Policy Report

# The Regulation of Political Donations: Transparency, Foreign Interference and Tax Benefits

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# The Regulation of Political Donations: Transparency, Foreign Interference and Tax Benefits

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# Executive Summary

The UK's regulation of political donations is built on the principles recommended by the Neill Committee in 1998: transparency in political giving, a ban on foreign donations, and setting a limit on campaign expenditure (which would reduce dependence on large donors). Corporate donations pose a particular challenge to the first two of these principles, as UK companies can be used to conceal the identity of the true donor or to allow foreign individuals to channel donations into UK politics.

The Representation of the People Bill, introduced to Parliament in February 2026, includes provisions intended to address these vulnerabilities. In this report we provide new empirical evidence of the extent to which corporate donations currently undermine the principles of transparency and the ban on foreign interference. Against that background, we assess the reforms proposed in the Representation of the People Bill, and we present recommendations on how to strengthen the Bill to achieve its stated aims.

## Key findings

### Scale and concentration of political donations

Between 2001 and 2024, individual donors accounted for the largest share of reportable donations at £700 million, followed by corporate donors at £293 million and trade unions at £247 million. Donations are highly concentrated: the top 1% of individuals donated just over half of all individual donations, while the top 1% of corporate donors accounted for 45% of all corporate donations.

This level of concentration is similar to the level in 2001, shortly after the current regulatory framework was introduced. But that similarity belies substantial change: concentration fell from 2001 until 2015, but a rise over the last decade has reversed this trend.

### Transparency

The individuals behind corporate donations are not reported to the Electoral Commission. The only route to transparency is cross-referencing Electoral Commission data with Companies House records, a process that presents practical obstacles even for specialist researchers. The results of doing so are troubling.

- We find that around a quarter of donor companies fail to meet the principle of transparency (opaque corporate donors) as they either do not report any person with significant control (PSC) at all, or their PSC is someone other than the beneficial owner of the company (i.e. a trustee).

- These opaque corporate donors account for a quarter of all corporate donations by value, as their donations are similar in size to those from donor companies that report their ultimate beneficial owners.
- Companies that make corporate donations are significantly less transparent than the typical UK company, suggesting that the PSC register is particularly unfit to bring transparency to political donations.

## Foreign interference

Almost one in every ten pounds donated by companies comes indirectly from individuals who could not donate directly, as far as we can infer from their reported characteristics.[1] Their donations are on average almost twice as large as those from companies owned by individuals who could donate directly. These figures are likely to be conservative, since the true extent of foreign interference is obscured by the large proportion of opaque corporate donors.

## Tax-advantaged giving through companies

The tax system provides an implicit subsidy for individuals who donate through their companies. A company owner who donates via their company instead of out of their personal income effectively saves Income Tax on their donation. For an additional rate taxpayer who would alternatively have to pay themselves in dividends, a corporate donation provides an implicit subsidy of 39%.

A similar tax differential applies for funding donations with after-tax employment income, as most individuals would have to do. The implicit tax subsidy for company owners donating through their companies is around 38.8%. Although donations to political parties are not eligible for Gift Aid relief (which is available for other charitable donations), company owners can effectively engineer the same tax saving by donating via their company.

Through a comparison of donors at different ages – who additionally face different incentives because of Inheritance Tax – we find evidence that company owners are indeed sensitive to tax treatment in their choice of how to donate.

Treating corporate political donations as deemed distributions would eliminate this advantage and would raise (on a static basis) nearly £6 million annually in tax.[2] Although negligible as a share of the government's revenue, this is meaningful in this regulatory environment as it would be roughly equivalent to a 15% increase in the Electoral Commission's annual budget.

[1] Among corporate donations where we can identify their ultimate beneficial owners.
[2] Taking average of corporate donations over 2020-2024 and assuming shareholders of donor companies are additional rate taxpayers.

## Problems with the Bill

The Bill correctly identifies the risks posed by corporate donations, but the proposed reforms are insufficient to tackle them. We identify three main problems with these reforms.

First, the Bill continues to rely heavily on the People with Significant Control register (PSC register) to uphold the principle of transparency in political donations, despite the PSC register being fundamentally inadequate for this purpose. The PSC register provides no transparency at all for unincorporated entities (e.g. unincorporated associations). Even for companies, our empirical analysis shows that the PSC register fails to bring transparency for around a quarter of all corporate donations by value. More fundamentally, the PSC register is designed to disclose individuals who control the company, but this may not be the same as those who control *donations* by the company, specifically.

Second, the 'significant control test' introduced by the Bill is vulnerable to circumvention because it effectively defers to the PSC register. An individual donor could exert control over a corporate donation that they have funded – for example by imposing conditions on their payment to the company – without triggering any of the PSC criteria. Additionally, enforcement of the PSC register is very challenging when no individual owns more than 25% of shares (or voting rights). This is likely to lead to significant non-compliance from ultimate donors who are trying to conceal their identity, especially when the Bill effectively exempts companies from the 'significant control' test if the company has no registrable PSC.

Third, the 'available revenue' limit is both easy to manipulate and hard to enforce. A turnover-based cap can be easily inflated through artificial transactions (for example, including a UK company to act as an intermediary between two related companies in a supply chain). Enforcement to ensure the turnover only represents genuine economic activity would require the Electoral Commission to apply transfer-pricing-style scrutiny, for which it lacks resources and expertise.

Our full assessment of the Bill is set out in Section 4.

## Recommendations

**We strongly recommend that corporate political donations should be banned altogether.** After careful consideration of all the options, we conclude that even the best-designed regulations of corporate donations will remain vulnerable to abuse by foreign actors and lack the transparency required to provide the public with confidence in the integrity of our political system. There is extensive international precedent for an outright ban, including from France and Canada. The Bill already recognises that companies do not have an independent right to donate beyond that of their individual owners.[3] Therefore, it is unclear what would

[3] The Bill determines the companies' right to donate based on the right to donate of their PSC, although with a very important exemption (see Section 4.2.2). The PSC are individuals who meet either an ownership test (e.g. hold more than 25% of the shares) or a control test (e.g. right to appoint majority of directors). Typically, company

be lost with introducing a ban on corporate donations. Those individuals could still donate directly.

However, if an outright ban lacks political support, we recommend six reforms.

1. **Establish a donor registration system.** All but the smallest donors (both individuals and entities) should register with the Electoral Commission and receive a unique identifier before donating. This moves compliance from individual parties to the regulator and resolves data quality problems that currently undermine aggregation and scrutiny. Even if corporate donations are banned altogether, a donor registration system should be implemented for individuals.

2. **Remove reliance on the PSC register and instead require reporting directly to the Electoral Commission.** Reliance on linking corporate donors to the PSC register to uphold the transparency of corporate donations has fundamental problems: it provides *zero transparency* for unincorporated entities, poses a major practical obstacle for public scrutiny, and it provides loopholes that are easily exploitable.

   Given the heightened sensitivity and risk of abuse of political donations, a different test of ultimate control should be introduced. All non-individual donors (not only companies) should be required to disclose the individuals who exercise control over the entity at the point of registration, and this test should always require at least one named individual to be reported. We recommend a 5% minimum shareholding threshold, plus the identification of whoever authorised the donation.

3. **Close the foreign interference loophole.** Entities should only qualify as permissible donors if controlled by individuals who would be eligible to donate directly, as evidenced by registration in an electoral register. For companies with multiple shareholders, we suggest that at least 75% of shares should be held by individuals on an electoral register.

4. **Introduce a requirement for donors to confirm the source of donation**, **with significant penalties for false statements.** Without this requirement, a foreign individual could channel political donations through companies that meet the requirements to be registered as 'permissible donors'. There is already a provision in PPERA (section 54A) requiring declaration of the source of donations, with a criminal offence of making a false declaration, that is ready to be used. This provision, enacted in 2009, has not come into force as the statutory instrument to give it effect has not been introduced.

owners will meet both tests, but this may not be the case in some circumstances. In this note we refer to 'owners' for simplicity, but we are usually referring to PSCs, which in some special cases will also capture persons with control but not ownership of the companies.

5. **Equalise treatment of all non-individual donations.** Unincorporated associations and other entities should face the same registration, disclosure and permissibility requirements as corporate donors, to prevent regulatory arbitrage and the displacement of risks from corporate donors to other structures.

6. **Remove the tax subsidy for corporate donations.** Political donations made by companies should be treated as deemed distributions, taxable as dividend income in the hands of controlling shareholders. This would eliminate the unjustified tax advantage of donating through a company rather than directly.

Full details of how each of these recommendations could work are set out in Section 5.

# 1. Introduction

The robustness of the UK political system against the influence of large donors and foreign interference has recently been called into question.[4] Concerns about donors buying access and/or influence, and foreign powers interfering in our democratic system are not new. They were at the centre of discussions around the funding of political parties in 1998 that led to our current regulatory framework. It was decided that these concerns should be addressed through a transparent system of political donations and by banning donations from foreign individuals.

Corporate donations present a challenge, as they can be used to undermine both principles. UK corporate vehicles can be used to conceal the identity of the individual behind the donation, undermining transparency, and to allow a foreign individual to channel their donations, circumventing the ban on foreign donations. The current debate has highlighted these risks of corporate donations,[5] but there has been little empirical evidence of the extent to which these principles are undermined by using UK corporations to make political donations. The Labour Party's 2024 general election manifesto promised to protect our political system "by strengthening the rules around donations to political parties". To deliver on that commitment, the government has introduced the Representation of the People Bill (the Bill).

In this report we provide empirical evidence on the extent to which the current set of regulations fails to uphold both the principles of transparency and the ban on foreign donations in the presence of corporate donors. We analyse corporate donations between 2001 and 2024 against these principles, by linking over 4,000 corporate donors as reported to the Electoral Commission to the Companies House data on their beneficial ownership from their People with Significant Control (PSC) entries.

The aim of this linking is to try to identify the individuals behind the corporate donations. Such linking is required as the reporting of corporate donations to the Electoral Commission does not require identification or disclosure of the relevant individuals behind the corporate donors. This means that the only source of transparency for these donations comes from linking these two databases. Linking Electoral Commission and Companies House data allows us to measure the share of corporate donations that cannot be traced to any identifiable individual (which we call 'opaque' corporate donations) and the share that indirectly circumvents the principle banning donations from foreign individuals. The findings reveal that corporate donations raise significant problems of lack of transparency and foreign interference.

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[4] *Briefing on Political Finance* (2026, Electoral Reform Society); *Cheques and Balances: Countering the influence of Big Money in UK politics* (2024, Transparency International UK); *Closing the loopholes on foreign donations through companies* (Posner, 2025); *Revealed: How foreign billionaires pump millions into British politics* (2025, Democracy for sale).

[5] See, for example, *What are the political donation rules in the UK?* (2024, Electoral Reform Society); *Cheques and Balances: Countering the influence of Big Money in UK politics* (2024, Transparency International UK).

We also analyse the tax treatment of corporate donations, finding that the tax system reduces the cost of donations for individuals who donate through companies. We provide some evidence that donors respond to this tax benefit, which means that the current regulatory framework amplifies the political voice of individuals owning companies, to the detriment of other taxpayers.

We then assess the reform proposals contained in the Bill, which is currently being discussed in Parliament, and we conclude that these fall well short of properly addressing the current weaknesses of the system. In the final section we provide recommendations that could be adopted in the Bill to more effectively protect our political system from the risks of donors' influence and foreign interference, and to address the tax advantage of corporate donations.

## 2. Regulatory background

The current UK regulation was introduced in 2000 and is built on the recommendations of the Neill Committee in its 1998 report on the funding of political parties.[6] The report came against the backdrop of allegations of foreign interference through large foreign donations to UK parties,[7] and a broader concern about donors' 'buying access' or 'influence' through large donations.[8]

The recommendations of the Neill Committee were extensive, but at their core centred on three principles. The first is transparency, which requires political parties to record and report any donations above a minimum amount, set at a level intended to balance donor privacy against protecting the political system. This principle also justified the Committee's recommendation of prohibiting anonymous donations. The second principle is a ban on foreign donations, justified by the need to protect the democratic process from foreign interference. And the third principle is to subject political parties to an overall national limit on campaign expenditure, to reduce parties' dependence on large donors and to ensure a level playing field between political parties.

The focus of this report is on the first two principles: transparency and the ban on foreign donations. These principles underpin several provisions of the Political Parties, Elections and Referendums Act 2000 (PPERA). The regulations apply to any donations (both in cash and benefits in kind) of more than £500. Above this amount, donations can only be accepted after it has been verified that they come from a 'permissible donor',[9] and must be recorded together with the name of the donor.

The transparency principle requires political parties to report to the Electoral Commission any donations of more than £11,180 from the same donor (either through a single donation or multiple donations in a calendar year). Once donations from a donor have exceeded this threshold, any donations from the same donor in the calendar year must be reported if they exceed £2,230.[10]

The ban on foreign donations is captured in the definition of 'permissible donations', which covers, broadly, donations coming from individuals registered in an electoral register or legal entities incorporated in the UK that carry on a business in the UK.[11] This means that individual donors need to be either UK or Irish citizens

[6] Fifth Report of the Committee on Standards in Public Life, The Funding of Political Parties in the United Kingdom, chaired by Lord Neill of Bladen, QC (1998).
[7] An article from The Guardian ('*Tangled purse strings*', 22 May 1996) identified several large donations from foreign individuals, including an owner of casinos in Macau and a fugitive from UK justice.
[8] The Neill Committee cites a large donation made by Bernie Ecclestone after meeting the Prime Minister in respect of exempting motor racing from a ban on tobacco advertising in sports (Fifth Report of the Committee on Standards in Public Life, page 46).
[9] PPERA s.54.
[10] PPERA s.62. The current thresholds of £11,180 and £2,230 were last updated in January 2024. The original amounts were £5,000 and £1,000.
[11] PPERA s.54. Other permissible donors include trade unions and building societies registered in the UK, and unincorporated associations carrying on business or activities mainly in the UK.

or qualifying Commonwealth or EU citizens that are residents in the UK.[12] These provisions have been widely criticised as being too easy to circumvent for foreign donors, as any foreign individual can legally donate to UK political parties through a trading company incorporated in the UK, regardless of whether the trading company could finance the donation based on its trading income.[13] And they can also be used to defeat the transparency of the system, if the individual behind the corporate donor is not identifiable. There have also been reports of unincorporated associations being used to undermine the transparency and ban on foreign interference,[14] so the concern is not limited to corporate donors but to any donations that are not coming directly from individuals.

Corporate donations also raise questions about the tax treatment of political giving. Under Income Tax, political donations are not an allowable expenditure, meaning individuals must finance them from after-tax income. The same rules apply under corporation tax: political donations made by companies are (generally) not deductible from the corporation tax base.[15] However, political donations made by companies do not trigger any dividend Income Tax, even though they require shareholders' approval under company law.[16] In short, controlling a company confers a substantial, and largely hidden, tax advantage in political giving. We discuss this in detail in Section 3.4.

[12] All EU citizens living in the UK had full right to vote until May 2024. After that, their voting rights in the UK depend on when they arrived in the UK and from which member states. Given our last year of data is 2024, we treat all EU citizens living in the UK as 'permissible donors', even though some may not be in the last months of our data.
[13] See e.g. Cheques and Balances: Countering the influence of Big Money in UK politics (Transparency International, 2024); How foreign or hostile actors could hijack the next General Election (Spotlight on Corruption, 2025).
[14] See e.g. Britain's political parties are quietly raking in millions. No one will say where it's coming from (Politico, 2023); There is a dangerous loophole in our political financing rules (Electoral Reform Society, 2023).
[15] Exceptionally, political donations could be an allowable tax deduction if it can be shown that the donation is made '*wholly and exclusively*' for the purposes of the trade. But this test is hardly ever met, unless the donation is connected to the survival of the trade (e.g. if a party is campaigning on making the specific trade illegal or nationalising the industry).
[16]Companies Act 2006, s.366.

# 3. What the data show

Our analysis relies primarily on data collected and published by the Electoral Commission. The publicly available data contain key information regarding political donations, including the amount, date, donors' name and whether it is an individual, company or other organisation, and the political party receiving it.[17] The data are available from 2001 to the present day, with the data used here collected up to (and including) 2024. We match corporate donors to Companies House data, including the PSC register. By matching donor companies to their Companies House records using company registration numbers, we can use the PSC register to assess the source of 90% of total corporate donations by value.

**Data used in this paper**

**Electoral Commission data (2001-2024 inclusive):** Contains 16,361 corporate donations, made by 4,044 companies. It also contains 39,906 donations from individuals, 11,841 donations from trade unions, 10,263 donations from unincorporated associations and 3,131 donations from other sources.[18]

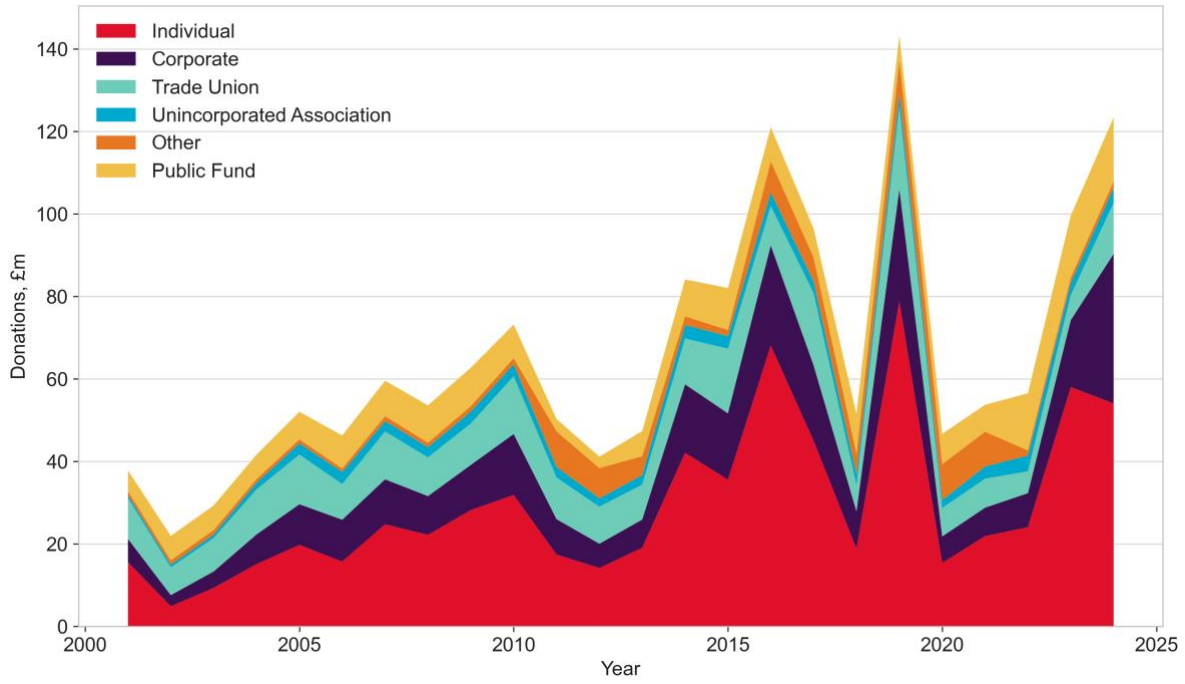
**Companies House, People with Significant Control register (2016-2025 inclusive):** For each company, we identify whether they reported any major shareholders (>25%). Conversely, given an individual, we can look up whether any company had a shareholder with a matching name.

## 3.1 The scale and concentration of political donations

Between 2001 and 2024, individual donors accounted for the largest share of all reportable political donations at £700 million, while corporate donors contributed £293 million and trade unions £247 million. The remaining types of donors account for £143 million, of which unincorporated associations[19] accounted for 43% of donations (£60 million).[20] Annual donations to political parties and MPs during this period have been volatile, with clear spikes in the run up to general elections. Despite this volatility, there is a clear rising trend in the absolute values of donations, as shown in Figure 1. During the first general election year in our data (2005) the total amount of donations was around £53 million, while it was around £123 million during the last general election year (2024). After accounting for inflation over the period,[21] this represents a real-terms increase in election year donations of 37% from 2005 to 2024.

[17] Although the vast majority of the donations in our data are to central political parties, some cover direct donations to individuals including MPs, mayors, councillors and candidates to such positions.
[18] A lack of unique identifiers (see Section 3.5) mean it is not possible to determine to how many *unique* individuals, trade unions and unincorporated associations these donations correspond to.
[19] Unincorporated associations are organisations set up by a group of individuals who have come together to carry out a shared purpose, other than to make a profit. Typical examples are voluntary groups, sports clubs, political dinning clubs, etc. These have been the focus of much debate lately (see footnote 48).
[20] The other types of donors (£82 million) are trusts, building societies, unidentifiable donors, and friendly societies.
[21] £53m in May 2005 is equivalent to around £90 million in July 2024, after adjusting based on ONS Consumer Price Inflation index.

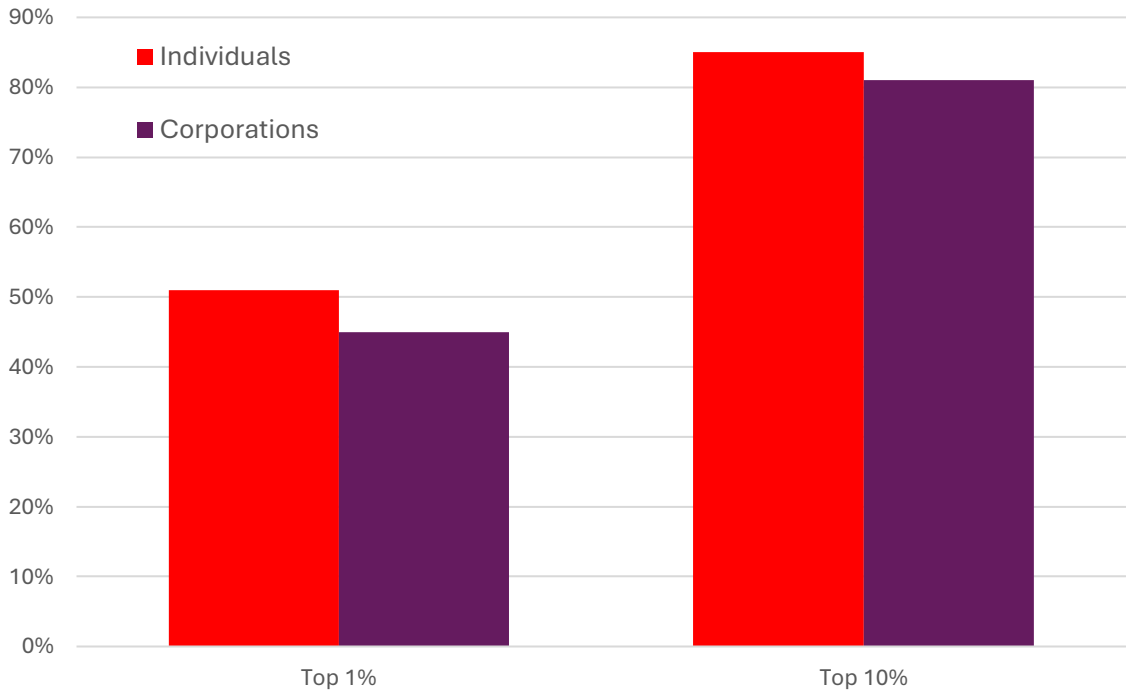
**Figure 1: Total donations over time, split out by source, 2001-2024**




**Notes:** "Individual" are donations made directly by individuals; "Corporate" are donations made by corporations, which include all legal entities registered in Companies House (private/public limited companies, LLPs, companies limited by guarantee, etc); "Trade Unions" are donations made by trade unions, "Unincorporated associations" are donations made by organisations (without legal personality) set up by a group of individuals to carry out a shared purpose, other than to make a profit (e.g. voluntary groups, sports clubs, political dining clubs). "Other" include donations directly made by several types of other donors which account, individually, for a very small share of donations (e.g. friendly societies, building societies, trusts, etc). "Public funds" represent public funding to political parties, mainly 'short money' distributed to opposition parties.
**Source:** Authors' calculations based on Electoral Commission data.

Across both individuals and companies, donations are highly (and similarly) concentrated: the top 1% of individual donors (108 individuals) collectively gave 51% of all individual donations, and the top 1% of corporate donors (40 companies) gave 45% of all corporate donations. The top 10% of individuals accounted for 85% of individual donations, while the top 10% of corporate donors accounted for 81% of corporate donations.

**Figure 2: Share of total donations from corporations and from individuals, among the top 1% and top 10% of donors, 2001-2024**



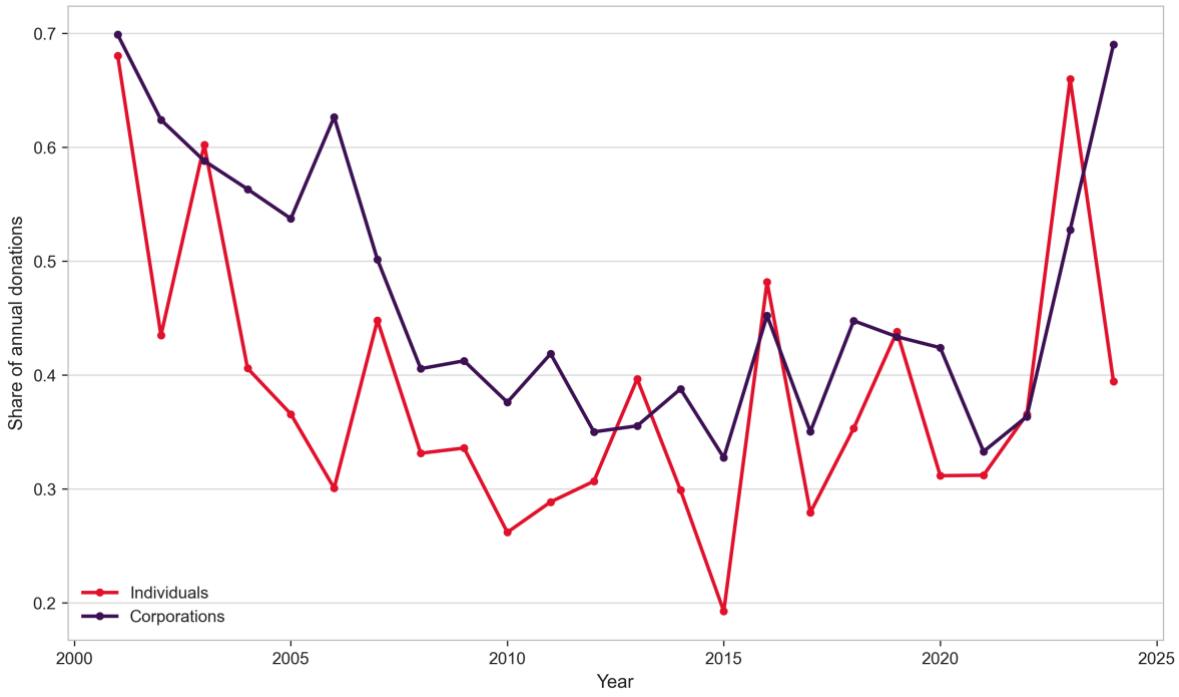

**Notes:** The top 1% and top 10% are as proportion of donors, rather than of the population.
**Source:** Authors' calculations based on Electoral Commission data.

Looking at this concentration over the past quarter century, there appear to be two distinct periods. Although volatile, there was a declining trend in concentration over the first fifteen years (from 2001 to 2015), with donations from the top 10 individual donors dropping from around 60% (average 2001-2002) to around 25% (average 2014-2015).[22] In recent years, however, the trend seems to have reversed, with donations from the top 10 individual donors increasing to around 55% (average 2023-2024).

A similar pattern can be seen when looking at the share of corporate political donations from the top 10 corporate donors. This was around 65% in 2001-2002, dropped to around 35% in 2014-2015, and then increased to around 60% in 2023-2024.

[22] We focus here on the share of donation value coming from a fixed number of individuals, so that it remains an (approximately) constant share of the national population. Using a percentage of donors would represent different shares of the overall population as a result of changes in the number of donors across years.

**Figure 3: Share of total donations of top 10 individuals and top 10 corporations, by year**




**Notes:** Share of total individual political donations coming from top 10 individual donors and share of total corporate political donations coming from the 10 corporate donors, per year.
**Source:** Authors' calculations based on Electoral Commission data

This casts doubt on the Neill Committee's expectation that the recommended reforms (largely adopted in 2000 by PPERA) would reduce the reliance of political parties on large donors.[23] Although it seems that the immediate effect of PPERA was in line with the Committee's expectation, the trend over the last 10 years seems to have largely undone any of the positive outcomes in terms of less reliance on the largest donors.

## 3.2 Transparency of corporate donors

To understand who stands behind corporate donations, we need to draw on the UK's corporate transparency regime. The UK adopted legislation to enhance corporate transparency in the Small Business, Enterprise and Employment Act 2015, which introduced the PSC register. The PSC register has required all companies incorporated in the UK (including LLPs) to register their 'people with significant control' since April 2016, and the register is publicly available through the Companies House website. A PSC is defined as an individual who holds, directly or indirectly, more than 25% of the shares or voting rights, or the right to appoint a majority of the directors. The definition also captures any individual who (without meeting any of the 25% thresholds) exercises significant influence or control over

[23] Fifth Report of the Committee on Standards in Public Life, The Funding of Political Parties in the United Kingdom, chaired by Lord Neill of Bladen, QC (1998), page 79-80.

the company, as well as individuals who control trusts (or entities without legal personality) that meet the above definitions (e.g. if more than 25% of shares of a company are held by a trust, the individual controlling the trust would be a PSC of the company). Given the introduction of the PSC register was in April 2016, we restrict the analysis in this section to companies donating from April 2016 onwards. Similarly, as the PSC register was introduced at the start of the tax year, in this section we use data matching tax years 2016/2017 up to (and including) tax year 2024/2025.

The risk to transparency arises from the possibility that individuals could use a company to donate while concealing their identity behind the corporate veil, despite the PSC register. Under current rules, political parties are not required to report the individuals behind corporate donations. Instead, transparency depends on the interaction between the Electoral Commission's public data on donors and the PSC register published by Companies House. This creates a practical obstacle to transparency as it is only by matching two datasets that provide information in very different formats that we can know anything about the individuals behind corporate donors. The table below highlights some of the difficulties faced in matching Electoral Commission data with Companies House data, as we have done in this report.

Despite the barriers to linking, we were able to match the vast majority of donor companies to Companies House data (see Table 1 below). The results we present below are only in respect of the 90% of donor companies that we could match to Companies House and still existed when the PSC register was implemented in 2016.

**Table 1: Matching corporate donors from Electoral Commission data to the PSC register from Companies House**

| *Feature* | *Number of companies* | *Total donations, £m* | *Share of donations, %* |
|---|---|---|---|
| Companies who donated between 2001 and 2024 | 4044 | 293 | 100% |
| … which the Electoral Commission store a company number for | 3587 | 287 | 98% |
| … which can be matched to Companies House | 3616 | 277 | 95% |
| … which still existed post-creation of the PSC register | 3400 | 262 | 90% |

**Notes:** Matching companies from the Electoral Commission data to Companies House is usually done in an automated way by using their company number. However, from the 457 corporate donors that did not report a company number, we were able to manually match 164 of them to companies in Companies House. Of the 3,587 companies that reported a company number, there were 135 companies where the company number from the Electoral Commission data did not match to any company in Companies House (and we were unable to match them manually).
**Source:** Authors' calculations based on Electoral Commission and Companies House data

In this report we define as 'opaque' the companies that meet any of three conditions *and* are not public limited companies. The first condition is that they do not report any PSC at all. We cannot assess if the lack of PSC reporting is because no individual meets any of the definitions of PSC or due to non-compliance, but the effect is the same for the purposes of transparency. The second is that they report a corporate PSC (or, as the legislation defines them, a 'Relevant Legal Entity') but it is not possible to identify any ultimate individual owners/controller up the corporate chain (e.g. the corporate PSC has, in turn, not reported any PSC of its own). The third is that they report a PSC which is the trustee in a trust structure, which means that no public information is available about the other parts of the relevant trusts (e.g. settlor and beneficiaries) which are more relevant for the purposes of transparency.[24] Lastly, we exclude from our definition of 'opaque' any public limited companies, given that they would usually not report a PSC (as they rarely have anyone holding 25% of the shares) but are subject to separate additional transparency requirements.[25]

Once we apply this definition of corporate opacity to assess the transparency of political donations, we find the following results:

- **More than a quarter of donor companies (26%) are opaque corporate donors.** Of the companies donating between 2017 and 2025, 10% do not report any PSC at all, while 11% report a corporate PSC that does not lead to any individual PSC up the corporate chain. A further 4.5% of corporate donors report a trustee PSC (see Figure 4 below).

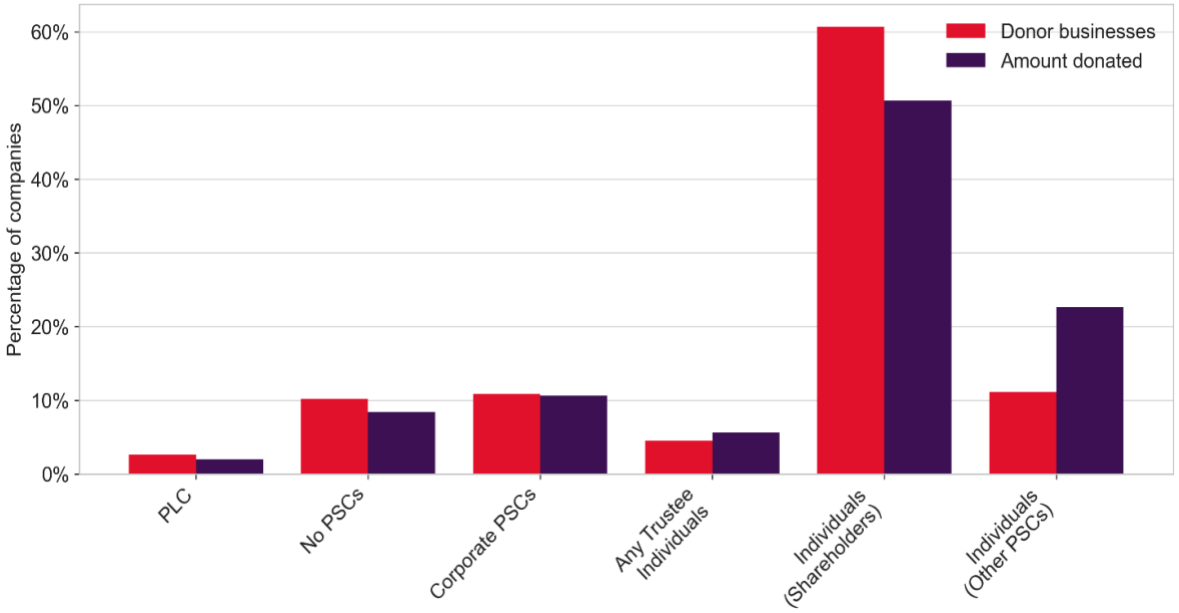
  As mentioned above, public limited companies are excluded from our definition of 'opaque company', which confirms that our findings of opaque corporate donors effectively reflect corporate donors where it is not possible to identify the individuals behind them, even if not in the PSC register. This shows that the PSC register is unfit to provide transparency to corporate donations in the UK.

- **These opaque corporate donors account for a quarter (25%) of all corporate political donations.** The average donation by these opaque corporate donors is similar to that from the rest of corporate donors, which means that they account for a proportionate share of the total corporate political donations by value in this period (25%).

[24] The PSC does not deal well with ownership structures that include a trust. In this case, the trustee is reported if it meets any of the conditions to be a PSC if the trust were an individual (e.g. hold more than 25% of shares/voting rights, etc), but there is no information about the other (more substantial) parts of the trust, such as the settlor and beneficiaries. For a detailed explanation of why the PSC register fails to bring transparency to companies owned by a structure involving a trusts, see 'Catch me if you can: Gaps in the Register of Overseas Entities' (Advani, et al., 2023, CAGE working paper no. 680).

[25] Listed companies are subject to FCA rules that require any person holding at least a 3% shareholding in a UK-listed company (5% for non-UK issuers) to notify the company, which in turn must make this information publicly available. But this is yet another obstacle for transparency of donations, as there is no centralised and free-to-use register of these shareholders.

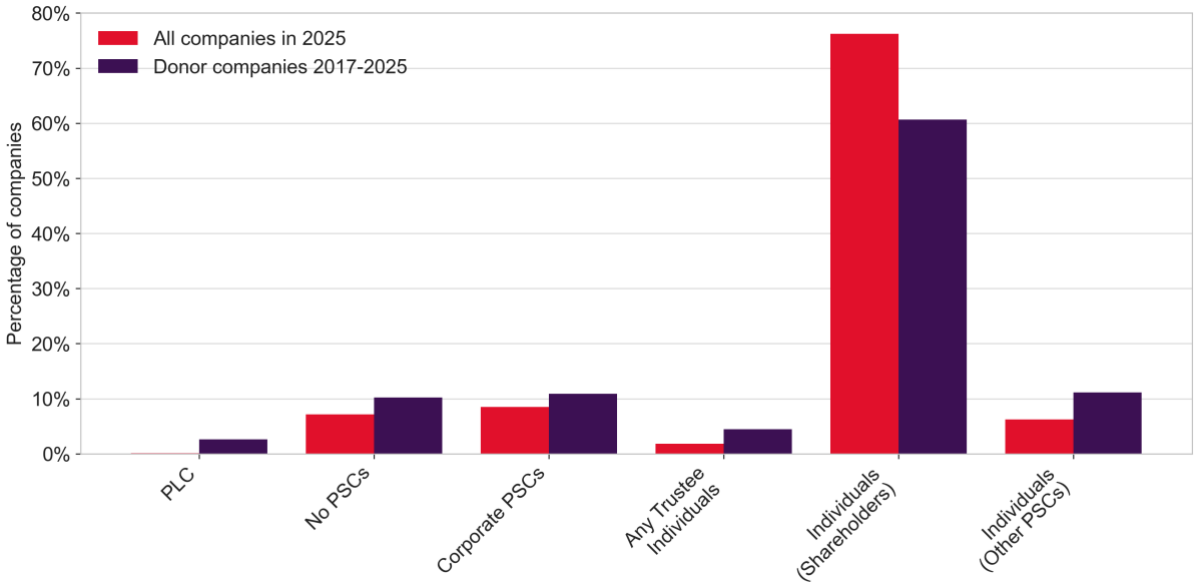
**Figure 4: Share of donors (and amount donated) by type of PSC reported**




**Notes:** "PLCs" are public limited companies. "No PSCs" are companies that report no PSC at all. "Corporate PSCs" are companies that report a company as their PSC, where it is not possible to identify any ultimate individual owners/controller at the top of the corporate chain. "Any Trustee individuals" are companies that report a PSC who is a trustee. "Individuals (Shareholders)" are companies that report an individual PSC based on holding (directly or indirectly) more than 25% of the shares of the company. This could be done by *directly* reporting the individual shareholder, or by *indirectly* reporting the individual shareholders (i.e. they directly report a corporate PSC, but we can find an individual shareholder PSC up the corporate chain). "Individuals (Other PSCs)" are companies that report an individual PSC that is not based on holding more than 25% of the shares and is not a trustee (e.g. holds more than 25% of voting rights). This could be done by *directly* reporting the individual PSC, or by *indirectly* reporting the individual PSC (i.e. they directly report a corporate PSC, but we can find an individual PSC up the corporate chain)
**Source:** Authors' calculations based on Electoral Commission and Companies House data.

- **Donor companies are significantly less transparent than typical UK companies.** We explore whether the level of opacity we observe in donor companies is a feature of UK companies in general or if donor companies have a higher level of opacity, and our findings suggest the latter. While 26% of donor companies are opaque, this figure is only 17% for UK companies generally (see Figure 5 below).

**Figure 5: PSC classification of donor companies and all UK companies**




**Notes:** "PLCs" are public limited companies. "No PSCs" are companies that report no PSC at all. "Corporate PSCs" are companies that report a company as their PSC, where it is not possible to identify any ultimate individual owners/controller at the top of the corporate chain. "Any Trustee individuals" are companies that report a PSC who is a trustee. "Individuals (Shareholders)" are companies that report an individual PSC based on holding (directly or indirectly) more than 25% of the shares of the company. This could be done by *directly* reporting the individual shareholder, or by *indirectly* reporting the individual shareholders (i.e. they directly report a corporate PSC, but we can find an individual shareholder PSC up the corporate chain). "Individuals (Other PSCs)" are companies that report an individual PSC that is not based on holding more than 25% of the shares and is not a trustee (e.g. holds more than 25% of voting rights). This could be done by *directly* reporting the individual PSC, or by *indirectly* reporting the individual PSC (i.e. they directly report a corporate PSC, but we can find an individual PSC up the corporate chain).
**Source:** Authors' calculations based on Electoral Commission and Companies House data.

These findings highlight that the current approach, relying on cross-referencing the Electoral Commission and Companies House registers, fails to uphold the principle of transparency that inspires the legislation. The approach not only presents a significant practical obstacle to transparency, but even with perfect matching of these registers the interaction of the two regimes is insufficient to uphold the transparency principle. More than a quarter (26%) of corporate donors, accounting for a quarter (25%) of total amounts donated by companies, are opaque corporate donors, where no individual owners/controllers can be identified.[26] This is a serious shortcoming of our current regulation, which fails to provide the required transparency of donations that is supposed to protect our democratic system from donors' influence.

[26] Of the 90% of corporate donors that we could link to Companies House and existed at the time of the implementation of the PSC register.

## 3.3 Foreign interference

One of the principles that inspires the regulation of political donations in the UK is the ban on foreign donations to protect the democratic process from foreign interference. The regulation establishes that political parties can only accept donations from 'permissible donors', defined, broadly, as individuals registered in an electoral register or legal entities incorporated in the UK that carry on business in the UK.[27] This approach has been criticised for enabling foreign donors to circumvent the ban by donating through a UK company. We have analysed to what extent foreign donors are exploiting this weakness of the current regulation, by assessing the number of companies that are controlled by individuals who would not be able to make a direct political donation.

As with the analysis of beneficial ownership of donor companies, the Electoral Commission data on its own tells us nothing about foreign individuals controlling donor companies. It is only by matching the corporate donors from the Electoral Commission data with their PSC records, as described above, that we can identify indirect foreign donors. Furthermore, the lack of transparency identified in the previous section, where 23% of donor companies report no shareholders and 14% report no PSC at all, means that we cannot identify the nationality of individuals behind these opaque corporate donors. The figures below are therefore likely to be a conservative estimate of the extent to which foreign individuals donate through UK companies.

It is also worth noting that we do not have access to electoral registers, so we use nationality as reported in the PSC register as a proxy for whether individuals controlling corporate donors are 'permissible donors'. The limitations of this proxy are telling. Some individuals reported as foreigners in the PSC register may be dual nationals with undisclosed British nationality. Others may be Commonwealth or EU nationals but not meet the conditions for inclusion in an electoral register.[28] The fact that researchers trying to assess permissibility cannot readily establish this from the available data is problematic. If the transparency regime is working effectively, it should be possible to do so without resorting to proxies.

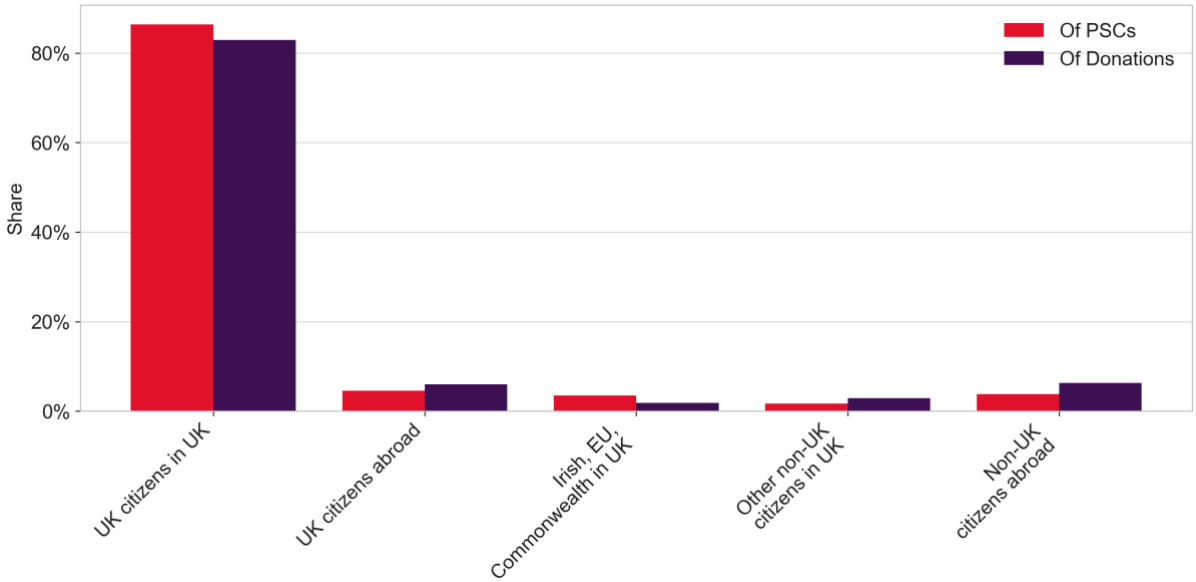
- **5.5% of PSCs of donor companies are individuals who could not donate individually.** Among the PSCs of corporate donors that are not opaque (i.e. 74% of all corporate donors), 91% are British individuals. A further 3% of the PSCs are nationals from Ireland, Commonwealth or EU countries that are resident in the UK, so could potentially be registered in an electoral register and therefore donate individually. The remaining 5.5% of PSCs are foreign individuals who could not donate directly, either because they are non-UK individuals who are not UK-resident (1.7%) or because they are UK residents but nationals of countries other than the UK, Ireland, Commonwealth or EU countries (3.8%) (see Figure 6 below).

[27] And some other less relevant permissible donors (see footnote 11 above).
[28] For example, Commonwealth citizens that do not have permission to enter or stay in the UK.

- **These foreign PSCs account for 9.2% of all corporate donations (among corporate donations that do not come from opaque corporate donors).**[29] Companies controlled by individuals who could not donate directly make donations that are, on average, 1.7 times larger than those from companies controlled by individuals from the UK, Ireland, Commonwealth or EU countries (see Figure 6 below). This means that almost one in every ten pounds donated by companies comes (indirectly) from individuals who could not donate directly.[30]

Together these findings show that the risk of foreign interference is not merely a theoretical concern but is occurring at some scale. If the UK is serious about protecting its democratic system from foreign interference, then the regulation of corporate donations needs to be tightened to make it consistent with that objective.

**Figure 6: Nationality and residence of main PSC of corporate donors, 2017-2025**




**Notes:** "UK citizens in UK" are corporate donors with a PSC that reports being a UK citizen and resident in the UK; "UK citizens Abroad" are corporate donors with a PSC that reports being a UK citizen but non-UK resident; "Irish, EU and Commonwealth in the UK" are corporate donors with a PSC that reports being citizens of Ireland or some EU/Commonwealth country and resident in the UK; "Other Non-UK citizen in UK" are corporate donors with a PSC that reports being national of a country other than the UK, Ireland or EU/Commonwealth countries and resident in the UK; and "Other Non-UK citizen abroad" are corporate donors with a PSC that reports being national of a country other than the UK, Ireland or EU/Commonwealth and non-UK resident.
**Source:** Authors' calculations based on Electoral Commission and Companies House data.

[29] This is a share of donations coming from companies that are not opaque. It thus excludes the 25% of donations coming from opaque corporate donors.
[30] Of those donations coming from companies that are not 'opaque'.

## 3.4 Tax-advantaged giving through companies

Political donations are not an allowable expense for Income Tax purposes.[31] This means that individuals need to finance their political donations from their after-tax income. For additional rate taxpayers, this means that to donate £100 they would need to earn at least between £165 (if from dividend income) and £189 (if from labour income).

The same rules apply under corporation tax. Political donations made by companies are generally not deductible from the corporation tax base, which means that a company would need pre-tax profits of £133 to finance a political donation of £100.[32]

Despite not being deductible from the corporation tax base, political donations made by companies do not trigger any dividend Income Tax, even though they require shareholders' approval under company law. This means that for an additional rate taxpayer controlling a company, making a £100 political donation through the company only costs them £133 of the company's pre-tax profits (on which £33 would be paid in corporate tax). If the owner of the company had to first pay themselves the money as a dividend before making the political donation, then the company's pre-tax profits to fund a donation of £100 would need to be £220, on which corporate tax of £55 would be payable, leaving £165 to distribute as a dividend, on which the shareholder would pay £65 on Income Tax. This means that donating through the company saves them approximately £87 in tax, representing an implicit subsidy of 39.5% on the cost of their political donations.[33]

For most of the population the main source of income comes from employment, which means that the tax gap for a political donation would be different, but similarly large. For employees intending to make a £100 donation, they would have to be paid a salary of £189, on which they would pay around £85 in Income Tax and £4 in NICs.[34] Compared with the £133 of pre-tax profits required to make a donation through the company, the tax gap (£56) represents an implicit subsidy of 29.6%. If we also add the employer NICs on the salary (assuming the long-term incidence of employer NICs is on workers) then the implicit subsidy would be 38.8%.[35]

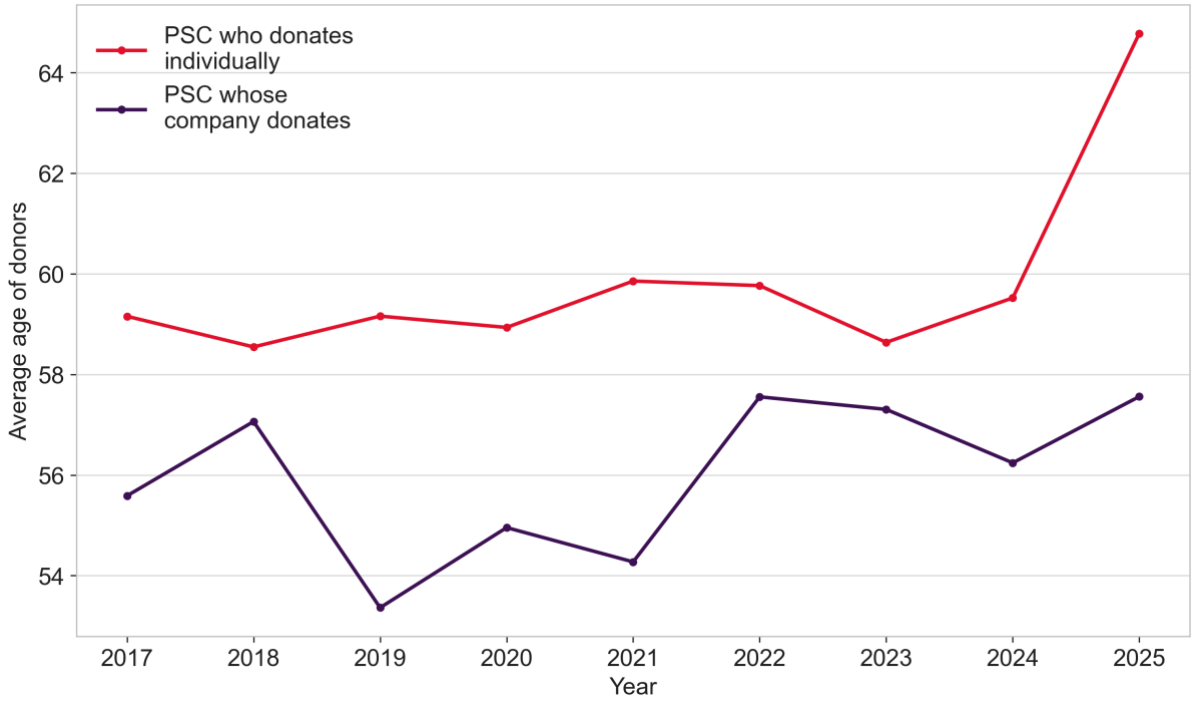
Political donations are also exempt from Inheritance Tax.[36] For donors expecting to die within seven years, a political donation of £100 is equivalent to forgoing only between £92 and £60 of post-tax gifts to their heirs, which further reduces the cost of making donations.[37] This creates a countervailing incentive for older donors: for individuals expecting to die within seven years, the Inheritance Tax exemption for

[31] Unless in very exceptional cases, see footnote 15 above.
[32] Assuming the company pays corporation tax at the main rate.
[33] As a share of the cost of the political donation when taking a dividend to fund it.
[34] Assuming they are additional rate taxpayers.
[35] This would be adding 15% NICs to the £189 salary, equivalent to £28.35, increasing the pre-tax resources required to fund a £100 donation to £217.35. This means that the overall tax gap would be £84.35 (£217.35-£133), which represents a 38.8% subsidy as a proportion of the pre-tax costs of the donation for the employee.
[36] Inheritance Tax Act 1984, s.24; IHTA 1984, Part V, Chapter I.
[37] Depending on the years between the gifts and death, given the taper of Inheritance Tax for gifts between 3 and 7 years before death.

private businesses means that donating directly (rather than through a company) may be more tax-efficient, since a direct donation reduces the taxable value of the estate while the company shares might already qualify for business property relief and so be tax-free anyway.[38]

To test whether donors respond to these incentives, we compare the ages of individuals who donate through their company with individuals who donate directly, *despite having the option to donate through a company* (as we identify them as being major shareholders of a UK company). To identify the latter group (individual donors who could have donated through their company) we restricted the comparison to individuals whose names are uncommon and who match to at most two distinct shareholders, to give a reasonable degree of confidence that the shareholder reported in the PSC of a company is in fact the same individual as the donor. We find that individuals who donate directly are on average between 1 and 8 years older than those who donate through their company (Figure 7 below). This is consistent with the prediction that older donors, more concerned with Inheritance Tax planning, have weaker incentives to donate through a company than younger donors.

**Figure 7: Average age of individual donors and shareholders of donor companies**




**Notes:** "PSC who donates individually" are individuals who donate directly, despite being a PSC in a company (which does not make a political donation); "PSC whose company donates" are individuals who are a PSC of a company that makes a political donation, and they do not make any political donation directly.
**Source:** Authors' calculations based on Electoral Commission and Companies House data.

[38] This incentive will change for donors after 6 April 2026, as Business Property Relief under Inheritance Tax will be capped at £2.5m from that date.

This suggests that, at least to an extent, individuals tend to donate through the most tax-efficient route. From a perspective of equality of political rights, this finding is problematic as it highlights that the tax system is subsidising the political donations of some individuals, amplifying their political power simply because they control a company through which they can channel their donations.

### 3.5 Limitations of Electoral Commission data

The Electoral Commission's donation records provide a valuable basis for the systematic analysis described above. However, three key limitations in the data constrain the analysis and, presumably, the compliance with existing or future regulation.

First, the absence of unique identifiers for individual donors means that the same person can appear under multiple name variants, making it difficult to aggregate donations accurately or detect whether reporting thresholds have been breached. This means that there could be multiple donations from single donors exceeding the threshold to be reportable to the Electoral Commission, where political parties fail to precisely aggregate and therefore breach their reporting duties under PPERA.

Two members of the Sainsbury family, for example, are well-known donors and appear under 18 different name variants, linked to 93 separate donor IDs and 237 individual donations across the dataset. Without unique identifiers, linking these records requires manual matching, which is labour-intensive, error-prone, and impractical at scale. Common names present an even greater challenge: a donor recorded as "John Smith" cannot reliably be distinguished from other individuals sharing the same name, meaning donations may be incorrectly aggregated or, more likely, go unlinked entirely.

Second, the data collected on corporate donors is limited, with no routine recording of company numbers or ownership information, making it difficult to verify permissibility or trace the ultimate source of funds. Transparency is only valuable to the extent that it allows the public to scrutinise political donations and potential conflicts of interest, but the practical obstacles of the current system significantly undermine the possibility of public scrutiny.

Third, donations below the reporting threshold do not need to be reported to the Electoral Commission at all, creating a blind spot in the data that could be exploited to circumvent transparency requirements by breaking up donations into smaller amounts. Although the threshold for reporting the donations is on *aggregate* of all donations by the same donor to the political party during the year, the data quality issues we identify strongly suggest this aggregation is likely to be far from perfect.

There is also a feature of the regulation that undermines the accuracy of the aggregation, even assuming full compliance from parties. As mentioned in Section 2, there are three relevant thresholds in PPERA. The first threshold is £500

(regulatory threshold) at or below which the regulation does not apply, so there is no need to record them or assess that the donor is a permissible donor. The second threshold is £11,180 (reporting threshold), as political parties are required to report to the Electoral Commission when donations from the same donor in a calendar year exceed this amount. The final threshold is £2,230, which is only relevant once a donor has already met the reporting threshold in a year, which requires parties to report any additional donations by the donor exceeding £2,230 (secondary reporting threshold). The legislation explicitly requires political parties to aggregate donations from donors for the purposes of the reporting threshold (and the secondary reporting threshold) but there is no requirement to aggregate small donations below the £500 (as these need not be recorded, there is not even the possibility of aggregating them).

The overall effect of the regulation is that only donations above the regulatory threshold are aggregated to determine if the reporting thresholds have been met, which clearly makes any aggregation fundamentally incomplete. The Electoral Committee website states that parties "*must be alert to situations where it appears that a donor is attempting to evade PPERA [by making multiple donations below £500]…It is an offence to attempt to evade the controls on donations*". It is unclear what provision in PPERA would be applied to tackle this behaviour, although possibly it would be section 61, which makes it an '*offence…to knowingly enter into any arrangement which facilitates'* making donations by any person '*other than a permissible donor'* (e.g. individual not registered in an electoral register). The problem, however, is that this offence would not capture *permissible donors* splitting their large donations into amounts below £500 to avoid being reported to the Electoral Commission.[39]

We understand there is a balance to be achieved between donors' privacy and protecting the political system, but the current level of the threshold is arguably too high. It is roughly equivalent to a third of the median annual income of full-time employees in the UK, and this limit can be effectively multiplied when the donor donates to different parties.[40] The combination of this high minimum threshold and the challenges for aggregation represent a substantial weakness of the system.

These limitations are not merely academic as they directly undermine the ability of regulators, researchers, and the public to assess whether the existing rules on permissible donations are being followed, and to reassure the public that money does not buy influence.

[39] A purposive interpretation of other provisions in PPERA may be used to capture this behaviour, but it is unclear to what extent Courts would follow such interpretation. Beyond that, the absence of clear rules explicitly preventing this behaviour is likely to affect the standard of compliance by donors and parties.
[40] A donor could fully escape any reporting requirement while donating £11,000 to each political party in the same year, as there is no aggregation of donations across different parties for the purpose of the threshold for reporting to the Electoral Commission.

# 4. The Representation of the People Bill

The Representation of the People Bill was introduced to Parliament in February 2026. It includes provisions in Part 4 that aim to address some of the vulnerabilities in the regulation of corporate donations. The Electoral Commission has broadly welcomed the Bill but has highlighted concerns with the provisions in Part 4.[41] We have a similar view of the Bill: though it seems to properly identify the risks of corporate donations, the proposed reforms are insufficient to address them, and we explain the Bill's shortcomings below.

## 4.1 What Part 4 of the Bill does

The main change introduced by the Bill is that companies would only be permissible donors if they meet two new tests: a 'significant control' test and an 'available revenue' limit.[42]

- The significant control test aims to restrict which UK companies are 'permissible donors' by making this conditional on, broadly, being owned or controlled by individuals who are 'registered in an electoral register, or a British citizen usually resident in the UK'.[43] This objective is in line with what critics have long identified as a weakness in the UK regulation of political donations. But the implementation proposed in the Bill has several problems.
- The 'available revenue' limit also targets corporate donors, by effectively banning donations from companies with limited UK economic activity. This is done by limiting the amount that they can donate by reference to the company's revenue.[44]

There are also some other minor reforms to strengthen the regulation of corporate donations, such as introducing a requirement for a company officer to make a written declaration confirming that the company meets the conditions to be a permissible donor. This places an obligation on an identifiable individual within the company to vouch for its eligibility. Though this appears to strengthen the regulatory environment for corporate donations, it effectively relies on self-enforcement of the regulation, with all the risks that this entails. Instead, we argue for moving compliance upstream, by ensuring that permissibility checks of corporate donors are conducted by the Electoral Commission.

[41] Electoral Commission, Media briefing: Representation of the People Bill (2026).
[42] These rules also apply to LLPs.
[43] Proposed new s.54E (3)-(5) of PPERA. The significant control test does not require that *all* the shareholders are registered in an electoral register. Instead, it requires that, where there is at least one PSC holding more than 25% of the shares/voting rights, then at least 50% of the shares must be held by individuals registered in an electoral register. This means there could be a PSC of a permissible donor company that holds more than 25% (but less than 50%) that is not in an electoral register.
[44] Proposed new s.54H of PPERA. If the company is a parent company of a group, the revenue limit also includes the revenue of the subsidiaries.

The Bill also gives the Electoral Commission enhanced powers to investigate and sanction non-compliance with donation rules, including in relation to corporate donors. This is welcome but would make little difference if not backed with increased resources to effectively exercise those powers.

## 4.2 The problems with the Bill

While it seems that the government has properly identified the risks posed by corporate donations, there are fundamental problems in the solutions proposed that arise from the analysis presented in Section 3.

### 4.2.1 The reliance on the PSC register

First, the Bill's reforms continue to rely heavily on the PSC register to uphold the principle of transparency in political donations. This has several problems:

- Fundamental inadequacy: The PSC register was introduced to increase the corporate transparency of UK companies in general. This has many benefits, including assisting with anti-money laundering efforts, preventing conflicts of interest in government procurement, and assisting with tax enforcement. However, regulation of political donations is an area of particularly high social concern that requires a higher and more targeted level of transparency.

  For example, although we are usually not concerned about the nationality of shareholders of UK companies, this is of central importance in the area of political donations.

  Similarly, we are usually not concerned about registering unincorporated entities, as they do not benefit from limitation of liability, do not have separate legal personality, and are not taxable entities. However, in the area of political donations, they pose the same risks as corporate entities do. Relying on the PSC register for the transparency of political donations necessarily means that it will not affect donations from entities without legal personality, such as unincorporated associations and general partnerships.

  Lastly, the PSC register is designed to disclose individuals who control the *company*, not who control the *donations*. This will usually be the same individual that controls the decision to donate by the company, but need not be. If restrictions are imposed on companies' right to donate based on who controls them, there will be an incentive for individuals that are excluded from donating through their companies to channel their donations through other companies which they will not control.

- Insufficient transparency: Our empirical evidence clearly shows that the PSC register (even when focused on corporate donors and matched to the Electoral Commission data) only provides limited transparency for corporate political donations. Under the current rules (i.e. without limitations on foreign individuals donating through UK companies) the PSC register already fails to

identify the individuals behind a quarter of corporate donations. Once the significant control test is introduced, this problem is likely to worsen, as foreign donors will have an incentive to structure their companies so that no individual crosses the PSC register reporting threshold (given that companies without a PSC are permissible donors under the Bill, see Section 4.2.2 below).

- Practical obstacles to public scrutiny: Transparency is only valuable to the extent that it allows the public to scrutinise political donations and potential conflicts of interest. Relying on the PSC register builds a significant obstacle for this public scrutiny, as it would provide information about individuals behind corporate donors only to those members of the public that are capable of, and willing to, match two different public registries. It also relies on consistent recording of information across the two registers, which we find is not the case currently. These practical obstacles substantially reduce the benefits of transparency.

### 4.2.2 The significant control test

Even ignoring the inadequacy of the PSC register, the 'significant control test' is self-defeating because it effectively exempts from any control test those companies that do not report a PSC. Indeed, under the Bill a UK company will also be a permissible donor if "there is no person who is a registrable person in relation to the company". This exemption effectively creates a loophole for the very individuals the Bill is designed to exclude, who would need to ensure that their company does not meet any of the conditions for being required to report a PSC.

Although the PSC regulation includes a condition to register any individual that 'otherwise exercise significant influence or control' (e.g. without holding more than 25% of shares/voting rights/right to appoint majority of shareholders) that would capture many artificial arrangements to circumvent the PSC register, enforcing this condition is extremely challenging, as it is based on the specific factual circumstances of each company and the subjective interpretation of the meaning of 'significant control'.[45] This is likely to lead to substantial non-compliance with the PSC register from those trying to conceal their identity, as they could report the company has no PSCs when they fail the objective conditions for reporting a PSC and they would appear to be in compliance. Furthermore, the weaknesses of the PSC could also be exploited by using trusts in the corporate structure, as the PSC register is not properly designed to deal with those structures.[46]

[45] The statutory guidance for this test recognises this when stating that it 'does not provide an exhaustive statement of what constitutes "significant influence or control". It provides principles and examples which would be indicative of... significant influence or control' (see Department for Business & Trade, *Statutory guidance on the Meaning of "Significant Influence or Control" over Companies in the Context of the Register of People with Significant Control"*, 2026*)*

[46] See discussion on 'Beneficial Interest' in "*Catch me if you can: Gaps in the Register of Overseas Entities*" (Advani et al., 2023, CAGE working paper no. 680).

The availability of this loophole is likely to reduce any outcome of the new 'significant control test' to a displacement effect, where individuals who want to conceal their identities will simply use corporate vehicles that fail (or appear to fail) to meet any of the PSC definitions.

### 4.2.3 The 'available revenue' limit

The Bill proposes to limit the amount that a UK company can donate to its 'available revenue', defined by reference to the company's aggregate UK turnover over the three years preceding the year in which the donation is made. This is a step in the right direction, as it is intended to prevent a foreign individual simply buying a shell company in the UK to channel substantial donations. However, the approach raises several concerns.

First, previous donations in the same year do not reduce the available revenue limit unless they are to the same recipient. As the Electoral Commission has pointed out, this means a company could donate an amount equal to its revenue to a party and then donate the same amount to each of the party's MPs, councillors and candidates for their campaigns. This is a significant weakness, as it defeats the rationale behind the limit: that donations should bear some relationship to the genuine economic activity of the donor company.

Second, the limit is based on revenues rather than profits. The Electoral Commission has expressed concern that a turnover-based test may be easier to manipulate than a profits-based approach, and that turnover alone may not demonstrate genuine economic substance in the UK.[47] We share this view. A company could very easily generate significant UK turnover while having no genuine UK operations. For example, a company could purchase goods from an overseas entity in the same group and resell them to another related overseas entity, generating turnover without creating real economic value in the UK. The Electoral Commission's recommendation of a profits-based measure would be a more meaningful indicator of genuine UK economic activity.

Third, and most fundamentally, any measure that restricts corporate donations to either revenue or profits would face serious enforcement challenges. The difficulty of measuring genuine economic activity of corporations is well known to tax authorities, as there are multiple ways in which a company can artificially modify them. In the context of corporate taxation, tax authorities have long struggled to tackle corporations artificially reducing their taxable profits to reduce their tax bill. This could be done by allocating intellectual property to subsidiaries in tax haven jurisdiction and having the operating companies in high-tax countries pay royalties for the use of such property. It can also be done by intra-group debt financing, where operating subsidiaries are highly leveraged, paying most of their operating profits to subsidiaries in tax havens by way of interest. More simply, it can be done by inflating profit margins of subsidiaries in low-tax countries while reducing them

[47] Electoral Commission, Media briefing: Representation of the People Bill (2026).

for subsidiaries in high-tax countries. To tackle these (and many other) tax avoidance opportunities, tax authorities need to apply complex transfer pricing rules.[48]

The challenge for political donations would be the same, as the regulator would need to ensure only genuine economic transactions are reflected in the level of revenue or profits of corporate donors, except that the incentive for the donor company would be to artificially *increase* their revenue/profits. This means that enforcing these limits would require the application of some 'reverse transfer pricing' rules. As the experience with corporate tax shows, this requires substantial resources and skills that likely far exceed those available to the Electoral Commission.[49]

Beyond these issues of enforcement, there are two additional points worth highlighting which reflect some of the complexities of any approach that relies on capping corporate donation to (any) measure of economic activity. The first relates to profits of foreign companies. Although a profit-based measure would be preferable to the Bill's revenue-based approach, this should be limited to *trading* profits (i.e. excluding passive investment profits). Otherwise, a UK holding company of a multinational group which has little or no substantive economic activity in the UK could make large political donations based on the dividends received from its foreign trading subsidiaries.[50] This need not relate to any avoidance purpose, but it would pose a serious weakness in the legislation that could be exploited by impermissible donors to circumvent the prohibition on foreign donations.

The second issue relates to the treatment of corporate groups (including domestic corporate groups). The Bill defines parent company's 'available revenue' as the aggregate of the company's UK turnover (over the three preceding years) plus the turnover of each subsidiary in the group (over the three preceding years). This creates the risk of artificially increasing the 'available revenue limit' within corporate groups, as the subsidiaries' revenues (or profits) can increase *both* the available revenue (or profits) of the parents and the subsidiaries. To avoid this risk, the 'available revenue limit' should apply at the specific company level, without any aggregation at the level of the corporate group.

In summary, while limiting corporate donations by reference to economic activity is well-intentioned, the proposed revenue-based approach is both too easy to manipulate and too difficult to enforce. These challenges are not unique to the 'available revenue' measure proposed in the Bill, as they would apply to any profits-

[48] Transfer pricing rules are usually defined at the international level, and the OECD publish guidelines for companies and tax authorities (given that transfer-pricing corrections in profits in one country will usually impact the profits in another country). To have a sense of the challenge for enforcement, the latest OECD transfer pricing guidelines are contained in over 600 pages (OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, 2022).

[49] Another example of regulators struggling to implement limits based on revenues/profits is the application of Financial Fair Play rules by UEFA and the English Premier League. The most notorious case is that of Manchester City FC, which was charged in 2023 for alleged breaches going back to the 2009/2010 season. As of March 2026, no verdict on the case has been issued.

[50] Or interests, if funded through debt rather than equity.

based alternative as well. We consider alternative restrictions below, but ultimately conclude they are all limited in effectiveness. Consequently, we conclude there is a strong case for banning corporate donations altogether, as discussed below.

# 5. Recommendations

The reforms proposed in the Bill are insufficient to uphold the principles of transparency and the ban on foreign donations that underpin our current regulation. In this section we present recommendations that should effectively address the weaknesses of the current regime (as identified in our analysis).

We divide these recommendations into two subsections. The first (Section 5.1) makes the case for an outright ban on corporate donations based on enforcement challenges that we have just described.[51] Recognising that an outright ban may lack sufficient political support, the second (Section 5.2) presents a package of targeted reforms that would strengthen the system's commitment to transparency and a ban on foreign donations even in the presence of corporate donations.

## 5.1 The case for banning corporate donations

In Section 4.2 we identified fundamental problems with the Bill's approach to regulating corporate donations. With these in mind, we argue that there is a strong case for banning all types of non-individual donations altogether, whether from companies or any other entities (e.g. partnerships, unincorporated associations etc).

The enforcement challenges identified in Section 4.2.3 are not specific to the Bill's proposal. They would apply to any regime that seeks to limit corporate donations by reference to economic activity, whether measured by turnover, profits, or any other metric. While rules could be designed to reduce the scope for manipulation,[52] some residual difficulty would always remain, and the regulator would need resources, expertise and information reporting that the Electoral Commission does not currently possess.

The challenge of linking corporate donors to the individuals that control them is also not trivial. Our analysis has found that under the current approach, the use of the PSC register still leaves a substantial share of opaque corporate donors. Once limitations are introduced on which UK companies can donate (based on whether the individual owners are registered in an electoral register) the limitations of any register of ultimate owners would be exacerbated by individuals exploiting those limitations to circumvent the regulations.

The challenge of linking corporate donors to their individual owners is also why we are sceptical that establishing a cap on corporate donations (unrelated to the corporations' profits or revenues) would be straightforward to enforce. This would

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For simplicity, we refer to a ban on 'corporate donations', but this includes a ban on all non-individual donations, as any donation coming from any entity (whether a company or an unincorporated entity) raises the same challenges for the principles of transparency and banning foreign donations. Besides companies, this includes partnerships, unincorporated associations, trusts, etc.

[52] One rule that should be adopted if an economic activity cap is implemented, is to ignore all related-party transactions in determining the relevant profits/revenue limit. This would go a long way in removing the easiest ways of manipulating revenues and/or profits.

remove the need to apply any 'reverse transfer pricing rules' and would ensure that any corporate donations that are indirectly from foreign individuals could only have a limited financial impact on the political system. But it would still require some enforcement to prevent impermissible donors from using multiple UK corporations to channel (in aggregate) large corporate donations to our political system.[53] This means that the cap would need to apply to all the companies controlled by the same individual, which would require linking companies to their ultimate controllers. And even then, impermissible donors could find UK-owned companies willing to act as conduits for their donations.

Based on the above, there is a strong argument for avoiding all these enforcement efforts and simply banning corporate donations. The international experience also suggests that a full ban on corporate donations is possible: based on a 2025 study, 27% of countries ban corporate donations, including France and Canada.[54] Under a regime where companies do not have an independent right to donate (i.e. their right to donate is conditional on the right to donate of their individual owners, as broadly proposed in the Bill) it is unclear what would be lost by introducing a ban on corporate donations. Those individuals could still donate directly.

## 5.2 Recommendations in the presence of corporate donations

Although we support banning corporate donations, we present recommendations for reform needed if there is insufficient political support for an outright ban. These measures can be implemented to substantially reduce the risk of corporate donors being used to conceal the identity of the individuals behind the donations or to circumvent the ban on foreign donations. However, they do not completely remove these risks, and they would require increasing the current capabilities of the regulator to enforce them.

The package we present includes six reforms that would align the current system of corporate donations with the principles of transparency and the ban on foreign donations that have underpinned the regulation since it was introduced over 25 years ago, plus an additional reform that removes an unjustified tax-advantage for corporate political donations.

If corporate donations are capped at (say) £30,000, a foreign individual intending to donate £1m could use 33 different UK companies to channel that a large donation.

[54] 27% of 181 countries included in the database. See *Combatting Corruption in Political Finance: Global Trends, Challenges and Solutions (Hamada and Agrawal, 2025,* International Institute for Democracy and Electoral Assistance).

### 5.2.1 Establish a donor registration system

**Recommendation 1: Require all but the smallest donors, whether individuals, companies or other entities, to register with the Electoral Commission before making political donations.**

On registration, identification verification should be implemented, potentially following the approach introduced in November 2025 by Companies House for the PSC register. Registration would provide a unique donor identification number that must be provided to the recipient party with each donation.

This addresses a foundational weakness in the current system. At present, individual donors are identified only by name in the Electoral Commission data, making it difficult to correctly match individuals. For example, donations by two members of the Sainsbury family appear under 18 distinct name variations across 93 separate donor identifiers. For a prominent family this can be reconstructed, but for a donor named 'John Smith', it is impossible to determine whether multiple donations are from one individual or several. This is not only a problem of transparency: recipients cannot effectively aggregate multiple donations from a single individual without some unique identifier, and so risk falling foul of existing regulations.

A registration system would move compliance upstream. Rather than leaving it to individual parties to verify donor eligibility and aggregate donations correctly (including determining whether two donors with similar names are the same person) the Electoral Commission would conduct these checks at the point of registration. Parties would then simply verify that a donor has a valid registration number, easing their compliance burden.

For donors that are not individuals (including corporate donors and unincorporated associations) registration should require disclosure of the individuals behind the entities (see Section 5.2.2), which would directly address the transparency problem identified in our analysis. The Electoral Commission would hold a current record of who controls each corporate donor, rather than relying on cross-referencing with the PSC register.

We suggest retaining the existing £500 *de minimis* threshold below which donations need not be verified, so donors of small amounts would not need to be registered. This avoids imposing a registration requirement on, for example, individuals with small monthly direct debits to political parties. There is an inherent aggregation risk (an individual could make multiple sub-£500 donations to avoid registration), but this risk exists under the current system and the practical difficulty of exploiting it at meaningful scale makes it an acceptable trade-off. If the aggregation risk is deemed substantial, then an explicit anti-avoidance rule should be introduced in the legislation.[55]

[55] The Electoral Commission website states that "*you must be alert to situations where it appears that a donor is attempting to evade PPERA [by making multiple donations below £500]. It is an offence to attempt to evade the*

### 5.2.2 Require direct reporting of significant control of entities

**Recommendation 2: At the point of registration with the Electoral Commission, require non-individual donors to report directly the individuals who exercise significant control over the entity**. This would apply to companies, unincorporated associations, general partnerships, and any donor that is not an individual.

The current system depends on linking two separate registers, the Electoral Commission's donations data and Companies House's PSC register, to identify who is behind corporate donations. As we mentioned in Section 4.2.1, this approach has fundamental problems: it provides *zero transparency* for entities without a separate legal personality (e.g. unincorporated associations); and it poses a major practical obstacle for public scrutiny.

Our recommendation differs from the Bill's proposal in two crucial respects. The first, already mentioned, would be to have in the same database the information about donations and the individuals controlling corporate donors (including unincorporated donor entities), and to stop relying on the linkage of Electoral Commission data with Companies House data. Besides removing a practical obstacle to transparency (i.e. the need to link databases), this has the advantage of targeting enforcement within the much smaller group of donor companies. Based on the empirical data presented, the Electoral Commission would have had to ensure compliance with reports of ultimate controllers of around 4,000 companies in 24 years (i.e. an average of 167 per year). In contrast, there are currently more than 5 million companies registered in Companies House, and over 800,000 new companies incorporated each year. This radical difference in scale would have substantial difference in tackling non-compliance.

The second difference is that we recommend adopting a test for 'control' that leads to *always* linking a corporate donor (and unincorporated donor entities) to an individual. This means that the definition of control should not include an option to report 'no individual meets the test for control'. In practice, this may mean adopting a minimum shareholding percentage (we recommend 5%, in line with transparency requirements for listed companies) complemented with some test based on who authorised the political donation. So even for a widely held company (i.e. where no shareholder holds more than 5% of shares) it should be required to identify the individual who authorised the donation and their relationship to the company (e.g. chair of the board, shareholders that approved the donation, etc.). The principle is straightforward: every non-individual donation must be traceable to at least one named individual.

The interaction between a donor registration system and reporting significant control (at registration) should substantially increase the transparency of the system. We recognise that a donor registration system (with significant control

*controls on donations"*. But the legislation does not include a specific rule targeting the exploitation of this minimum threshold to avoid the regulation, so including one would be advisable.

disclosure) would still have risks, but they could be addressed by rules complementing the operation of the system. For example, there is a risk that after registration a corporate donor's information is not updated when circumstances change (e.g. change of control). To address this, we suggest that for non-individual donors, the donors' registration expires after a certain period – we propose five years to match the usual general election cycle. After five years, the corporate donor would need to renew its registration by updating its information (or confirming it remains the same). This could also be complemented by requiring donors to confirm that their circumstances have not materially changed since registration (or their last update) each time they donate, with appropriate sanctions for failures to update.

### 5.2.3 Close the foreign interference loophole

**Recommendation 3: The definition of 'permissible donor' should require that entities (non-individual donors) need to be under the control of a person who is registered in an electoral register.** This would ensure that individuals who are prohibited from donating directly cannot circumvent this prohibition by donating through a company or unincorporated entities.

If the regulation of political donations is built on the premise that only those who can influence politics with their vote should be able to influence politics with their money, then the rules for corporate donations must be consistent with this. Our data shows they currently are not.

The Bill's significant control test is an attempt to address this, but it has the problems we have highlighted of relying on the PSC register and the exemption for companies with no PSCs, all of which means that it does not close the loophole for the opaque corporate donors and does not address the risk posed by unincorporated entities.

The policy solution is simple when a company has one main shareholder. Their status in an electoral register would determine if the company can make a political donation. It is less straightforward, however, when a company (or other entity) has several significant shareholders (members).[56] In this case, there will be a trade-off between creating opportunities to circumvent the ban on foreign donations (i.e. if just one significant shareholder in an electoral register is enough to make the company eligible to donate) and being overly restrictive (e.g. all significant shareholders must be registered in an electoral register). As we argue that there is a strong case for banning corporate donations altogether (see Section 5.1), we think the regulator should err on the side of protecting the system from foreign interference. Eligible donors always have the opportunity to make direct donations, so concerns about restricting the rights of donors are limited. In practice, we suggest that, for companies that have multiple significant

[56] We refer to 'significant shareholders' as those that exceed the threshold to be reported as controllers of the companies (5% as recommended in Section 5.2.2).

shareholders, a large share (say 75%) should be held by significant shareholders that are registered in an electoral register.

If this rule proves too restrictive for an important source of donations (such as listed companies) it seems preferable to have targeted exemptions for that group (if it doesn't entail a risk of foreign interference) than to relax the general rule. This could mean introducing an exemption for companies listed on the London Stock Exchange even if less than 75% of shares are held by significant shareholders in an electoral register (but not if the largest ultimate individual shareholder is a foreign individual).

The effectiveness of this reform clearly depends on adopting a donor registration system (Section 5.2.1) and requiring disclosure of ultimate control of entities at the point of registration (Section 5.2.2). At registration the Electoral Commission would ensure that significant shareholders are registered in an electoral register (or at least enough of them to pass the – say – 75% shareholding).

**Recommendation 4: Introduce a requirement for donors to confirm source of donation, with penalties for false statements.** We recognise that, even with these reforms, a foreign individual could channel political donations through companies that meet the requirements to be registered as 'permissible donors' (including being controlled by individuals in an electoral register). This could be addressed by requiring donors to confirm that the source of the donation is not from an external party.[57]

Significant penalties should be attached to making a false statement, so that permissible donors are appropriately discouraged from acting as conduits for impermissible donors. There is already a provision in PPERA (section 54A) that requires declaration of the source of donations, and creates a criminal offence of making a false declaration. This provision, enacted in 2009, has never come into force as the statutory instrument to give it effect has not been introduced.

### 5.2.4 Equalising treatment of all non-individual donations (i.e. closing unincorporated associations loophole)

**Recommendation 5: Regulation of political donations should treat equally corporate donations and donations by unincorporated entities**, such as unincorporated associations, general partnerships, etc. Similarly, entities raising funds for political donations should be subject to the same registration and reporting requirements as political parties.

Although the focus of our empirical work has largely been corporate donations, most of the arguments for reform that we present also apply to unincorporated entities. Unincorporated entities currently pose a higher risk for transparency and

[57] The legislation must ensure that the definition of 'source of donations' is broad enough to cover cases where a foreign person 'buys' goods/services from a UK company at artificially inflated values to provide the funds for making a political donation. Some of the difficulties in making this effective explain why we recommend banning non-individual donations (Section 5.1), rather than merely restricting them.

foreign interference because they are not subject to any transparency regime (unlike companies, where some transparency is obtained by linking to the PSC register).

Failure to level the playing field between companies and other entities would be fatal for any reforms to corporate donations that seek to increase their transparency, as anyone caught by the new rules could simply shift their donations from companies to unincorporated entities.

Although our reform proposal would include any unincorporated legal entity, there are specific issues which apply to unincorporated associations (UAs), as their funding is usually from gifts and donations. Without specific rules tackling them, they could be used to aggregate anonymous donations and then donate them to a political party (which would be reported to the Electoral Commission), effectively blocking any transparency requirement at the level of the UA. In this regard, failure to level the playing field between UAs and political parties would undermine the regime's transparency.

The current treatment of UAs was introduced in 2009 to address this risk,[58] and requires UAs to register with the Electoral Commission if they make political donations of more than £37,270 in a calendar year.[59] Once this registration threshold is passed, UAs need to report quarterly to the Electoral Commission all the gifts they have received of more than £11,180 from the same donor (aggregated over the calendar year). Once a donor has surpassed the £11,180 threshold, UAs must report all further gifts from that donor in the same year that exceed £2,230.

There are two main reasons the current treatment is inadequate. First, the higher registration threshold means that anyone seeking to conceal their identity can donate up to £37,270 anonymously if they channel the donations through a UA.[60] The second concern is one of compliance, as there are reports that many UAs surpass the £37,270 but fail to register.[61]

A summary of the current available information on UAs highlights how unfit the current approach is. According to the Electoral Commission data, since 2015 UAs have donated almost £30 million to political parties in the UK. However, since 2013 UAs have reported only nine donations that they have received, with an aggregate value of £122,500.[62] This means that under the current approach we know the source of only 0.4% of the value of donations from UAs. We are unable to assess whether this is due to non-compliance or otherwise, but it clearly shows the

[58] PPERA, Schedule 19A.
[59] All donations of more than £500 are aggregated to assess whether the threshold has been exceeded.
[60] See for example, *There is a dangerous loophole in our political financing rules* (Garland, 2023, Electoral Reform Society).
[61] See *Shadowy groups that poured £500,000 into politics failed to register in 2023* (The Good Law Project, 2024)
[62] See Register of gifts to unincorporated association, available at https://www.electoralcommission.org.uk/political-registration-and-regulation/financial-reporting/donations-and-loans/view-donations-and-loans/registers-unincorporated-associations.

current regulations almost entirely fail to bring transparency to donations channelled through UAs.

We share the view that there is no strong argument for having a higher threshold for UAs, as this will only lead to UAs being used to undermine the level of transparency intended by the general threshold for disclosure (currently £11,180). On the compliance front, the proposed donor registration system should remove the challenges around aggregating donations for the purpose of enforcing the relevant thresholds.

Based on the above, our recommendations for unincorporated entities are the following:

- Level playing field with corporate donors: All unincorporated entities that wish to make a political donation should need to register under the donor registration system (see Section 5.2.1) and report their ultimate controllers (Section 5.2.2). The Electoral Commission would then conduct permissibility checks at the point of registration.
- Level playing field with political parties: If the source of funds to make political donations is, itself, from gifts (the current case of UAs) then the unincorporated entities should register with the Electoral Commission whenever its political donations exceed the general threshold applied by parties to report to the Electoral Commission (e.g. £11,180). Once the UA is registered with the Electoral Commission, it would have the same reporting requirements as a political party, although these should entail minimum compliance checks under our system of 'upstream compliance' based on a donor registration system.

The reform proposed here would cover trade unions that raise more than £11,180 for political donations, and this might affect the political feasibility of this recommendation. We do not take a view on whether trade unions should be treated differently from other non-individual donors. If politicians wished to take forward the principle of this reform, but are concerned about union donations, one option would be to have a very low *de minimis* level of gifts to unincorporated entities that would not be counted towards the general threshold. For example, if gifts of (say) £50 per contributor are ignored for the purposes of the threshold, then that could effectively disapply these rules for trade unions (assuming trade unions' members typically contribute less than £50).

### 5.2.5 Remove the tax subsidy for corporate donations

**Recommendation 6: Treat political donations made by companies as deemed distributions and tax them as dividend income in the hands of the controlling shareholder(s).** Regardless of whether companies should be allowed to make political donations, their right to make political donations is not (under the reforms proposed in the Bill) independent of their individual owners' registration in an electoral register. As such, there is no justification for them to be used as vehicles

for tax-advantaged giving. Currently, a company owner who donates via their company instead of out of their personal income effectively saves Income Tax on their donation. For example, for an additional rate taxpayer who would normally pay Income Tax at 39.35% on dividends, a corporate donation of £100 only 'costs' them just over £60 in foregone income. For most of the population the main source of income comes from employment, which means that the relative tax subsidy would be different, but similarly large.

Treating corporate political donations as deemed distributions would eliminate this advantage. The donation would still be made by the company, but for tax purposes it would be treated as if the company had first distributed the funds to its controlling shareholder(s) as a dividend, and the individual(s) had then made the donation personally.

The purpose of this recommendation is not to raise revenue but to prevent the tax system from amplifying the political voice of a specific group of taxpayers. Taking corporate donations of approximately £72 million over the last five tax years as our basis, this would raise (on a static basis) nearly £6 million annually if they were treated as deemed distributions.[63] This is negligible as a share of the government's revenue, but would be significant in the current regulatory environment: the net expenditure of the Electoral Commission in 2024/25 was around £40 million, so it is equivalent to a 15% increase in the regulator's annual budget. Given the increased enforcement activities that are likely to arise from the reforms currently under discussion, this revenue would be a welcome means of increasing the regulator's resources.

[63] Applying the current additional Income Tax rate to dividends (39.35%).

# 6. Conclusion

The regulatory framework for political donations in the UK was designed more than two decades ago based on the principles of transparency, banning foreign interference, and restricting political parties campaign expenditure to an overall national limit. Our research demonstrates that corporate donations represent a significant and systematic weakness in this framework. The problems are not theoretical: they are evidenced by data covering thousands of companies and hundreds of millions of pounds in donations.

Our analysis shows how the current fails to uphold both the principles of transparency and the ban on foreign donations in the presence of corporate donors. First, we find that around a quarter of corporate donors fail the transparency principle, as we cannot find the individuals that control them, and these opaque corporate donors account for a quarter of all corporate donations by value. On foreign interference, we find that almost one in every ten pounds donated by companies comes indirectly from individuals who (as far as we can infer) could not donate directly. The true extent of foreign interference is obscured by the large proportion of opaque corporate donors. We also show that the tax system provides an implicit subsidy for individuals who donate through their companies rather than from personal income, and we find evidence that company owners are sensitive to tax treatment in their choice of how to donate.

The Representation of the People Bill is a welcome opportunity to address these regulatory failures. The Bill correctly identifies the risks posed by corporate donations, but the solutions it proposes are insufficient to tackle them. The Bill's continued reliance on the PSC register to uphold transparency is misplaced: the register was not designed for this purpose, provides no coverage of unincorporated entities, and our empirical evidence shows that it fails to deliver transparency for around a quarter of all corporate donations by value. In addition, the 'significant control test' proposed in the Bill is vulnerable to circumvention because it effectively defers to the PSC register, and is likely to lead to significant non-compliance from ultimate donors who are trying to conceal their identity. Lastly, the 'available revenue' limit in the Bill can be inflated through artificial transactions and would require transfer-pricing-style scrutiny to enforce, for which the Electoral Commission lacks resources and expertise.

These enforcement challenges would apply to any regime that seeks to regulate corporate donations. After careful consideration of all the options, we conclude that even well-designed regulations of corporate donations will remain vulnerable to abuse and lack the transparency required to provide the public with confidence in the integrity of the political system. We therefore recommend that corporate donations should be banned altogether. There is international precedent for this approach, including from France and Canada. The Bill itself already recognises that companies do not have an independent right to donate beyond that of their individual owners: a company's right to donate is conditional on its owners being

registered in an electoral register. If those individuals can donate directly, it is unclear what would be lost by removing the corporate route.

If an outright ban lacks sufficient political support, we have set out a package of six reforms that would strengthen the system: a donor registration system, mandatory reporting of significant control directly to the Electoral Commission, restrictions linked to the eligibility of controlling individuals, a requirement for donors to confirm the source of their donation, equal treatment of all non-individual donations including unincorporated associations, and removal of the tax subsidy for corporate donations. These measures would bring the regulation of corporate donations more closely into line with the principles established in 1998. However, they would not eliminate the risks entirely, and they would require increasing the current capabilities of the Electoral Commission to enforce them.