



Office of the Leader
of the House of Commons

1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7276 1005
Fax: 020 7276 1006
leader@commonsleader.x.gsi.gov.uk

Our Ref: MP326645

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During the second day of Committee stage of the Recall Bill on 3 November I promised that I would write to you clarifying how MPs subject to a recall petition would have to report donations made to them (Hansard col. 604).

As you are aware, reporting regimes exist for political parties and certain elected office holders (including MPs) as set out in Political Parties and Referendums Act (PPERA). Political parties currently report donations over £7,500 (or £1,500 for Individual Accounting Units – which includes local constituency parties) in their quarterly returns to the Electoral Commission. MPs must report donations of over £1,500 for inclusion in the Register of Members' Financial Interests (RMFI) within 30 days of receipt. The Electoral Commission extracts the information it needs from the RMFI for an MP's quarterly return.

The intention of the Recall Bill is to ensure that spending and donations which have effect at a recall petition are properly accounted for. The intention is not to create an overly regulated environment, but to apply proportionate regulation to ensure that – as in a constituency election campaign – spending and donations are transparent. Accordingly, accredited campaigners must detail in their recall petition return information about donations. This includes the name of the donor, the value of the donation and the date it was received.

There is, however, an exception for registered political parties (who are not minor parties) as these are already subject to reporting requirements (detailed above) in relation to donations. Whilst this will result in political parties declaring donations at a higher threshold, it is considered justified on the basis that this would prevent the Recall Bill rules interfering with their quarterly reporting cycle. Political parties must, in any event, verify that any donations they receive of over £500 are from permissible sources.

In the case of an MP who is subject to recall, it is considered important that – if they choose to become an accredited campaigner – they are transparent about who is supporting them. As such, whilst an MP is also subject to donations reporting requirements under PERA, there is no specific exemption from reporting under the Recall Bill. As MPs report donations on a regular basis the Government does not believe that this would be overly burdensome.

Whilst this will lead to certain cases of double reporting, this follows the approach taken where regulated donees become permitted participants at a referendum. This is consistent with the general approach taken by the Recall Bill to mirror – where relevant – existing electoral law.

I should also note that for an MP who is an accredited campaigner to have to report a donation which falls within the definition of paragraphs 2 and 3 of Schedule 4, and is not excluded by virtue of paragraph 4, the donation must be made for:

- (a) the purpose of meeting petition expenses incurred by or on behalf of the accredited campaigner, or*
- (b) the purpose of securing that petition expenses are not so incurred*
 - Schedule 4(3)

As such, donations made to an MP who is an accredited campaigner during the regulated period which must be reported under PPERA, but do not meet this definition under the Recall Bill, would not need to be reported in the recall petition return.

I hope this addresses your concerns. As I stated in Committee I would be happy to meet to discuss this issue and others that emerged from the debate. I am placing a copy of this letter in the libraries of each House.

A handwritten signature in black ink, appearing to read 'Tom Brake', with a large, stylized flourish extending to the right.

Rt Hon Tom Brake MP

DEPUTY LEADER OF THE HOUSE OF COMMONS

Thomas Docherty MP
Shadow Deputy Leader of the House