circumstances in which it appears that a donor or lender may be attempting to evade the regulatory framework of PPERA, for example where six donations of £499 are received in similar circumstances from what appears to be the same source, or where an impermissible lender makes numerous loans of £490. In cases of doubt, donees should contact the Commission, return the relevant donation or not accept the loan.

6.44 **Important:** it is an offence to attempt to evade the controls on donations and loans. Appendix B ‘Penalties’ lists the offences that can be committed in relation to the donation and loan requirements in PPERA.

Loans from an impermissible lender

6.45 If a regulated donee enters into a loan with an impermissible lender the **transaction** is void and a criminal offence may have been committed. Any money received by the donee as a result of the loan must be repaid. The donee may also

have to pay interest to the lender at a rate set by the Secretary of State.[3] It is also an offence not to repay a loan once it has been determined to be impermissible.

6.46 It is thus important that a regulated donee checks the permissibility of a lender **before** entering into a loan, credit facility or guarantee arrangement.

6.47 If a regulated donee has received a loan from an individual or organisation that was a permissible lender at the time the loan was made but later is no longer permissible, the transaction is void with effect from the time the lender ceased to be permissible and the donee must repay any outstanding money.

[3] Such a rate has not yet been set.

Regulated donees in Northern Ireland

7 Recording and reporting donations and loans

7.1 Regulated donees must report all donations and loans they receive that are over the relevant reporting threshold within 30 days of accepting the donation or entering into the loan. Various rules on the aggregation of donations and loans from the same source apply, including the aggregation of donations and loans together.

Recording donations

7.2 Regulated donees are required to report details to the Electoral Commission of any of the following donations:

- **members associations**: donations of more than £11,180 which are accepted from a permissible donor
- **individuals**: donations of more than £2,230 which are accepted from a permissible donor
- **all regulated donees**: donations of more than £500 which are received from an impermissible donor
- **all regulated donees**: donations of more than £500 which are received from an unidentifiable donor (Schedule 7, Paragraphs 10(1) and 11(1))

7.3 Donations from the same source during a calendar year must be aggregated and should be reported within 30 days of the acceptance of the donation that takes the total over the reporting threshold.

Permissible donations

7.4 Table 4 sets out the recording requirements for all permissible donations of more than £500 accepted by regulated donees from UK and Irish individuals and bodies (excluding trusts).

Table 4: Recording requirements for permissible donations from UK and Irish sources

UK sources	*Irish sources*
the amount or nature and value of the donation	the amount or nature and value of the donation that the donation has come from a source in Ireland or Irish citizen.
whether the donation was sponsorship or not	whether the donation was sponsorship or not
in the case of a bequest, that the donation was a bequest	in the case of a bequest, that the donation was a bequest
the date on which the donation was received or loan entered into	the date on which the donation was received or loan entered into
the name of the donor	the name of the donor (in the case of an individual, accompanied by the specified documentation – see paragraph 6.23)
the registered address of the donor: • in the case of individuals, the address at which the donor is registered to vote • in the case of an individual who is anonymously registered, a statement to this effect • in the case of a bequest, the address at which the donor was last registered to vote in the five years before their death	(Note there is no requirement to provide the address of an individual Irish citizen making a donation or loan)
where the donor is a company, the company name, registered address, and registration number	where the donor is a company, the company name, registered address, and registration number
In the case of a political party, the registered address of its headquarters	In the case of a political party, the registered address of its headquarters
In the case of a trade union, the address of its head or main office	In the case of a trade union, the address of its head or main office
In the case of a building society, the address of its principal office	In the case of a building society, the address of its principal office
In the case of a friendly or other registered society, the address of its registered office	In the case of a limited liability partnership, friendly or other registered society, the address of its registered office
In the case of an unincorporated association, the address of its main office in the UK.	In the case of an unincorporated association, the address of its main office in Ireland, accompanied by a statement from a firm of solicitors currently practising in Ireland confirming the name and address of the association and the fact that it is an unincorporated association

Additional information is also required in respect of loans, credit facilities, and connected transactions in relation to both UK and Irish sources. These requirements are set out in paragraphs 7.21–7.23.

Overseas visits (donations only)

7.5 Where the donation is made in relation to an overseas visit, the following information should be recorded:

- the amount or nature and value (or estimated value) of the donation
- the date(s) on which the visit took place
- the destination and purpose of the visit
- the full name and address of the donor

Trusts

7.6 Table 5 sets out the information donees must record in respect of permissible donations over £500 from each type of exempt trust. It is reiterated that trusts are not permissible sources in respect of loans.

Table 5: Recording requirements for permissible donations accepted from UK and Irish trusts

UK pre-1999 exempt trusts	UK permissible donor exempt trusts	Irish pre-2007 exempt trusts	Irish post-2007 exempt trusts
the amount or nature and value of the donation	the amount or nature and value of the donation	the amount or nature and value of the donation	the amount or nature and value of the donation
the date on which the trust was created		the date on which the trust was created	the date on which the trust was created
		the address of the trust's office	the address of the trust's office
the full name of the person who created the trust	the name and registered address of the permissible donor who created the trust and, in the case of a company, its registration number	the full name of the person who created the trust	in respect of the creator of the trust: • their name • in the case of a body, its address • in the case of a company, its registration number • in the case of an individual or unincorporated association, the relevant documentation (see paragraphs 7.11–7.14) will be needed if the donation is reportable

Table 5 (continued): Recording requirements for permissible donations accepted from UK and Irish trusts

Regulated donees in Northern Ireland

UK pre-1999 exempt trusts	UK permissible donor exempt trusts	Irish pre-2007 exempt trusts	Irish post-2007 exempt trusts
the full name of every person who transferred property to the trust before 27 July 1999	the name and registered address of all the permissible donors who have transferred property to the trust and, in the case of a company, its registration number	in respect of any permissible donor that has transferred money or property into the trust after 1 November 2007: • their name • in the case of a body, its registered address • in the case of a company, its registration number • in the case of an individual or unincorporated association, the relevant documentation (see paragraphs 7.11–7.14) will be needed if the donation is reportable	in respect of any permissible donor that has transferred money or property into the trust after 1 November 2007: • their name • in the case of a body, its registered address • in the case of a company, its registration number • in the case of an individual or unincorporated association, the relevant documentation (see paragraphs 7.11–7.14) will be needed if the donation is reportable
the date on which the donation from the trust was received	the date on which the donation from the trust was received	the date on which the donation from the trust was received	the date on which the donation from the trust was received
the date on which the donation was accepted	the date on which the donation was accepted	the date on which the donation was accepted	the date on which the donation was accepted

Impermissible donations

7.7 Where a donee receives a donation of more than £500 from an impermissible source, they must record the following information (Schedule 7, Paragraph 11(3)):

- the amount or nature and value of the donation
- the name of the donor
- the address of the donor
- the date on which the donation was received
- the date on which the donation was returned and the manner in which it was dealt with (i.e. the person or institution to whom it was returned)

Donations from unidentifiable sources

7.8 Where a donee receives a donation of more than £500 from a donor who cannot be identified, they must record the following information (Schedule 7, Paragraph 11(4)):

- the amount or nature and value of the donation
- details of the manner in which the donation was made
- the date on which the donation was received
- the date on which the donation was returned, and the manner in which it was dealt with (i.e. the person or institution to whom it was returned)

Reporting donations

7.9 Relevant donations must be reported to the Commission within 30 days of the date on which the donation was accepted or returned (Schedule 7, Paragraphs 10(1) and 11(1)).

7.10 **Important**: it can be an offence not to submit a donation report within this time limit or to submit an incomplete or false report of donations. Appendix B 'Penalties', lists the offences that can be committed in relation to the donation requirements in the Political Parties, Elections and Referendums Act 2000.

Required documentation for Irish donations

7.11 Where a donation from an Irish citizen is reported, the return must be accompanied by a copy of one of the following documents, certified by the Irish Department of Foreign Affairs:

- the donor's Irish passport
- the donor's Irish certificate of naturalisation
- the donor's Irish certificate of nationality

Regulated donees in Northern Ireland

7.12 In general, it will be the donor's responsibility to obtain the certified copy, not the regulated donee's (though this does not affect the duty on the regulated donee to satisfy itself that the donor is permissible).

7.13 Where a donation was from a bequest, the documentation required for a donation from an individual donor must be included. However, if this is not available, a statement from the Irish Department of Foreign Affairs to the following effect may be substituted: that documentation submitted to that Department following the death of the person who made the bequest would have been acceptable in support of an application for an Irish passport had it been submitted when the person making the bequest was alive.

7.14 Where a donation is reported from an Irish unincorporated association, the return must include a statement made by a solicitor currently practicing in Ireland confirming the name and address of the association and the fact that it is an unincorporated association. Appendix D provides a sample statement that donors or regulated donees may choose to provide as an example when requesting a solicitor makes the relevant statement.

Aggregating donations

7.15 All donations of more than £11,180 made to a members association or more than £2,230 made to an individual regulated donee must be reported to the Commission, whether they are made in a single sum or in aggregate (Schedule 7, Paragraph 10(2)(b)). It is important that regulated donees correctly record details of all permissible donations of more than £500 so that they can report aggregate donations of more than £11,180 or £2,230.

7.16 Aggregate donations must be reported within 30 days of the date of acceptance of the donation that caused the total donation level to exceed £11,180 or £2,230.

7.17 If an individual regulated donee has previously reported donations from a particular source, they must report any further donations from that source in the same calendar year of over £2,230.

Example box 10
An individual member of a party contests a party leadership election. Prior to announcing his candidature, he receives a £900 donation from a supporter who wants to encourage him to stand. On entering the leadership campaign, he receives a further £1,500 donation from the same individual. The party member should report details of a £2,400 donation within 30 days of the date of acceptance of the second donation.

Example box 11
A constituent makes a cash donation to an MLA in January, to enable her to purchase extra equipment for her office. The value of the donation is £1,000. The dates of receipt and acceptance of the donation are 14 and 21 January respectively. In March, the same constituent provides the MLA with a new computer. The value of the computer is £1,300. The donation is received and accepted on 15 March. In aggregate, the value of the donation from the constituent is £2,300. The date of receipt and acceptance of the donation is 15 March. The donation must therefore be reported to the Commission within 30 days of the date of acceptance of the computer i.e. by 14 April.

Example box 12
A members association promoting the adoption of environmentally friendly policies by a party receives a monthly direct debit from a supporter. The value of the direct debit is £1,250. The value of the donation should be reported in September, when the ninth direct debit payment causes the total donation to exceed the £11,180 threshold.

Recording and reporting loans

7.18 Regulated donees are required to report the details of any of the following transactions:

- **members associations:** any loan with a value of more than £11,180 where all participants in the loan are permissible lenders
- **individuals:** any loan with a value of more than £2,230 where all participants in the loan are permissible lenders
- **all regulated donees:** any loan with a value of over £2,230 where a donation or loan has previously been reported from the same source and where all the participants in the transaction are permissible lenders
- **all regulated donees:** any loan of more than £500 entered into where one or more of the other participants in the transaction is an impermissible lender

7.19 Within 30 days, the regulated donee must report details for:

- new loans entered into
- loans whose terms have changed, including loans that have ended

(Further information on details to be reported to the commission in respect of loans can be found in Table 4 and paragraphs 7.21–7.24)

7.20 Regulated donees should report a credit facility in the quarter in which it is set up. The reportable transaction is the **existence** of the facility, not when it is drawn down. The details of a credit facility need to be reported again only if the terms of the facility change or when it ends, not because it is used.

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Example box 13
A members association gets a new corporate charge card from its bank with a limit of £15,000. It intends to use this to pay for some items that are used in connection with its political activities. On a monthly basis, it charges £2,000–£3,000 on the card. It pays the balance off in full at the end of each month. The members association should report the charge card as a credit facility with a value of £15,000 within 30 days of getting the card from the bank. It should report all further details of the charge card as required in the return. It does not need to report the charge card again unless the reportable terms and conditions of the charge card change or the members association no longer has the card.

Details to be reported

7.21 Where a regulated donee enters into a loan with a value of more than £500 with permissible lenders, the following information should be recorded (Schedule 7A, Paragraph 9):

- the names of all permissible lenders in the loan
    - the registered address of the permissible lender(s):
    - in the case of individuals, the address at which they are registered to vote
- in the case of an individual who is anonymously registered, a statement to this effect
- where the permissible lender is a company, the company registration number
- the nature of the transaction (i.e. whether it is a loan, a credit facility or an arrangement where security has been given)
- the value of the benefit arising from the transaction (see paragraph 7.25)
- the date the transaction was entered into
- whether the transaction is reportable because of aggregation

7.22 In the case of a regulated transaction that is a loan or credit facility, the following details must be supplied in the report:

- the date the loan is to be repaid or the credit facility will end; or a statement that the loan or facility is indefinite; or if the date is to be determined by the agreement, how it will be determined
- the fixed rate of interest payable; or a statement that no interest is payable; or if the rate of interest is variable, how it will be determined
- a statement of whether the terms of the loan allow any interest payable to be added to the sum due
- whether any form of security is given in respect of the loan or credit facility

7.23 In the case of a connected transaction, the following details must be supplied in the transaction report:

- if the transaction is connected to a reported regulated transaction, details to identify the reported transaction, including the date it was reported; otherwise a description of the features of the other transaction must be given
- if the security includes rights over any property, the nature of that property
- a description of what the person giving the security will receive from the regulated donee for providing the security; or a statement that they will not receive anything

Changes to terms of loans

7.24 Where there is any change to any of the terms of a previously reported loan or credit facility, the regulated donee must report on the changes within 30 days of the change taking effect. Enough information should be given to identify the transaction that has changed, and the changed terms should be reported. Full details of existing transactions need not be reported again (Schedule 7A, Paragraph 11).

The value of the benefit arising from the transaction

7.25 The value of the transaction should be calculated as set out in paragraph 3.14. Where a credit facility, security or guarantee has no upper limit, this should be indicated instead of giving a value. Note that the value of a transaction does not need to include interest.

Impermissible loans

7.26 Where a regulated donee enters into a loan or credit facility with an impermissible lender, the following information must be recorded in addition to the information that would be reported for transactions with permissible lenders (Schedule 7A, Paragraph 10):

- the date on which the transaction was dealt with
- the manner in which it was dealt with

Aggregation

7.27 All loans or credit facilities of more than £2,230 made to an individual or more than £11,180 made to a members association must be reported to the Commission, whether they are a single transaction or in aggregate over a calendar year (Schedule 7, Paragraph 9(2)(b)). It is therefore important that regulated donees correctly record details of all loans with a value of more than £500 in order that they can report aggregate loans when the threshold is breached. Aggregate loans should be reported within 30 days of receiving the loan that causes them to exceed the reporting threshold.

7.28 If a regulated donee has previously reported loans from a particular source, they must report any further loans with a value of over £2,230 from that source in the same calendar year. This applies even if the loans are entered into by a members association whose normal reporting threshold is £11,180.

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Aggregating donations and loans together

7.29 Regulated donees must report any loans and donations from a single source which together have a value above the reporting threshold, even if the loan or donation element would individually be beneath the reporting threshold. This is known as aggregation of ‘controlled benefits’. The value of loans and donations from any given source should be aggregated and the loan **and** donation reported if the **combined** value exceeds the reporting threshold, even if the individual elements are both less than the reporting threshold. The donation should be reported in a donation return and the loan should be reported in a regulated transaction return.

8 Common types of donations

8.1 This section gives typical examples of donations that might be received by a regulated donee.

Provision of free office space

8.2 A common donation to a regulated donee is the provision of space for use as an office. The provision of office space without charge or at a discount should be treated as a non-cash donation to the regulated donee, and can only be accepted if it is from a permissible donor.

Example box 14
A party supporter allows a member of a registered party working on policy initiatives rent-free use of an office which he owns and which would normally be let out at a rent of £800 per month. This constitutes a non-cash donation to the member of the registered party and should be reported to the Electoral Commission when the value of the donation exceeds £2,230.

If the member of the registered party knows that he will be given use of the office for a year, he could report to the Commission the full value of use of the office for the year in which he intends to occupy it, i.e. 12 x £800 = £9,600. This would be reported within 30 days of the date on which the donation is accepted (i.e. the date on which the member of the registered party moves into the office) (Schedule 7, Paragraph 5(5)). Alternatively, the member of the registered party could report the donation in the third month, when the value has exceeded £2,230 and again in the sixth, ninth and twelfth months of the calendar year.

If the member of a registered party does not know how long he will occupy the premises when he moves in, he should report to the Commission when the value of the lease exceeds £2,230, i.e. in the third month of the year. If he subsequently remains in the office for another three months, this should also be reported.

Staffing

8.3 Where an individual works for a regulated donee while their salary is paid by someone else, the value of the work is a donation.

8.4 The value of this type of donation is determined by whether or not the services provided are of the type that the employer is in business to provide (such as IT services or consultancy work). Where they are, the value of the donation is the normal rate the employer would charge for the employee's services. In all other cases, the donation will be the amount of remuneration or other allowances paid to the employee by the employer during the period in which they work for the regulated

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donee (but not including any other contributions or payments for which the employer is liable, e.g. employer's national insurance contribution, pension contributions etc.).

8.5 Holders of elective office are only required to report the provision of research or office assistance if the assistance has been provided to help them with their own duties.

8.6 There is no requirement for a regulated donee to report details of any work undertaken for them by an individual who volunteers free of charge and in their own time.

Example box 15
An educational services company seconds one of its employees to a members association whose focus is the education policy of their party. The employee works as a policy advisor for the association. The policy advisor is paid £18,500 per year by the company. This should be treated as a non-cash donation to the members association.

Overseas visits

8.7 As explained in paragraphs 4.13–4.16, a donation to meet the cost of an overseas visit made in connection with the political activities of an individual regulated donee or a member or officer of a members association should be treated as donations from a permissible source, regardless of who makes the donation.

Example box 16
An officer of a members association that works to improve relations and increase links between the United States and her party travels to a number of US states to meet political leaders. The cost of the trip is met by an American based non-governmental organisation. Return flights cost £880 and accommodation costs £1,520. A total of £2,400 should be treated as a non-cash donation to the members association. As the value of the donation is under £11,180 and is made to the members association as opposed to an individual regulated donee, this donation does not need to be reported to the Commission.

Example box 17
An MLA with an interest in international development undertakes three visits as the guest of an overseas aid organisation. The visits take place in January, March and November. One of the visits is a two-day trip to Brussels to meet officials in the European Parliament. The second visit is a two-day trip to Germany to attend a conference about international aid. The third is a five-day trip to Mozambique. The aggregate value of the trips exceeds £2,230, and should be reported to the Commission. The report should give details of the visits undertaken, including dates, destinations and purpose.

Hospitality

8.8 Hospitality provided to a regulated donee and accepted in connection with their political activities constitutes a gift under the terms of the Political Parties, Elections and Referendums Act 2000 (PPERA), and will need to be treated as a donation if it is over the £500 donation threshold.

Example box 18
An MLA visits a factory in his constituency and is provided with a free lunch. There is no requirement to treat this as a donation unless the value of the lunch exceeds £500. If the MLA is provided with transport to the factory, this should also be included in the calculation of the value of the donation.

A company that believes their business will be damaged if the UK adopts the euro holds a dinner for a members association known to be against the euro. The total cost of the dinner and transport provided to members of the members association to get to and from the dinner exceeds £11,180 and should be reported to the Commission by the members association as a non-cash donation.

Car park passes

8.9 The provision of free car parking passes at airports or railway stations falls within the definition of a donation under PPERA, even if the donation is offered to a group of regulated donees or to all members of an elected body.

Example box 19
An MLA accepts a car-parking pass from a bus operator who has the franchise to operate the main bus service between his constituency and Stormont. The pass is valid for the life of the Assembly and is valued at £167 a year. There is therefore no requirement to report the donation, since the total value of the donation is £668.

If the same pass is worth £623 a year, the MLA should report the donation when it is accepted, since the value of the donation is determined by reference to the value of the donation over time (Schedule 7, Paragraph 5(5)), i.e. £2,492.

Appendix A – Glossary

Note: all definitions in this glossary are given for the purposes of this guidance only.

Authorised participant
A person who takes part in a **regulated transaction** and who would be a **permissible donor** under Section 54 of PPERA.

Connected transaction
An arrangement where a person gives any form of security on behalf of a **regulated donee,** in respect of a loan or **credit facility** arranged with someone other than the donee and the person giving security.

Controlled benefit
Either a **donation** accepted by a regulated donee or a **regulated transaction** entered into by a donee. The concept of relevant benefits allows the value of loans and donations to be aggregated so that they are reportable if the aggregate relevant benefit exceeds the reporting threshold, even if neither individual element exceeds the threshold.

Credit facility
An agreement where a **regulated donee** is entitled to receive a loan of money from time to time from someone else. The credit facility will generally have an upper limit specified in the credit facility agreement. Examples of common credit facilities include overdrafts and credit cards.

Donation
Any gift of more than £500 made to a **regulated donee** in connection with their **political activities**.

Holders of relevant elective office
Any individual elected in Northern Ireland to any of the following offices:

- House of Commons
- Northern Ireland Assembly
- a local authority

Individual on a UK electoral register
An individual registered on the register of Parliamentary or local government electors (Section 9 of the RPA 1983).

Irish citizen
An Irish citizen who has or is eligible to obtain one or more of the following documents:

- Irish passport
- Irish certificate of naturalisation
- Irish certificate of nationality

Irish registered building society
A building society which has an office in Ireland or Northern Ireland from which one of its principal activities is directed, and which is registered by the Central Bank and Financial Services Authority of Ireland.

Irish registered company
A company which has an office in Ireland or Northern Ireland from which one of its principal activities is directed, which appears on the Register of Companies of Ireland and which is incorporated within Ireland or another EU member state.

Irish registered friendly, industrial or provident society
A friendly, industrial or provident society which has an office in Ireland or Northern Ireland from which one of its principal activities is directed, and which is registered by the Registrar of Friendly Societies of Ireland.

Irish registered limited liability partnership
A limited liability partnership which has an office in Ireland or Northern Ireland from which one of its principal activities is directed, and which is registered by the Registrar of Companies of Ireland.

Irish registered political party
A political party which has an office in Ireland or Northern Ireland from which one of its principal activities is directed, and which appears on the Register of Political Parties of Ireland.

Irish registered trade union
A trade union which has an office in Ireland or Northern Ireland from which one of its principal activities is directed, and which is registered by the Registrar of Friendly Societies of Ireland.

Irish unincorporated association
An unincorporated association of two or more people which does not fall into any of the other permissible categories, but which carries on business or other activities wholly or mainly in Ireland and whose main office is there.

Members association
Any organisation whose membership consists wholly or mainly of members of a registered party (other than a registered party, the central organisation of a registered party, or an accounting unit of such a party).

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Overseas visit
A visit undertaken by an individual **regulated donee**, member or officer of a **members association** to a country or territory outside the UK in connection with any of their **political activities**.

Political activities
In the Electoral Commission's view, a **holder of elective office**'s political activities include all the activities that they undertake as a politician, including their council/Assembly/Parliamentary/governmental activities (e.g. constituency work) as well as their party political activities (e.g. any activities they undertake as a representative of their party inside or outside the institution to which they were elected).

Qualifying costs
A payment from any source shall be treated as a payment from a permissible donor if it is made to meet 'qualifying costs' incurred in connection with an **overseas visit** undertaken by a **regulated donee** in connection with their **political activities**. These are the costs of travelling to and around the country in question and the costs of accommodation and subsistence while in the country.

Regulated donees
The organisations and individuals regulated by Schedules 7 and 7A of PPERA. These are:

- members of registered parties
- holders of relevant elective office
- members associations

Regulated transaction
A loan, **credit facility** or **connected transaction** between a **regulated donee** and one or more other individuals or organisations with a value of over £500.

Schedule 7 of PPERA
The schedule outlining the controls on donations applicable to **regulated donees**.

Schedule 7A of PPERA
The schedule outlining the controls on loans applicable to **regulated donees**.

UK registered building society
A building society within the meaning of the Building Societies Act 1986.

UK registered company
A company registered under the Companies Act 2006 which is incorporated within the UK and which carries on business in the UK.

UK registered friendly society
A friendly society registered under the Friendly Societies Act 1974 or a society registered (or deemed to be registered) under the Industrial and Provident Societies Act 1965 or the Industrial and Provident Societies Act (Northern Ireland) 1969.

UK registered limited liability partnership
A limited liability partnership registered under the Limited Liability Partnerships Act 2000, which carries on business in the UK.

UK registered political party
A party registered under Part II of PPERA on one of the registers of political parties maintained by the Electoral Commission.

UK registered trade union
A trade union entered in the list kept under the Trade Union and Labour Relations (Consolidation) Act 1992 or the Industrial Relations (Northern Ireland) Order 1992.

UK unincorporated association
Any unincorporated association of two or more people which does not fall within any other category of permissible donor, but which carries on business or other activities wholly or mainly in the UK and whose main office is there.

Appendix B – Penalties

Enforcement Policy
You can read our Enforcement Policy which contains details of the sanctions now available and how we use them on our website below.

electoralcommission.org.uk/who-we-are-and-what-we-do/our-enforcement-work

Appendix C – Guidance on Irish unincorporated associations

The UK Political Parties, Elections and Referendums Act 2000 (PPERA) regulates the donations that certain individuals and organisations can receive in connection with their political activities. These individuals and organisations, known in PPERA as 'regulated donees', are:

- members of registered parties
- members associations
- holders of relevant elective office

Members associations are organisations wholly or mainly made up of members of a political party but which are not part of the party itself. PPERA, as amended, allows Irish unincorporated associations to make donations or loans to regulated donees in Northern Ireland for use in connection with their political activities under certain circumstances. When regulated donees have a reportable donation in connection with their political activities from an unincorporated association, they must provide a statement from a currently practising Irish solicitor confirming the association's name, address and status as an unincorporated association. This appendix sets out the permissibility requirements and also includes a template statement which donors or regulated donees may choose to provide as an example when requesting a solicitor makes the relevant statement.

Permissibility requirements

In order to be a permissible donor or lender to a regulated donee in Northern Ireland, an Irish unincorporated association must meet **all** of the following criteria:

- consists of two or more people
- is **not** a company, political party, trade union, building society, limited liability partnership, friendly, industrial or provident society, or trust
- has its main office in Ireland
- carries on business or other activities wholly or mainly in Ireland

The donation or loan from the association must come from its own funds (including funds raised through ordinary fundraising activities). **The association must not be a means to transfer donations or make loans directly from external sources to a regulated donee**.

Template statement[4]

To whom it may concern

I confirm that I am a solicitor currently practising in Ireland. I further confirm that [name of unincorporated association] whose main office is located at [address of unincorporated association] is an unincorporated association consisting of two or more people.

Optional additional information:

Names of members:
Nature of activities:
Location where the main part of business or other activities are carried out:

Signed: [Solicitor]
Date:

[4] The Electoral Commission will not draw any inference from failure to supply the additional information asked for. This information is also sought by the Commission in relation to donations from UK unincorporated associations.