Draft Order laid before Parliament under section 13(5) of the European Parliament (Representation) Act 2003, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2009 No.

NATIONAL ELECTION EXPENDITURE POLITICAL PARTIES REPRESENTATION OF THE PEOPLE

The European Parliamentary Elections (Loans and Related Transactions and Miscellaneous Provisions) (United Kingdom and Gibraltar) Order 2009

Made - - - - 2009

Coming into force in accordance with article 1(2)

The Secretary of State , in exercise of the powers conferred by sections 12, 13, and 23(2) of the European Parliament (Representation) Act 2003 (**1**), after consultation with the Electoral Commission in accordance with section 12(5) of that Act, makes the following Order, a draft of which has been laid before and approved by a resolution of each House of Parliament:

Citation, commencement and extent

1.—(1) This Order may be cited as the European Parliamentary Elections (Loans and Related Transactions and Miscellaneous Provisions) (United Kingdom and Gibraltar) Order 2009.

(2) It shall come into force on the day after the day on which it is made.

(3) It extends to each part of the United Kingdom and Gibraltar.

2.—(1) In section 163(11) of the Political Parties, Elections and Referendums Act 2000(**2**) (which lists the Parts of that Act that extend to Gibraltar), after paragraph (d), insert —

"(da) Part 4A(**3**) (Regulation of Loans and Related Transactions);".

(2) The further amendments to that Act specified in the Schedule shall have effect.

(**1**) 2003 c.7.
(**2**) 2000 c. 41; section 163(11) was inserted in the 2000 Act by article 4(1) of The European Parliamentary Elections (Combined Region and Campaign Expenditure) (United Kingdom and Gibraltar) Order 2004 (S.I. 2004/366) ("the 2004 Order").
(**3**) Inserted in the 2000 Act by section 61 of the Electoral Administration Act 2006 (c. 22) ("the 2006 Act").

Ministry of Justice

SCHEDULE

Amendment of Political Parties, Elections and Referendums Act 2000

1. Section 54(2A)(**4**) (permissible donors) is amended as follows—

(a) in paragraph (b)(i) for "Ordinance" substitute "Act";

(b) in paragraph (d) for "Ordinance" substitute "Act"; and

(c) in paragraph (e) for "Ordinance 1997" substitute "Act".

2. Omit section 57A(**5**) (additional limit on Gibraltar donations to UK parties).

3. After section 71G(**6**) (valuation of regulated transaction), insert—

"**Prohibition on increase in value of Gibraltar regulated transaction following European parliamentary election**

71GA.—(1) This section applies to a Gibraltar regulated transaction which is entered into within the permitted period and which does not fall to be dealt with by section 71HA.

(2) A registered party which is not a Gibraltar party shall not, whether during the permitted period or otherwise, enter into an arrangement with any person which has the effect, on or after the date of the poll for an election to the European Parliament in the combined region, of increasing the value of a transaction to which this section applies or which enables that value to be increased.

(3) Where such a party enters into an arrangement contrary to subsection (2), the related transaction is to be treated for the purposes of this Part (other than this section) as if it was entered into with a participant who is not an authorised participant within the meaning of section 71H(3A).

(4) This section does not apply to an arrangement entered into before the commencement of the European Parliamentary Elections (Loans and Related Transactions and Miscellaneous Provisions) (United Kingdom and Gibraltar) Order 2009.".

4. In section 71H (authorised participants)—

(a) subsection (2) has effect in relation to a registered party whose entry in the register includes a statement that it intends to contest one or more elections to the European Parliament in the combined region as if for the words from "section 61" to the end there were substituted "the European Parliamentary Elections (Loans and Related Transactions and Miscellaneous Provisions) (United Kingdom and Gibraltar) Order 2009";

(b) after subsection (3) insert—

"(3A) As respects a registered party whose entry in the register includes a statement that it intends to contest one or more elections to the European Parliament in the combined region, "authorised participant" means a person who is a permissible donor under section 54(2A).

(3B) In its application for the purposes of this Part by virtue of subsection (3A), section 54(2A) has effect as if for "the donation is received" there were substituted "the regulated transaction" is entered into.".

5. After section 71H insert—

(**4**) Section 54(2A) was inserted in the 2000 Act by paragraph 12(b) of the Schedule to the 2004 Order.
(**5**) Section 57A was inserted in the 2000 Act by paragraph 14 of the Schedule to the 2004 Order.
(**6**) Sections 71F to 71X of the 2000 Act were inserted by section 61(1) of the 2006 Act.

"**Financial limit on Gibraltar donations and Gibraltar regulated transactions**

71HA.—(1) This section applies where the permitted maximum is exceeded by the aggregate value of—

(a) Gibraltar donations which are received and accepted;

(b) Gibraltar regulated transactions which are entered into;

within the permitted period by a registered party which is not a Gibraltar party.

(2) Such of the Gibraltar donations and Gibraltar regulated transactions as fall within subsection (3) are to be treated for the purposes of Part 4 and this Part as if—

(a) they were received or entered into, as the case may be, at the end of the period of three months after the end of the permitted period**;**

(b) in the case of a Gibraltar donation, it was received from a person who was not a permissible donor at the time;

(c) in the case of a Gibraltar regulated transaction, it was entered into with a person who was not an authorised participant at the time.

(3) A Gibraltar donation or Gibraltar regulated transaction falls within this subsection if—

(a) in a case where it is the first of the Gibraltar donations received or is the only one, the value of the donation alone exceeds the permitted maximum;

(b) in a case where it is the first of the Gibraltar regulated transactions entered into or is the only one, the value of the transaction alone exceeds the permitted maximum; or

(c) otherwise, the aggregate value of that donation or regulated transaction and such of the Gibraltar donations and Gibraltar regulated transactions previously received or entered into, as the case may be, exceeds the permitted maximum.

(4) But—

(a) in a case within subsection (3)(a), only so much of the donation as exceeds the permitted maximum is a donation falling within subsection (3); and

(b) in a case within subsection (3)(c) in which the aggregate value of the Gibraltar donations and Gibraltar regulated transactions previously received or entered into, as the case may be, does not exceed the permitted maximum, only so much of the donation as exceeds the difference between that aggregate value and the permitted maximum is a donation falling within subsection (3).

(5) In this section "permitted maximum" means an amount equal to the limit imposed by paragraph 4(2) of Schedule 9 on campaign expenditure incurred by or on behalf of a registered party which is not a Gibraltar party and which stands for election at an election to the European Parliament in the combined region.".

6. Section 71I(7) has effect in relation to a registered party whose entry in the register includes a statement that it intends to contest one or more elections to the European Parliament in the combined region as if for the words from "section 61" to the end there were substituted "the European Parliamentary Elections (Loans and Related Transactions and Miscellaneous Provisions) (United Kingdom and Gibraltar) Order 2009".

7. Section 71J(8) has effect in relation to a registered party whose entry in the register includes a statement that it intends to contest one or more elections to the European Parliament in the combined region as if for the words from "section 61" to the end there were substituted "the European Parliamentary Elections (Loans and Related Transactions and Miscellaneous Provisions) (United Kingdom and Gibraltar) Order 2009".