



Joint Committee
on the National
Security Strategy

Wednesday 21 January 2026

Vijay Rangarajan
Chief Executive, Electoral Commission

[By email]

Dear Vijay,

Defending democracy – political finance and foreign interference

As you know, the Joint Committee on the National Security Strategy is continuing its work on its 'Defending democracy' inquiry in this parliament, specifically looking at political finance and foreign interference in UK politics.

The Committee is grateful to you for giving evidence on this matter in September but, in the context of the upcoming Elections Bill, recent events and additional evidence the Committee has heard, we would appreciate your response to the following questions.

Electoral Commission resourcing

1. How many staff within the Electoral Commission work on political donations, party spending and campaign finance?
 - a. Does this number change during an election period?
 - b. Are you still recruiting into this team, following your increased budget? If so, how many posts do you intend to fill in this area?
 - c. Are you anticipating that the number of people working in this area will change once the Elections Bill is enacted?
2. To what extent is the Electoral Commission preparing for potential changes to donation patterns? For example, what impact would an AI-driven increase in the volume of smaller donations (compared to the traditional structure of larger individual donations) have on your staffing structure?



3. Does the Electoral Commission currently have the investigatory powers, expertise and resources to investigate suspicions of foreign influence in the provenance, nature and structure of political donations?

Crypto donations to political parties

4. How prepared is the Electoral Commission to detect crypto-based political donations, including those obfuscated through mixers or foreign exchanges?
 - a. Are there any staff within the Electoral Commission dedicated to overseeing crypto donations to political parties?
5. Do you support calls for specific regulations for digital assets used for political finance to be included in the upcoming Elections Bill?
6. On 13 January, you told the Foreign Affairs Committee that the Electoral Commission had not yet started writing the additional guidance for political parties on crypto donations. Will the guidance be issued in sufficient time before the May 2026 elections take place?

Donations by individuals based overseas

7. Please could you outline the nature of your engagements with other parts of Government and criminal enforcement bodies to assess the risk of eligible overseas electors making proxy donations on behalf of impermissible foreign actors?
8. In evidence to the Committee in September 2025, you stated that political donations from individuals overseas were “not a great problem”.¹ Please could you provide data or estimates on the number of political donations that have been returned since the 2024 General Election because the source was linked to a foreign actor, or insufficient information was provided in relation to the donation?
9. What options are there for further regulation or control over donations made by individuals who have not lived in the UK for a certain period of time, even if they are still eligible to vote?
 - a. What are the merits and/or risks of such options?
 - b. Should an individual’s UK tax status be part of the consideration of whether a donor is permissible?

¹ Q22



Businesses as a vehicle for political donations

10. Under the Government's recent proposals (paragraph 97 of the 2025 Strategy), how would the Electoral Commission investigate the extent to which a business is "carrying out genuine commercial activity in the UK or Ireland"?²
 - a. What resources would you envisage typically being committed to such checks?
 - b. How would you address the risk that a shell company could provide minimal 'consulting services' to a legitimate UK business, which then uses the fee to make an ostensibly permissible donation?
 - i. Would you rely exclusively on the donor declarations and political party checks, or would you carry out pro-active due diligence checks too?
11. In evidence to us you supported proposals from the Committee on Standards in Public Life, which would involve company donations "not exceed[ing] net profits after tax generated in the UK within the preceding two years".³
 - a. If this is implemented, would the impact on Electoral Commission resources be any different to those outlined in question 10a?
 - b. If this is implemented, how would you address the risks in question 10b?
12. We note the Government's proposals for a UK connection test. Should Parliament consider beneficial ownership tests for political donations being made via businesses?
 - a. Should Parliament consider requiring company donors to appoint a UK-based executive who holds legal responsibility for compliance with electoral finance law?
13. How confident are you that political parties, or the Electoral Commission, can currently verify the ultimate sources of funds for donations?
 - a. Should the Electoral Commission have greater powers and duties in this regard?
 - b. Is there a particular need for this with regard to unincorporated associations?
14. What impact would a cap on political donations from a single source (either business or individual) have on political funding in the UK?

Indirect foreign financing of UK politics

15. Does the Electoral Commission currently conduct monitoring to identify risks of indirect foreign financing of UK political parties and/or campaigners?
16. To what extent does the Electoral Commission assess risks posed by foreign-linked companies that meet the UK incorporation tests but may be ultimately controlled offshore?

² MHCLG, [Restoring trust in our democracy: Our strategy for modern and secure elections](#), 17 July 2025

³ Q24; The Committee on Standards in Public Life, [Regulating Election Finance](#), July 2021, p 11



**Joint Committee
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17. Is there a need for greater scrutiny of non-party campaign activity outside regulated electoral periods?
- What options are there for checks outside regulated election periods, to mitigate risks of foreign influence? And what is your view on the merits and risks, particularly around chilling effects?
 - What impact would any changes have on Electoral Commission resourcing?
18. Would formalised data-sharing and joint working agreements strengthen the Electoral Commission's ability to investigate suspicions of efforts to circumvent political finance rules? (For example involving partners such as the National Crime Agency, the Financial Conduct Authority and HM Revenue and Customs)?
- Would any legislative changes be needed to address barriers around data sharing, remits and powers?
19. What wider changes via the Elections Bill would help the Electoral Commission to better detect foreign-origin political donations or campaign activity?

Media and social media financing

20. Which aspects of paid work for media organisations by Members of Parliament is within the Electoral Commission's remit?
- How does the Electoral Commission define 'campaigning' content versus journalism and/or entertainment, when a Member is paid by a media outlet?
 - What indicators does the Electoral Commission use to determine if content counts as regulated campaign activity?
21. When a Member receives payment from a media organisation, under what circumstances could that be considered a political donation rather than personal earnings?
- Does this differ if a Member receives payment from a social media firm via advertising revenue – for example for posts on X?

In line with usual practice, I will be placing a copy of this letter and your response in the public domain in due course. I would be most grateful for your response by 4 February.

Best wishes,

Matt Western MP
Chair, Joint Committee on the National Security Strategy

Matt Western MP
Chair
Joint Committee on the National Security Strategy
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Palace of Westminster
London
SW1A 0AA

5 February 2026

Dear Chair,

Defending democracy – political finance and foreign interference

Thank you for your letter of 21 January 2026, setting out questions for the Commission on political finance and foreign interference, and for the opportunity to give evidence before the Committee.

Electoral Commission resourcing

- 1. How many staff within the Electoral Commission work on political donations, party spending and campaign finance?**
 - a. Does this number change during an election period?**
 - b. Are you still recruiting into this team, following your increased budget? If so, how many posts do you intend to fill in this area?**
 - c. Are you anticipating that the number of people working in this area will change once the Elections Bill is enacted?**

48 members of staff work across the Commission's three regulatory functions covering political finance, supporting parties and campaigners to meet their reporting obligations, providing transparency for voters, and taking enforcement action where the political finance laws have been breached:

- **The Registration, Compliance and Transparency team** (17 staff members) is responsible for maintaining the registers of parties and campaigners. They support voter confidence by checking that each of these groups can comply with its legal obligations, and by only permitting names, descriptions and emblems that do not offend, mislead or confuse the voter. The team accesses and reports financial information the Commission receives from registered parties and campaigners.
- **The Regulatory Action and Enforcement team** (19 staff members) monitors campaigning and activity by political parties and campaigners, and enforces the

political finance regime. When breaches of these rules occur, they carry out investigations to ensure confidence that the rules are being enforced.

- **Regulatory Support** (12 staff members) provides proactive support to the regulated community to ensure they can meet their obligations under political finance law, including how and when to report donations and spending. Our guidance and advice service is designed to cater for people and organisations with different levels of knowledge and awareness of the political finance regime, from volunteers through to paid professionals, to help those who stand or campaign at elections to do so with confidence.

We hire temporary staff for elections, but this core work is carried out year-round regardless of the election cycle. For example, ahead of and during election periods, our regulatory support work focuses on supporting political parties and campaigners to campaign while after polling day attention turns to supporting parties to complete spending returns. Staff also work year-round on investigations and enforcement, and on providing transparency data so voters can see what parties and campaigners are receiving and spending.

Last year, the UK Parliament approved an increased budget for the Commission to deliver our ambitious Corporate Plan, including work to safeguard and protect the system from threats such as foreign interference and influence. We are increasing our monitoring team by two, with a particular focus on online threats and candidate safety and confidence.

The number of people working in this area will need to change should Parliament pass the Elections Bill, in particular if regulation of candidate finances shifts to the Commission. We have discussed this with MHCLG, but the number and structure will very much depend on the detail of the legislation, and subsequent secondary legislation.

2. To what extent is the Electoral Commission preparing for potential changes to donation patterns? For example, what impact would an AI-driven increase in the volume of smaller donations (compared to the traditional structure of larger individual donations) have on your staffing structure?

The risk from an AI-driven increase in the volume of smaller donations could be that individual payments are pushed below the £500 threshold at which a payment is treated in law as a donation. Below this threshold, recipients are not required to identify the donor or check that they are a permissible source for donations. This threshold was introduced to reduce the administrative burden on parties of checking small payments.

Although these payments are not treated as donations, there are some existing safeguards in law. Attempting to evade the restrictions on permissibility is a criminal offence, and we advise parties to be vigilant to attempts to do so, such as repeated payments of £500 from the same source. However, the possibility of AI facilitating split payments and concealing the source increases the risk from these smaller payments. As part of our ongoing engagement with parties, we are seeking information about their approach to these payments.

We are investing in developing greater digital expertise across the Commission, so that we can adapt to the changing complexities of the political finance landscape and quickly identify any changes in donation patterns or behaviour. Last year, we published [updated guidance on crowdfunding](#) to ensure that parties understand how the law applies to

donations raised through crowdfunding campaigns and can choose a platform that will support them to comply with the law. So changes to the Commission are more likely to be about building our technical capability and automated analyses than a significant change of staffing structure.

3. Does the Electoral Commission currently have the investigatory powers, expertise and resources to investigate suspicions of foreign influence in the provenance, nature and structure of political donations?

The Commission has a range of supervisory and investigatory powers to enable us to carry out proportionate enforcement of the political finance regime. We work closely with partner agencies and other enforcement bodies to uphold the integrity of the political finance system.

However, despite our role in regulating the permissibility of political finance we have identified limitations in our ability to proactively and independently verify the source of money entering the system.

Our existing investigatory powers allow us to compel documents, information and explanation in some scenarios. We have a targeted disclosure notice power that we can impose on individuals and entities within our regulated community to compel documents, information and explanation relating to their income and expenditure. We also have a much broader power to compel any documents, information and explanation from any person during an investigation, providing that we reasonably require it for the purposes of an investigation. The use of these powers is limited to our jurisdiction in the UK as they are unenforceable against individuals and entities abroad.

Despite our statutory duty to monitor and take all reasonable steps to ensure compliance with relevant controls, including the accurate reporting and permissibility of funds, we currently have no ability to obtain any information from financial institutions that we can use to monitor and independently verify provenance or the permissibility of funds, unless we open a full investigation. This is a weakness: to open such an investigation needs clear evidence – but we can't always obtain that in the first place.

We consider that having the ability to compel relevant documents, information and explanation from financial institutions, or service providers, that we reasonably require in pursuance of our statutory duty to monitor and ensure compliance, would provide an important regulatory tool enabling us to complete proactive, independent assurance checks in instances where we identify, or there are known, concerns surrounding the provenance of funds entering the system.

This would improve our ability and the time taken to verify concerns associated with the provenance and permissibility of funds. It would help us to identify associated potential offences that may fall to the Commission, or law enforcement agencies to investigate. We also believe such a power would foster closer working relationships and engagement with financial institutions and service providers, promote the sharing of relevant intelligence and act as a further deterrence against those who may consider facilitating impermissible funds into the system.

Currently, if we receive intelligence about suspected foreign funds entering the system, we will independently assess this information and may investigate any potential offences falling within our remit. Where appropriate, we will also work with law enforcement to

assess and consider intelligence and identify evidence of any potential offences that fall outside of our regulatory remit, such as those concerning deliberate attempts to evade controls on permissibility of funds. Where we identify potential offences falling outside our remit, we will pass appropriate details to the police.

However, as a UK regulator, our powers are limited to the borders of the UK. This is why it is crucial that the UK's political finance regime is as robust as possible to protect democracy against foreign interference through impermissible donors based overseas. The UK Government's Elections Bill offers an opportunity to do so, particularly by making clear that only donations by companies which have made enough profit in the UK to fund their donation are permissible.

Crypto donations to political parties

4. How prepared is the Electoral Commission to detect crypto-based political donations, including those obfuscated through mixers or foreign exchanges?

a. Are there any staff within the Electoral Commission dedicated to overseeing crypto donations to political parties?

Cryptoasset donations are not prohibited in electoral law. However, because of the way they function, they present particular challenges and risks for parties in meeting their legal requirements to identify donors and ensure they are permissible.

To date, no political party has reported any donations that they have identified as cryptoassets. [Our guidance](#) is that parties should be vigilant for signs that donors are using mixers or other techniques to obscure the true source of cryptoasset donations, as this is likely to mean that the donor is unidentifiable and therefore the donations must be returned.

As part of our work to develop guidance on crypto donations, we are taking specialist external advice on the nature of crypto transactions, including to identify what additional expertise and resources we may need to identify and track crypto donations. However, we also continue to work closely with law enforcement and the security services in assessing intelligence and detecting instances of foreign funds entering the system, irrespective of the method used to facilitate payments.

We also have a general role in undertaking monitoring and compliance checking of donations. We take action if we believe donations may have been misreported or have come from an impermissible source, in line with our Enforcement Policy.

At the moment we do not have staff dedicated to looking solely at crypto donations, though we keep this under review. Existing staff do have expertise and experience in tracing cryptoassets movements for permissibility checks.

5. Do you support calls for specific regulations for digital assets used for political finance to be included in the upcoming Elections Bill?

We have previously recommended to the UK government that we be given a discretionary power to produce statutory guidance relating to cryptoasset donations. Under this option, in the first instance we would be able to produce our own, non-statutory guidance, with the

ability to later change the status of the guidance by submitting it to ministerial and parliamentary approval if necessary.

One advantage of this approach, particularly in a field that is developing rapidly, is that we can update this guidance relatively easily to match the pace of change, thereby mitigating threats to the security of the UK's political finance regime. A discretionary power would facilitate changing the legal status of the guidance through the production of statutory guidance, and the approval of Parliament.

There are a number of international examples and proposals from stakeholders for the regulation of cryptoasset donations, including requiring parties to use specific payment providers, converting cryptoassets to fiat money at the point of receipt, or requiring crypto payment providers to share details of donors with recipients of donations.

We are continuing our own policy development and writing of guidance around crypto-asset donations. We will also continue to engage with and support the ongoing Rycroft review.

6. On 13 January, you told the Foreign Affairs Committee that the Electoral Commission had not yet started writing the additional guidance for political parties on crypto donations. Will the guidance be issued in sufficient time before the May 2026 elections take place?

On 28 January, we published [interim guidance on cryptoasset donations](#) to provide more detail about how parties can report and value this type of donation. This is the framework for parties in the months before the May elections, and in particular we have asked parties who might be interested in taking crypto donations to discuss permissibility and other checks with us before they do.

We have started work on further guidance, which we will publish in the coming months. To inform the final guidance we need answers to a number of questions we have put to the crypto industry and individual payment providers. We are seeking additional information on how their systems might be able to support parties to fulfil their legal responsibilities to identify the donor and confirm their permissibility.

Donations by individuals based overseas

7. Please could you outline the nature of your engagements with other parts of Government and criminal enforcement bodies to assess the risk of eligible overseas electors making proxy donations on behalf of impermissible foreign actors?

The Commission engages with a wide range of partners to ensure the UK's political finance system is free from foreign interference. We work closely with the National Crime Agency, the Financial Conduct Authority, and the police. We have strengthened and formalised our engagement with the Defending Democracy Taskforce, helping to share information and coordinate responses to risks. We regularly discuss the evolving threats with other Electoral Commissions around the world.

We are also working with the UK Government on their proposed political finance reforms. The proposals for 'know your donor' checks, which we have recommended, would require

parties and campaigners to carry out a more rigorous assessment of the donations they receive including from eligible overseas electors.

8. In evidence to the Committee in September 2025, you stated that political donations from individuals overseas were “not a great problem”. Please could you provide data or estimates on the number of political donations that have been returned since the 2024 General Election because the source was linked to a foreign actor, or insufficient information was provided in relation to the donation?

In order to be a permissible donor, an overseas elector must be registered on a UK electoral register at the time the donation. The 2022 Elections Act, removed of the previous 15-year time limit for overseas electors – they can now remain registered indefinitely, without any residency-duration restriction. This registration-based rule is the primary mechanism designed to prevent foreign influence while allowing British citizens abroad to participate financially in UK politics if they choose to register to vote.

Political parties, campaigners, and candidates who receive donations are responsible for ensuring donations made to them are from permissible sources.

For the period 1 July 2024 (Q3 2024) to 30 September 2025 (Q3 2025), there were 3015 donations (including impermissible) reported to the Commission as being received by political parties, totalling £66,703,730.

Of these, parties reported 40 impermissible donations, totalling £574,269. Of these impermissible donations, 13 were returned to donors with an overseas address, totalling £341,137 (note that one of these was for £300,000, the other 12 adding up to £41,137). It is not known how many of the impermissible donations returned to a UK address are from residents who are from overseas.

Donations reported and returned, period from 1 July 2024 to 30 September 2025:

	#	£
Total number/value of donations reported	3015	£66,703,730
Total number/value of impermissible donations reported	40	£ 574,269
Total number of impermissible donations returned to overseas addresses	13	£ 341,137

9. What options are there for further regulation or control over donations made by individuals who have not lived in the UK for a certain period of time, even if they are still eligible to vote?

a. What are the merits and/or risks of such options?

b. Should an individual's UK tax status be part of the consideration of whether a donor is permissible?

The removal of the 15-year limit on overseas voters through the Elections Act 2022 increased the number of British citizens overseas who are eligible to register as voters and therefore able to donate to political parties and campaigners.

There are un-commenced provisions, set out in Sections 10 and 11 of the Political Parties and Elections Act 2009 which would require an individual donor donating more than £7,500 to declare that they are liable to be subject to income tax in the UK.

The UK Government's proposals for 'know your donor checks' will encourage donees to consider the circumstances of each donation and donor, in order to assess the risk of funds originating from an impermissible source. We think this should include consideration of whether the donee is an overseas voter, and the country they are in.

The Commission has not conducted a full analysis or taken a position on considerations about linking tax status to permissibility. But options may include domicile, degree of link to the UK, residence, nationality and where the money was raised. These types of additional requirements would move away from the current relatively simple principle that anyone who is entitled to vote should also be entitled to donate. Overseas voters would be treated differently to UK-resident voters, with more similarities with the proposed restrictions on donations by companies.

Businesses as a vehicle for political donations

10. Under the Government's recent proposals (paragraph 97 of the 2025 Strategy), how would the Electoral Commission investigate the extent to which a business is "carrying out genuine commercial activity in the UK or Ireland"?

a. What resources would you envisage typically being committed to such checks?

b. How would you address the risk that a shell company could provide minimal 'consulting services' to a legitimate UK business, which then uses the fee to make an ostensibly permissible donation?

i. Would you rely exclusively on the donor declarations and political party checks, or would you carry out pro-active due diligence checks too?

11. In evidence to us you supported proposals from the Committee on Standards in Public Life, which would involve company donations "not exceed[ing] net profits after tax generated in the UK within the preceding two years".

a. If this is implemented, would the impact on Electoral Commission resources be any different to those outlined in question 10a?

b. If this is implemented, how would you address the risks in question 10b?

The UK Government has proposed that companies must have made sufficient UK or Ireland-generated income in order to donate, as an indicator that a business is carrying out genuine commercial activity in the UK or Ireland. Making clear that parties cannot accept money from companies that have not made enough money in the UK to fund the amount of their donation or loan would help protect the political finance system from the entry of foreign money.

We have recommended the UK Government uses a company donor's profit after tax as a measure for 'money made' rather than revenue. This would more effectively prevent foreign money entering the system. As profit implies the existence of a sum of money that the company continues to retain after tax and operating costs, it provides the strongest guarantee that donations by a company can be met from money made in the UK. Using revenue as a measure does not provide this guarantee, as there may be no money retained at all to make donations after tax and operating costs. And revenue can include consultancy costs and service fees, or in some cases written off loans – including from abroad.

To be effective, we think that the limit must apply to the total donations a company makes in a calendar year. As a company may donate to multiple recipients – for example, both to a party and to their MPs – only the company will know the total donations they have made in a calendar year. The only way to make a limit workable is to require the company to make a declaration when donating, stating that they have not exceeded their limit for the year. A false declaration should be an offence.

Companies are already required by law to authorise donations above a certain limit, and the Government's proposals would also require donors to make a declaration about the source of funds for the donation. This declaration and the declaration required to implement the profit or revenue limit could be combined without significant administrative burden on companies.

While a determined actor may be able to artificially generate income or profit in the UK through accounting measures, this requirement would represent a significant strengthening of the safeguards in the system. Alongside other measures, including proposals for parties to conduct "Know Your Donor" checks, it would allow greater transparency and scrutiny of a company donor's UK connection.

As with other permissibility requirements for donations, we would carry out our own assurance checks on donations from companies. The impact on our resources is unlikely to differ significantly based on a revenue or profit measure.

12. We note the Government's proposals for a UK connection test. Should Parliament consider beneficial ownership tests for political donations being made via businesses?

a. Should Parliament consider requiring company donors to appoint a UK-based executive who holds legal responsibility for compliance with electoral finance law?

At present, there are no restrictions on donations from UK companies controlled by foreign actors. This creates a risk that company donors may be directed by foreign actors. We are discussing the appropriate format of a UK connection test with the UK Government to address this risk.

Part 14 of the Companies Act 2006 already sets out the procedures by which certain companies must authorise political donations and expenditure.

13. How confident are you that political parties, or the Electoral Commission, can currently verify the ultimate sources of funds for donations?

- a. Should the Electoral Commission have greater powers and duties in this regard?**
- b. Is there a particular need for this with regard to unincorporated associations?**

Electoral law requires parties to identify the donor but does not require them to verify the ultimate source of that donor's funds. For example, there are no requirements to find out what activity or work a donor did to raise the donated funds, or where funds were generated. We have recommended reforms to strengthen the regime, including requirements for parties to conduct Know Your Donor checks, which the UK Government is now taking forward.

We also note the proposed commencement of section 54A which will require donors to declare any benefit received in connection with their donation. The commencement of this section will provide greater assurances to recipients as to the source of a donation, requiring donors to confirm whether they have obtained connected funds from separate sources, and also introduce a criminal offence whereby any such declaration is false. This will also encourage donors to satisfy themselves that funds they intend to donate to regulated entities are not derived from otherwise prohibited sources. We have recommended to government that the requirements around the declaration be further strengthened before its commencement, to maximise the improvements it can make to the security and transparency of the political finance regime.

Strengthening the unincorporated association regime is particularly important, as they represent a vulnerability in the system to the entry of foreign money. Unincorporated associations are easy to establish and there is limited transparency about their nature or activities. They are not currently required to ensure that those who donate to them are permissible donors. This means that they could legitimately make donations using funding from otherwise impermissible sources, including from overseas.

The UK Government is taking forward our recommendations to strengthen the regime – lowering the thresholds for registration and for reporting donations made by UAs, requiring public identification of a UA's responsible person, and requiring UAs to check the permissibility of political gifts they receive.

14. What impact would a cap on political donations from a single a source (either business or individual) have on political funding in the UK?

We recognise that there is public concern about the size of donations to political parties and a perception that large donations may buy either influence over policy or access to decision makers. Any donation cap would need to be set at a level that can address those

concerns and strengthen public trust and confidence in the integrity of our political system. A cap would also need to be realistically workable and enforceable, with appropriate protections against evasion and avoidance.

The overall package of controls on donations must facilitate broad participation by political parties and campaigners, and avoid restricting legitimate political activity which is essential to fair elections. Ideally, any proposals would not require significant changes to current levels of state funding for political parties. Previous proposals for a cap have ranged from £10,000 to £1million. A cap at the lower end of this range is likely to significantly restrict almost all parties' levels of income. A cap at the higher end may have a limited impact on public confidence in the funding of parties and the perceived risk of reliance on a few very large donors.

Our initial analysis suggests that it may be possible to set a cap within this range that significantly reduces the potential for perceived risks related to large donations, while maintaining the ability of parties to deliver their most important functions (including policy development and communicating with voters). It should also be possible to set a cap which would not disproportionately affect a small number of parties. This would be a significant shift in the political finance regime, and would need to be negotiated with political parties across the UK, both large and small.

Indirect foreign financing of UK politics

15. Does the Electoral Commission currently conduct monitoring to identify risks of indirect foreign financing of UK political parties and/or campaigners?

The Commission conducts regulatory and policy monitoring work to help better understand changes to the political finance regime including any changes to the nature of political donations and spending.

We also monitor threats to the system, including from foreign interference, and work with UK governments, other regulators, law enforcement and other partners to mitigate risks and promote public confidence in the system.

16. To what extent does the Electoral Commission assess risks posed by foreign-linked companies that meet the UK incorporation tests but may be ultimately controlled offshore?

As we have highlighted above, there are no restrictions on donations by UK companies which are controlled by foreign actors. If a company is registered and incorporated in the UK and is 'carrying on business' in the UK, it is currently permitted to donate. We have recommended reforms to the company donations regime to address this vulnerability in the system, which are now being taken forward by the UK Government.

17. Is there a need for greater scrutiny of non-party campaign activity outside regulated electoral periods?

- a. What options are there for checks outside regulated election periods, to mitigate risks of foreign influence? And what is your view on the merits and risks, particularly around chilling effects?**
- b. What impact would any changes have on Electoral Commission resourcing?**

In the UK, regulated campaigning is defined as activity that can reasonably be regarded as intended to influence voter choice at an election. There are regulated periods for campaigning for or against a candidate ahead of every election, during which spending on regulated activities is limited in order to prevent undue influence through excessive expenditure. Regulated periods for campaigning for or against a political party or category of candidates only apply ahead of UK and devolved parliamentary elections. This means there are no party or non-party campaigner spending limits at local or mayoral elections.

National elections are likely to be the biggest target for potential foreign influence. However, with the emphasis on local devolution in England and mayors taking on increasing responsibilities, there is a case that to ensure a level playing field at these elections, limits should apply ahead of these elections. This would mean a regulated period ahead of elections every year.

Outside of election periods, influencing party and government policy is likely to be another attractive target for foreign influence. Donations towards activity to influence a party's policy are currently only regulated if made to an organisation made up of a majority of members of that party. Donations to cross-party organisations to influence party or government policy are unregulated.

Significant further work would be needed to establish a proportionate regulatory regime covering the periods between elections. However, given what we have seen internationally on foreign influence operations being set up well before any election, it would be worth starting this analysis.

Expanded regulated periods would have some impact on Commission resources. However, the most significant impact to consider would be on non-party campaigners. The controls on non-party campaigning are complex and require campaigners to devote time and resources to understanding and complying with the law, even if they may not in fact carry out any regulated campaigning. Any change to the regulated period for elections would need to be workable and proportionate, given the cost of compliance for parties and campaigners, many of which are run by volunteers.

18. Would formalised data-sharing and joint working agreements strengthen the Electoral Commission's ability to investigate suspicions of efforts to circumvent political finance rules? (For example involving partners such as the National Crime Agency, the Financial Conduct Authority and HM Revenue and Customs)?

- a. Would any legislative changes be needed to address barriers around data sharing, remits and powers?**

19. What wider changes via the Elections Bill would help the Electoral Commission to better detect foreign-origin political donations or campaign activity?

As noted in the answer to question 3, the ability to compel documents, information and explanation relating to any controlled benefit entering the system from financial institutions (and financial service providers) would provide the Commission with an appropriate regulatory tool to help better detect foreign-origin political donations. This combined with explicit information sharing powers with appropriate bodies would help us to support stronger responses to threats such as foreign interference.

Currently, the Commission is limited in the ways it can share and receive information with other organisations. Outside of active investigations, we are currently reliant on the powers of other bodies to facilitate information exchange. This contrasts with other regulators and public agencies that benefit from statutory gateways

Introducing explicit statutory powers to share information would enable us to disclose information to other regulators, which would help us assess allegations and work with partner agencies more quickly and efficiently.

A clear information-sharing power would support faster referrals, more effective joint operations, and stronger responses to broader threats like electoral fraud, foreign interference and campaign finance breaches.

Media and social media financing

20. Which aspects of paid work for media organisations by Members of Parliament is within the Electoral Commission's remit?

- a. How does the Electoral Commission define 'campaigning' content versus journalism and/or entertainment, when a Member is paid by a media outlet?
- b. What indicators does the Electoral Commission use to determine if content counts as regulated campaign activity?

21. When a Member receives payment from a media organisation, under what circumstances could that be considered a political donation rather than personal earnings?

- a. Does this differ if a Member receives payment from a social media firm via advertising revenue – for example for posts on X?

Most donations require a gift of money or property other than on commercial terms. Paid work for MPs on commercial terms would be reported under parliamentary rules on financial interests, rather than any requirements in electoral law. However, if an MP were paid over the market rate for services they provided, this could be a donation. These principles apply to all types of paid work, including media work or payments for advertising revenue on a social media platform.

We publish [guidance on the "purpose test"](#) which sets out the principles for determining whether spending can reasonably be regarded as intended to influence voters to vote a particular way and is therefore regulated non-party campaigning.

However, there is a broad exemption set out in law for journalism. Spending on anything (apart from adverts) related to an election which is published in a journalistic outlet is [exempt from the controls on non-party campaigning](#). This means that content which would otherwise be regulated campaigning, such as a newspaper endorsing a party ahead of an election, is not captured by the law.

I hope this answers your questions. They cover a wide range of issues, so please do say if we can help with further information in any area.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Vijay R', enclosed within a thin black rectangular border.

Vijay Rangarajan
Chief Executive