

POLITICAL PARTIES AND ELECTIONS ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2: Political Donations Etc and Expenditure

Section 20: Increased thresholds in relation to donations etc

96. **Section 20** amends a number of sections of and Schedules to the 2000 Act. The effect of these amendments is to increase:
- a) the financial limit above which a payment or benefit in kind is regarded as a donation, loan or other regulated transaction for the purposes of the 2000 Act (“the donation threshold”); and
 - b) the financial limit which, when exceeded, requires details of a donation, loan or regulated transaction to be reported to the Electoral Commission (“the reporting threshold”).
97. **Subsection (1)** amends the 2000 Act so that the donation threshold is raised from £200 to £500. This threshold is raised in respect of:
- a) donations, loans and other regulated transactions to registered parties (by virtue of the amendments made to sections 52, 54 and 71F of the 2000 Act);
 - b) donations, loans and other regulated transactions to individuals and members associations (by virtue of the amendments made to Schedules 7 and 7A of the 2000 Act);
 - c) donations to recognised third parties (by virtue of the amendments made to Schedule 11 of the 2000 Act); and
 - d) donations to permitted participants (defined at section 105 of the 2000 Act as an organisation that has notified the Electoral Commission of its intention to campaign in relation to a referendum) that either are not registered parties or are minor parties (by virtue of the amendments made to Schedule 15 of the 2000 Act).
98. **Subsection (2)** of section 20 amends the 2000 Act so that the reporting threshold is raised from £1,000 to £1,500. This threshold is raised in respect of:
- a) donations, loans and other regulated transactions to registered parties where any previous benefits have been required to be reported (by virtue of the amendments made to sections 62(6A), 62(7), 71M(7) and 71M(8) of the 2000 Act);
 - b) donations, loans and other regulated transactions to accounting units of a registered party (by virtue of the amendments made to sections 62(11) and 71M(11) of the 2000 Act); and

*These notes refer to the Political Parties and Elections Act
2009 (c.12) which received Royal Assent on 21 July 2009*

- c) donations, loans and other regulated transactions to individuals (by virtue of the amendments made to Schedules 7 and 7A of the 2000 Act).
99. *Subsection (3)* of section 20 amends the 2000 Act such that the reporting threshold in certain circumstances is raised from £5,000 to £7,500. This threshold is raised in respect of:
- a) donations, loans and other regulated transactions to registered parties (by virtue of the amendments made to sections 62, 63, 71M and 71Q of the 2000 Act);
 - b) donations, loans and other regulated transactions to members associations (by virtue of the amendments made to Schedules 7 and 7A of the 2000 Act);
 - c) donations to recognised third parties (by virtue of the amendments made to Schedule 11 of the 2000 Act); and
 - d) donations to permitted participants that either are not registered parties or are minor parties (by virtue of the amendments made to Schedule 15 of the 2000 Act).
100. *Subsection (4)* inserts new subsections (3) and (4) into section 155 (power to vary specified sums) of the 2000 Act to require the Secretary of State, at least once in the life of a Parliament lasting more than two years, to vary specified thresholds in the 2000 Act relating to the recording and reporting of donations and loans to take account of changes in the value of money or, if the Secretary of State decides not to do so, to make a statement to Parliament explaining the reasons. New subsection (3) of section 155 of the 2000 Act provides that the power for the Secretary of State to review thresholds will apply to recordable and reportable donations and loans to registered parties, accounting units of registered parties, individual regulated donees, members associations, recognised third parties and permitted participants in a referendum. *Subsection (5)* provides that the provisions inserted in the 2000 Act by *subsection (4)* do not apply during the Parliament during which this Act was passed.