

Amendments to the National Security Bill - Safeguarding the UK's Electoral System from Foreign Interference

In March, the House of Lords passed an amendment to the National Security Bill to require UK political parties to identify and manage the risks of donations from foreign powers.ⁱ The government voted against that amendment in the Commons despite strong cross-party support. On Wednesday 21 June, Peers will have the opportunity to once again support either the amendment or one tabled in lieu that retains the core aims of the original.ⁱⁱ

Vulnerabilities of UK political parties to interference by foreign powers through donations

1. **Donations from foreign powers are a significant threat to the UK's national security** and undermine the integrity and credibility of our democratic processes.
2. A report by the Intelligence and Security Committee in 2020 identified that members of the **Russian elite linked to Vladimir Putin had donated to UK political parties.**ⁱⁱⁱ
3. In January 2022, MI5 warned that an alleged **Chinese agent had sought to influence UK parliamentarians** on behalf of the Chinese Communist Party (CCP), having donated to Labour and the Liberal Democrats.^{iv}
4. In mid-April 2023, concerns were raised in Parliament about alleged links between the CCP and Conservative party fundraising. The Minister of State for Policing said **"all political parties need to be alert to the danger of representatives of hostile states seeking to infiltrate or influence their activities".**^v
5. **The Elections Act 2022 may have increased the risks of foreign influence over our politics**, by introducing measures allowing up to 3.5 million British nationals living overseas (and therefore potential new donors) to be added to the UK's electoral register.^{vi} UK law enforcement agencies can only investigate suspected foreign donations if other jurisdictions cooperate.
6. The **Government recognises the risk of foreign interference in the UK's democracy** and is taking steps to tackle it with the National Security Bill. The Home Office's impact assessment for the Bill emphasises that foreign interference is a direct attack on our sovereignty, national interest, institutions and values.^{vii} But the Bill will not prevent this attack unless political parties are required to play a part.

Safeguards to protect our electoral system from foreign money are insufficiently effective

7. The **rules that are supposed to prohibit foreign donations** – in the Political Parties, Elections and Referendums Act 2000 (PPERA) – are **riddled with loopholes.**^{viii} These enable foreign money to be channelled to political parties and MPs through lawful donors, like UK-registered businesses.
8. **PPERA only requires UK political parties to check the status of donors, but does not require them to have a risk-based approach to donations, including checks on the true source of funds.**^{ix} Whilst the UK's anti-money laundering (AML) framework has been progressively tightened over the last decade, the minimal checks that parties are required to undertake are a glaring anomaly.^x
9. **While it is an offence to facilitate a political contribution by an impermissible donor, this is incredibly difficult to enforce and requires evidence of a conspiracy.**
10. The Electoral Commission has referred eight cases to the Metropolitan Police in 2011-2021^{xi} but there have been no prosecutions under PERA; the police do not seemingly have the specialist knowledge of electoral law necessary to investigate politically sensitive matters. Consequently, **there is no credible deterrent against egregious breaches of the law, some of which attract only criminal penalties.**

Consensus among independent experts that parties should check the source of donations

11. In 2018 the **Electoral Commission** argued that risk management principles adapted from AML regulations undertaken by businesses **"could prevent foreign money being used in UK politics".**^{xii} In May 2022, the **Chair of the Electoral Commission** said that political parties should be under a duty to know where their

donations have come from as a safeguard from unlawful foreign money and to protect public confidence.^{xiii}

12. In their July 2021 report, *Regulating Election Finance*, the **Committee on Standards in Public Life** (CSPL) recommended parties have procedures to determine the true source of donations; develop a risk-based policy for managing donations, proportionate to the risk that they might not know the true source; and include a statement of risk management in their annual accounts setting out how risks were managed.^{xiv}
13. During a debate at the National Security Bill's Report stage on 1 March, where the House of Lords voted in favour of the amendment, one of the amendment's sponsors **Lord Evans** – Chair of the CSPL and former head of MI5 – said that we should take this *“modest step ... in the right direction”*.^{xv}
14. Lord Carlile's amendment was supported in the Commons by the **Conservative Chair of the Intelligence and Security Committee, Sir Julian Lewis**, who said that the need for political parties to do more to determine the source of donations is *“entirely appropriate”*, that the additional measures *“would not be over-onerous”*, and that overall the amendment was *“eminently reasonable”*.^{xvi}
15. The Government rejected CSPL's recommendation because it considered the current rules to be proportionate.^{xvii} The Government also rejected amendments to the Elections Bill that would have given effect to CSPL's recommendation above, on the basis that they felt the current rules to be adequate.^{xviii}
16. The government also said the amendment would impose huge administrative burdens on small, grassroots political campaigning. This is not the case. As the Chair of the Electoral Commission and CSPL have highlighted, a requirement to determine the true source of donations should be proportionate. It would by design not overburden smaller parties with limited resources.

Lord Carlile's amendments would help to address these vulnerabilities

17. **Section 16** of the National Security Bill **seeks to address foreign interference in elections**. It applies where a person commits a 'relevant electoral offence' and where the 'foreign power condition' is met.
18. However, **given the ongoing gaps in the PPERA itself and weaknesses in enforcement, this formula will not on its own address the risk of donations from foreign powers**, particularly where they are made indirectly or through covert and convoluted means. **Political parties must also play a role in tackling the risks of foreign influence**.
19. The **upcoming elections will be a crucial test** of how robustly our democracy can be defended against those who mean us harm. **Peers have an opportunity to tackle foreign influence** and help **safeguard our democracy by supporting either the original amendment, or the one in lieu**, when the Bill returns to the House of Lords on Wednesday 21 June.

ⁱ Spotlight on Corruption (2 March 2023) [A modest step in the right direction](#)

ⁱⁱ National Security Bill, amendment to be moved on Report

ⁱⁱⁱ Intelligence and Security Committee (21 July 2020) [Russia report](#)

^{iv} Guardian (13 January 2022) [MI5 accuses lawyer of trying to influence politicians on behalf of China](#)

^v Telegraph (19 April 2023) [Businessman linked to 'secret Chinese police station' hosted dinners for Conservative Party](#)

^{vi} House of Commons (31 January 2023) [Overseas voters](#)

^{vii} Home Office (28 April 2022) [Impact Assessment, National Security Bill: Counter state threat measures](#)

^{viii} Spotlight on Corruption (August 2020) [submission to the Committee on Standards in Public Life Consultation on Electoral Regulation](#)

^{ix} Spotlight on Corruption (August 2020) [submission to the Committee on Standards in Public Life Consultation on Electoral Regulation](#)

^x Spotlight on Corruption (December 2022) [‘know your donor’ rules for political parties](#)

^{xi} [Questions to the Mayor of London](#) (September 2021)

^{xii} Electoral Commission (2018) [Report: Digital campaigning - increasing transparency for voters](#)

^{xiii} Telegraph (31 May 2022) Loophole allowing foreign money to influence UK politics 'must be shut'

^{xiv} CSPL (July 2021) [Regulating Election Finance](#), p.58

^{xv} Debate on National Security Bill (1 March 2023) [Report stage](#)

^{xvi} Commons debate on National Security Bill (3 May 2023) [consideration of Lords Amendments](#)

^{xvii} [Government response to Regulating Election Finance](#) (September 2021)

^{xviii} [Elections Bill debate](#) (28 March 2022)