

Briefing: Prohibiting crypto donations to tackle dirty money and foreign interference threats to UK democracy

This briefing is to support [amendment NC4](#) to the Representation of the People Bill which prohibits political parties and candidates from accepting cryptocurrency donations, either directly or through a third-party payment processor.

These measures would bring the UK in line with countries such as [Ireland](#) and [Brazil](#) and [certain US states](#) who prohibit such donations.

The purpose of the prohibition is to prevent major risks that political donations made in cryptocurrency pose to the integrity of elections. These risks include:

- *the ease with which cryptocurrency could be used to facilitate impermissible donations*
- *the use of cryptocurrency by hostile states such as Russia to engage in electoral interference, and*
- *the high risks of illicit finance in cryptocurrency which could lead to donations that might originate from crime, including sanctions evasion.*

1. The risks and challenges of crypto donations

1.1 The inherently borderless nature of cryptocurrency transactions and the difficulties of tracing their origin, pose significant challenges for political parties and regulators trying to determine whether they are permissible under electoral law.

1.2. Bad actors looking to undermine UK democracy, or to get around the rules, can conceal or obfuscate the true source of their crypto donations through the use of tools such as secrecy coins, mixer accounts, 'smurfing', 'chain hopping', and coin-swapping services.

1.3 The UK's current regulatory framework around political finance is particularly vulnerable to '[smurfing](#)', where large transactions can be fragmented into small amounts through the use of multiple crypto wallets generated by AI. Given that political parties [do not need](#) to conduct permissibility checks on donations under £500, or report them to the Electoral Commission, smurfing and the increasing option of crypto political fundraising through crowdfunding platforms could result in thousands of untraceable, unreported, and unrecorded donations. These are risks that have been specifically acknowledged by the Electoral Commission and raised by MPs at the [Joint Committee on the National Security Strategy](#) and the [Foreign Affairs Committee](#).

1.5 For crypto donations that meet the £11,180 reporting threshold, there is a lack of clarity around how far back parties are obliged to go through the transaction chain to establish their source. And there is currently no obligation for political parties to disclose their crypto wallet addresses to the Electoral Commission or the public, meaning that real time monitoring of crypto donations is rarely possible.

1.6 The '[2026 Crypto Crime Report](#)' recently published by TRM Labs, found that criminal crypto activity rose sharply in 2025, totalling \$185bn (USD) in incoming value to illicit entities. Given the fact that cryptocurrency is [frequently used](#) to launder criminal assets, there is an additional risk that cryptocurrency donations could inject illicit funds into the UK's political finance. This risk is amplified by the lack of clarity under current electoral law as to whether donations (in whatever form) that derive from the proceeds of crime are actually prohibited.

1.7. Recent [donations scandals](#) in Spain and Czechia, which involve alleged criminal actors using cryptocurrency to funnel donations of potentially illegal origin to politicians, highlight how real these risks are.

2. The current situation with crypto donations in the UK

2.1 To date, only three UK political parties have indicated they will accept crypto donations: [Reform UK](#), [Homeland Party](#) and [the Other Party](#). Another party, [Advance UK](#) has suggested that it might also open a crypto wallet in future.

2.2. Only two parties have publicly acknowledged receiving donations in crypto currency to date. The Homeland Party, which has a public [wallet address](#), has received only minor donations. Reform UK [confirmed](#) that it has received “a couple” of crypto donations, but without providing any details on their value or source. As of February 2026, no crypto donations have been declared to the Electoral Commission.

2.3. Crypto donations to political parties are currently permissible in the UK and regulated in the same way as their fiat equivalents. The Electoral Commission has recently introduced updated guidance for political parties and candidates accepting crypto donations in the local elections. However, this [guidance](#) places the onus on political parties, candidates and their agents to spot suspicious signs in cryptocurrency transactions.

3. Why a prohibition is necessary

3.1 Cryptocurrency remains a niche form of finance in the UK - just 8% of the UK public own cryptocurrency in 2025 according to [polling](#) done for the Financial Conduct Authority - down from 12% the year before. 58% of those who own cryptocurrency are in the higher income bracket (earning over £100K), with many treating it as a speculative investment. Allowing political donations in crypto is therefore not a matter of fairness and there is currently very little discernible demand among ordinary members of the British public to contribute to political campaigns in crypto.

3.2 Regulation of cryptocurrency is in its infancy in the UK, and new regulations are not [due](#) to come into effect until October 2027. Political donations in cryptocurrency should not be allowed until at the very least there is an established and mature regulatory framework for cryptocurrency in the UK. This is particularly important given that the crypto industry is constantly evolving with a [trend](#) towards increased privacy likely to progressively place hurdles in the way of regulators and law enforcement seeking to trace the identities of crypto wallet holders.

3.3 Given the complexity and inherent risks of cryptocurrency, it is highly questionable whether it is proportionate for individual candidates and smaller parties to be required to check the true source of donations made in cryptocurrency, putting them at risk of breaching the rules on permissibility.

3.4 At the same time, the Electoral Commission does not have the necessary powers to regulate political donations in cryptocurrency effectively. Specifically, it does not have:

- sufficient information sharing powers - the [Representation of the People Bill](#) will allow it to share information with a wider list of institutions but does not ensure it can receive information back.
- powers to [compel evidence](#) from financial institutions and tech companies that it does not regulate to enable it to assess whether a breach has occurred.
- Powers to compel documents, information or explanations from individuals based overseas.

Furthermore, the Commission has [flagged](#) that the resources required to trace the true origins of crypto donations are “*very significant*” and that “*particularly abroad it is very hard to work out who is actually controlling or owning*” a crypto wallet.

3.5 Given the significant public investment that would be needed to ensure that crypto donations could be made in a manner that mitigates the risks, it is much safer for the UK to take a precautionary and preventative approach by prohibiting them. The Electoral Commission should review this ahead of each general election following public consultation.

3.6 Making sure crypto doesn’t creep into political finance through other means - a legitimate concern - can be addressed by beefing up the proposed new Know Your Donor rules and by including new provisions in the donor statement that their money has come from legal sources.

4. What does the amendment do?

4.1 Amendment NC4 would prohibit political parties and candidates (and their elections agents) from accepting donations in cryptocurrency either directly or through a third-party payment processor.

4.2 Using the Bill to implement a prohibition would ensure that cryptocurrency donations can only be made in the future, once there is a mature regulatory regime for cryptocurrency in the UK, the Electoral Commission has the right powers and resources to regulate it, and Parliament considers that these mitigate the risks that cryptocurrency donations may otherwise pose to electoral integrity.

Amendment NC4 text, as tabled by Liam Byrne MP

To move the following Clause—

“Donations in cryptoassets to political parties and candidates

(1) PPERA 2000 is amended as set out in subsection (2).

(2) In Section 55 (payments etc. which are (or are not) to be treated as donations by permissible donors), at end insert—

“(7) Any donation received by a registered party which is—

(a) made wholly or in part with cryptoassets; or

(b) accepted by means of a custodian wallet provider or cryptoasset exchange provider, shall be regarded as a donation received by the party from a person who is not a permissible donor.

(8) Within three months of the coming into force of this section, the Electoral Commission must publish guidance in relation to the matters in subsection (7).

(9) In this section—

“Cryptoassets” has the meaning given by Regulation 14A(3)(a) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017; “Custodian wallet provider” has the meaning given by Section 131ZC (3) of the Proceeds of Crime Act 2002; “Cryptoasset exchange provider” has the meaning given by Section 131ZC (3) of the Proceeds of Crime Act 2002.”

(3) RPA 1983 is amended as set out in subsection (4).

(4) In Schedule 2A, Section 6 (prohibition on accepting donations from impermissible donors), after subparagraph (3), insert—

“(3A) Any relevant donation received by a candidate or their election agent which is—

(a) made wholly or in part with cryptoassets; or

(b) accepted by means of a custodian wallet provider or cryptoasset exchange provider,

shall be regarded as a donation received by a candidate or their election agent who is not a permissible donor.

(3B) Within three months of the coming into force of this section, the Commission must publish guidance in relation to the matters in subsection (3A).

(3C) In this section—

“Cryptoassets” has the meaning given by Regulation 14A(3)(a) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017; “Custodian wallet provider” has the meaning given by Section 131ZC (3) of the Proceeds of Crime Act 2002; “Cryptoasset exchange provider” has the meaning given by Section 131ZC (3) of the Proceeds of Crime Act 2002.”

Member's explanatory statement

The purpose of this new clause is to prevent parties and candidates from accepting donations in cryptoassets, to reduce the risks of anonymous and impermissible donations.