

**Written evidence submitted by Spotlight on Corruption to the  
Representation of the People Bill Committee (RPB17)**

Introduction .....	1
Creating a fairer playing field on political finance.....	2
Campaign spending limits.....	2
Campaign spending limits on an annual basis.....	3
Transparency in, and reporting on, campaign spending .....	4
Cap on donations .....	5
Strengthening enforcement.....	6
The Electoral Commission’s powers.....	6
Fines.....	7
Information sharing .....	7
Powers to obtain information for an investigation .....	8
Powers to obtain information from overseas .....	8
Budget .....	9
A stronger criminal offence: the donor declaration.....	10
Closing foreign interference loopholes .....	12
Political donations in cryptocurrency.....	12
Corporate donations.....	13
Know Your Donor risk assessments .....	14
Overseas voters’ donations .....	15
Unincorporated associations .....	16
Full list of recommendations.....	16

**Introduction**

1. Spotlight on Corruption welcomes the new measures to strengthen the rules around political donations in the Representation of the People Bill to deliver Labour’s manifesto promise. We also welcome the independent review into foreign interference by Philip Rycroft which may lead to further government amendments to it.
2. However, given that this Bill may be the last elections bill of this Parliament, it is crucial that it is strengthened in three key areas by:

- a. **Creating a fairer playing field on political finance** – by introducing much tighter spending limits and a cap on political donations
- b. **Strengthening enforcement** – both by enhancing the Electoral Commission’s powers and resources, and tackling the criminal enforcement gap
- c. **Closing down potential foreign interference loopholes** – by ensuring the cap for corporate donations is based on profit not revenue, making the Know Your Donor policy more robust, ensuring a prohibition on cryptocurrency donations until more robust safeguards are in place, ensuring that overseas voters can only make donations if they are UK taxpayers, and strengthening the rules around unincorporated associations.

## Creating a fairer playing field on political finance

### Campaign spending limits

3. Campaign spending limits are crucially important to promote fairness. They prevent wealthier parties massively outspending others and reduce the risk that electoral success is determined by financial power alone. As Professor Keith Ewing put it, not having fair spending limits is akin to *‘inviting two people to participate in the race, with one participant turning up with a bicycle, and the other with a sports car’*.<sup>1</sup>
4. By reducing the burden of fundraising, spending limits also allow parties to focus more on voters and less on donors.<sup>2</sup> This helps to reduce the influence of powerful private interests over elections, politics, and policy.
5. Spending limits can also broaden participation by increasing the number of candidates from less wealthy backgrounds. Academic evidence shows that a 25% decrease in spending limits leads to an average candidate who is 40% less wealthy.<sup>3</sup>
6. Despite these benefits, the government in 2023 increased the spending limit for political parties by 80%, from £19.5m to £34m.<sup>4</sup> This caused the 2024 election to be the most expensive ever, with parties spending a massive £94m.<sup>5</sup> If the current or a future government were to continue increasing the limit in line with inflation, the limit could

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<sup>1</sup> [IFES, \*Spending limits as a policy option\*, June 2007](#)

<sup>2</sup> [CSPL, \*Fifth Report\*, 1998, page 120](#)

<sup>3</sup> [Avis, Eric et al., \*Money and Politics: the effects of campaign spending limits on political competition and incumbency advantage\*, National Bureau of Economic Research, 2017](#)

<sup>4</sup> [Institute for Government, \*How is election spending regulated in the UK?, 2024\* and \[Representation of the People \\(Variation of Election Expenses, Expenditure Limits and Donation etc. Thresholds\\) Order 2023, page 2\]\(#\)](#)

<sup>5</sup> [Electoral Commission, \*General election spending hits record high, 2025\*](#)

reach £43m in 2034,<sup>6</sup> while the total amount spent by parties could rise to £120m in 2034.<sup>7</sup>

7. At the time of the increases, the Electoral Commission said that it “*had not seen evidence*” to support the changes to the spending limit, and that changes to spending limits should be based on “*rigorous analysis, including on the likely impact on public confidence and transparency*.”<sup>8</sup>
8. **Setting the right spending limit should be done independently of government and based on clear criteria** which weigh inflation against public confidence, cheaper campaign costs due to digital campaigning, and disposable incomes of UK households which have risen considerably less than inflation – at just 0.5% a year since 2010.<sup>9</sup> If spending limits rise solely in line with inflation, there are real risks that parties increase their reliance on big donors, with the value of smaller donations from the general public ever decreasing.

### Recommendations

1. Reduce spending limits to more reasonable levels, following a consultation led by the Electoral Commission and in consultation with the Speaker's Committee and the Ethics and Integrity Commission;
2. Introduce a provision that only allows the MHCLG Secretary of State to vary the spending limit in accordance with the findings of the Electoral Commission, mandates regular reviews of appropriate spending limits by the Electoral Commission, and expands the criteria on which campaign spending limits can be reviewed to include public confidence.

### Campaign spending limits on an annual basis

9. Parties are increasingly building up their war chests well before the run-up to elections and engaging in permanent campaigning. This can have an impact on subsequent elections; as the Committee for Standards on Public Life (CSPL) noted in its 2021 report on regulating election finance, ‘*activity 18 months before an election might still have an*

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<sup>6</sup> Assuming an average 3% inflation rate

<sup>7</sup> Assuming that parties’ aggregate spending is 2.76 times the spending limit, as it was in the 2024 election.

<sup>8</sup> [Faye Brown, Sky News, Tories accused of ‘sneaking out’ plan to increase election spending cap, November 2023](#)

<sup>9</sup> [Resolution Foundation, Britain’s great living standards slowdown has left typical family incomes growing by just £140 a year since 2010, June 2024](#)

*impact on the outcome, particularly given the way that datasets are developed over time and used to target digital campaigning.*<sup>10</sup>

10. In particular, huge multi-million pound donations invested in digital campaigning outside the 'regulated' periods in the run up to elections could have a huge and all-year-round impact on political discourse impacting electoral outcomes.
11. **Having annual spending limits, rather than just during the months before an election, is therefore vital** to disincentivise parties from starting their campaigns early, prevent costs from spiralling in the years before an election, and promote a levelling playing field between parties.
12. The Electoral Commission recently told the Joint Committee on National Security Strategy that influencing party policies outside of election periods is "*likely to be another attractive target for foreign influence*" and that given what it has seen "*internationally on foreign influence operations being set up well before any election,*" it would be worth looking at developing a "***proportionate regulatory regime covering the periods between elections.***"
13. Given that this has cost implications, including for non-party campaigners, this requires a careful review that needs to be started as a priority.

### Recommendations

1. The government should commission an urgent review into how annual spending limits can apply in a proportionate manner.

### Transparency in, and reporting on, campaign spending

14. There are also broader weaknesses in the regulatory framework that relate to transparency and reporting of spending.
15. The first is a lack of consistency and timeliness. Parties report their spending using different accounting lines, both during and between elections. This requires the Electoral Commission to spend months standardising their returns, significantly delaying publication. This could be avoided if parties were required to use the digital portal and template offered by the Electoral Commission.
16. The second is a lack of detail, particularly on digital campaigning. Whereas other countries such as Canada require parties to disaggregate their data, UK parties report all advertising – both paper and digital – in a single 'advertising' category. This is despite the importance of digital campaigning and the large sums of money spent on it.

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<sup>10</sup> [Committee on Standards in Public Life, Regulating Election Finance, July 2021, page 64](#)

17. The Electoral Commission has called for parties to report their spending in more detail, arguing last year that *'the categories that parties, candidates and non-party campaigners use to report spending, which are set out in legislation, do not provide voters with useful information and should be changed'*.<sup>11</sup>
18. In order to create additional spending categories for parties to report against, the government would need primary legislation. It would save considerable time in the future, however, if the government used legislation to grant the Electoral Commission the power to make such changes itself without the need for further primary legislation.
19. The third weakness is that parties do not have to report spending on local elections to the Electoral Commission. This is a significant gap, given how much power councillors have over aspects of policy that affect people's daily lives.
20. The fourth is that the cost of staff is not included under the campaign spending limit, despite being crucial for election success. This allows parties to build a huge campaigning machine of staff without limit. As CSPL argued in 2021, *'the costs of directly employed staff working on election and referendum campaigns should be included in the spending limits'*.<sup>12</sup>

### Recommendations

1. Require parties to provide the Electoral Commission with more consistent, regular, detailed, and accessible invoices especially on digital or online campaigning;
2. Grant the Electoral Commission the power to review and change spending categories;
3. Require parties to report spending on local elections to the Electoral Commission; and
4. Include campaign staff costs and other costs related to political activity as campaign spending.

### Cap on donations

21. The absence of any upper limit on political party donations means that there is a real risk that a multi-million pound donation could be made that poses a serious danger to UK democracy.
22. A multi-million-pound donation could flood the UK with messages that skew political discourse, promote anti-democratic agendas, and make it almost impossible for other parties to compete fairly.

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<sup>11</sup> [Electoral Commission, Report on campaign spending in the 2024 general election, July 2025](#)

<sup>12</sup> [CSPL, Regulating Election Finance, 2021, page 9](#)

23. The British public were rightly highly concerned by Elon Musk’s pledge to donate \$100 million to Reform UK.<sup>13</sup> While he stepped back from this pledge, he has since indicated strong support for Advance UK<sup>14</sup> and Restore Britain,<sup>15</sup> new parties with anti-democratic policies, There is nothing to prevent a multi-millionaire who is a legitimate donor from making a donation of this size or even higher.
24. The Electoral Commission has recognised “*a perception that large donations may buy either influence over policy or access to decision makers.*” Initial analysis it has done shows that “*it may be possible to set a cap [between £10,000 and £1 million] ... that significantly reduces the potential for perceived risks related to large donations, while maintaining the ability of parties to deliver their most important functions.*”
25. Additionally, a new resolution at the UN in December 2025, which the UK government co-sponsored as one of a cohort of 22 nations, calls upon state parties to “*consider limitations on donations*” in order to combat corruption. The UK needs to be seen to act swiftly on this to show international credibility.
26. **A donation cap to prevent unlimited donations is crucial to ensure a level playing field in elections.**

#### Recommendations:

1. The government should introduce a principle of an annual donation cap that applies to political parties and third party campaigners in primary legislation, with a statutory mechanism for the Electoral Commission to make a recommendation as to the level of the cap following consultation once every 5 years. This recommendation would be implemented by an order from the Secretary of State.

## Strengthening enforcement

### The Electoral Commission’s powers

27. Despite some welcome measures in the bill to increase the Electoral Commission’s fining powers and expand who it can share information with, there remain some concerning weaknesses. These weaknesses leave the Commission at odds with other regulators such as the Information Commissioner’s Office.

<sup>13</sup> [Clifford, Tom., Survation, \*Do the public support limiting Elon Musk’s influence?\*, December 2024](#)

<sup>14</sup> [FT, \*Can a UK party backed by Elon Musk outflank Nigel Farage on the right?\*, August 2025](#)

<sup>15</sup> [Daily Mail, \*Elon Musk snubs Nigel Farage as Tesla boss endorses former Reform UK MP’s new political party Restore Britain\*, February 2026](#)

## Fines

28. The first weakness is that the new £500,000 fine upper limit is not also accompanied by a percentage of campaign cost. In its 2021 review of electoral finance, the **Committee on Standards in Public Life recommended 4% of the value of campaign spending or £500,000**<sup>16</sup> to ensure there can be real deterrence in the most egregious cases. This would bring it into line with the ICO which can fine 4% of annual turnover or a set level fine.

### **Recommendations**

1. The Electoral Commission should be given the power to fine up to £500,000 or 4% of campaign spending, whichever is higher.

## Information sharing

29. The second weakness is in the Commission's inability to share and receive information. The Bill introduces explicit statutory gateways for the Electoral Commission to share information with a broad range of regulators and law enforcement. However, the Commission will not be able to receive information from these bodies on the same statutory basis. That means it will be reliant on negotiating non-binding information sharing MoUs, sometimes with bodies that are unable to share information without a statutory basis.

30. Consideration needs to be given to how suspicious activity reports could be shared with the Electoral Commission, in the same way the government is considering allowing the FIU to share such reports with anti-money laundering supervisors. The NCA has recently confirmed that there have been 10 suspicious activity reports relating to political funding in the past three years.<sup>17</sup>

### **Recommendations**

1. All the bodies in the new Bill (at new schedule 19D) with whom the Commission will be able to share information with should be enabled to share information back with the Electoral Commission.
2. The government should ensure that intelligence derived from Suspicious Activity Reports can be proactively shared with the Electoral Commission.

<sup>16</sup> [Committee on Standards in Public Life, \*Regulating Election Finance\*, July 2021, page 9](#)

<sup>17</sup> [Joint Committee on the National Security Strategy, \*Uncorrected oral evidence: Defending democracy\*, February 2026](#)

### Powers to obtain information for an investigation

31. Currently, the Commission can only require information from various entities, including suppliers or unregistered campaigners, if they have reasonable grounds to suspect an offence has been committed and have opened an investigation.
32. As the Electoral Commission has highlighted, this creates the anomaly that “to open ... an investigation needs clear evidence – but we can’t always obtain that in the first place”.<sup>18</sup> It has been asking for the power to request relevant information and explanation outside of a formal investigation from entities that they do not regulate, but who may hold relevant material, since at least 2020.<sup>19</sup>
33. In particular, the critical bodies it cannot currently request information from are:
  - a. financial institutions, including crypto exchanges or third party due diligence companies,<sup>20</sup> and
  - b. social media companies, despite a recommendation in the 2022 House of Lords Select Committee on Democracy and Digital Technologies report that it should be able to “*acquire information from external parties such as social networks about campaigners’ activities outside of a formal investigation.*”<sup>21</sup>

### **Recommendations**

1. The Electoral Commission should be given powers to compel evidence from entities that fall outside of its regulatory sphere such as social media companies and financial institutions, including crypto exchanges, without having to start a formal investigation.

### Powers to obtain information from overseas

34. The Electoral Commission’s Enforcement Policy states that it is not “*able to use our investigatory powers in relation to any person outside of the UK*”.<sup>22</sup> That means even its

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<sup>18</sup> *ibid*

<sup>19</sup> [House of Lords Select Committee on Democracy and Digital Technologies, \*Digital Technology and the Resurrection of Trust\*, June 2020, page 51](#) and [The Electoral Commission, \*Digital Campaigning: Increasing transparency for voters\*, June 2020, page 3](#)

<sup>20</sup> [Correspondence between the Electoral Commission and the Joint Committee on the National Security Strategy, 6 February 2026, page 3](#)

<sup>21</sup> [House of Lords Select Committee on Democracy and Digital Technologies, \*Digital Technology and the Resurrection of Trust\*, June 2020, page 92](#)

<sup>22</sup> [The Electoral Commission, \*Enforcement Policy\*, September 2023](#)

existing investigatory powers to compel documents, information and explanations “are unenforceable against individuals and entities abroad.”<sup>23</sup>

35. Given the risk of overseas donations, including of cryptocurrency donations that may arise from other jurisdictions, it is a serious anomaly that the Electoral Commission cannot enforce the UK’s political finance and electoral laws against individuals or entities abroad who may be permissible donors in the UK.

## Recommendations

1. The Electoral Commission should be given the power to enforce the UK’s political finance and electoral laws against individuals and entities abroad who are permissible donors in the UK.

## Budget

36. Whereas the UK’s Electoral Commission’s budget amounts to £1 per voter, its equivalent in New Zealand receives £6.11 per voter, its equivalent in Canada receives £5.88, and its equivalent in Ireland receives £2.79. While the comparisons are not exact, given that each Electoral Commission has slightly different responsibilities, it is clear that the UK’s version tails far behind the rest.
37. The Impact Assessment for the Representation of the People Bill calculates a central cost of £13.3 million over 10 years relating to the changes to the Electoral Commission’s enforcement powers in the Bill<sup>24</sup> – or just £1.3 million a year. This seems exceptionally low given the huge scale of regulating candidate finance, the fact that the Electoral Commission itself said that the Representation of the People Bill will create “additional burdens,”<sup>25</sup> and that academic evidence shows that resourcing is critical to electoral integrity.<sup>26</sup>
38. The Commission is due to see a budget increase of £13.7 million (to £62.8 million) between 2026/27 and 2028/29,<sup>27</sup> due to anticipated expenditure for a general election in 2028/29. However, given that another 8.5 million 16-17 year olds would be added to the electoral roll, this would take the Electoral Commission’s budget per voter to just £1.10 – still significantly lower than comparable jurisdictions.

<sup>23</sup> [Correspondence between the Electoral Commission and the Joint Committee on the National Security Strategy, 6 February 2026, page 3](#)

<sup>24</sup> [UK Government, \*Representation of the People Bill: Impact Assessment\*, February 2026, page 3](#)

<sup>25</sup> [Joint Committee on the National Security Strategy, \*Defending Democracy: Oral Evidence\*, September 2025](#)

<sup>26</sup> [Professor Alistair Clark, Cambridge University Press, \*Identifying the Determinants of Electoral Integrity and Administration in Advanced Democracies: the case of Britain\*, March 2016](#)

<sup>27</sup> [The Electoral Commission, \*Main Estimates Memorandum 2025/26\*, February 2025, p.7](#)

## Recommendations

1. The Electoral Commission should come forward with a fully costed analysis of what funding package it will need to fulfil its expanded mandate.
2. The Speaker's Committee for the Electoral Commission should work with the Electoral Commission to put forward a budget that reflects what is needed to ensure adequate regulation of political finance and oversight of elections, rather than what fits within a specific envelope set by the Treasury.
3. The Electoral Commission should be empowered to keep at least a percentage of fines levied to reinvest into further enforcement capacity rather than returning them to the Treasury as currently happens.

### A stronger criminal offence: the donor declaration

39. The Electoral Commission has highlighted that there is an “*enforcement gap*”, for cases where reckless or intentional action has taken place, resulting from a system that is “*not coherent and does not provide an effective deterrent.*”<sup>28</sup>
40. Law enforcement have consistently highlighted that there are gaps in the legislation. Thames Valley Police told Parliament in 2021 that a key constraint was “*the complexity of navigating the legislation and making a case that proves clear dishonesty beyond all reasonable doubt that will lead to a successful conclusion at court.*”<sup>29</sup> The NCA more recently highlighted in Parliament in February 2026 that there is a “*gap in law*” where “*a foreign state or foreign individual – someone who is impermissible – can transfer money to someone who is in the UK, who is permissible, and that person can give money to a political party or a politician, and there is nothing to stop that. That is perfectly lawful.*”<sup>30</sup>
41. In recent years, only one criminal case under PPERA has reached the courts, in 2023, and that resulted in acquittals of the two main suspects.<sup>31</sup> The Metropolitan Police which has primary responsibility for policing these offences in London has never opened an investigation into the two main offences under PPERA despite at least 8 referrals.
42. The government has proposed to address some of the criminal enforcement gap by commencing Section 54A – a requirement that donors making contributions of over £11,180 to declare whether they have received any payments connected to their donation.

<sup>28</sup> [Committee on Standards in Public Life, Review of electoral regulation: Written evidence submissions 1 - 20](#)

<sup>29</sup> [PACAC, House of Commons, Oral evidence: Elections Bill, September 2021, page 37](#)

<sup>30</sup> [Joint Committee on the National Security Strategy, Uncorrected oral evidence: Defending democracy, February 2026](#)

<sup>31</sup> [Transparency International UK, How is our electoral law enforced?, July 2025](#)

43. However, legal experts have highlighted real concerns that commencing Section 54A as it is will not be enough. The language of the current section 54A clause is too vague, fails to require sufficient wording on foreign donations or donations from the proceeds of crime, and is too reliant on a subjective assessment by the donor. The Electoral Commission has recommended that the requirements in the declaration are strengthened before it is commenced.<sup>32</sup>

**44. A revised and strengthened version of the donor declaration at section 54A should be introduced by the Representation of the People Bill, and revisions made to section 54 itself to explicitly prohibit foreign impermissible donations made indirectly, and donations where a party knew or should reasonably have known that they were the proceeds of crime.**

#### **Recommendations:**

1. The government should bring forward a strengthened donor declaration (section 54A) following consultation, and taking on board expert recommendations, and ensure it is commenced by the Representation of the People Bill.
2. The government should amend section 54 to make clear that political parties and candidates may not receive donations that derive directly or indirectly from a person outside the UK who is not registered to vote or that derive from funds where they could reasonably have known that they derived from the proceeds of crime.

#### *Low sentences*

45. In 2020, the Law Commission recommended that the maximum sentence for serious electoral fraud be increased from two years to 10 years.<sup>33</sup> Raising sentences for serious electoral finance offences is critical to raising law enforcement appetite for pursuing such cases. Spending scarce public resources on a complex case that might take considerable time to investigate, and which results in a six-week suspended sentence, for example, for failing to declare the origin of donations above £500<sup>34</sup> will be hard to justify for police forces or the NCA.

46. As the Director-General of the NCA, Graeme Biggar, told Parliament in February 2026, *“we absolutely have a problem. For the vast majority of offences under PPERA, the*

<sup>32</sup> [Correspondence between the Electoral Commission and the Joint Committee on the National Security Strategy, 6 February 2026, page 9](#)

<sup>33</sup> [The Law Commission, \*Electoral Law: a joint final report\*, March 2020, page 146](#)

<sup>34</sup> [BBC, \*Northampton: Conservative donor admits offences over payments to party\*, September 2023](#)

*maximum sentence is one year. The length of the investigation that we would need to do to be able to get to a prosecution would be considerably more than one year.*<sup>35</sup>

### **Recommendations:**

1. The government should increase sentences for serious electoral finance offences to 10 years.

## **Closing foreign interference loopholes**

### **Political donations in cryptocurrency**

47. Cryptocurrency remains a niche form of finance in the UK – just 8% of the UK public owned cryptocurrency in 2025 according to polling done for the Financial Conduct Authority – down from 12% the year before.<sup>36</sup> 58% of those who own cryptocurrency are in the higher income bracket (earning over £100K), with many treating it as a speculative investment. Allowing political donations in crypto is therefore not a matter of fairness and there is currently very little discernible demand among ordinary members of the British public to contribute to political campaigns in crypto.
48. Regulation of cryptocurrency is in its infancy in the UK, and new regulations are not due to come into effect until October 2027.<sup>37</sup>
49. Political donations in cryptocurrency should not be allowed until at the very least there is an established and mature regulatory framework for cryptocurrency in the UK. This is particularly important given that the crypto industry is constantly evolving with a trend towards increased privacy likely to progressively place hurdles in the way of regulators and law enforcement seeking to trace the identities of crypto-wallet holders.<sup>38</sup>
50. Given the complexity and inherent risks of cryptocurrency, it is highly questionable whether it is proportionate for individual candidates and smaller parties to be required to check the true source of donations made in cryptocurrency, putting them at risk of breaching the rules on permissibility.
51. At the same time, the Electoral Commission does not have the necessary powers to regulate political donations in cryptocurrency effectively – see the section on information-sharing powers above.

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<sup>35</sup> [Joint Committee on the National Security Strategy, \*Uncorrected oral evidence: Defending democracy\*, February 2026](#)

<sup>36</sup> [YouGov, \*Crypto assets consumer research 2025\*, 2025, page 6](#)

<sup>37</sup> [HMT, \*New crypto rules to unlock growth and protect consumers\*, December 2025](#)

<sup>38</sup> [Grayscale, \*Crypto sectors quarterly: a preference for privacy\*, December 2025](#)

52. Furthermore, the Commission has flagged that the resources required to trace the true origins of crypto donations are “*very significant*” and that “*particularly abroad it is very hard to work out who is actually controlling or owning*” a crypto wallet.<sup>39</sup>
53. Given the significant public investment that would be needed to ensure that crypto donations could be made in a manner that mitigates the risks, it is much safer for the UK to take a precautionary and preventative approach by prohibiting them. The Electoral Commission should review this ahead of each general election following public consultation.
54. Prohibiting cryptocurrency donations would ensure that any donations made that originate from cryptocurrency would pass through the regulated sector, as they would need to be converted into fiat through the financial system before being donated. This would ensure that suspicious activity reports could be raised by the financial sector. The risks of cryptocurrency that originates from criminality of foreign interference entering political finance through this route could be further addressed through the new Know Your Donor risk assessment, and donor declaration.

#### **Recommendations:**

1. Prohibit crypto donations until/unless: crypto currency becomes much more widely used by a greater cross-section of the population; the UK’s regulatory framework for cryptocurrency is established; and the Electoral Commission considers it has the appropriate powers and capacity to regulate their use in political finance.
2. Address the risks of cryptocurrency entering the political finance system indirectly through conversion into fiat by beefing up the Know Your Donor risk assessment and the new donor declaration at Section 54A to address these risks.

#### **Corporate donations**

55. The government’s proposed rules for corporate donations – designed to prevent donations made via shell companies – contains genuinely welcome provisions that only companies that are majority owned or controlled by those eligible to vote can donate.
56. However, rather than adopting the recommendation made by the Committee on Standards in Public Life and multiple electoral experts that companies should only donate from two years of profit after tax,<sup>40</sup> the government has opted for a ‘revenue’ test.
57. The Electoral Commission has already highlighted that the government’s proposed revenue test is deeply flawed for two reasons. Firstly, the wording of the bill will “*allow companies to make legitimate donations many times their revenue*” as the bill merely

<sup>39</sup> [Joint Committee on National Security Strategy, Oral evidence: defending democracy, September 2025](#)

<sup>40</sup> [Committee on Standards in Public Life, Regulating elections finance, July 2021, page 11](#)

says that each donation must be limited by the size of a company's revenue, not the total of their donations combined. Secondly, using a profit, not revenue, test "*would provide much stronger protection against foreign interference and greater assurance for voters.*"<sup>41</sup>

58. It is also concerning that the Bill gives the relevant Secretary of State the power to revise the rules on the 'significant control test' for companies, rather than leaving future changes up to Parliament or the Electoral Commission.

59. Finally, it remains the case that public contractors can donate to political parties, potentially buying themselves influence and further contracts in the future. Autonomy has identified 373 companies that have both made donations to parties and been awarded government contracts worth, since 2015, a total of £60bn.<sup>42</sup>

#### **Recommendations:**

1. Replace the revenue test with a test that stipulates companies can only donate from total profit that they have made and paid tax on in the UK.
2. Amend the Section 54A donor declaration to make sure it contains a clause for corporate donors, which requires them to declare that their donation has come from post-tax profits.
3. Give the power to alter the rules on the 'significant control test' to the Electoral Commission rather than the relevant Secretary of State.
4. Introduce a prohibition on public contractors, including pre-approved suppliers, from making political donations.

#### **Know Your Donor risk assessments**

60. The Bill introduces the welcome measure for those receiving donations and loans (which includes parties, candidates, and relevant third parties) to be required to undertake new risk assessments. The Bill also provides for the Electoral Commission to come forward with guidance for parties about how to apply the risk assessment.

61. However, there are various weaknesses with how this provision has been drafted which must be addressed.

62. Firstly, the requirement only kicks in where the donation is over £11,180, regardless of the entity receiving a donation. For a party that might be proportionate but for a

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<sup>41</sup> [The Electoral Commission, Media briefing: Representation of the People Bill, February 2026, page 10](#)

<sup>42</sup> [Autonomy, Givers and Takers, October 2025, page 5](#)

candidate or a small third-party campaigner a donation of that size could be a significant portion of their campaign funding.

63. Secondly, given that the main purpose of the bill is to prevent foreign interference, it is concerning that the risk factors cited do not include whether a donor has any links to politically exposed persons or business connections with high-risk jurisdictions, nor any requirement to review the business associations linked to the donor. Additionally, the Bill as drafted gives parties too much discretion as to what they can consider relevant risk factors.
64. And thirdly, the Bill allows for the Electoral Commission's guidance on how to apply risk assessments to be modified by a minister before being laid before Parliament under the statutory instrument process. This undermines the independence of the Electoral Commission and allows political interference in the provision of regulatory advice.

#### **Recommendations:**

1. Amend the financial threshold for when the Know Your Donor checks are required to match reporting thresholds rather than having one threshold for all those subject to the requirement.
2. Amend the 'risk factors' to include specific references to checks for links to politically exposed persons and business connections with high-risk jurisdictions, and ensure that the language in the final risk factors is tightened by stating that parties should have to consider 'any risk factors that a reasonable person would consider relevant' rather than 'any risk factors the party considers to be relevant'.
3. Remove the ability of the Secretary of State to modify guidance developed by the Electoral Commission.

#### **Overseas voters' donations**

65. Currently, any British citizen living overseas who has registered to vote may donate to political parties. The Elections Act 2022 considerably expanded the overseas vote franchise, to a possible 3.5 million voters, increasing the potential for political donations to come from overseas.
66. This creates vulnerabilities for UK democracy. It allows those who do not have an obvious stake in daily British life to influence the policies of political parties and potentially the outcome of UK elections. Given the difficulties for the Electoral Commission of obtaining evidence and verification from abroad, there are also risks that hostile state actors could provide funding for political parties through permissible overseas voters.

67. The Political Parties and Elections Act 2009 contained provisions aimed at placing a £7,500 cap on donations (section 10) and loans (section 11) to political parties from individuals who are domiciled abroad for tax purposes but this has never been commenced.<sup>43</sup> These sections should be updated to reflect relevant updates to tax legislation and commenced to ensure there is a legitimate connection between those who donate and the UK.

**Recommendations:**

1. Update and commence sections 10 and 11 to ensure that overseas voters who do not pay UK income tax are not permissible donors.

**Unincorporated associations**

68. The Bill contains very welcome measures to prevent donations from impermissible donors being made through unincorporated associations. It also introduced new transparency requirements which mean that these bodies will have to register and start reporting the money they receive once they hit a threshold of £11,180 and report any gifts over £2,230 (down from £37,270 and £11,180 respectively).

69. However, it is still possible for an unincorporated association that is not required to register to make donations without any checks. That creates an unnecessary and undesirable loophole.

**Recommendations:**

1. Ensure that any unincorporated association that makes a donation to a party over £500 is required to register with the Electoral Commission so that it can be properly regulated.

**Full list of recommendations**

**Creating a fairer playing field on political finance**

1. Reduce spending limits to more reasonable levels, following a consultation led by the Electoral Commission and in consultation with the Speaker's Committee and the Ethics and Integrity Commission;

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<sup>43</sup> [The Political Parties and Elections Act 2009, Sections 10 and 11](#)

2. Introduce a provision that only allows the MHCLG Secretary of State to vary the spending limit in accordance with the findings of the Electoral Commission, mandates regular reviews of appropriate spending limits by the Electoral Commission, and expands the criteria on which campaign spending limits can be reviewed to include public confidence.
3. The government should commission an urgent review into how annual spending limits can apply in a proportionate manner.
4. Require parties to provide the Electoral Commission with more consistent, regular, detailed, and accessible invoices especially on digital or online campaigning;
5. Grant the Electoral Commission the power to review and change spending categories;
6. Require parties to report spending on local elections to the Electoral Commission; and
7. Include campaign staff costs and other costs related to political activity as campaign spending.
8. The government should introduce a principle of an annual donation cap that applies to political parties and third party campaigners in primary legislation, with a statutory mechanism for the Electoral Commission to make a recommendation as to the level of the cap following consultation once every 5 years. This recommendation would be implemented by an order from the Secretary of State.

### **Strengthening enforcement**

9. The Electoral Commission should be given the power to fine up to £500,000 or 4% of campaign spending, whichever is higher.
10. All the bodies in the new Bill (at new schedule 19D) with whom the Commission will be able to share information with should be enabled to share information back with the Electoral Commission.
11. The government should ensure that intelligence derived from Suspicious Activity Reports can be proactively shared with the Electoral Commission.
12. The Electoral Commission should be given powers to compel evidence from entities that fall outside of its regulatory sphere such as social media companies and financial institutions, including crypto exchanges, without having to start a formal investigation.
13. The Electoral Commission should be given the power to enforce the UK's political finance and electoral laws against individuals and entities abroad who are permissible donors in the UK.
14. The Electoral Commission should come forward with a fully costed analysis of what funding package it will need to fulfil its expanded mandate.

15. The Speaker's Committee for the Electoral Commission should work with the Electoral Commission to put forward a budget that reflects what is needed to ensure adequate regulation of political finance and oversight of elections, rather than what fits within a specific envelope set by the Treasury.
16. The Electoral Commission should be empowered to keep at least a percentage of fines levied to reinvest into further enforcement capacity rather than returning them to the Treasury as currently happens.
17. The government should bring forward a strengthened donor declaration (section 54A) following consultation, and taking on board expert recommendations, and ensure it is commenced by the Representation of the People Bill.
18. The government should amend section 54 to make clear that political parties and candidates may not receive donations that derive directly or indirectly from a person outside the UK who is not registered to vote or that derive from funds where they could reasonably have known that they derived from the proceeds of crime.
19. The government should increase sentences for serious electoral finance offences to 10 years.

#### **Closing foreign interference loopholes**

20. Prohibit crypto donations until/unless: crypto currency becomes much more widely used by a greater cross-section of the population; the UK's regulatory framework for cryptocurrency is established; and the Electoral Commission considers it has the appropriate powers and capacity to regulate their use in political finance.
21. Address the risks of cryptocurrency entering the political finance system indirectly through conversion into fiat by beefing up the Know Your Donor risk assessment and the new donor declaration at Section 54A to address these risks.
22. Replace the revenue test with a test that stipulates companies can only donate from total profit that they have made and paid tax on in the UK.
23. Amend the Section 54A donor declaration to make sure it contains a clause for corporate donors, which requires them to declare that their donation has come from post-tax profits.
24. Give the power to alter the rules on the 'significant control test' to the Electoral Commission rather than the relevant Secretary of State.
25. Introduce a prohibition on public contractors, including pre-approved suppliers, from making political donations.

26. Amend the financial threshold for when the Know Your Donor checks are required to match reporting thresholds rather than having one threshold for all those subject to the requirement.
27. Amend the 'risk factors' to include specific references to checks for links to politically exposed persons and business connections with high-risk jurisdictions, and ensure that the language in the final risk factors is tightened by stating that parties should have to consider 'any risk factors that a reasonable person would consider relevant' rather than 'any risk factors the party considers to be relevant'.
28. Remove the ability of the Secretary of State to modify guidance developed by the Electoral Commission.
29. Update and commence sections 10 and 11 to ensure that overseas voters who do not pay UK income tax are not permissible donors.
30. Ensure that any unincorporated association that makes a donation to a party over £500 is required to register with the Electoral Commission so that it can be properly regulated.

*March 2026*