

## STRENGTHENING THE REPRESENTATION OF THE PEOPLE BILL

*Transparency International UK's submission of written evidence to the Public Bill Committee,  
19 March 2026 (RPB31)*

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### 1. INTRODUCTION AND SUMMARY OF RECOMMENDATIONS

1.1 Transparency International UK is the UK-based chapter of Transparency International, the world's leading non-governmental anti-corruption organisation. We raise awareness about corruption; advocate legal and regulatory reform at national and international levels; design practical tools for institutions, individuals and companies wishing to combat corruption; and act as a leading centre of anti-corruption expertise in the UK. We base our advocacy on robust research, and, as a UK registered charity, are independent and non-political. We thank the Committee for the opportunity to provide this evidence briefing.

1.2 Transparency International UK welcomes measures in the Representation of the People Bill designed to strengthen the rules on corporate donations, introduce new "Know Your Donor" guidance, and ensure tighter requirements for unincorporated associations. However, it is our view that the Representation of the People Bill does not go far enough either to achieve its stated ambitions or to contend with the biggest threats to our democracy.

1.3 We urge the Committee to consider that while it is essential to legally prohibit foreign actors from interfering in our politics, it will still be possible for very wealthy individuals to pay their way around the rules – such as by buying a UK company that meets the criteria of a permissible donor, or by obtaining the right

to vote (and therefore donate) in the UK by purchasing a golden visa from a Commonwealth country like Dominica, St. Lucia or St. Kitts and Nevis.

1.4 Put plainly, in the absence of meaningful limits on political finance domestically, the UK will still remain vulnerable to undue influence and malign outside interests. The Representation of the People Bill does not, as it stands, seek to introduce any such limits.

1.5 We call on MPs to utilise this rare and timely opportunity to buttress the UK's democratic defences, and amend this Bill to contend with the structural deficiencies in our political finance regime that enable foreign and undue influence to thrive.

## 1.6 RECOMMENDATIONS SUMMARY

**The Representation of the People Bill should be amended to:**

- a) **Prevent the corrosive influence of big money in politics by introducing an annual donation cap of £50,000 per year for individuals and organisations.** Our modelling – which we can make available to Committee Members – suggests this could be achieved with new spending limits by 2030 through a progressive series of yearly donation caps, to allow parties sufficient time to diversify their funding base.
- b) **Prevent an ‘arms race’ in political fundraising by lowering national campaign spending limits,** inclusive of staffing costs, to £16 million, in line with CSPL's recommendation.<sup>1</sup>
- c) **Ensure greater transparency by decreasing reporting thresholds for donations to £500,** in line with the threshold for permissibility checks.
- d) **Mitigate the risk of foreign money entering our democracy via legal entities** by changing the company and LLP permissibility test to consider profit/surplus income after expenditure, not revenue, and require a dedicated bank account for political activities that can only receive and disburse funds from these sources.
- e) **Mitigate the risks of foreign money entering our democracy via anonymous payment methods** by introducing a ban or moratorium on cryptocurrency or cash donations over £500 in value, pending further review, and dovetailing any further changes to UK political finance regulation with anti-money laundering laws, particularly suspicious activity reporting.
- f) **Improve safeguards against evasion of the rules** by requiring intermediaries for donations to provide their details to recipients, and for this information to be reported onwards to the Electoral Commission and published alongside the donation details. This should be done alongside the

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<sup>1</sup> CSPL, *Political party finance*, p.71 ; CSPL, *Regulating Election Finance*, (July 2021) pp.65-66  
[https://assets.publishing.service.gov.uk/media/60e460b1d3bf7f56801f3bf6/CSPL\\_Regulating\\_Election\\_Finance\\_Review\\_Final\\_Web.pdf](https://assets.publishing.service.gov.uk/media/60e460b1d3bf7f56801f3bf6/CSPL_Regulating_Election_Finance_Review_Final_Web.pdf).

Government enacting its proposal to commence section 54A of PPER, and exploring reforms to bolster the principal anti-evasion offence under section 61 PPERA.

- g) **Clarify that donations towards pre-candidacy campaigning** are regulated and reportable.
- h) **Future-proof against those seeking to exploit the absence of checks of funding to unregistered parties**, for example by prohibiting new political parties from using start-up capital above a certain level that has not been subject to permissibility checks.
- i) **Clarify who is leading criminal investigation and prosecution of electoral law** by identifying and resourcing a dedicated specialist police unit mandated to undertake complex and potentially UK-wide investigations into criminal breaches of political finance law, with support from the Electoral Commission, restoring the Commission's ability to bring criminal proceedings where necessary.
- j) **Strengthen the Electoral Commission's independence** by prohibiting a Government majority on, and including lay members to, the Speaker's Committee.

## 2. BIG MONEY IN POLITICS

2.1 Weak political finance regulations have left UK politics vulnerable to undue influence by mega donors from home and abroad, while also leaving numerous routes for money of unknown origin to enter our democracy. Our research has revealed that between 2001 and 2024, **almost £1 in every £10 of political donations came from unknown or questionable sources**.<sup>2</sup> These sources include:

- £675,586 from Christine Lee & Co. Between September 2008 and February 2020. In January 2022, MI5 alerted the parliamentary authorities and an MP the company was supporting that its owner was a Chinese agent of influence carrying out work for the Chinese Communist Party. Christine Lee rejects these allegations and is suing MI5 for destroying her reputation.<sup>3</sup>
- £633,800 from Javad Marandi between August 2014 and November 2020. In 2022, a judge concluded Mr Marandi was a 'person of importance' to a money laundering investigation by the National Crime Agency. Mr Marandi strongly denies wrongdoing and is not subject to criminal sanction.<sup>4</sup>

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<sup>2</sup> Transparency International UK, *Cheques and balances: Countering the influence of big money in UK politics*, (December 2024) <https://www.transparency.org.uk/sites/default/files/2025-01/Cheques%20and%20Balances%20-%20Countering%20the%20Influence%20of%20Big%20Money%20in%20UK%20Politics.pdf>.

<sup>3</sup> <https://www.bbc.co.uk/news/articles/cp9n4211zn3o> [accessed: 18 February 2026].

<sup>4</sup> National Crime Agency v Orkhan Javanshir, Parvana Feyziyeva, Elman Javanshir [2022] Westminster Magistrates Court

- £550,604 from Britannia Financial Group between December 2019 and June 2022. Britannia's owner during this period was Julio Martin Herrera Velutini. In August 2022, Mr Velutini was charged with bribing Puerto Rico's Governor in an attempt to stop regulatory oversight of his bank, Bancredito.<sup>5</sup> The following year, Bancredito was fined \$15 million by the US for serious money laundering failings, and entered liquidation.<sup>6</sup> In August 2025, Mr Velutini entered a plea deal with the FBI, accepting a lesser offence of campaign finance violations.<sup>7</sup> In January 2026, Mr Velutini received a Presidential pardon from Donald Trump<sup>8</sup> following substantial donations from his daughter, Isabela Herrera, to a Trump-supporting Super PAC.<sup>9</sup>
- £449,535 from Aquind Limited between May 2018 and January 2024, a company bidding to build a power interconnector between Normandy and Portsmouth worth £1.2 billion.<sup>10</sup> Two Ministers within the Department for Business, Energy and Industrial Strategy (BEIS) have had to recuse themselves from deciding on the pipeline because their local constituency associations had received donations from Aquind and its former parent company, Offshore Group Newcastle (OGN).<sup>11</sup> The identity of one of Aquind's owners, Viktor Fedotov, was shrouded in secrecy until reported by The Times in 2020. Victor Fedotov was the chairman of two companies that made more than £80 million from the state funded Transneft pipeline project in Russia, over which the BBC raised allegations of fraud.<sup>12</sup> As published by the BBC, Mr Fedotov's lawyers replied to these allegations saying 'there is no evidence whatsoever' he behaved improperly.
- £222,104 from Amira G Foods between September 2019 and December 2021. Amira Food's owner, Karan Chanana, is being investigated in India over alleged fraud and money laundering.<sup>19</sup> Mr Chanana and Amira Nature Foods did not respond to previous requests for comment.
- £450,000 from Ehud Sheleg in February 2018 that Barclays bank reported to law enforcement on suspicion of money laundering, and which originated from the accounts of Mr Sheleg's father-in-law, Sergei Kopytov, a former pro-Russian, Ukrainian politician.<sup>20</sup> Mr Sheleg's representatives confirmed he and his wife had received money from Sergei Kopytov before making the donation but claim that it was 'entirely separate' from the campaign contribution. Mr Kopytov's lawyers also claim there was no basis to suggest his gift was intended to be used as a political donation.<sup>21</sup>

<sup>5</sup> [https://media.telemundopr.com/2022/08/Indictment-22-342-ADC\\_Redacted.pdf](https://media.telemundopr.com/2022/08/Indictment-22-342-ADC_Redacted.pdf) [accessed: 19 February 2026].

<sup>6</sup> [https://www.fincen.gov/system/files/shared/Bancredito\\_Consent\\_FINAL\\_091523\\_508C.pdf](https://www.fincen.gov/system/files/shared/Bancredito_Consent_FINAL_091523_508C.pdf) [accessed: 19 February 2026].

<sup>7</sup> <https://storage.courtlistener.com/recap/gov.uscourts.prd.188356/gov.uscourts.prd.188356.10.0.pdf> [accessed: 19 February 2026].

<sup>8</sup> <https://www.justice.gov/pardon/media/1424211/dl?inline> [accessed: 18 February 2026].

<sup>9</sup> <https://campaignlegal.org/update/seeking-pardon-foreign-billionaire-allegedly-funneled-millions-trump-super-pac> [accessed: 18 February 2026].

<sup>10</sup> <https://national-infrastructure-consenting.planninginspectorate.gov.uk/projects/EN020022> [accessed: 18 February 2026].

<sup>11</sup> <https://www.thetimes.co.uk/article/anne-marie-trevelyan-failed-to-disclose-lobbying-by-tory-donor-energy-firm-aquind-6xkr8ntk9>; <https://www.mirror.co.uk/news/politics/tory-energy-secretary-dined-donors-22349093> [accessed: 18 February 2026].

<sup>12</sup> <https://www.bbc.co.uk/news/world-58791274> [accessed: 18 February 2026].

- £2.46 million from Lubov Chernukhin between June 2018 and December 2023. An investigation by the BBC found that Mrs Chernukin’s personal wealth comes from her husband, Vladimir, who has been linked financially by those close to the Kremlin.<sup>13</sup> When responding to questions from the BBC, her lawyers replied that she is a British citizen and can do as she wishes with her money.

2.2 These cases highlight persistent vulnerabilities in the UK’s defences against opaque and potentially nefarious influence. These are compounded by the absence of a cap on political donations and high national campaign spending limits, which the UK Government increased by 80 per cent in 2023 without evidence or analysis of its impact.<sup>14</sup>

2.3 In the absence of limits on how much any individual or organisation can donate, and in the context of increasingly high spending on election campaigns,<sup>15</sup> political parties are becoming overly reliant on a small pool of wealthy donors. **This increases the risk of corruption:** parties are incentivised to turn a blind eye to donors’ dubious backgrounds, and large donations offer a clear route for individuals – including foreign nationals – to seek undue and malign influence over our politics.

2.4 **Other comparable democracies have sought to curb the corrosive influence of big money in politics by setting donation caps.** For example, Canada caps donations to political parties at CA\$1,750 annually;<sup>16</sup> France<sup>17</sup> caps donations to political parties at €7,500 annually and €4,500 for presidential campaigns; Italy’s<sup>18</sup> cap is €100,000 per person or company annually; and Australia has introduced AU\$50,000 caps per donor per year, due to apply from July 2026.<sup>19</sup>

2.5 **The introduction of a donation cap in the UK has been recommended by the Hayden Phillips Review<sup>20</sup> and the Committee on Standards in Public Life,<sup>21</sup> and is supported by a majority of voters across political party lines.<sup>22</sup>** YouGov polling published in December 2025 showed 67 per cent say there should be a cap of £50,000 or less – or no private donations at all.<sup>23</sup>

<sup>13</sup> <https://www.bbc.co.uk/news/uk-politics-58711151> [accessed: 18 February 2026].

<sup>14</sup> <https://hansard.parliament.uk/commons/2023-11-16/debates/DD74DF1D-D08C-4858-B4D9-A461DB7C9B98/PartySpendingLimits> [accessed: 18 February 2026].

<sup>15</sup> In 2024, parties and their candidates spent over £90 million – the most at an election in modern UK history – and nearly an 80 per cent increase from a decade earlier (2015: £51.7 million).

<sup>16</sup> <https://www.elections.ca/content.aspx?section=pol&dir=lim&document=lim2025&lang=e> [accessed: 18 February 2026].

<sup>17</sup> [https://www.legifrance.gouv.fr/loda/article\\_lc/LEGIARTI000035588686](https://www.legifrance.gouv.fr/loda/article_lc/LEGIARTI000035588686) [accessed: 18 February 2026].

<sup>18</sup> <https://www.idea.int/node/133712> [accessed: 18 February 2026].

<sup>19</sup> <https://www.aec.gov.au/FADReform/> [accessed: 18 February 2026].

<sup>20</sup> House of Commons Library, *Party funding: background and developments since November 2011*, (October 2013) <https://commonslibrary.parliament.uk/research-briefings/sn06123/>.

<sup>21</sup> CSPL, *Political party finance: Ending the big donor culture*, Cm 8208, (November 2011) pp.63-64

[https://assets.publishing.service.gov.uk/media/5a7e3c4ae5274a2e87db06c5/13th\\_Report\\_Political\\_party\\_finance\\_FINAL\\_PDF\\_VERSION\\_18\\_11\\_11.pdf](https://assets.publishing.service.gov.uk/media/5a7e3c4ae5274a2e87db06c5/13th_Report_Political_party_finance_FINAL_PDF_VERSION_18_11_11.pdf).

<sup>22</sup> <https://news.sky.com/story/majority-of-public-support-cap-on-political-donations-including-half-of-reform-voters-poll-finds-13298986> [accessed: 18 February 2026].

<sup>23</sup> <https://yougov.co.uk/topics/politics/trackers/should-there-be-a-limit-of-donations-made-to-political-parties-by-individuals> [accessed: 18 February 2026].

**2.6 Last year, the UK and at least 59 other countries co-sponsored a resolution passed at the Conference of States Parties to the UN Convention Against Corruption that calls on state parties to “consider limitations on donations ... with a view to combatting corruption”.<sup>24</sup>**

2.7 We contend that there is a negative correlation between the size of a donation cap and its effectiveness as a deterrent for *quid pro quo* arrangements as well as subtler, but no less malign, influence operations. We also consider caps as a more effective and efficient way to deal with the risks of foreign interference in our democracy than the piecemeal approach proposed by the Government in its Bill, as drafted.

2.8 The donation reporting rules – a key means to preventing evasion of the law – also need revisiting in the context of caps on political contributions and foreign interference threats. The previous Government increased disclosure thresholds by 40 per cent in 2023, with some now over 100 times larger than those in the US and Canada, where contribution limits apply.<sup>25</sup> Even Australia’s relatively high level of AUS\$5,000 is less than a quarter of the UK’s. This increase in the reporting threshold is a regressive step. For example, were the new reporting thresholds applied to contributions made between 2001 and 2023 to political parties, this would have resulted in a £31.8 million transparency black hole.

2.9 To counter the foreign influence threat and strengthen enforcement of the law, donations should be publicly disclosable at a much lower level than currently required, and at no more than the current permissibility threshold of £500.

## **2.10 RECOMMENDATIONS**

**To protect against the corrupting influence of foreign and big money in politics**, the Representation of the People Bill should be amended to:

- **Introduce an annual donation cap** of £50,000 per year for individuals and organisations. Our modelling suggests this could be achieved with new spending limits by 2030 through a progressive series of yearly donation caps, to allow parties sufficient time to diversify their funding base, and that this would not need additional public funding for parties.
- **Lower national campaign spending limits**, inclusive of staffing costs, to £16 million, in line with CSPL’s recommendation.<sup>26</sup>
- **Decrease reporting thresholds** for donations to £500, in line with the threshold for permissibility checks.

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<sup>24</sup> [https://track.unodc.org/uploads/documents/UNCAC/COSP/session11/COSP11\\_resolutions\\_unedited.pdf](https://track.unodc.org/uploads/documents/UNCAC/COSP/session11/COSP11_resolutions_unedited.pdf) While the final text of the resolution is yet to be published, Government press releases confirm that it was adopted. For example, from one of the countries who tabled the resolution, Albania: <https://ambasadat.gov.al/unov-osbe/newsroom/miratohet-rezoluta-e-bashke-iniciuar-nga-shqiperia-ne-konferencen-e-shteteve-pale-ne-konventen-e-okb-se-kunder-korrupsionit/>. Additionally, after the CoSP was finished there was still an opportunity for other countries to co-sponsor the resolution, so the number of countries may increase.

<sup>25</sup> The disclosure thresholds in Canada and the US are CA\$200 and USD\$200 respectively.

<sup>26</sup> CSPL, *Political party finance*, p.71 ; CSPL, *Regulating Election Finance*, (July 2021) pp.65-66

[https://assets.publishing.service.gov.uk/media/60e460b1d3bf7f56801f3bf6/CSPL\\_Regulating\\_Election\\_Finance\\_Review\\_Final\\_Web.pdf](https://assets.publishing.service.gov.uk/media/60e460b1d3bf7f56801f3bf6/CSPL_Regulating_Election_Finance_Review_Final_Web.pdf).

### 3. COMPANY DONATIONS

3.1 There is a serious risk that hostile states can sidestep the rules banning foreign donations by channeling money through UK legal entities that would otherwise meet the criteria of a permitted corporate donor.

3.2 Currently, companies and LLPs can donate if they are incorporated and carrying on business in the UK. In practice, this is a very low hurdle to pass, with even dormant companies likely to meet this test. This allows legal entities to be used as conduits for money that would otherwise be impermissible, while obscuring the ultimate source of funds.

3.3 Our own research has identified at least £10.9 million in donations from companies where the funding source was unclear and they had not made sufficient profits to support their political contributions.<sup>27</sup> Journalists at Democracy for Sale have further investigated company donations and found £6 million in political donations from UK-registered companies owned by individuals who do not appear eligible to vote in Britain.<sup>28</sup> These include:

- £750,000 from an American investor and close friend of American politician Robert F Kennedy Jr.
- £70,000 from a Canadian crypto and online gambling mogul based in Antigua, previously a fugitive from US prosecutors
- 219 donations from 55 UK companies owned exclusively by foreign nationals who listed their residency as outside of the UK or Ireland

3.4 The Representation of the People Bill seeks to address this.<sup>29</sup> Its proposed amendments to the Political Parties, Elections and Referendums Act 2000 (PPERA) would require that for a company or LLP to be permissible:

- they should have sufficient revenue during previous years to cover the cost of the donation
- their ownership or control structures meet certain conditions
- they have submitted accounts to Companies House recently

3.5 The Electoral Commission has raised concerns that **using revenue to define permissibility does not guarantee companies or LLPs will have made enough money from genuine economic activity to cover the donations they make**. They also highlight a critical flaw in how the proposed cap on corporate contributions is calculated, meaning the ‘only limit to a company’s ability to

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<sup>27</sup> TI-UK, *Cheques and balances*, p.24.

<sup>28</sup> <https://democracyforsale.substack.com/p/revealed-how-foreign-billionaires-funding-british-politics-musk-trump> [accessed: 18 February 2026].

<sup>29</sup> Clause 60, Representation of the People Bill (as introduced) <https://publications.parliament.uk/pa/bills/cbill/59-01/0384/240384.pdf>.

donate would be the number of different donees it can find which will accept its money.<sup>30</sup> We agree with the Commission's analysis.

3.6 Requiring companies to make donations from post-tax profits would help mitigate against the risk of them being used as conduits for otherwise impermissible funds. Because LLPs can be tax transparent, with tax liabilities paid for by their partners, we can see the case for permissibility being tied to post-expenditure surplus at the end of a financial year instead. To aid the administration and enforcement of these rules, we suggest companies and LLPs maintain a designated account used solely for the purposes of political donations and expenditure, which can only receive income from profits/surplus income generated in previous financial years. This would be similar to existing requirements for trade unions and Separate Segregated Funds in the US.

### 3.7 RECOMMENDATIONS

**To mitigate the risks of foreign money entering our democracy via legal entities**, the company and LLP permissibility test in the Representation of the People Bill should be amended to:

- consider profit/surplus income after expenditure, not revenue, and
- require a dedicated bank account for political activities that can only receive and disburse funds from these sources.

## 4. CRYPTOCURRENCY AND CASH DONATIONS

4.1 Cryptocurrency transactions are fast, borderless and hard to trace without specialist expertise. There are also a range of crypto payment services that are intended to provide anonymity to users. The UK Government states crypto is increasingly used to launder the proceeds of crime, this is possibly a consequence of tighter regulation elsewhere in the financial system.<sup>31</sup> These factors makes them a high-risk vehicle for political donations: foreign actors, who would otherwise clearly be impermissible donors, can use cryptocurrency to conceal they are the source of donations to political parties and candidates.

4.2 The Electoral Commission has published initial guidance for political parties accepting cryptocurrency donations.<sup>32</sup> However, this does not address the multitude of obfuscation techniques enabled by cryptocurrency, such as donors using multiple crypto wallets with different addresses, retaining anonymity

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<sup>30</sup> [https://www.electoralcommission.org.uk/sites/default/files/2026-02/Media%20briefing%20-%20Representation%20of%20the%20People%20Bill\\_0.pdf](https://www.electoralcommission.org.uk/sites/default/files/2026-02/Media%20briefing%20-%20Representation%20of%20the%20People%20Bill_0.pdf) [accessed: 19 February 2026].

<sup>31</sup> HM Treasury and Home Office, *National risk assessment of money laundering and terrorism finance*, (July 2025) pp.39-42 [https://assets.publishing.service.gov.uk/media/6877be59760bf6cedaf5bd4f/National\\_Risk\\_Assessment\\_of\\_Money\\_Laundering\\_and\\_Terrorist\\_Financing\\_2025\\_FINAL.pdf](https://assets.publishing.service.gov.uk/media/6877be59760bf6cedaf5bd4f/National_Risk_Assessment_of_Money_Laundering_and_Terrorist_Financing_2025_FINAL.pdf).

<sup>32</sup> <https://www.electoralcommission.org.uk/guidance-candidates-and-agents-local-government-elections-england/candidate-donations/cryptoassets> [accessed: 19 February 2026].

through the use of privacy coins, or fragmenting large donations into smaller amounts ('smurfing') to bypass reporting thresholds.

4.3 As the International Foundation for Electoral Systems states:<sup>33</sup>

*"the embedded secrecy of many cryptocurrencies limits transparency and integrity in political finance, and much like cash, opens a space for foreign governments to channel their funding of election interference."*

4.4 The fast-moving pace of crypto, and the inherent levels of secrecy and risk, pose a significant barrier to electoral regulators having the right expertise – and resourcing – to monitor and trace donations. UK law enforcement report Russian elites are increasingly using crypto to move payments globally.<sup>34</sup> At the same time, the U.S. State Department claims Russia has spent \$300 million in covert political funding aimed at influencing democracies worldwide between 2014 and 2022.<sup>35</sup> In this context, it is reasonable to assume there is a strong likelihood that this alternative payment method is being used by hostile actors, such as Russia, to destabilise Western political systems. Cash contributions are also difficult to trace because they do not provide an easily traceable trail of how money has changed hands. In this way, it presents a similar challenge to cryptocurrency, and it would be prudent to mitigate their risk in a similar manner.

4.5 Formulating an effective response to cash and crypto risks is not straightforward. Banning or providing a moratorium on payments via these methods over £500 would be a prudent first step. Yet this only addresses the last stage in what could be a long chain of transactions to obscure the provenance of funds. Government should consider its response holistically, including how political finance regulation dovetails with suspicious activity reporting requirements under anti-money laundering laws.

#### 4.6 RECOMMENDATION

**To mitigate the risks of foreign money entering our democracy via anonymous payment methods**, the Government should use the Representation of the People Bill to:

- introduce a ban or moratorium on cryptocurrency or cash donations over £500 in value, pending further review
- dovetail any further changes to UK political finance regulation with anti-money laundering laws, particularly suspicious activity reporting

## 5. DONATIONS VIA INTERMEDIARIES

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<sup>33</sup> <https://www.ifes.org/news/illicit-foreign-finance-and-election-integrity> [accessed: 18 February 2026].

<sup>34</sup> National Economic Crime Centre, *Financial Sanctions Evasion Typologies: Russian Elites and Enablers*, (July 2022) p.4 <https://www.nationalcrimeagency.gov.uk/who-we-are/publications/605-necc-financial-sanctions-evasion-russian-elites-and-enablers/file>

<sup>35</sup> <https://www.bbc.co.uk/news/world-us-canada-62897570> [accessed: 19 February 2026].

5.1 In theory, there is a criminal offence against attempts to evade the permissibility rules, which provides a deterrent against those seeking to move illegal funds into our democracy. In practice, this is very difficult to prove beyond reasonable doubt, with **no successful prosecutions to date** despite suspicions of donations going through intermediaries.

5.2 An agreement to donate money on behalf of another can be as simple as a verbal arrangement made between two parties in private. The task for prosecutors is to prove beyond reasonable doubt that this conspiracy existed. Yet to do so they might have to rely entirely on circumstantial evidence unless one of the parties admits to engaging in a conspiracy, or the even more unlikely scenario that there was forewarning of an offence and the relevant policing authority was able to secure warrants to capture these discussions through surveillance or interception of communications. Consequently, this area of criminal law remains largely unused despite the relative frequency in which questions arise about the use of agency arrangements. There are now several examples of impermissible donors funding donations to political parties made by their wives and family members, totaling millions of pounds.<sup>36</sup>

5.3 To address concerns that intermediaries were being used to conceal the ultimate source of donations, Parliament introduced a new legal requirement that donors sign a declaration that they are the ultimate source of funds and were not acting on someone else's behalf.<sup>37</sup> Despite this sitting on the statute book for a decade and a half, no minister since has commenced these rules. While this is not a silver bullet, it provides an extra level of jeopardy for those thinking about hiding the source of a donation and could make them think twice. We welcome the Government's announcement that it will activate these provisions alongside measures in the Representation of the People Bill.<sup>38</sup>

5.4 To bolster safeguards further, there is merit in reviewing the principal anti-evasion rules in political finance law.<sup>39</sup> There has only been one prosecution to date for this offence, which failed despite other alleged co-conspirators being convicted on related misdemeanors.<sup>40</sup> Any review should consider how this criminal offence could dovetail more effectively with the civil forfeiture rules; for example, with civil forfeiture being pursued where there is enough evidence to prove evasion on the balance of probabilities.

5.5 To complement the above, there should also be more transparency about legal intermediaries for donations. Currently, the law requires individuals or

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<sup>36</sup> <https://www.theguardian.com/politics/2024/feb/27/can-i-now-send-the-funds-secrets-of-the-conservative-money-machine> ; <https://www.bbc.co.uk/news/uk-politics-58711151> ; <https://www.bbc.co.uk/news/uk-politics-61425441> ; <https://www.theguardian.com/uk-news/2025/sep/10/boris-johnson-files-tory-donations-wafic-rosemary-said> [accessed: 19 February 2026].

<sup>37</sup> Section 54A, PPERA <https://www.legislation.gov.uk/ukpga/2000/41/section/54A>.

<sup>38</sup> <https://www.gov.uk/government/publications/representation-of-the-people-bill-policy-summaries/political-finance> [accessed: 19 February 2026]

<sup>39</sup> Section 61, PPERA <https://www.legislation.gov.uk/ukpga/2000/41/section/61>.

<sup>40</sup> <https://www.bbc.co.uk/news/uk-england-northamptonshire-67340330> [accessed: 19 February 2026]

organisations handling political contributions on someone else's behalf to provide the recipient with information about the original source of funds,<sup>41</sup> yet there is no requirement for them to provide any details about themselves. Experience from the US shows that those collecting substantial amounts for parties and candidates ('bundlers') poses a significant corruption risk, especially in the context of donation caps.<sup>42</sup> Publishing the identity of bundlers alongside the donors they have handled money for increases transparency and accountability over these agents.

## 5.6 RECOMMENDATIONS

**To mitigate the risks of foreign money entering our democracy via intermediaries**, the Government should:

- enact its proposal to commence section 54A of PPERA
- explore reforms to bolster the principal anti-evasion offence under section 61 PPERA
- require intermediaries for donations to provide their details to recipients, and for this information to be reported onwards to the Electoral Commission and published alongside the donation details

## 6. PRE-CANDIDACY DONATIONS

6.1 When Parliament sits for more than 55 months, there are additional rules on campaigning by prospective parliamentary candidates, i.e. those seeking election but not yet formally nominated as a candidate. Known as the 'long campaign', these controls on spending and donations apply between the 55th month of Parliament sitting and its dissolution, which signifies the start of what is called the 'short campaign' from dissolution to polling day. Parliament introduced these rules in 2009 to counter concerns about opaque funding and excessive spending at the constituency level.

6.2 Information about previous levels of long campaign spending and donations are available on the Electoral Commission's website.<sup>43</sup> In 2015, when these rules last applied, candidates reported a total of £11.8 million in contributions towards their pre-candidacy electioneering, with £10 million reported in 2010.

6.3 Due to a series of early elections, these rules have not applied since. Yet the regulator's interpretation of the law has changed significantly. In the run up to the 2024 general election, the Electoral Commission told us that it did not think there were any controls or disclosure requirements for contributions to regulated pre-candidacy spending, and they did not think these contributions were covered by

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<sup>41</sup> Section 54(6), PPERA <https://www.legislation.gov.uk/ukpga/2000/41/section/54>

<sup>42</sup> <https://issueone.org/press/crosspartisan-coalition-calls-on-presidential-candidates-to-reveal-their-campaign-bundlers/> [accessed: 16 March 2026]

<sup>43</sup> <https://www.electoralcommission.org.uk/political-registration-and-regulation/financial-reporting/campaign-spending-candidates> [accessed 11 March 2026]

the rules on donations to regulated individuals<sup>44</sup>, either. This approach has removed controls on all pre-election funding, as was the case before 2009, which we calculate using data from the 2010 and 2015 has created a regulatory blackhole for at least £5 million in political contributions.<sup>45</sup>

## 6.4 RECOMMENDATION

The Government should bring forward amendments to the Representation of the People Bill clarifying that **donations towards pre-candidacy campaigning** are regulated and reportable.

## 7. DONATIONS TO UN-REGISTERED POLITICAL PARTIES

7.1 Controls on the source of donations to political parties, and associated disclosure requirements, only apply when a party is registered with the Electoral Commission. There are no requirements that any of the funds they hold upon registration must come from a permissible source. For anyone seeking to get round the rules on donations, this presents an obvious loophole to exploit.

### 7.2 RECOMMENDATION

The Government should consider future proofing against those seeking to exploit this loophole through amendments to the Representation of the People Bill. This **could include prohibiting new political parties from using start-up capital above a certain level** that has not been subject to permissibility checks.

## 8. ENFORCEMENT OF CRIMINAL LAW

8.1 The UK suffers from having a fragmented patchwork of agencies that are responsible for the criminal enforcement of political finance law, resulting in an **ineffective and inconsistent framework of deterrence against wrongdoing**. In 2022, the Electoral Commission lost its powers to bring criminal proceedings, despite any other organisation or individual with sufficient evidence being able to do so via a private prosecution.

8.2 Currently there is no single law enforcement body with overarching responsibility for leading investigations into breaches of electoral finance laws, which can

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<sup>44</sup> <https://www.electoralcommission.org.uk/our-guidance/other-regulated-individuals-and-organisations> [accessed 11 March 2026]

<sup>45</sup> Candidates at previous general elections where long campaign limits applied reported £10 million - £11 million in donations. Around half of those went towards individuals elected to Parliament, who were also required to report donations they received in the 12 months prior to their election (including those reported in their candidate spending return delivered to local authorities). Assuming candidates at similar elections receive the same amount, under the Commission's current policy approach only around half of these contributions would be reported, and only by those elected and required to report them to the Register of Members' Financial Interests.

involve UK-wide activity that transcends policing boundaries.<sup>46</sup> The Government's white paper on policing is silent on its future approach to enforcing this area of statute. Under both the present and proposed architecture, there is a very real risk that **without a criminal enforcement backstop, foreign and other malign actors will see civil fines as a cost of doing business** and will feel able to flout electoral law with impunity.

### 8.3 RECOMMENDATION

The Government **should ensure independent and effective enforcement of electoral law** by:

- identifying and resourcing a dedicated specialist police unit mandated to undertake complex and potentially UK-wide investigations into criminal breaches of political finance law, with support from the Electoral Commission, restoring the Commission's ability to bring criminal proceedings where necessary.

## 9. ELECTORAL COMMISSION INDEPENDENCE

9.1 **The Electoral Commission is a statutory body that is, and should remain, accountable to Parliament and not the Government of the day.** Principally, it reports to the Speaker's Committee, which scrutinises its performance and authorises its budget. Prior to 2022, there were nine members of the committee:

- the Speaker
- Chair of a relevant select committee
- a Secretary of State with responsibility for elections
- a minister with responsibility for local government
- five MPs who were not ministers

9.2 Convention was that no single party held a majority. **In the 2019 Parliament, five Conservative Party MPs were appointed to the committee, providing a single party majority for the first time.** Additionally, the Elections Act introduced a new minister to the Committee whose membership would be concurrent to the Secretary of State, alongside a ministerial power to issue the Commission with a Strategy and Policy Statement, which it must take it account and report against.

9.3 These changes have given the impression that it is both possible and desirable for the party of Government to hold a majority on the committee, and direct the affairs of the Commission. We strongly welcome the Government's commitment to revoke the ministerial power to issue a Strategy and Policy Statement, which

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<sup>46</sup> Section 19, Elections Act 2022 <https://www.legislation.gov.uk/ukpga/2022/37/part/3/crossheading/criminal-proceedings>.

presented undue executive interference in the activities of a parliamentary body. However, it is still possible for the governing party to pressure the Commission through the Committee. Introducing lay members, as if the case for other parliamentary bodies - such as the Committee on Standards and the Independent Parliamentary Standards Authority - would better protect against political capture of the Commission, and help to protect its independence.

#### **9.4 RECOMMENDATION**

To **protect the independence of the Electoral Commission**, the Representation of the People Bill should be amended to:

- Prohibit a government majority on, and introduce three lay members to, the Speaker's Committee.

#### **CONTACT**

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