

Overview

Loans for EU referendum campaigners

This document is for campaigners at the referendum on the UK's membership of the EU who want to know how loans, credit facilities and securities are regulated.

Contents:

[What we mean by loans](#)

[Who can be a lender](#)

[Recording and reporting loans](#)

Translations and other formats

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

Tel: 020 7271 0500

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 in a way that is effective, proportionate and fair. We are committed to providing those we regulate with a clear understanding of their regulatory 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 are happy to help, so please get in touch.

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/party-finance/enforcement

Loans for EU referendum campaigners

This document explains:

The rules on loans and how loans, credit facilities and securities at the referendum on the UK's membership of the EU are regulated and what you need to report to us.

The document covers:

- what counts as a loan
- who can be a lender
- recording and reporting loans

Related documents:

- [Campaigning and registering for EU referendum campaigners](#)
- [Donations for EU referendum campaigners](#)
- [Pre-poll reporting for EU referendum campaigners](#)
- [Permissibility for EU referendum campaigners](#)

Expert papers

- [Splitting spending](#)

Summary

Certain loans, credit facilities and securities entered into by registered referendum campaigners are regulated under the Political Parties, Elections and Referendums Act 2000 (PPERA) as amended by the European Referendum Act 2015.

This means that before you enter into any transaction, you must check that you can accept it, record it and in certain cases, report it to us.

This overview explains the rules and tells you where you can find more information.

Introduction

Under PPERA as amended by the European Union Referendum Act 2015 (“the Act”) we have certain statutory responsibilities in relation to the referendum on the UK’s membership of the EU.

Our objectives for the referendum are:

- it should be well-run and produce results that are accepted
- there should be integrity and transparency of campaign funding and spending

The guidance reflects the rules in PPERA as amended by the Act. The Act provides that the government may make changes to the rules in regulations. If this happens, we will update our guidance and webpages with the changes. The Act does not specify the length of the designation period, the length of the referendum period or the dates on which those periods will start. The government must make regulations that set out the length of the referendum period and the start date. We will update our [website](#) when these regulations are made.

This guidance is for registered campaigners (and those intending to register). For more information on the rules and when you need to register with us, see [Campaigning and registering for EU referendum campaigners](#).

Under PPERA, there are rules on what loans a campaigner can enter into. Certain loans must be recorded and reported to us. We publish these reports on our [website](#). In this guidance, we use ‘you’ to refer to a campaigner’s registered responsible person.

 Important

For more information on permissibility, see this document:

- [Permissibility for EU referendum campaigners](#)

Who is responsible for loans?

Campaigners must appoint and register a 'responsible person' with us. If you are a UK-registered political party, your registered treasurer will automatically be your 'responsible person'. If you are an individual campaigner you will be the 'responsible person'.

The responsible person has a legal responsibility to make sure that their organisation follows the rules on loans. This includes maintaining suitable systems within the organisation to ensure loans are dealt with correctly. Failing to comply with the rules on loans may constitute a criminal offence.

Political parties

Registered political parties in Scotland, Wales and England (except minor parties) can only enter into loans from certain UK-based or Gibraltar-based sources and must report their loans to us every quarter. The treasurer is the responsible person. Parties are required to check the permissibility of their lenders before and throughout the loan period. You can find guidance for parties in Great Britain [here](#) and for parties in Northern Ireland [here](#).

There are additional rules for registered political parties accepting donations and entering into loans for referendum campaigning from:

- Gibraltar-based sources,
- a body under Royal charter,
- a charitable incorporated organisation,
- a Scottish charitable incorporated organisation and
- Scottish partnerships.

You can only accept donations and enter into loans from these sources up to the value of your party spending limit. You must aggregate the value of donations and loans from these sources to calculate the total value. If you accept donations and/or loans from these sources and the aggregated total is more than your spending limit, please contact us immediately for advice.

The rules differ for political parties in Gibraltar and political parties in Northern Ireland. These parties can find more information about the rules they must follow in our guidance on [Gibraltar and the referendum](#) and [Permissibility for Northern Ireland political parties at the Referendum](#).

Which loans are covered?

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

The following loans are included:

- loans of money
- credit facilities, such as credit cards and overdrafts
- securities or guarantees for a campaigner's obligation to someone else as part of a connected transaction

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

Who can you enter into a loan with?

Registered campaigners must only accept loans from permissible lenders. Before you enter into a loan, whether before or after you are registered as a campaigner, you should take all reasonable steps to check that the lender is permissible. Entering into a loan that isn't permissible can be a criminal offence. You should also carry out these permissibility checks before you register as a campaigner.

You should also carry out regular checks throughout the duration of the loan period to make sure that your lender remains permissible. The lender must remain permissible for the whole duration of the loan.

For more information on receiving donations before the referendum period, see this document:

- [Pre poll reporting for EU referendum campaigners](#)

For more information on permissibility, see this document:

- [Permissibility for referendum campaigners](#)

What is a permissible lender?

A permissible lender is:

- an individual registered on a UK electoral register, including overseas electors
- an individual registered on the Gibraltar electoral register
- a UK-registered company which is incorporated in the EU and carries on business in the UK
- a Gibraltar-registered company which is incorporated in the EU and carries on business in Gibraltar
- a UK-registered or Gibraltar-registered trade union
- a UK-registered or Gibraltar-registered building society
- a UK-registered limited liability partnership which carries on business in the UK or a Gibraltar-registered limited liability partnership which carries on business in Gibraltar
- a UK-registered friendly, industrial, provident or building society
- a UK-based unincorporated association that carries on the majority of its business or other activities in the UK
- a Gibraltar-based unincorporated association that carries on the majority of its business or other activities in Gibraltar
- a body incorporated by Royal Charter
- a UK-based charitable incorporated organisation
- a Scottish partnership which carries on business in the UK

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

Registered campaigners (excluding political parties) must **not** enter into loans from a UK or Gibraltar-registered political parties, unless you have been designated as a lead campaigner at a referendum.



How do you work out the value of a loan?

Type of loan	Value
A loan of money	The total amount you will borrow
A credit facility	The maximum amount you can borrow
A security (connected transaction)	The amount which the lender providing the security or guarantee would be liable for in the event of default

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

What do you do if you have an impermissible loan?

If a lender to a registered campaigner (whether directly or indirectly through a third person) isn't permissible or they become impermissible at any point during the loan period, the transaction is void and has no legal effect. You must pay back anything you owe to the lender, together with any interest you owe. You must therefore continue to check the permissibility of the lender throughout the term of the loan. Failure to repay the loan can be a criminal offence.

If you discover that you have entered into a loan with a lender who becomes impermissible during the loan period, you should let us know straight away.

After the referendum you must report:

- the name and address of the impermissible lender with a value of more than £7,500
- details of the date when and how you dealt with the transaction (for example, how you repaid the loan)



Important

Pre-poll reporting for referendum campaigners

What records do you need to keep of your loans?

Loans and credit facilities

For each loan or credit facility over £7,500, you must record:

- the nature of the transaction – whether it is a loan or credit facility
- the full name and address of the lender (to the extent known)
- the date the loan was entered into
- the date the loan is due to be repaid or a statement that it is indefinite, or how the date will otherwise be determined under the agreement
- the value of the loan and if a credit facility has no specified limit a statement to that effect
- the rate of interest, or how the rate will be determined under the agreement, or a statement that no interest is payable
- whether the agreement contains a provision that enables outstanding interest to be added to any sum for the time being owed in respect of the loan or credit facility
- whether any security has been given for the loan

You should keep records of all loans, credit facilities and securities over £500 as you will need to report these after the referendum

- if a loan has been entered into with someone who is a permissible lender with an anonymous entry in an electoral register, attach their 'certificate of anonymous registration'
- after you have registered as a campaigner, if a loan has been entered into with someone who is not a permissible lender, the date when, and the manner in which, the transaction was dealt with in accordance with the relevant legislative provisions

Security and/or Guarantee

For securities and guarantees connected with a loan or credit facility you must tell us:

- the nature of the connected transaction – what type of arrangement it is by which the form of security is given
- the name and address of the guarantor (to the extent known)
- the date the guarantee or security was given
- the amount the guarantor would be liable for in the event of a default
- a description of the principal features of the transaction
- details of any consideration given in return for the security/guarantee, or a statement that no consideration was given
- if the security includes rights over property, the nature of that property
- if the transaction has been entered into with someone who is a permissible lender with an anonymous entry in an electoral register, attach a 'certificate of anonymous registration'
- after you have registered as a campaigner, if a connected transaction has been entered into with someone who is not a permissible lender, the date when, and the manner in which, the transaction was dealt with in accordance with the relevant legislative provisions

Which loans do you need to report?

Registered campaigners must submit pre-poll reports by certain deadline dates, setting out what donations they have received and loans they have entered into on or after 1 February 2016 for referendum campaigning that are over £7,500. This includes loans entered into before the campaigner registers.

The pre-poll reporting deadline dates along with the start of the referendum period will be set out in regulations made by the government. We will advise campaigners when this happens on our [website](#).

You should keep accurate records now of any donations or loans over £7,500 that you receive from the 1 February that you use or intend to use on referendum campaigning (whether before or during the official referendum period) so that you can comply with this reporting requirement.

UK registered political parties who are not minor parties do not submit pre-poll reports or report donations after the referendum but instead report these in their normal quarterly reporting. You find separate guidance on checking permissibility and reporting loans for political parties in Great Britain [here](#) and for parties in Northern Ireland [here](#).

You will be able to submit your pre-poll reports [online](#) or by completing and returning [EUR-PPR – Pre-poll donation and loan report](#). As the responsible person, you must make a declaration in the report that that you have examined the pre-poll report and that to the best of your knowledge and belief it is a complete and accurate report as required by law

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

- [Permissibility for EU referendum campaigners](#)

Reporting after the referendum

What records do you need to keep?

You must record and report all loans of over £7,500 entered into after you have become a registered campaigner.

Loans and credit facilities

When you enter into a loan you must record:

- the nature of the transaction – whether it is a loan or credit facility
- the full name and address of the lender
- if the lender is a company, their registered company number
- the value of the loan and in the case of a credit facility with no specified limit a statement to that effect
- the date the loan was entered into
- the date the loan is due to be repaid or the facility is to end or a statement that it is indefinite, or otherwise how the date will be determined under the agreement
- if the loan ended, the date it ended
- the rate of interest – or how the rate will be determined under the agreement, or a statement that no interest is payable
- whether the agreement contains a provision that enables outstanding interest to be added to sum owed

You should keep records of all loans, credit facilities and securities over £500 as you will need to report these after the referendum

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

- [Permissibility for referendum campaigners](#)

- whether or not any security has been given for the loan

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

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

Security and/or Guarantee

For securities and guarantees connected with a loan or credit facility you must tell us:



- the nature of the connected transaction – what type of arrangement it is by which the form of security is given
- the name and address of the guarantor
- the date the guarantee or security was given
- the amount the guarantor would be liable for in the event of a default
- a description of the main features of the transaction
- details of any consideration given in return, or a statement that no consideration was given
- if the security includes rights over property, the nature of that property

Changes in loans

If the terms of your loan changes during the period of the loan, you must record the change as you will need to report it in your spending return.

How do you record impermissible loans?

For impermissible loans of over £500, you must record:

- the same details as for a permissible loan (to the extent recordable)
- details of the date when and how you dealt with the transaction (for example, how you repaid the loan)

Which loans do you need to report?

Campaigners other than political parties (that aren't minor parties) must report loans in their spending return after the referendum. Political parties are also required to report their campaign spending in a spending return after the poll. We publish these reports in a register on our [website](#).

After the referendum you must report:

- all loans over £7,500
- all loans and donations over £500 that together add up to over £7,500 from the same source in the same referendum period
- the total value of any loans of over £500 which are not otherwise included in the report

This includes all loans entered into and reported in your pre-poll reports.

In respect of each loan you must include all relevant details as set out above. These include the name and address of permissible lenders and in the case of impermissible loans, the date and the manner in which you complied with the statutory requirements for dealing with impermissible loans.

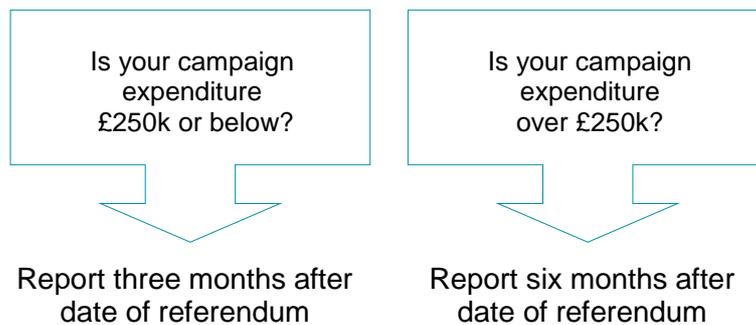
For more information on spending and reporting, see this document:

- [Spending for EU referendum campaigners](#)
- [Permissibility for EU referendum campaigners](#)

How do you report loans?

You must report loans to us after the referendum in your spending return, using the details you have recorded. The date you must report to us by will depend on how much you spend on your campaign.

We will publish the deadline dates for the EU Referendum in a timetable on our [website](#). However, as a guide, the general deadlines for reporting after the referendum are shown below.



You may be fined if you don't submit your return on time.

For more information on spending and reporting, see this document:

- [Spending for EU referendum campaigners](#)

You must still submit a return even if you haven't spent any money. This is called a 'nil return'

How we can help

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

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

Call us on:

- England: 0333 103 1928
pef@electoralcommission.org.uk
- Scotland: 0333 103 1928
infoscotland@electoralcommission.org.uk
- Wales: 0333 103 1929
infowales@electoralcommission.org.uk
- Northern Ireland: 0333 103 1928
infonorthernireland@electoralcommission.org.uk

Visit us at www.electoralcommission.org.uk

We welcome feedback on our guidance – just email us at:
pef@electoralcommission.org.uk