

2007 No. 2081

COMPANIES

The Companies (Political Expenditure Exemption) Order 2007

Made - - - - *18th July 2007*

Coming into force in accordance with article 1(1)

The Secretary of State makes the following Order in exercise of the powers conferred by sections 377 and 1292(1)(c) of the Companies Act 2006^(a).

In accordance with sections 377(4) and 1290 of that Act, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Companies (Political Expenditure Exemption) Order 2007 and shall come into force—

- (a) for the purposes of its application to Great Britain, on 1st October 2007;
- (b) for the purposes of its application to Northern Ireland, on 1st November 2007.

(2) In this Order, “news material” means material relating to—

- (a) news,
- (b) public and political affairs,
- (c) public and political events, or
- (d) views, opinion or comment on such news, affairs or events.

Exemption from authorisation

2. Political expenditure is exempt from the need for authorisation under Part 14 of the Companies Act 2006 if it is—

- (a) political expenditure to which article 3 applies, and
- (b) incurred by a company to which article 4 applies.

Description of political expenditure

3.—(1) This article applies to political expenditure incurred in respect of the preparation, publication or dissemination of news material, where that material contains matter which would render that preparation, publication or dissemination on the part of the company an activity on the part of the company that is capable of being reasonably regarded as intended—

(a) 2006 c. 46

- (a) to affect public support for a political party or other political organisation, or an independent election candidate, or
- (b) to influence voters in relation to any national or regional referendum held under the law of a member State.

(2) Until 1st October 2008, paragraph (1)(a) has effect as if the words “or an independent election candidate” were omitted.

Description of company

4.—(1) This article applies to any company whose ordinary course of business includes, or is proposed to include, the publication or dissemination to the public, or any part of the public, of news material, or the preparation of such material for publication or dissemination to the public, or any part of the public.

(2) For the purposes of paragraph (1), it is to be irrelevant—

- (a) by which means or modes the news material is to be prepared, published or disseminated; or
- (b) where the public, or any part of the public, to which such material is published or disseminated is located or the identity or description of the public or any part of it.

18th July 2007

Stephen Timms
Minister of State for Competitiveness
Department for Business, Enterprise and Regulatory Reform

EXPLANATORY NOTE

(This note is not part of the Order)

This Order exempts certain political expenditure incurred by news companies from the need for authorisation by the company's members under Part 14 of the Companies Act 2006.

The expenditure exempted, described in article 3 of the Order, is that incurred in the preparation, publication and dissemination of news material which is capable of being reasonably regarded as intended to affect public support for a political party or other political organisation, or an independent election candidate, or to influence voters in relation to any national or regional referendum held under the law of a member State.

The companies exempted, described in Article 4 of the Order, are those whose ordinary course of business includes the preparation, publication or dissemination to the public, or any part of the public, of news material.

This Order replaces the Companies (EU Political Expenditure) Exemption Order 2001, which was made under section 347B of the Companies Act 1985. Section 347B is repealed by section 1295 of, and Schedule 16 to, the Companies Act 2006 with effect from the date on which this Order comes into force.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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